

# RAC Board of Directors Meeting - Fall 2023

October 18, 2023 11:00 AM - 12:30 PM Eastern Time  
(US and Canada)



Agenda Topic	Presenter	Time	Page
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Approval Required			

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## **Competition Law Compliance Policy**

### **STATEMENT**

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 strict compliance with all **competition laws**, provides guidance to its committees and its employees on how to comply with these laws, and promotes with them the importance and value to the RAC of complying with them.

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

### **COMPETITION LAW**

**Competition laws** are designed to maintain and encourage competition in the marketplace. 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 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.

### **PROHIBITED ACTIVITIES**

Due to the presence of multiple competing entities in RAC, any activity, including discussions or agreements that relate, directly or indirectly, to the following "**Prohibited Topics**" are strictly 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 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, when meeting, members of a RAC committee or of the Board of Directors 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 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**.

Updated May 3, 2021



**BOARD OF DIRECTORS MEETING – 2023-01  
WEDNESDAY, May 10, 2023**

**IN-PERSON & VIRTUAL**

**MINUTES**

**To be adopted on October 18, 2023**

**Board Members Present**

Jeff Ellis, CPKC, Chair (virtual)	Gerald Linden, SRY (in person)
Steve Levene, Metrolinx (virtual)	Brian Cornick, Cando Rail & Terminals (virtual)
Nathan Cato, CPKC (in person)	Chad Evans, ONR (in person)
Olivier Chouc, CN (virtual)	Michael Brankley, VIA Rail (in person)
Janet Drysdale, CN (in person)	Rick McLellan, Genesee & Wyoming (in person)

**Present in Person**

Marc Brazeau, RAC  
Johanne Delaney, RAC  
Caroline Healey, RAC  
Sandra Kazaka, RAC  
Brianna Bowman, RAC

**Absent**

Phil Verster, Metrolinx

**Also Present for Committee Reports**

Matt McLaren, CN	Michael Barfoot, RAC
Chris Day, RAC	Kevin Mason, RAC
Sarah Mayes, OL	Jean-François Boudreau, CN
Maxime Goyette, Genesee & Wyoming	

**1. WELCOME AND CALL TO ORDER**

The meeting of the Board of Directors of the Railway Association of Canada held on Wednesday, May 10, 2023, in Ottawa, Ontario in person and by teleconference, was called to order at 10:00am to deal with the agenda items contained in the RAC Board Briefing book.

Jeff Ellis chaired the meeting with Caroline Healey 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 2023-01: Minutes of the February 9, 2023, Biannual Board of Directors meeting**

It is moved by Janet Drysdale and seconded by Rick McLellan, that the minutes of the Board of Directors meeting held in Ottawa Ontario, on Thursday, February 9, 2023, are to be taken as read and approved.

## 3. GOVERNANCE

### 3.1 Election of a new Chair and Vice-Chair

#### **Resolution 2023-02: Election of a new Vice-Chair**

Whereas the Vice-Chair position of the Board of Directors has been vacant since October 2022 and taking into consideration that Janet Drysdale, CN has indicated her interest in becoming Vice-Chair of the RAC Board of Directors; It was moved by Nathan Cato and seconded by Olivier Chouc, to elect Janet Drysdale, as Vice-Chair of the RAC Board of Directors.

### 3.2 Proposed RAC Directors for AGM Election

#### **Resolution 2023-03: Election of Directors**

Taking into consideration that the mandates, as Directors, of. Olivier Chouc, Phil Verster, Nathan Cato, and Rick McLellan, will expire in May 2023; It was moved by Brian Cornick and seconded by Janet Drysdale to recommend to RAC Members that Olivier Chouc, Phil Verster, Nathan Cato, and Rick McLellan, be elected for a two-year term, to expire in May 2025, with the effect that the new Board would be as follows:

<b>EXISTING DIRECTORS</b>	<b>END OF TERM</b>
Olivier Chouc, CN	May 2025
Phil Verster, Metrolinx	May 2025
Nathan Cato, CPKC	May 2025
Rick McLellan, GWRR	May 2025
Jeff Ellis, CPKC	May 2024
Janet Drysdale, CN	May 2024
Brian Cornick, Cando Rail & Terminals Ltd.	May 2024
Chad Evans, ONR	May 2024
Gerald Linden, SRY	May 2024



### 3.3 Election of Officers

#### **Resolution 2023-04: Election of Officers**

It is moved by Gerald Linden and seconded by Olivier Chouc, that the proposed election of officers be adopted as: Jeff Ellis, Chair, Janet Drysdale, Vice-Chair, Marc Brazeau, President & CEO, Caroline Healey, Secretary and Sandra Kazaka, Treasurer.

## 4. COMMITTEE REPORTS

### 4.1 SOMC COMMITTEE

Matt McLaren, Chair of SOMC, reported on the committee meeting that took place on May 9, 2023, in a hybrid format.

Presentations and discussions on several ongoing operations & regulatory actions and initiatives took place, and updates from the RAC Enhanced Train Control (ETC) working group were provided. Guest speakers were from Transport Canada Rail Safety, the Transport Canada Innovation Centre, and the Transportation Safety Board.

Key updates since the October Board of Directors meeting:

#### **TC Director General of Rail Safety**

Stephen Scott, TC's Director of Rail Safety, informed the Committee of 3 rail safety priorities:

1. Enhanced Train Control (ETC)
  - ETC and TC will be reaching out to RAC shortly to begin discussions on a regulatory regime and timeline. TC plans to publish final regulations in 2025 which would require ETC implementation from 2025-2030.
2. Safety Management System SMS regulatory review – Effectiveness
  - Regarding the regulatory review of Safety Management Systems, TC is reviewing industry comments submitted in 2022 and is planning to table recommendations for possible adjustments to current regulations, or other next steps, in a few months.
3. Wayside detectors.
  - Regarding wayside detectors, TC is watching the legislative and regulatory activities in the US in the aftermath of the East Palestine derailment and is reviewing differences between the US and Canadian regulatory environment. TC will reach out to RAC when they're ready to collaborate with the industry.



### **TSB Director of Rail Investigations Vince De Angelis, Presented to the Committee:**

Since Locomotive Voice and Video Recorder Regulations (LVVR) came into force on September 2<sup>nd</sup>, it's proven useful in supporting rail investigations. TSB and the industry have overall been very positive, and we all have learned a lot since inception.

- They are striving to improve collaboration and transparency around sharing rail safety letters with impacted stakeholders.
- They are also conducting their annual reassessment of open rail safety recommendations, noting there are currently 13 active recommendations and 58 that have been closed.
- TSB shared preliminary 2022 rail occurrence statistics, which RAC will be reviewing for any opportunities for data improvements.

### **RAC-Industry ETC Project Update**

- Continuing to work with the regulatory regime.
- Focus is on securing Public Safety Broadband Network spectrum – which is crucial for ETC.
- Standards for interoperability of trains throughout North America; and risk-based principles for determining rail corridors that will require ETC.
- TC - Industry working group that is assessing the **viability of APB technology** is overseeing APB testing and reviews being conducted by the National Research Council (NRC) and the U.S. D.O.T. Volpe Center. Results will drive the next steps and are pending. TC has indicated that APB implementation is likely to become mandatory in Canada, in response to a TSB recommendation.
- We are collaborating with the TSB to improve the accuracy of industry safety data published by the TSB, which, in part, drives the TSB Watchlist items. We were successful in receiving approval from the TSB Board Members for a new incident category for reported fires on or adjacent to rights of way. Historical data has been adjusted. ***The freight accident rate, measured in accidents per billion gross ton miles, decreased by 16% over the past ten years. Following the recent change to the fire categories, the accident rate has decreased further to approximately 27%.***
- SOMC passed motions in favor of establishing 2 committees that will report to SOMC
  1. Cyber-security Committee
  2. Safety & Environment Awards Committee

### **Key Regulatory Updates:**

- Revised **Grade Crossing Regulations** relating to upgrades to high-risk public crossings came into force in November 2022. Upgrades for lower-risk public crossings and private crossings are required by November 2024. RAC is engaged with Transport Canada to determine options, such as providing increased federal funding to railways, for ensuring that major upgrade projects for private crossings are completed by the November 2024 deadline.
- New **Duty and Rest Period Rules** for federally regulated freight railway companies and their employees come into force on May 25, 2023.



- RAC has amended the ***Railway Freight and Passenger Train Brake Inspection and Safety Rules (TBR)*** in response to Phase 1 of a Ministerial Order published last summer. A further amendment will be filed with the Minister by May 31 in response to Phase 2.
  - Key changes include requiring 100% operative brakes when departing a safety inspection location, which railways already strive to achieve. Certain exceptions can apply to mitigate undue operational burden.
  - Subject to TC approval, railways will be required to use a wheel temperature detector program to monitor braking effectiveness when operating heavy unit trains on descending mountain grades in cold climates.
- TC is proposing to modernize the ***Railway Employee Qualification Standards Regulations (REQ)*** which have not been updated since their inception in 1987. RAC is consulting with TC and supports updating these outdated regulations to align with the railways' current, modern training and qualification programs.

#### **4.2 PAC COMMITTEE**

Kevin Mason, RAC's Director, Policy, Advocacy and External Relations, reported on the committee meeting that took place on May 9, 2023, in a hybrid format.

RAC staff updated the committee on key priorities like interswitching, replacement workers, cybersecurity, shortline and passenger support, grain in the rain, and others.

Status reports were also shared on important work by PAC sub-committees. For example, there was some great work done by the Environment sub-committee on the Pathways Initiative and Clean Fuels.

The RAC has been very active since the last board meeting, ramping up its advocacy efforts. The RAC is on pace to quadruple its meeting output in 2023 compared to 2022. There have been over 1000 unique touchpoints with policymakers since January. PAC heard clearly how the RAC is using facts and evidence to tell rail's story (e.g., CPCS freight rate study, CTRF supply chains paper, Rail Trends report).

Amid a tense but stable political environment, Budget 2023 was tabled on March 28. The Budget included several items that matter to members from an extended interswitching pilot to the Supply Chain Office to a share buyback tax and environmental incentives.

Two policy catalysts to expect in the coming months are the government's long-term transportation roadmap and its supply chain strategy.

Key federal legislation before Parliament:

- Bill C-13 (Official Languages) – Report Stage (House)
- Bill C-26 (Cyber Security) – Committee Stage (House)
- Bill C-27 (Privacy Protection) – Committee Stage (House)
- Bill C-33 (Railway Safety & Port Changes) – Second Reading (House)
- Bill C-47 (Budget Implementation Act) – Committee Stage (House)



- Bill S-6 (Regulatory Modernization) – Second Reading (House)

Several parliamentary committees released reports since October. Most contained both favourable and unfavourable recommendations. PAC discussed how RAC will highlight favourable recommendations where practicable to advance key priorities. In its November 2022 report on labour shortages, the House Transport Committee recommended reduced regulatory hurdles, increased shortline support, and making the NTCF program permanent.

Extended interswitching has been a major advocacy priority since the Supply Chain Task Force made its recommendation in the Fall.

There have been several meetings with policymakers on this file across departments, political parties, and provincial governments spanning the nation.

Policy briefs have been shared with four committees, detailed letters have been sent to ministers and deputies, and the RAC is executing a short and medium-term advocacy plan.

There is close alignment on this issue between RAC departments, especially communications and advocacy. This integration is yielding results. For example, the Finance Ministry (and others) relayed to the RAC that it is reaching the right decision-makers on interswitching. The RAC will continue its push to amend Bill C-47 to either remove the interswitching provisions or mitigate their impacts to the extent possible.

On replacement workers, the RAC has submitted a brief to key decision-makers and raised the issue in various government meetings as well as transportation roundtables. The RAC is working with other organizations, like FETCO and the Chamber of Commerce, to maximize advocacy efforts to ensure railway operations are protected in a potential replacement worker ban.

Grain in the rain is another issue where there are allies and the RAC is working with them to urge the government to find a resolution. There is a desire to solve the longstanding issue among policymakers in Ottawa.

PAC heard about the various ways the RAC continues to advocate on behalf of shortlines and passenger rail. In an April 2023 submission to the House Industry Committee, for instance, the RAC specifically highlighted the contributions of members like CPKC, CN, VIA, Metrolinx, SRY, and QNS&L to the circular economy.

Recent federal and provincial pre-budget submissions requested stable and sustainable funding for shortlines and passenger railways.

The RAC has underlined these requests in meetings with officials and other briefs. In every meeting with provincial representatives, the RAC spotlights member profiles.

There were several wins for railways in provincial budgets last quarter. These include record transit funding envelopes, dedicated funding to some member railways, member mentions, and crossing upgrade funding, among others. PAC heard that the RAC instituted a new, succinct budget summary process.



Quebec and Manitoba were positive regions for engagement last quarter. The upcoming advocacy focus will be on Ontario and Western Canada.

Other ongoing efforts:

- Finalize ETC advocacy materials and further advance discussions with key government officials (goal: secure access to the Public Safety Broadband Network).
- Promote member/associate funding applications (RSIP, NTCF, etc.)
- Raise awareness of specific member issues.

PAC understands that the federal government has signaled an openness to increasing capital incentives. The RAC will seek to convert this openness to results for railways.

Regular engagement with Transport Canada continues, supported by member feedback. The RAC and PAC remain accessible and engaged across current and emerging issues.

Board of Directors requested that RAC create a heat map evaluating all the shipper association activities in Ottawa.

#### **4.3 COMMUNICATIONS REPORT**

**Paid campaigns** included a CPCS/freight rates campaign and a supply chain campaign which delivered more than 1.2 million impressions combined. The freight rates campaign ran through February and focused on the value offered by Canadian railways and delivered click-through rates well above the expected benchmarks, demonstrating resonance with the target audiences.

The supply chain campaign ran from February 27 to April 7 and relied on very focused geo-targeting for digital ads based on a tightly focused series of key decision-makers in and around Ottawa/the National Capital Region and riding-level ads in the media of record for TRAN committee members (over Parliamentary break weeks).

**Earned media** activities included placed op-eds by Marc Brazeau and other rail advocates, news releases on milestone reports, railways' support for Ukraine, and reaction to the federal budget. These activities generated significant media interest, created opportunities for stakeholder feedback, and produced spikes in web traffic.

In terms of **shared media**, conference participation (like the Canadian Federation of Agriculture AGM) and other activities created opportunities that got RAC messaging on new channels and in front of key audiences.

RAC continues to work with members to tell their stories across all platforms. Increasingly, the RAC wants to make Canadian railroaders the faces of advocacy work. Remind decision-and policy-makers that their actions have real impacts on tens of thousands of rail families (and tens of thousands more in related industries) in communities across Canada. This is particularly important in Liberal and NDP-held ridings federally, and those that could swing to other parties in any future election. We will work with campaign partners to infuse real rail stories into campaigns.



Discussion ensued on RAC's current advocacy and communications strategies (facts and evidence) on some key files including interswitching and proposed changes to the Canada labour code. Janet Drysdale (CN) suggested RAC may want to pivot to a "charm offensive", due to current events in Canada and the US.

#### **4.4 OPERATION LIFESAVER**

Sarah Mayes, National Director of OL, reported on OL's activities.

OL's 3-year contribution agreement with TC expired on March 31, 2023. The call for proposals still hasn't been sent out, although OL's proposal is ready for submission. In the meantime, OL will not be able to sign contracts or run campaigns.

New Google Maps rail crossing alert feature launched on April 18 with a press release, blog, and social media posts. OL and RAC verified the locations of 21,500 public grade crossings in the Canadian Rail Atlas. OL will follow up with Apple again to attempt to get iMaps to develop a similar feature.

Winter Driving & Recreation campaigns ran from December 4-29, 2022 and January 23 to February 13, 2023 with a target of youth (ages 16-30) and adults (ages 30-65). It was promoted on Meta (Facebook), Google, AdWords, and TikTok and generated 6 million impressions, 2.5 million video views and 280,000 clicks to OL website.

Today is Better launched two new videos in January and was promoted on Meta, Google, AdWords and TikTok for the three weeks in January and February. That generated 500,000 video views, 4.2 million impressions and 40,000 clicks to TodayIsBetter.ca.

Rail Safety Week runs from September 18 to 24, 2023. Producing 3 new videos for STOPTrackTragedies for Rail Safety Week. The stories will involve a 2018 train-hopping incident in Toronto, a 2010 trespassing incident involving teens spraying graffiti under Montreal's Turcot Interchange and a potential story about a biking crossing incident.

OL is reaching out to shortlines, Class 1s, and municipalities from coast to coast to engage them in the 2023 community safety partnership program. The target is 18+ communities, three of which are Indigenous. OL is aiming to order decals/signage by end of May. Metrolinx will pay for decals/signage in their geographical area if the RSIP funding hasn't been received yet.

OL has refreshed stocks of Thomas & Friends books. Will be working with Mattel to potentially coordinate Toys 'R Us reading events across Canada again.

Nomination packages for the 2022 Roger Cyr Awards have been circulated to the OL Board and PAC.

### **5. TREASURER'S REPORT**

#### **5.1 FINANCE & AUDIT COMMITTEE REPORT**

Jean-François Boudreau, CN, Chair of the Finance and Audit Committee, made a summary of the items discussed at the recent Finance and Audit Committee meeting held on April 27, 2023. Jean-François is retiring from the committee, and this will be his last report. Maxime Goyette will take his place as Chair of the Committee.





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, 2022. There were no issues of concern resulting in a clean audit. At the end of 2022, Net asset were at \$4,046,570.

There is one pending item that impacts finalizing Operation Lifesaver's (OL) audited financial statements and relates to the status of funding (note 6) as OL's funding agreement with Transport Canada (TC) under the Rail Safety Improvement Program (RSIP-Awareness & Education Funding) ended March 31, 2023. TC was expected to open the application process in Spring 2023.

The Finance and Audit Committee reviewed these statements and has recommended their acceptance by the Board of Directors. Acceptance of Operation Lifesaver audited financial statements is conditional on finalization of note 6 "Transport Canada funding" with the applicable dates. Any substantive change to this note will be revisited by the Finance & Audit Committee.

<b>RESOLUTION 2023- 05: RAC Audit Report and Financial Statements</b>
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<p>It was moved by Janet Drysdale and seconded by Brian Cornick, that, as recommended by the Finance and Audit Committee, both the Audit Report and the audited Financial Statements for <b>RAC</b> for 2022 be and are hereby approved and accepted by the Directors.</p>
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<b>RESOLUTION 2023-06: Financial Statements for Operation Lifesaver</b>
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<p>It was moved by Janet Drysdale and seconded by Brian Cornick, that, as recommended by the Finance and Audit Committee, the audited Financial Statements for Operation Lifesaver Canada for 2022 be and are hereby approved and accepted by the Directors, conditional on finalization of note 6 "Transport Canada funding" with the applicable dates.</p>
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The Committee reviewed RAC's Risk Assessment model, showing elements of likelihood and impact on RAC operations. Statement 9 (Health category) - "Temporary absences of staff due to pandemic" risk statement has decreased from "high" to "medium" risk ranking. A new statement (#14 - General category) "Liberal-NDP Supply and Confidence Agreement pushing government agenda further left. Potential for new regulations that could be economically damaging" has been added and is ranked as "high".

The committee commented the Net Asset position, based on policy, may not be sustainable in 2026 on the current trajectory, and will be looked at in detail at the fall committee meeting upon presentation of the 3-year financial outlook.

The next committee meeting is scheduled for September 28, 2023.





## 5.2 **FINANCIAL UPDATE**

As at the end of March 2023, the organization is within its budget with a positive budget variance of approximately \$28,000. Receivables are closely monitored. All government remittances are current.

## 5.3 **OL RESOLUTION**

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.

<b>Resolution 2023-07: Resolution in Lieu of Operation Lifesaver Canada 2023 AGM</b>
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It was moved by Jeff Ellis and seconded by Janet Drysdale to accept the following resolution in lieu of Operation Lifesaver Canada 2023 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.
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## 6. **PRESIDENT'S REPORT**

### 6.1 **BUSINESS PLAN UPDATE**

Marc Brazeau reported on the latest top priorities and key files.

The RAC hired Robert Taylor and Fiona Murray as consultants to support the advocacy file and transfer knowledge to the government relations team and has increased resources and support for advocacy and communications.

The RAC has had significant wins such as new requirements for shippers to provide data to TC and the RAC will build on that.

The RAC has an opportunity for more provincial outreach for proximity guidelines.

The RAC's short-medium term focus are:

- Push back against interswitching provisions in C-47 (BIA)
- Ongoing meetings with key government officials to state the facts on interswitching, freight rates, railway reliability/resiliency within the supply chain
- Improve Bill C-26 and C-33 through submissions and meetings
- Prevent and mitigate ban on replacement workers through strategic coalitions
- Maintain regular engagement with Transport Canada on ongoing regulatory working groups and industry asks

### 6.2 **RAC HR UPDATE**

This agenda item was not discussed during the meeting. The information is contained in briefing documents.



## 7. UPCOMING MEETINGS

### PROPOSED 2023-2024 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 2023 Board of Directors Meeting

TIME: 11:00 – 12:30 PM (EST)  
DATE: Wednesday, October 18, 2023

PROPOSED LOCATION: Teleconference

#### Annual Board Call will be as follows:

TIME: 11:00-12:00 PM (EST)  
DATE: Thursday, February 8, 2024

PROPOSED LOCATION: Teleconference

#### Spring 2024 Board of Directors and Annual General Members Meetings:

TIME: TBD  
DATE: Wednesday, May 9, 2024

PROPOSED LOCATION: Ottawa – Venue TBD

#### **Resolution 2024: Upcoming Meetings**

It is moved by Jeff Ellis and seconded by Nathan Cato that the dates for the Fall 2023 Board Meeting, the annual Board Call 2024, Spring 2024 Board Meeting and AGM, proposed above be adopted.

## 8. IN-CAMERA

In-camera session proceeded as usual.

## 9. ADJOURNMENT

#### **Resolution 2022-11 – Adjournment**

There being no further business, it was moved by Olivier Chouc and seconded by Rick McLellan that the meeting be adjourned.



The CHAIR thanked the members for their participation and declared the meeting adjourned at 11:35 AM EST.

Board Action Items	BY WHOM	BY WHEN
1. Meeting minutes	JD	May 2023
2. Annual updates of the CPCS study	Kevin & team	Ongoing
3. Poll Board members for May 2024 meeting date	JD	May 2023
<p>4. Operation Lifesaver Canada (OL) 2022 Audited Financial Statements – Finalize note 6 “Transport Canada Funding”</p> <p><i>*Transport Canada has extended OL’s funding agreement by one year. This is a “bridge” to provide OL with the normal annual level of funding (\$600k) for a one-year period (April 1, 2023 to March 31, 2024) to support OL until the RSIP program opens for the next call for proposals which is expected in Summer/Fall 2023.</i></p> <p><i>At that time OL would apply for the next 3-year period of funding commencing April 1, 2024.</i></p> <p><i>Note 6 of the audited financial statements has been updated to reflect the one-year extension. As PWC needs to look forward 12 months from a “going concern” perspective, they have added Liquidity risk disclosure under Note 7. The OL financial statements will reflect a “clean audit opinion” by PWC.</i></p>	Sandra Kazaka	June 2023
5. Heat Map – Shipper Associations in Ottawa	Kevin & Team	Ongoing



Board of Directors Meeting – October 18, 2023

**2.1 APPROVAL – MINUTES OF PREVIOUS BOARD MEETING**

<b>Resolution 2023: Minutes – May 10, 2023 Board Meeting</b>
It is moved by _____ and seconded by _____ that the Minutes of the Board of Directors meeting held on Wednesday, May 10, 2023 be taken as read and approved



Board of Director Meeting – October 18, 2023

### 3.1 **APPOINTMENT OF RAC BOARD DIRECTOR**

<b>Resolution 2023: Appointment RAC Board Member</b>
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<p>Whereas Martin R Landry, appointed to the RAC Board of Directors on October 19, 2022 for a remaining term expiring May 2023, offered his resignation, and taking into consideration that Mario Pélouin, VIA Rail Canada, has shown interest as a Director of the RAC Board; It was moved by _____ and seconded by _____ to accept Martin R Landry's resignation and to fill this vacancy by appointing Mario Pélouin, as member of the RAC Board of Directors, to hold office for the term expiring May 2025.</p>
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# SOMC (Safety & Operations Management Committee) Highlights

- **RAC Highlights:**
  - Enhanced Train Control (ETC)
  - Automated Parking Brakes (APB)
  - Cybersecurity Committee – seeking railway representatives
- **Transport Canada Rail Safety Highlights:**
  - Wayside Inspection Systems: engaged with FRA; research initiative with CaRRL
  - Rulemaking Process Improvement
- **Transportation Safety Board of Canada (TSB) Highlights:**
  - Decreasing trend in Uncontrolled Movements occurrences
  - Increase in trespassing accidents and resultant fatalities
  - Increase in incidents of movements exceeding limits of authority





Board of Director Meeting – October 18, 2023

#### **4.1 SAFETY AND OPERATIONS MANAGEMENT COMMITTEE (SOMC) UPDATE**

The Committee met on October 18, 2023.

##### **1. REGULATORY UPDATE**

###### **TC / Industry Working Group on Automated Parking Brakes**

- Transport Canada and the railway industry have established a working group to assess the readiness, effectiveness and safety implications of automatic parking brakes, especially in the context of cold weather operations. This is in response to TSB recommendation R22-02 from investigation report R19C0015 which states, “that the Department of Transport require Canadian freight railways to develop and implement a schedule for the installation of automatic parking brakes on freight cars, prioritizing the retrofit of cars used in bulk commodity unit trains in mountain grade territory.”
- TC commissioned the National Research Council (NRC) to conduct brake force testing of the Wabtec APB prototype in a cold climate laboratory environment. The NRC's provided a report in which the lab results show that APB provides securement as generally intended but it reduces the brake force on full service and emergency applications by 20-40% in many test runs. The NRC did not investigate the reasons for this and the prototype is being returned to Wabtec for further analysis.
- CN Railway also equipped four Wabtec prototypes on coal cars operating in captive service for the purpose of seeing how the APBs would hold up under real world conditions. CN was not using the APBs for securement. Upon learning of the brake force reductions described above, CN removed the prototypes from service.
- TC also commissioned the U.S. DOT Volpe Center to perform an independent review and analysis of APB readiness and operational, safety, regulatory and cost considerations relating to implementation of the technology on freight cars operating in Canada. The Volpe report was received in August, 2023.
- The APB Working Group met September 28, 2023 to discuss the Volpe report. Further discussions between industry, TC and TSB will ensue to determine next steps.

###### **Railway Employee Qualification Standards Regulations (REQSR)**

- TC proposed in 2022 on its Let's Talk Website an approach to updating the REQSR, which have not been updated since its inception in 1987.
- The TSB has highlighted insufficient railway employee training in at least one recommendation.



- The RAC submitted comments to TC on the proposed approach in January 2022.
- TC intends to publish proposed modernized REQSR in the Canada Gazette Part 1 by end of Spring, 2024 and are currently working on policy direction based on industry consultations that occurred throughout 2023.
- Railways also submitted responses to a TC questionnaire in August 2023 that will be used to inform TC's cost/benefit analysis for the Regulatory Impact Analysis Statement (RIAS).

#### **Ministry of Transportation (MTO), Ontario, Safety Framework for Urban and Regional Rail Transit**

- The MTO reached out to RAC advising that they are reviewing the Ontario safety oversight framework of the MTO as it relates to urban and regional passenger rail transit within the province.
- The scope includes review and analysis of subways, regional/commuter rail, light rail transit and streetcars currently operating within the province or are in planning or construction phases.
- The MTO has identified a need to update the safety oversight framework to better support the province's growing rail network and diversity of operators. The new framework may include updated legislation and the creation of a regulator to oversee and support safety practices across the sector.
- Ernst & Young LLP ("EY") has been engaged by the MTO as a third-party consultant providing strategic advice on creating a rail safety framework that considers the safe design, construction, operation and maintenance of urban and regional rail in Ontario.
- EY has engaged RAC and appropriate railways in consultations.

#### **Rail Data Working Group (RDWG)**

- The TSB has approved new categories for uncontrolled movements, a Watchlist item, which will result in more accurate data and ability to trend and apply appropriate mitigations. Now differentiating vandalism, third-party handling, weather, loss of control, switching, securement and equipment failure. Historical RODS data has been recategorized accordingly.
- RAC has proposed categories to the TSB for Following Signal Indications occurrences, also a Watchlist item. Current TSB data on this item includes not only stop signal violations but also exceedences to limits of authorities and other violations which RAC feels are outside the scope of the Watchlist. We feel this item should only be capturing occurrences reported under 5(1)(g) of the TSB regulations and should be categorized as stop board violations either when performing switching/doubling/entering main track (with two employees in the cab); or, when proceeding and following signal progressions (i.e. not a work authority).
- Also consulting with TSB on reporting guidelines which are being updated to include the new Fires reporting requirements and incident category, as well as addressing other items that have been noted since the current 2018 version was published.





### **Crew Resource Management (CRM) Guidelines**

- TC published CRM Guidelines to address TSB Recommendation R22-05 of R19W0002 and plans to include CRM requirement(s) within the upcoming modernized REQ regulations.
- The Guidelines state:
  - The department committed to developing and publishing this guidance as an interim measure before the amendments to the Railway Employee Qualification Standards Regulations are completed. CRM incorporates practices that focus on communication, situational awareness, decision-making and leadership skills in environments where human error can impact safety. The document draws upon the CRM training principles that were pioneered by the aviation industry, in addition to rail.
  - This document is designed to provide additional information and guidance that will assist railways in addressing CRM as part of the development and implementation of initial and refresher training programs.

### **Review of Railway Safety Management Systems Regulations**

- TC emailed railway stakeholders August 25, 2022 that it was commencing a review of the SMS Regulations, having launched a public consultation ending September 25, 2022.
- TC published on the Let's Talk website a "what we heard" report. Pre-consultation is expected to continue into 2024 with a possible CGI publication, if required, late 2024.
- Various factors motivated the review of the Railway Safety Management System Regulations, 2015, such as:
  - The 2018 Rail Safety Act Review that recommended that TC continue to build capacity to assess the effectiveness of a railway company's SMS.
  - TSB investigation reports and recommendations that flagged a need to ensure the adequacy of company safety management systems (e.g., investigation reports R13D0054 and R19C0015, TSB Recommendation R14-05).
  - The addition of safety management to the TSB watchlist in 2018
  - The 2021 OAG report Follow-up Audit on Rail Safety which recommends that TC "regularly assess the effectiveness of railway companies' safety management system processes".
  - The June 2022 report from the House of Commons Standing Committee on Transport, Infrastructure and Communities recommending that TC conduct "a comprehensive review of Safety Management Systems in the rail sector".
- TC is looking to build on lessons learned from the first years of SMS implementation and is looking at the regs as well as the supporting tools. This could drive future regulatory amendments, updates to industry guidance and policy changes.



### **SMS Effectiveness Key Performance Indicators (KPI)**

- TC sent railways a letter dated October 11, 2022 informing industry that TC SMS audits will now include an assessment of the effectiveness of a railway company's SMS processes, how a railway company's SMS is maturing and how effective it is at meeting its purpose of achieving the highest level of safety in its railway operations. Areas of ineffectiveness will be reflected using "findings of deficiency". TC included a list of key performance indicators (KPI) to be used as guidance to determine effectiveness.
- Railways have concerns with the scope of these KPIs compared with regulation. There is some confusion/misinterpretation around the KPIs between various railways and TC inspectors. RAC has communicated such concerns to TC and TC has informed us that they will be sending a proposed approach for assessing SMS effectiveness, as well as revised KPIs, in October, 2023 for further discussion at the TC SMS "Industry Day" scheduled for November 14, 2023. Revised KPIs and the approach to assessing SMS effectiveness are to take effect in April, 2024.

### **Passenger Rail Transportation Security Regulations and Railway Safety Act (RSA) include into Administrative Monetary Penalties (AMPs) Regulations**

- On February 11, TC advised that they are proposing to designate provisions of the RSA, specifically, sections 26.1 and 26.2, and subsection 40.11(5), in Schedule 1 of the Railway Safety Administrative Monetary Penalties Regulations, to provide the Minister with an additional tool to address the increasing trend of security incidents against the railway system.
- Railway administrative monetary penalties are fines issued by Transport Canada to individuals and corporations for contraventions to the Railway Safety Act (the RSA), or regulations and rules made under the Act. Transport Canada uses a graduated enforcement approach to address non-compliance with the RSA and its regulations and rules. Penalties are based on the severity of the violation. The maximum penalty is \$50,000 for an individual and \$250,000 for a corporation.
- The RAC provided initial comments to the proposal on March 1, 2022 and met with TC March 21, 2022 for a Q&A session.
- On July 2, 2022 TC published a proposed amendment to the Administrative Monetary Penalties Regulations (AMPs) Regulations in CGI. TC is proposing to designate all requirements of the Passenger Rail Transportation Security Regulations into the rail AMPs regime. Designating these security requirements would provide the Minister with an additional enforcement tool to promote compliance and to address potential non-compliance with the new Passenger Rail Transportation Security Regulations.
- In addition, TC is proposing to designate certain provisions of the Railway Safety Act (RSA), specifically, sections 26.1 and 26.2, and subsection 40.11(5), into the AMPs regime, to provide the Minister with an additional tool to address the increasing trend of trespassing incidents against the railway system.
- TC gave 30 days for comments which ended August 1, 2022. RAC submitted comments on behalf of industry essentially agreeing with the RSA additions as these would give TC a new tool to enforce trespassers. Though we did raise concerns with the AMPs escalation process and inconsistencies with how AMPs are issued throughout the country and different regions.

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- RAC met with TC in March 2023 to discuss our comments. Main points RAC raised included: ensuring that the escalation process regarding deficiencies, findings and AMPS are consistently applied across regions as well as between Rail Safety vs. Rail Security; that AMPS weren't necessarily used in other industry with Safety Management Systems; and that we believe AMPS are not an incentive to ensuring compliance and corporate responsibility towards safety. TC also informed RAC that they're planning to reach out to the railway industry to ask for advice on how TC might enforce the trespassing requirements.

#### **Fatigue Management System (FMS)**

- TC issued a pre-consultation document on March 11, 2022 proposing new regulations that would require railway companies to implement a FMS.
- The proposed regulations would require railway companies to have, implement and continuously improve a FMS. The FMS would have four main components:
  - Fatigue management plan.
  - Fatigue management processes and procedures.
  - A fatigue management training and awareness program.
  - A continual improvement process for the FMS.
- The FMS would apply to employees whose duties are essential to safe railway operations. These duties include but are not limited to activities performed by any person involved in the movement of trains and the maintenance of the equipment and infrastructure, supervisors and managers.
- The RAC and railway representatives met with TC April 5, 2022 for a Q&A session.
- The RAC provided comments to a pre-consultation document, on behalf of the industry, on April 23, 2022.
- TC has informed that fatigue management is not being intended as a stand-alone regulation and would likely be added into the SMS framework. This is on TC's regulatory plan for 2024.

#### **Fund for Railway Accidents Involving Designated Goods (FRAIDG)**

- The Fund was created by the Government of Canada following the Lac-Mégantic accident. The Fund compensates damages claimed by victims of major crude-by-rail accidents. Compensation begins upon railway companies exhausting their minimum required liability insurance coverage.
- The Fund and RAC developed a protocol for the transition of open claims following an incident involving crude oil. This protocol is reflected in a draft template for a Memorandum of Understanding (MOU) that, if endorsed by railways, would facilitate the process for transitioning of claims from the railways to the Fund.
- The Fund will be finalizing and signing an MOU with the Class 1 railways and the RAC will be finalizing and signing an MOU with the Fund on behalf of shortlines who are interested in being signatory of the MOU.



## **COMING INTO FORCE**

### **Ministerial Order (MO) 22-04 Phase 2 Train Brake Rules (TBR)**

- Transport Canada published the MO July 25, 2022 in response to TSB report R19C0015 recommendation R22-01 which requires, “that the DoT establish enhanced test standards and requirements for time-based mtc of brake cylinders on freight cars operating on steep descending grades in cold ambient temperatures”.
- The MO requires railway companies and local railway companies to revise the Railway Freight and Passenger Train Brake Inspection and Safety Rules (TBR) to reduce the risk posed to train operations in cold weather.
- The MO is in two phases. Phase 1 applies to all federally regulated railways. A revision to the TBR addressing Phase 1 was approved January 30, 2023 and these came into force May 1, 2023. Phase 2 applies to freight cars operating on steep descending grades in cold ambient temperatures. Revised TBR were filed May 31, 2023.
- TC extended the assessment period from July 30 to September 29 to allow time for deeper technical understanding and collaboration with Industry on the implementation of Brake Effectiveness Test (BET). Further revisions to the TBR were made during the assessment period regarding BET and an enhanced brake test. With conditions, TC approved the revised TBR on September 29, 2023. These come into force December 1, 2025.

### **Grade Crossing Regulations (GCR)**

- New regulations were issued November 27, 2014. The purpose of the regulation was to provide consistent grade crossing safety standards that would improve enforcement capabilities. It also included a definition of roles, responsibilities and collaboration between road authorities and railway companies.
- These regulations allowed a 7-year compliance deadline (November 28, 2021). Although progress towards implementation had been made, achieving full compliance for thousands of existing grade crossings by November 28, 2021 was threatened due, in part, to the broad scope of the regulations; COVID-19; the lack of crossings data that were to be provided by road authorities; the significant challenges and issues encountered in the field; and a lack of clarity among stakeholders about specific responsibilities and liabilities for the required upgrades which would have led to disputes being raised to the Canada Transportation Agency (CTA) for settlement and contribute to implementation delays.
- Therefore, a notice of proposed regulation was published in the Canada Gazette, Part I (CGI) June 19, 2021 with a one-month consultation period. The proposed amendment would revise the scope of the regulations by establishing a risk-based model for crossings: excepting low-risk crossings and extending the compliance deadline by one year for high-priority crossings and three years for all other crossings.
- Changes to the GCR that were to come into force on November 28, 2021, have been approved by Transport Canada. These changes include extending the compliance deadlines for upgrading crossings using a risk-based approach. High-risk crossings



require compliance within a year. Medium risk crossings within three years, and very low risk crossings are exempt.

- The extended compliance deadline for upgrading other-than-high-risk grade crossings is November 2024.

#### **Duty and Rest Period Rules (DRPR) Implementation**

- PART D: Fatigue Management Plan (FMP) of the Rules took effect November 25, 2021 (12 months from the coming into force date).
- Full compliance is required 30 months from coming into force of the rules for freight railways (May 25, 2023), and 48 months from coming into force of the rules for passenger railways (November 25, 2024).
- TC issued a guidance document to address differences in interpretation of some rules.

#### **Ministerial Order (MO) 20-07 (Track Safety Rules [TSR])**

- The MO requires extensive changes to the TSR across three phases. Phase 3 was approved May 31, 2022 and includes new requirements (Rules) for concrete ties, a requirement which increases the minimum number of wood ties per each 39-foot segment of track, KPIs for track defect rectification and better inspections for yard tracks over which passengers are carried.
- The Rules addressing Phase 3 take effect May 31, 2023 though the wood crossties provision is effective May 31, 2024.

## **2. ENHANCE TRAIN CONTROL (ETC)**

The Railway Association of Canada's (RAC) Enhanced Train Control (ETC) Program consists of BNSF, CN, CPKC, CSX, Exo, GWRR, VIA Rail Canada, and Metrolinx representatives. The purpose of the ETC Program is to coordinate the implementation of ETC in Canada and develop common Standards and Interface Control Documents (ICDs) to allow ETC systems to be interoperable (tenant railway operating on host railway with protection from ETC system).

The program began as a response to Transportation Safety Board's (TSB) recommendations and because of the 2018 *Railway Safety Act Review* recommendations. The program's profile increased with the release of Transport Canada's (TC) Notice of intent for *the implementation of enhanced train control in Canada* (the NOI) posted in the *Canada Gazette* on February 5, 2022. Transport Canada communicated in early 2023 that they plan to proceed with regulation, with stakeholder engagement starting spring or early summer of 2023. Final regulation published in *Canada Gazette Part II* is expected in 2025.

The ETC Program has been actively engaged with Transport Canada, conducting a series of meetings to provide recommendations, and supporting material to inform the regulation prior to publication in *Canada Gazette Part I*.

As a result of the meetings to date, we believe Transport Canada understands industry's position on:

- the functionality for Automatic Train Protection (ATP) and the Driver Advisory System (DAS);
- how interoperability will be achieved;



- the need for unequipped operation; and
- the methodology and thresholds for risk-based implementation of ATP and DAS.

Additional meetings are scheduled for the month of October related to viable communications and the timeline for implementation of ETC.

Access to dedicated spectrum is a dependency for ATP, to date no spectrum has been assigned to the industry to support implementation. A LTE/5G solution utilizing the Public Safety Broadband Network (PSBN) spectrum remains the most viable option for implementing ATP in Canada.

Transport Canada's expectation is that ETC will be implemented on all required track segments by 2030, industry continues to stress that timeframe is unrealistic and unachievable. During the meeting on October 12<sup>th</sup> industry will provide Transport Canada additional detail, including dependencies outside the control of industry, to support the need for a longer timeline for ETC implementation.

### **SOMC COMMITTEES**

#### **3. BORDER COMMITTEE**

The following update describes current customs issues that the Railway Association of Canada (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. **Many of these initiatives have all carried over from 2022 into 2023, with limited issues resolution in 2022 due to impact of COVID on government agencies and trade. On February 23, 2023, the Canadian Border Services Agency (CBSA) representation of the Border Commercial Consultative Committee (BCCC) Rail Working group advised they were moving forward with disbanding the working group as the points and topics of discussion would not be able to provide solutions in the short term and that the longer-term initiatives had other forums in which they could be discussed.**

#### **CBSA**

There are multiple initiatives currently underway with Canada Border Services Agency (CBSA) that affect rail that are being monitored closely and for which we are engaged on the issues and that we progress through CBSA committees and working groups. **For 2021 there was 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 2021 – 2023 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
- PreClearance Working Group
- North American Plant Protection Organization (NAPPO)





### 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.

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). Under Canadian regulation, each one of these containers requires some type of release or "acquittal" against the marine 9000 manifest for the rail carrier to allow the container out of the rail terminal (warehouse) 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:** CBSA's electronic processing of freight forwarder manifests at rail facilities is 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. 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.

**Update September 21, 2021:** The issue described above is still outstanding as of this date with no new time frame for resolution offered by CBSA. Additionally, issues are being reported whereby importers and freight forwarders in the Greater Toronto Area who use rail are unable to have manifest transfer documents entered into the CBSA system on weekends as CBSA does not have weekend coverage for this task. Railroads rely on the electronic release messaging from CBSA to activate out-gate procedures at rail intermodal terminals, there are occasions where import containers are delayed at rail facilities pending electronic authorization for further movement.



**Update April 13, 2022:** Issue described in September 2021 update remains outstanding with no updated timeframe for resolution by CBSA.

**Update September 29, 2022:** No new updates to this item.

**Update April 13, 2023:** We are still seeing these issues described above despite being less common, there is still no updated timeframe for resolution.

**Update September 27, 2023:** This issue still persists due to the ability for the freight forwarders to be able to arrive their 8000 series bond prior to railways arriving the steamship 9000 bond. Issue is less persistent but it is difficult to determine whether it is driven by overall intermodal volumes being lower than prior years or if industry in general is becoming more aware.

- 2) **Consolidated Load Indicator:** Part of the E-House Bill roll out on November 1<sup>st</sup> 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 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. 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 working well.

**Update September 21, 2021:** The above stated issue, persists. The issue is triggered by the ocean carrier, who initiates a container import movement from a US ocean port to a Canadian rail destination, but who does not correctly represent a load consolidation on the submission of the rail EDI billing. Further trade chain partner outreach is needed, including involvement by CBSA.

**Update April 13, 2022:** Issue continues with continued outreach being performed amongst trade chain partners.

**Update September 29, 2022:** No changes to the current status.

**Update April 13, 2023:** We are receiving consolidated load indicator; however, data quality remains an issue with some partners which is creating additional workload and manual challenges for rail carriers. Discussions are continuing between rail carriers and other supply chain partners.

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**Update September, 2023:** Data quality continues to improve as carriers continue to reach out to other trade chain partners when instances of missing information are discovered.

- 3) **NEW: Electronic Arrival of Truck Manifest:** CBSA regulations require that Suffrance 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. 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 stated 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.

**Update September 21, 2021:** This issue remains outstanding. Although regulation required sufferance warehouse operators (i.e., all bonded rail facilities) to transmit EDI arrival reporting messages for bonded goods arriving on their property, local CBSA recognize that this is problematic when an outside trucking company is bringing bonded container loads onto rail property, instead of the rail carrier. Most CBSA local offices will perform the “arrival” of the goods on behalf of the rail carrier without question to acquit the truckers’ bond in a timely manner. There are select local CBSA offices that will point out that it is not their role to arrive manifests on behalf of a bonded facility and who remind rail carriers that the issues must be resolved. Ongoing dialogue with CBSA leadership in Ottawa has this flagged as an item requiring an automated link to a future electronic remanifest process (see **Re-Manifest Process** item below).

**Update April 13, 2022:** Issue continues to be outstanding with implementation reliant on Re-Manifest Process covered below. Implementation has been pushed back due to other commercial priorities with CBSA. (See notes under **Re-Manifest Process** below.)

**Update September 29, 2022:** No new developments since last update provided.

**Update April 13, 2023:** No new developments since last update provided.

**Update September 27, 2023:** At the end of April, CBSA raised the issue via local Port of Vancouver office and has now insisted that rail carriers operating the warehouse transmit the electronic warehouse arrival message for these types of shipments.



Both carriers have had to setup a manual process and change their work processes in order to meet this requirement despite no movement from the regulatory body in terms of providing an electronic means or link. It has been left on the industry to reach out to other trade chain partners in order to establish additional processes and internally programming with a goal to automate the process into part of the electronic gate arrival process.

### **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 identified for rail carriers, which have been raised with CBSA through the CARM working group, 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, but due to COVID-19 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. Rail carriers will be invited to participate in the client portal process, by registering and 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.

**Update September 21, 2021:** Concerns by the Canadian importing and customs brokerage community have grown in respect to Phase 2 of CARM slated for roll out by CBSA in Spring of 2022, citing insufficient time for preparation and gaps in trade chain capabilities. Importers have also highlighted this issue with the Canadian Chamber of Commerce as a potential significant business impact, resulting in the Chamber reaching out to transporters, including railways, for corresponding views. One concern is what is viewed by the importing community as the onerous capture and submission of additional cargo data prior to shipment arrival into Canada that will be necessary for importers to retain expedited cargo release. Without this additional data, shipments would dwell much longer in bonded facilities awaiting release, which would significantly impact rail terminals and rail operations. Dialogue on this important issue is ongoing between the parties with the expectation that CBSA will be asked to push back the 2022 timeline for implementation of Phase 2 to allow for further requirements and trade capability reviews.

**Update April 13, 2022:** There continues to be concerns raised by the Canadian importing and customs brokerage community with dialogue between CBSA and involved parties continuing. During the meeting in February 2022, CBSA shared that January 2023 is being explored as a target date for Phase 2 and the brokerage community requesting February 2023 to avoid peak season for some industry sectors.



Industry is currently waiting on a request in writing that May 2022 will no longer be the go live date from CBSA which indicated will be provided once necessary approvals are in place.

**Update September 29, 2022:** Last communication from CBSA is that there is no planned release prior to January 2023.

**Update April 13, 2023:** The implementation target date is October 2023 for Phase 2 as discussions with officials continue between CBSA and various supply chain players.

**Update September 27, 2023:** CBSA has announced that the implementation of phase 2 of CARM has now been pushed back to May 2024, due to concerns with adoption rates and the low percentage of registration amongst their target record of importers.

#### **Rail PreClearance Pilot**

CBSA and CBP have been working with members on a rail preclearance pilot under the provisions of Bill C-23. 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, NY, 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. 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 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. The issue was raised with 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. Currently there is no reengagement date for the physical portion of the pilot.

**Update September 21, 2021:** CBSA has recently reached out to the BCCC Rail Working Group co-chairs to advise that the pre-clearance initiative will move forward and that discussion between the agencies has resumed, however next steps and timelines to locate CBSA officers in the US are still to be determined.

**Update April 13, 2022:** CBSA has recently notified discussions between the two agencies have now restarted and current timelines are planned for implementation in spring 2023, dependant on continued positive progress of the pandemic.

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**Update September 29, 2022:** No new update or confirmation on set timeline for trials to begin.

**Update April 13, 2023:** CBSA reached out to CN requesting a joint call for the end of April in order to reopen discussions on the best manner to participate and proceed in a pilot trial.

**Update September 27, 2023:** CBSA has reached out to both rail carriers to discuss starting a possible trial in the spring of 2024. Unfortunately due to budgetary constraints and claimed lack of support from OGDs, the focus has shifted to a proposal of stopping and inspecting cargo at the border crossings working jointly with CBP facilities that already exists. The rail carriers have stated that this new pilot provides none of the benefits of the initial proposals and will only lead to delays in transit of goods and negative impact to regular train operations. Many of these locations the yards are not setup to have capacity nor efficiently handle inspections and set outs of traffic in both directions. CBSA did indicate their intention to request a follow up call to review and provide solutions for the carriers concerns which is still pending.

#### **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 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, no timeline has been established to date. Industry continues 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 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 is the system functionality which will tie in truck and rail manifest and provide an electronic mechanism for reporting truck shipments into rail intermodal terminals.



**Update September 21, 2021:** CBSA has recently reiterated that they recognize the importance of an electronic remanifest process and the direct links to other areas of manifest compliance. Unofficially, CBSA is advised that the required system functionality may be in place as early as 2022, there is no commitment to a specific time frame or functionality. Dialogue will be ongoing through the BCCC Rail Working Group.

**Update April 13, 2022:** Most recent update from CBSA is that despite their recognition of the importance of this requested process, due to competing commercial priorities and the availability of Information Science and Technology Branch (ISTB) labs, the implementation date will be required to be re-evaluated with no confirmed dates at this time and only a possibility of Spring 2023.

**Update September 29, 2022:** No updates from last update of April 2022.

**Update April 13, 2023:** Still outstanding on resolution timelines and targets. Remains one of the key focuses and requests from the rail industry to CBSA in order to prioritize and allow for a reduction in manual and outdated workloads.

**Update September 27, 2023:** Still outstanding with the last indicated date to be possibly spring 2025 as all IT assets within CBSA are being focused on CARM implementation. Expect the implementation to be pushed back further as the spring 2025 date was stated prior to CBSA advising that phase 2 implementation of CARM was being delayed into 2024.

## **CBP**

There are several CBP developing regulations that affect rail which are monitored closely, and ensure close dialogue with the agencies to ensure rail interests are protected and that rail carriers remain compliant:

- 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

## **In-Bond Regulation**

CBP implemented new in-bond regulations in July 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. CBP is still 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.

**Update September 21, 2021:** No significant impact and electronic reporting of FIRMS codes working as designed. No change on enforcement issues.

**Update April 13, 2022:** No issues or impacts since September update. No change on enforcement issues.

**Update September 29, 2022:** No issues or impacts since last update. No change on enforcement issues.

**Update April 13, 2023:** We are currently receiving messaging rejections for when codes are provided but there does not appear to be enforcement in place requiring FIRMS code submittal at this time.

**Update September 27, 2023:** No further developments as of last update.

### **Electronic Bond Diversions**

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

**Update September 21, 2021:** Electronic process is working well for railways that have high volume transborder traffic. Other carriers crossing the Canada-US may not be following reporting requirements, however, they also do not have any significant in-bond traffic entering the US.

**Update April 13, 2022:** No issues or changes since September 2021 update.

**Update September 29, 2022:** No issues or changes since prior update.

**UPDATE April 13, 2023:** No issues of changes since last update.

**Update September 27, 2023:** No issues of changes since last update.

### **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.

**Update September 21, 2021:** No change. Discussion with CBP to be continued.

**Update April 13, 2022:** No change. Discussions with CBP are on going.

**UPDATE September 29, 2022:** No change, discussion still in process with CBP.

**Update April 13, 2023:** No change, discussions still in process with CBP





**Update September 27, 2023:** No change, discussions still in process with CBP

#### **COAC In-Bond Working Group**

This is a joint CBP/Industry group focusing on multimodal in-bond issues for all modes of transport, which has a significant ocean/rail component. 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.

**Update September 21, 2021:** No change.

**Update April 13, 2022:** No change from last update.

**Update September 29, 2022:** No Change from last update.

**Update April 13, 2023:** No change or update from previous.

**Update September 27, 2023:** No new developments since last update.

#### **Rail Electronic Export Manifest**

CBP has been working with the 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 able 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, increasing border delays.



CBP is interested in international container traffic that is destined to countries other than Canada and Mexico.

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 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. There are 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 railroads 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 new rail carrier export scenarios emerge, CBP is working to fold these into the overall process. No date yet for mandatory participation in the pilot or future dates for electronic export reporting enforcement.

**Update September 21, 2021:** This initiative is ongoing with additional Class 1 railroads and short lines participating in the pilot in 2021.

**Update April 13, 2022:** Initiative continues with ongoing pilot and additional Class 1 railroads and short lines participating in the pilot.

**Update September 29, 2022:** Initiative is ongoing with CBP seeking more participation from other roads within the pilot.

**Update April 13, 2023:** Initiative is on going with CBP seeking regular feedback on participants experience while in the pilot as well as actively seeking more partners to participate within the pilot.

**Update September 27, 2023:** Initiative continues with CBP seeking regular feedback. They have also reached out to the select carriers that are participating in the pilot to request if they would be willing to extend the pilot to their other border locations. Due to the program still being in pilot stage, the carriers have still not been able to see the proposed benefits at origin that are to be available once the program becomes enforced.

#### **Electronic Crew Reporting**

CBP has reinitiated discussions with the rail industry on CBP electronic crew reporting processes. Confidentiality issues make it difficult to manage personal crew information through existing rail-customs transactional processes, as well as managing crew admissibility issues. 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.

**Update September 21, 2021:** No change at this time, however, on September 17, 2021, CBP again invited comments from interested parties in the US Federal Register. <sup>18</sup>





The language in the Federal Register references Crewman's Landing Permits for aircraft and vessels, however, historically these electronic reporting requirements get extended to all modes of transport.

**Update April 13, 2022:** No changes as of last update.

**Update September 29, 2022:** No changes as of last update.

**Update April 13, 2023:** No changes as of last update.

**Update September 27, 2023:** No changes as of last update.

### **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. 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.

Class 1s 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.



**UPDATE:** No change on this item. Work continues with the related agencies and participate in the NAPPO working group (monthly calls) to progress rail interests on resolution of agricultural inspection issues.

**Update September 21, 2021:** Discussion with the NAPPO group is progressing. Rail has submitted flow charts describing the container import and transborder process to the group and has outlined several scenarios that impact rail as is described in the issues statement above.

**Update April 13, 2022:** Discussions within the NAPPO group continues with the respective working committees contributing on their submissions for the Draft In-Transit document.

**Update September 29, 2022:** Working group meetings continue with contributions being vetted amongst industry for Draft In-Transit document.

**Update April 13, 2023:** Working group continues to meet and review and add new contributions and edits for the draft In-Transit document.

**Update September 27, 2023:** NAPPO documents will be entering the next step of country consultation where the document will be translated into English and Spanish and posted to the organizations website and allowing stakeholders to review the document and provide their comments during the period of October 3<sup>rd</sup> through December 1<sup>st</sup> 2023.

#### 4. **DANGEROUS GOODS COMMITTEE**

The RAC Dangerous Goods Team (DGT) update was provided by Scott Croome; Director, Dangerous Goods. The three RAC Transportation of Dangerous Goods Specialists (TDGS), based in Montreal, Toronto and Edmonton currently have the following activities that are ongoing for 2023. The DGT works under the auspices of the RAC Dangerous Goods Committee.

Working 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 in person and can be done virtually if required.**

**Project ERP** (Emergency Response Plan) - When conducting member site visits, where applicable, the RAC DG Specialist will conduct training on the use of the E/R Plan template. Of note, not all railways will use this template as they may already have robust E/R plans in place.

**Railway Emergency Response (RER) training** – two 40-hour courses have taken place at the Justice Institute of British Columbia (JIBC) in June and again in September. The first RER course at the JIBC, the week of June 19-23 had a full slate plus 12 Guest instructors. The second course for the week of September 11–15, 2023 also had a full slate and 11 Guest instructor. Both courses were well received and huge thank you to all those on the committee that helped out.

#### **TRANSCAER® activities**

The DGT is continuing TRANSCAER training with our partner members across Canada. The demand for this type of training continues in all communities serviced by rail. With over 640 TRANSCAERs activities held with all railways in the last 5 year there has been <sup>20</sup>



26,000 plus First Responders trained in Dangerous goods. This does not include 2023 as all the reports are not in.

Chemical Industry Association of Canada (CIAC) and the 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 with multiple head sets in each region. There is also a French version available.

**Training and Inspection services to Member Plants (shippers)** - The DGT is continuing in person member plant inspections and training. With an absence of services in the past couple of years, the demand for service is high. It is worth mentioning that service from the RAC DGT must be requested and service fees have been increased for 2023.

**On-call DGT service** - Continue to maintain an operational readiness, 24/7, for RAC railway members in the event of a dangerous goods incident. There has been assistance/advice rendered at one member railway incident presently in 2023.

#### **Committee Work**

- **AAR Tank Car Committee** – voting member, Last meeting for 2023 is set of this month in Texas.
- **AAR Security Working Group** – member, A new chair is needed.
- **AAR Hazmat Committee** – RAC is new to this committee in 2023.
- **TRANSCAER®** – National and Regional – railway member.
- **TEAPIII** – Transportation Emergency Assistance Plan, Executive and Editorial Board – member and working towards Assessment Team Leader(s).
- **CERCA** – Canadian Emergency Response Contractors' Alliance - stakeholder member.
- **ERAC Executive Committee** – Emergency Response Assistance Canada – railway member. Covered by C. Myson
- **GPAC** – General Policy Advisory Council – railway member representing RAC Shortlines - alternate is Jean Pierre Couture.
- **GPAC Subcommittees:**
  - International engagement
  - Compliance and response
  - Policy and regulatory affairs
- **TC subcommittees** - on ER Training (CERFLIT)
- **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** (RAC facilitator)
- **RAC Security Committee** (RAC facilitator)

#### **Training and Other Team Projects (full team)**

- Chlorep
- Ammonia
- CPKC / CN training schools (guest instructor)



- Fire School
- TC Exercise, This event will focus on a CBRNE event with Police being the main participants. This event will use both real world and virtual tools to allow for a more engaging learning experience. Hosted at the JIBC campus October 23 -27, 2023.
- Industrial Rail Safety
- Disaster Former

#### **Canada: TDG Regulations, Standards, Other Initiatives**

The Regulations Amending the Transportation of Dangerous Goods Regulations (Miscellaneous Program) were published in Part II of the Canada Gazette on July 5, 2023.

These amendments include typographical and punctuation errors, formatting, and numbering changes, as well as minor inconsistencies between the English and French versions of the TDGR. The objectives of these regulatory amendments are to:

- repeal obsolete regulatory provisions that have no current application;
- correct discrepancies between the French and English versions;
- harmonize terms used in the TDGR with those used in the Act or related regulations;
- clarify existing provisions;
- correct typographical, grammatical, spelling, numbering, and punctuation errors; and
- update references to standards and other documents incorporated by reference.

#### **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. In November of 2021 the Draft Standard is considered approved as the 1<sup>st</sup> Committee Draft Standard by the CBSB Committee. Public review closed on August 6<sup>th</sup>, 2022, and comments are now being reviewed by the CGSB Committee.

Accepted comments that favour railways were:

- Under 11.3.5 Added “CARRIER” to the paragraph “vehicle may be transported between two properties owned or leased by the manufacturer, producer, carrier or user of the dangerous goods for the purpose of temporary storage if”
- OTMA's issued in the USA are now permitted in Canada provided the movement is compliant with all applicable requirements in the 49 CFR.
- Red and or Blue flags are now permitted to be displayed to warn approaching railway vehicle operators.

#### **Consultation on RDIMS-#18040250-v8-CANADIAN UPDATE-PRELIMINARY CONSULTATION DOCUMENT- 2021 (002) 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)<sup>22</sup>



and IMDG Code (2018). Canada Gazette, Part I was published November 26, 2022. The RAC TDG Committee commented regarding the number of changes made to CGI which does not result in harmonization and due to the complexity and length of the amendment and the number of comments the RAC requested that Transport Canada republish the amendment in Canada Gazette Part I again for comment.

### **Registration Database – Previously Client Information Database (CID) Consultation**

Proposed Scope: Applies to a person who imports, offers for transport, handles or transports dangerous goods at a permanent site that they own or operate located in Canada. A site means a place where dangerous goods are imported, offered for transport, handled or transported, and are in direct possession of a person conducting these activities, but does not include a means of transport or a place where the dangerous goods are destined to be used as part of their scope of work, or as raw materials used in their products. Railroads will need to register sites, but the definition of a site as it pertains to a railroad has not been clarified by Transport Canada.

- Regulatory changes in the TDG Regulations, with publication in Canada Gazette I → June 25, 2022,
- Comment period extended until → January 13, 2023
- Regulatory changes in the TDG Regulations, with publication in Canada Gazette II → 2023 still pending;
- CID launch → 2023 still pending.

RAC TDG Committee provided comments after the posting in CGI regarding the definition of sites which currently as defined would mean a report would be required for each station (4777 between CPKC & CN) a train travels through. Most of these sites will have thousands of line entries because of the hundreds of unique UN ID numbers and multiple packing groups for most UN IDs. TC's online system is incapable of a user friendly or efficient bulk upload requiring extensive manual entry in addition to the prep work to pull the required data for each site of the 4777 sites.

### **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 TDG Regulations and was published in part I of the Canadian Gazette in December 2021. Draft Guidance material was provided to Industry. Publication in Canadian Gazette II – still pending.

### **Initial Consultation Part 6 Training**

In May of 2020 Transport Canada shared a working document for a rewrite of Part 6 of the TDGR 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 TDG Regulations. RAC comments were submitted May 14, 2020. Was published in part I of the Canadian Gazette in December 2021. Comments were submitted February 9, 2022, and generally were in reference to the new requirements on the dangerous goods training certificates.

- The comments analysis from the June 2023 informal consultation showed that most stakeholders are not in agreement with the assumptions used to calculate the revised costs of the proposal. Based on what Transport Canada heard through the latest informal consultation, new recommendations to the CBA assumptions were made. With the adjustment of the CBA assumptions, the new



- net cost of the proposed Regulations is estimated at approximately \$400M as opposed to the \$17M that was anticipated.
- Transport Canada shared that based on the difference between the CBA assumptions, the reality stemming from consultations, as well as the administrative burden reduction initiative and the current economic situation, options were presented to the Transportation of Dangerous Goods (TDG) Program Business Committee (PBC), which vetted and approved the recommendation to review the proposal and to go back to a publication on Part I of the *Canada Gazette*.

### **Reverse Logistics**

In 2014, there was a change to the TDGR which removed the ability of a consignor to rely on the classification that was determined by a previous consignor or the manufacturer. This is now inconsistent with the United States (U.S.) hazardous materials regulations (49 Code of Federal Regulations (CFR), section 171.2) where there is an allowance to rely on information provided by previous offeror or prior carrier. The RAC commented to CG1 published November 26, 2022, and presented to the TDG GPAC sub-committee on Policy and Regulatory Affairs in May 2023.

### **Bill S-6, An Act respecting regulatory modernization**

Is currently before the House of Commons that is proposing amendments to the Canada Transportation Act to authorize the Minister of Transport to make interim orders to incorporate international transportation standards and obligations into law. This is a recurring legislative mechanism that enables the Government of Canada (GC) to make common sense changes across many pieces of legislation at once to address overly complicated, inconsistent, or outdated requirements on businesses and Canadians. Tabled in the Senate, May 10, 2022

### **AMPS – Administrative Monetary Penalties**

With the tabling of Bill C-33 – which would introduce the legislative amendments necessary to introduce an AMP regime and CA framework under the Transportation of Dangerous Goods Act, 1992 (TDGA) the TDG Program is now seeking industry's feedback regarding the details of its proposed AMP and CA policies. Amps Notice of Violations (NoV) and will publish the details of any violations on the Canada.ca website. Details would be listed under the Administrative Enforcement Action Summaries which would include: name of the person (individual or organization), nature of the violations, amount of the penalty and Status of each NoV. Publications will be present for up to 5 years after they are paid.

### **TDG has also provided a list of new projects that are still in the scoping stage. The items of most interest to this committee are:**

- Hydrogen transport by rail – assessment of Canadian standards, fire performance
- Analysis of Fire Effects on Tank Cars (AFFTAC) studies – internal evaluation of recent software updates and comparisons to TC models
- Hard coupling of rail cars – assessment of current requirements/speed limits





### **United States: Rulemaking**

- **HM-219D NPRM Published:** Adopt Petitions and Regulatory Update. Published March 3, 2023. Comment period closes May 2, 2023. HMSA proposes amendments to the Hazardous Materials Regulations (HMR) to update, clarify, improve the safety of, or streamline various regulatory requirements. Specifically, this rulemaking responds to 18 petitions for rulemaking submitted by the regulated community between May 2018 and October 2020 that requests PHMSA address a variety of provisions, including but not limited to those addressing packaging, hazard communication, and the incorporation by reference of certain documents.
- **HM-263 NPRM:** Real-Time Train Consist Information published June 27, 2023 requiring all railways transporting hazardous materials to generate in electronic form train consist information, maintain that information off-the-train, update that information in real-time and provide that information in real-time, and provide that information to authorized “emergency response personnel” in advance of their arrival to an accident or incident. This includes Class I, II and III railways. Comments were due Aug 28, 2023 but were moved to October 27, 2023.
- **HM-265A ANPRM:** Modal HM Regulation Update published July 5, 2023 to solicit stakeholder input on initiatives PHMSA is considering that may modernize its Hazardous Materials Regulations (HMR: 49 CFR parts 171-180) in order to improve hazardous material transportation efficiency, improve transparency and stakeholder engagement, and better accommodate technological innovations-all while maintaining or improving public safety and environmental impacts. This ANPRM has identified over 40 topics for consideration in the Hazardous Materials Regulations. Comments due Dec 4, 2023

### **Pending Rulemaking:**

- **HM-215Q NPRM:** Harmonization with International Standards. In this final rule, PHMSA amended the HMR to maintain alignment with international regulations and standards by incorporating various amendments, including changes to proper shipping names, hazard classes, packing groups, special provisions, packaging authorizations, air transport quantity limitations, and vessel stowage requirements. These revisions were necessary to harmonize the HMR with recent changes made to the IMDG Code, the ICAO TI, and the UN Model Regulations. Published May 30, 2023. Comment period closed July 31, 2023.
- **HM-233G, Hazardous Materials:** Continued Conversion of Special Permits, PHMSA-2017-0121. In this NPRM, PHMSA will be proposing to amend the HMR to adopt provisions contained in certain widely used or longstanding special permits that have an established safety record.

The proposed revisions are intended to provide greater flexibility and eliminate the need for numerous special permit renewal requests, thus reducing paperwork burdens for the agency and the regulated community and facilitating commerce while maintaining. Sent to Secretary for Final Review/Approval. Expected 2023 <sup>25</sup>





- **HM-264A Final Rule:** Suspension of HMR Amendments Authorizing Transportation of Liquefied Natural Gas in tank cars until completion of companion rulemaking HM-264B. NPRM Issued 11-8-2021 with comment period closed 12-23-Expected Final Rule 2023.
- **HM-264B NPRM:** Improving the Safety of Transporting Liquefied Natural Gas is under development with PHMSA and FRA staff. Both agencies are reviewing all available information and developing options for Departmental Leadership Review. Expected 2023.
- **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. Note: The FRA HMG-127, Revision 5 draft will be included with the issuance of this NPRM for review and comment along with the NPRM comment period once it is issued in the Federal Register. Is currently in final agency review stage. Expected 2023.

#### **LNG Tender/Cargo & 174.63**

##### **LNG as cargo movements:**

ARRC's 174.63 Approval to move LNG as cargo in portable tanks was renewed by FRA via a conditional approval issued in the Federal Register on June 24, 2021. Comment period on this conditional approval closed on August 23, 2021. ARRC is not currently transporting any material but is looking into options for moving the material in the future on their system.

FERC also has an FRA issued 174.63 approval to move LNG in portable tanks on their system in Florida. Movements are as specified in the issued Approval.

Special Permit DOT-SP 20534 was issued on 12-5-19 to Energy Transport Solutions to offer and transport LNG by rail in DOT-113C120W tank cars from a location in PA to a location in NJ. NOTE: High level of Interest at the Congressional level on the issuance of this SP.

#### **5. MECHANICAL COMMITTEE**

The committee will have met on October 13, 2023, and a verbal update will be given at SOMC.

##### **Broken Wheels**

The current focus for the Mechanical Committee is to study broken wheels which have resulted in derailments. Industry agreed that the biggest problem around broken wheels have been in heavy bulk fleets. Both Canadian Class 1s have been developing and implementing additional wayside detectors to identify and remove broken wheels from service. Some designs aim to be pro-active (electromagnetic) and others reactive (camera, laser). Development has been ongoing for the past 2 years by working on prototypes and refining designs. The Committee discussed image-based systems and issues with significant numbers of false positives.



The Committee determined there is a need to continue to evolve image recognition algorithms however, even with manual visual techniques using cameras, broken flanges, shells, and other defects which are present and not detected during terminal inspections are yielding significant safety benefits. Therefore, putting Certified Car Inspectors into remote inspection centres is therefore of value. Other topics including steel manufacturers and mileage have also been topics of discussion.

Implementation of the laser-based prototype for mainline use is anticipated in 2022. The results of in-service testing will be shared during committee meetings.

#### **Update March 2023:**

More information will be shared with the Committee at the October meeting as testing is still in progress.

Discussions of the Norfolk Southern (NS) Ohio derailments. One of their derailment was linked to a Canadian freight car manufacturer with a loose wheel. During the Wheel Axle Brakes and Lubrication (WABL)'s meeting they discussed the NS derailment and the loose wheel issue.

The hot box detectors spacing was discussed. Industry discussed with the AAR acoustic bearing detectors and bearing trending. A lot of analysis has been done by the railways to demonstrate that moving from 20 miles to 15 miles to 10 miles spacing provides no real statistical risk reduction.

#### **Cold Operation**

The Transportation Safety Board's (TSB) report on the Field Hill accident was released and one of the recommendations is to have enhanced brake test standards when operating through mountain grade territory. Industry has agreed to move forward with the RAC to investigate performance air brake standards as opposed to the manual number one brake test. The goal is to petition Transport Canada before the end of the year to implement it. The scope would be limited as to where it needs to be. The rule would apply to trains that are operating with greater than a one hundred tons per operative brake. Industry is looking at how to apply to solid intermodal. Right now, the technology is not ready for manifest trains or any other trains. The focus is on bulk unit trains.

#### **Update March 2023:**

The industry is still working on the proposed Train Brake Rules Phase II including the "BET" Brake Efficiency Test using hot and cold wheel detection.

#### **Train Inspection Portal Systems**

Challenges were identified with implementing Train Inspection Portal Systems (TIPS) into an integrated exemption as an alternative to performing manual safety inspections. The discussions highlighted issues with regulators focusing on minor defects such as: brake shoes and knuckle pins, which apply negative light on approved exemptions. The Committee agreed that these systems and implementation by both Canadian Class 1s have significantly contributed to an improved industry safety record. Hence, both Canadian Class 1s would like to protect these technologies and their implementation and agreed to educate the regulators. The consensus was to approach regulators with united processes given inspections affect all railways. The Committee is preparing such united approach to TC and eventually the Federal Railroad Administration (FRA).



### Update March 2023:

At the March 9, 2023, Mechanical Committee meeting invitations were sent to Ursula Green, Senior Engineer, Rail Safety Operations, Transport Canada and Graham Lowrey, Senior Environmental Advisor, Transport Canada to discuss the Locomotive Emissions Regulations.

The Canadian Locomotive Regulations are aligned to the extent possible with those in the United States. The United States Environmental Protection Agency (EPA) Regulations, found under the Code of Regulations Title 40, Part 33. The biggest difference with the regulations in Canada versus the U.S. is that in the United States their regulations which stem from the U.S. Clean Air Act, apply to manufacturers and remanufacturers. In Canada, the Locomotive Emissions Regulations apply to the railway companies that operate under federal jurisdiction.

The EPA also issued a question-and-answer document for non-Original Equipment Manufacturer (non-OEM) component certification program. The links for the documents mentioned in the presentation will be sent to all Committee members.

How to meet applicable emissions standards and transfer of certified emission parts from a manufacturer to another were discussed at Committee, and U.S. EPA certificate vs. Canadian EPA certificate.

## 6. **MEDICAL COMMITTEE**

The Medical Advisory Group and the Medical Committee continue working on 2023 plan of work for the following medical guideline updates and additions for 2023.

**Cardiovascular Disorders** – The mature draft was reviewed by Dr. M. Walker, the consulting Cardiologist and the Medical Advisory Group are working to finalise the Dr. Walker's recommended edits with a goal of the finalized guideline by year end.

**Substance Use Disorders** – The Medical Advisory Group utilizing the recently published DSM-5-TR criteria is considering an update to this guideline.

**Cerebrovascular/Neurological Disorders Guidelines** – A mature draft is has been created focusing on Cerebral Aneurysm, Stroke and Transient Ischemic Attack, Intracranial Tumours and Seizures and Epilepsy.

### 2024 Scope of Work and Budget (\$25,000)

The Medical Committee is recommending the following scope of work and associated budget for 2024.

<b>2024 Plan of Work</b>		
<b>Guideline/Subsection</b>	<b>Budget Allocation</b>	<b>Comments/tasks</b>
Subsection 4.2 Hearing	\$10,000	Updated guideline by year end 2024
New Subsection 4.11 Cerebrovascular/Neurological Disorders	\$10,000	New guideline by year end 2024

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Miscellaneous	\$5,000	Technical editing/formatting/expert opinions
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## 7. **SECURITY COMMITTEE**

### **Update 03 October 2023**

Since the previous meeting there has not been much movement with regards to the Security Committee.

Luciano Bentenuto, VIA Rail Canada, was voted into the role of Security Committee Chair and Robert Zawerbny, CN, has been selected to serve as vice-chair, as of October 3, 2023. Each will serve a two-year term per the Security Committee Terms of Reference.

### **TC Security Group**

Robert Zawerbny provided an update on the status of the guide on preparedness for railway interference regarding rail blockades that a TC Rail Subgroup is working on. Since the 20-21 blockade crisis CN Police have found inconsistencies in how external law enforcement partners deal with railway blockades, so they created a subgroup to try and address the issue. The group created an educational guideline process for local law enforcement to follow. The idea is to have a series of checkboxes that law enforcement can follow with the hope that it will help mitigate the duration of a blockade. The final draft has been reviewed and approved by CPKC, CN, VIA and TC.

The guide is now before OPP command to see if any of the guidelines/best practices could be aligned with OPP's policy on Public Order. This guideline is not to trump any policy or protocol when it comes to public order but meant to compliment it. Robert Zawerbny shared the draft report with the committee.

Scott Croome asked the TC Security for a list of participants for the \*NEW\* Rail Security Working Group which he will then circulate to RAC primary members to ensure the right people are on the committee.

### **Cyber Security Committee**

RAC is still looking for members to join the Cyber Security Committee and asks that if anyone on the Security Committee is interested or knows of anyone within their organization who might be interested to please contact the RAC. A Cyber Committee invite email has gone out to the security committee to circulate within their organizations.

### **Update 13 April 2023**

Since the previous meeting there has not been much movement with regards to the Security Committee. The one notable change is the retirement of Andy Ash from the Railway Association of Canada, after 46 years of service in the railways Andy is now enjoying time with his family and travelling. Scott Croome has been hired and will be taking on the tasks previously handle by Mr. Ash.

For the upcoming meetings the Chair has asked for suggestions from this group to discuss on the next call, we are looking for short "lessons learned" or "recent events" that the membership would be interested in hearing about.

Below is the Summary from the Meeting of October 2022



Brandon Myers, CN Assistant Chief of Police, was voted into the role of Security Committee Chair in February 2022. Luciano Bentenuto, VIA Rail Canada, has been selected to serve as vice-chair, as of September 27, 2022. Each will serve a two-year term per the Security Committee Terms of Reference.

### **Transport Canada Rail Security Working Group**

Members of the Committee attend monthly calls chaired by Transport Canada (TC)'s new Director General, Intermodal, Surface, Security and Emergency Preparedness Randa Saryeddine.

TC has been issuing new passenger regulations under the Railway Safety Act (RSA) and has become much more active in their security inspections, members of this Committee continue to actively engage with TC to provide input on what is being considered as opportunities. While interaction between Committee members and TC has increased over the last few months, more progress can be made.

The following is a brief overview of the key activities that this Committee has been focused on:

### **Administrative Monetary Penalty (AMP) Regulations**

TC released a plan of AMP Regulations for comment.

The RAC Security Committee will be sending comments to TC.

Some issues to address:

1. TC provided the context for the proposed regulations, and the reason for including AMPs in rail security, as follows:
  - a. Concerns with what has been occurring during the COVID-19 pandemic, as well as blockades and other unlawful interference in rail operation.
  - b. This is an additional rail security program/tool that other regimes (e.g., aviation and marine) already have in place.

Industry noted that AMPs are targeted towards and penalize railway companies but do not address the concerns TC identified in 1 a. above as these are violations committed by external parties, such as trespassers and protesters. Also given that the Passenger Security Regulations are still relatively new and railway companies have worked collaboratively and voluntarily with TC for several decades to improve security, there is not evidence to support a need for AMPs related to rail security at this time.

2. TC still needs to arrive at specific fines for infractions.
3. TC provided the following additional information in response to the 5 items/questions that were communicated to TC by the RAC on March 1, 2022:
  - The applicability of all sections of the Passenger Security Regulations within Schedule 1 of the AMPs Regulations:
    - All requirements will be designated and enforced.
    - AMPs are an extension to other existing tools within TC's security program
  - The categorization of applicable sections and determination of maximum monetary penalties being contemplated:
    - The RSA stipulates the maximum amounts for each noncompliance.
    - Different provisions will be designated based on the level of risk.



- TC's initial thoughts on AMP amounts are:

Risk level	AMPs for Individuals	AMPs for companies
Low risk	\$5k	\$25k
Medium risk	\$25k	125k
High risk	\$50k	\$250k

- The next step for TC is to determine which type of infraction falls in which level of risk.
  - TC will try to have consistency between rail safety and rail security in the designation and application of AMPs.
4. Once in Canada Gazette, Part I there is a very short comment period (30 days), the Committee would like to see more time to comment. The proposed release of the CGI is in the summer which is a bad time to seek industry input.

**Update:** TC published Canada Gazette Part 1 in July 2022. The Committee was asked to review and provide comments for the RAC response. These comments were provided by the end of July.

### **Cyber Security**

The RAC Security Committee discussed the possibility of creating a subcommittee for cyber security. Members had internal discussions with their appropriate staff on cyber security. Discussions indicated that companies that have a Cyber Security team, separate that function from the physical security group because of their differences and expertise. The AAR has two distinct committees but brings both groups together when needed. This model could also be used in Canada. The RAC could set up the Cyber Committee to work congruently on issues with the Security Committee when need be.

**Update:** The Committee has determined that the best course of action would be to have two distinct committees for Cyber and Security to be aligned with the industry and the AAR, but also due to the specific expertise necessary to assess cyber and information technology threats. Scott Croome will discuss further with RAC.

### **Memorandum of Understanding (MOU) Management Committee**

No change since the last meeting.

## **8. WIRELESS COMMUNICATIONS COMMITTEE**

### **Health Canada Safety Code 6**

ISED requested that Spectrum Licensees provide a report consisting of 10% of all installations validating that they comply with Health Canada Safety Code regulations with respect to harmful RF emissions. The industry was not documenting this information at the time. It was decided to use the Spectrum-E tool to perform these calculations to meet the report deadline and to perform SC6 validations going forward. The tool was successfully modified during a two-month sprint and the report was submitted to ISED on time.

### **RAC Surveys**

In a continuing effort to improve the railroad information provided to ISED as part of RAC's Spectrum License obligations, there are surveys organized by former ISED inspectors to validate existing licenses and to add radios which may have been missed. This summer<sup>31</sup>



inspections were performed for CPKC in the Saskatchewan South and Medicine Hat area. A total of 140 sites were surveyed.

#### **RAC Wireless Communications Committee**

The annual RAC WCC meeting is scheduled to be held in late October and will be a virtual meeting.

#### **220 MHz International Border Coordination**

The RAC and its members have been working with PTC220-LLC to amend the international coordination agreement for 220 MHz to consider changes that have been made to the PTC220 Radio in the United States. A meeting was held between the FCC and ISED to discuss the proposed changes to the 2015 U.S.-Canada Statement of Intent (220-222 MHz) which governs the sharing arrangement. The Canadian contingent requested time to review the requested modifications. The RAC has reached out to ISED to identify any need for clarification.

#### **ETC**

The RAC and select members of the WCC have been participating in the ETC Communications Committee meetings in helping to identify spectrum suitable for ETC. The group has been providing support to the RAC Regulatory group in approaching Public Safety to share access to the spectrum set aside for Public Safety by ISED.

#### **Non-Competitive Local Licensing (NCLL) Consultation**

NCLL was identified as an initiative of interest to the railways. It allows industry the ability to license broadband channels on a first come first served basis. This method would allow for industry to license local broadband channels for small areas, such as yards. The RAC participated in work session with ISED to provide feedback on the software tool being developed for NCLL. A subsequent session is being scheduled in October. The target date for access to NCLL is slated for sometime in 2024.



# PAC (Policy and Advocacy Committee) Highlights

- Repeal extended interswitching
- Improve Bills C-33 and C-26
- Resist and/or mitigate the incremental impact of labour regulations
- Timely and predictable federal tool to resolve supply chain labour disputes
- Promote supply chain investments (accelerated depreciation, shortline support)
- Seek augmented capital and operational support for passenger railways
- Influence Tourism Growth Strategy implementation to ensure rail is recognized and supported
- Resist other harmful policies by way of a Rail Review or otherwise





Board of Director Meeting – October 18, 2023

## **4.2 POLICY AND ADVOCACY COMMITTEE (PAC) REPORT**

### **1. GOVERNMENT RELATIONS**

The Policy and Advocacy (PAC) committee met in hybrid format on October 17, 2023.

RAC staff updated the committee on the Association's advocacy and related activities. Status reports were also shared on important work by PAC sub-committees.

The committee heard yesterday that the RAC has continued its robust pace of targeted touchpoints and meetings with government officials and key stakeholders.

From January to October, there have been approximately 6500 unique touchpoints with policymakers, members, and other stakeholders. That is already a 33% increase compared to the entire year of 2022. The number of registrable meetings with federal designated public office holders increased by 700% in that time.

The RAC is using more personalized communications to support specific advocacy priorities.

This means letters of congratulations and thanks, issue-based correspondence, detailed and member-driven consultation responses, tailored policy proposals, and more in-person advocacy.

There is a knowledge deficit among policymakers when it comes to rail operations. This was clear in recent parliamentary debates on Bill C-33 and in materials received from Transport Canada suggesting reviews of areas they know little about.

The RAC is working hard to educate officials. There has been huge demand for RAC programs like Rail Ops Live and the emergency response course at JIBC. The RAC is constantly sharing facts – especially given the significant turnover in key rail-related government positions.

There is a new Transport Minister. This was a welcome opportunity to recalibrate relations with Transport Canada after a strained relationship based on a lack of consultation and evidence-based decision-making.

PAC Committee heard that the RAC's top advocacy priorities are:

- Repealing extended interswitching at the earliest opportunity.
- Improving Bills C-33 and C-26.
- Resisting and/or mitigating the stacking of labour regulations.
- Promoting supply chain investments (accelerated depreciation, shortline support).
- Seeking augmented capital and operational support for passenger railways.



- Influencing the Tourism Growth Strategy to ensure rail is recognized and supported.
- Resisting other harmful policies by way of a rail review or otherwise.

The RAC is aligning and prioritizing communications and research to support advocacy.

A recent example was mass communication to Prairie legislators and government officials.

The RAC proactively created a visual two-pager demonstrating strong competition and railway value in the grain transportation market. These kinds of materials from the RAC directly rebut opponent arguments on policies like extended interswitching.

The 18-month extended interswitching trial began on September 20. Despite the policy staying in the budget bill, railways are winning the policy argument.

There are two priority bills before Parliament: Bill C-26 and Bill C-33.

Bill C-26 is a proposed cybersecurity law that could impose new obligations on federally regulated railways. This could include a requirement to establish and manage a cyber security program and “immediately” report cyber incidents, among others.

Bill C-33 amends the Railway Safety Act and other Acts.

While there are some helpful parts of the bill, like making it easier to renew rule exemptions, there are concerning amendments like allowing consultation with unnamed third parties during the rulemaking process, increasing Ottawa’s influence over port authorities, and remote inspection enablement without a framework.

The RAC expects to appear at the committee to advance railway recommendations on both bills.

The federal government plans to table a bill to ban replacement workers this fall as part of an agreement with the NDP.

The RAC and industry met with senior officials about this possible legislation and our suggestions for addressing labour disputes. The RAC is working closely with aligned associations.

In this minority parliament where the Liberals are reliant on the NDP to continue governing, and where the Conservatives have a substantial lead in the polls, the PAC committee heard that the RAC is developing election platform submissions for each party – starting with the Conservatives.

The RAC welcomes ideas from all members. This will be the first time, perhaps ever, that the RAC is undertaking this proactive initiative to influence policy at the front-end.

The RAC is regularly engaging with parliamentary committees. A recent example was providing draft questions upon request to committee members on the HFR study.

Provincial advocacy has ramped up since the last board meeting. The member-driven Ontario advocacy plan was completed. A Queen’s Park advocacy day is planned for November 30<sup>th</sup>.



A recent RAC tour in British Columbia and provincial submission yielded an opportunity to pitch the government there on shortline funding, proximity issues, and carbon tax application.

The industry is well represented at all levels of government across Canada. There have been Prairie-focused submissions, Ontario advocacy letters, and extensive results in Quebec. The RAC is also present at municipal conferences and key events.

Government relations and regulatory teams are working closely together on Enhanced Train Control. There will need to be more government relations involvement to ensure the recommendations remain as discussed with industry.

The RAC will soon be consulting members to inform its pre-budget submissions. We expect a Fall Economic Statement in the coming weeks.

The Supply Chain Office has a new leader, Robert Dick. The RAC will seek to influence its operations and development.

The RAC aims to build on advocacy wins like record provincial infrastructure funding and gaining Express Entry eligibility for RTCs and rail carmen and women.

The Association will also seek to re-align Transport Canada's thinking in its development of a supply chain strategy.

Thank you and happy to answer any questions.

## 2. **RAC EVENTS**

The Railway Association (RAC) hosts several 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.

Appendix A is a snapshot of 2023 Q2/Q3 events that have taken place from May 2023 through to the present. Appendix B is a listing of upcoming events the RAC will be hosting throughout the remainder of the year and beginning of 2024. Appendix B is a living document and subject to change throughout the year as diverging subjects and challenges arise.

### **Appendix A – 2023 Q2/3 Status update**

<b>Event</b>	<b>Purpose &amp; Audience</b>
<b>Lunch and Learns</b>	On June 1, Jonathan Thibault gave members and RAC staff an update on the 2023-Q1 Quarterly Report.
	On July 5, CN's David Przednowek, Assistant Vice President, Grain-Bulk, gave RAC staff a session on the movement of grain.
<b>Rail 101 and Railway Operations Live</b>	On May 24-25, we held a virtual Rail 101 session for 14 attendees from Rio Tinto, TC, CTA, and TSB.
	We have held three sold out Railway Operations Live courses this year; June 13 (virtual in-class) and at the rail yard June 15-



	16, June 13 (virtual in-class) and at the rail yard September 7-8, September 5 (virtual in-class) and at the rail yard September 11-12. Due to high demand, we have added a fourth course in October. The feedback from participants has been overwhelmingly positive.
<b>Women in Rail</b>	<p>On June 8, the RAC held its third edition of Women in Rail. Because the event is virtual, it allows for more people to attend and this year, we had just over 210 people in attendance. This year was the first year we charged a nominal fee of \$50 to attend and all proceeds were split between the four colleges offering the conductor program to offer to a deserving woman or women. We are now in the process of handing out the scholarship money now that the fall courses are underway. RAC will be developing an evergreen social media plan to congratulate and interview the women and help bring attention to the conductor program.</p> <p>The Honourable Maryam Monsef, Founder and CEO, ONWARD gave an inspirational keynote speech, involving the audience in exciting discussions around equality. The two panels' themes were How to increase women representation in a male dominated workforce and How women can negotiate more for equal pay and benefits. Corina Moore was an excellent moderator and this year's feedback was that this was perhaps the best edition of the event to date.</p>

#### Appendix B – Upcoming events 2023 Q4 and 2024 Q1/Q2

Event	Purpose & Audience	Timing
<b>Lunch &amp; Learns</b>	<p>On October 11, the RAC will host a session on VIA Rail's High Frequency Rail project for RAC staff.</p> <p>We will also have a Lunch and Learn with BC Rapid Transit Company (BCRTC) on October 26 for RAC staff.</p> <p>VIA Rail would also like RAC staff to go to the Ottawa train station to see their new fleet at the end of October.</p> <p>We will host a session for associate members to provide an update on advocacy, communications, and regulatory affairs in November.</p> <p>At the end of November, there will be a Quarterly Report update by Jonathan Thibault and one again in February.</p>	Ongoing - Q4



	We will schedule more L&L's as new emerging topics arise.	
<b>Rail 101/Railway Operations Live</b>	The fourth, and last one of the year, Railway Operations Live will take place October 12-13 and is once again sold out with attendees from FRAIDG, Transport Canada and the CTA.	Sept 5 (virtual), October 12-13 (rail yard)
<b>RAC Executive Committee meetings</b>	The Fall executive committee meetings will take place virtually this fall October 17 and 18.	October 17-18
<b>SMS Workshop</b>	Transport Canada approached the RAC to work on an SMS Workshop for RAC federally regulated members. This workshop, which will take place on November 14 in Montreal, is designed so that rail members and TC can collaborate and clarify some of the KPI's TC rolled out previously regarding SMS.	November 14
<b>Safety Summit</b>	November 15-16, the RAC is hosting its first Safety Summit in Montreal. This two-day conference will focus on safety initiatives the railways are implementing and challenges the industry has faced. We have partnered with AQTr, the Association québécoise de transports.	November 15-16
<b>RAC Holiday Reception and Safety and Environment Awards</b>	On November 29, the RAC is hosting its annual Holiday Reception and Safety and Environment Awards ceremony at the Metropolitain in Ottawa from 5pm – 7pm. We will be inviting members, key stakeholders, bureaucrats, and parliamentarians.	November 29
<b>Federal Lobby Day</b>	In February, we will host a Federal Lobby Day to meet with key officials in Ottawa.	Q1
<b>Railway Operations Live</b>	In April, we will host the first two sessions of Railway Operations Live in Ottawa	Q2





<b>Shortline Conference and RAC Executive Committee Meetings</b>	In May, in conjunction with RAC's executive meetings, Board of Directors meeting and AGM, the RAC will host its second Shortline Conference in Ottawa. This will be a two-day in person event.	Q2
<b>Women in Rail</b>	Women in Rail will take place in June of 2024 virtually.	Q2

### 3. **WORKFORCE DEVELOPMENT**

This year, the RAC is once again placing additional advertisements, in all four editions, in the Canadian School Counsellor magazine which is sent to all guidance counsellors across Canada – hoping to make rail a career of choice for graduates out of high school.

The new industry-approved conductor curriculum is at a stage where it can be shared with the colleges offering the conductor program. License agreements have gone out to the colleges, but so far only two have returned the agreement and therefore they are the only ones who have access to the new curriculum to date. Lambton College is currently using the new curriculum for their fall course, and it is going very well so far. There are currently four colleges across Canada offering the conductor curriculum: British Columbia Institute of Technology (BCIT), Cégep-de Sept-Iles, the Southern Alberta Institute of Technology (SAIT) and Lambton College.

The RAC is also focusing on how to get younger people interested in rail as a career. We are looking into career fairs across Canada and speaking with guidance counsellor across Canada to see where we can have a presence. RAC's Communications Specialist, Ellie Gun came up with the idea to interview interns working at member companies. The campaign is still in market, and we will be interested to know the analytics on the campaign. We also tried out TikTok and Instagram for the first time with this campaign and will be interested in knowing how it worked out with the younger generation.

We are currently actively recruiting new people to join the Human Resources committee as many of the former people are no longer in the same positions as they were pre-COVID. Now that the conductor curriculum is almost finished, we will re-focus the committee on talent acquisition, retention and how to make rail a career of choice. We are looking to hold our first meeting at the end of October or early November.

RAC's training initiative for shortline railway members was launched in 2019. The initiative focused on delivering four modules in English: Securing unattended equipment/Rule 112; car air brakes; freight car inspection; and track inspection. The RAC is also working on streamlining all the modules as well as translating them all to French which should be done by the end of the year.

### 4. **RESEARCH & DATA ANALYSIS**

#### **Rail Trends 2023 Report**

Rail Trends 2023, which is scheduled for publication in December 2023, will showcase the performance of Canadian railways over the 2013-2022 period.





Rail Trends surveys (operating year 2022) were sent out to members in the first half of 2023. Survey data is being collected, verified, and entered into the RAC Database. The report will be drafted, translated, and designed over the October 2023-December 2023 period, and published on the RAC website before the end of 2023.

### 2021 Locomotive Emissions Monitoring Report

The Locomotive Emissions Monitoring (LEM) report is produced every year under the terms of the MOU between RAC and TC for reducing locomotive emissions. MOUs date back to 1995, and the current MOU covers the 2018-2022 reporting period.



The 2021 LEM Report was published in September 2023.

### Key Highlights of the 2021 LEM Report

- From 2020 to 2021, GHG emissions intensities decreased (improved) for all three categories of railway operations with MOU targets. The reductions were as follows: Class 1 Freight (-1.2%); Intercity Passenger (-18.0%); Regional & Shortline (-4.0%).
- Class 1 Freight railways have made 99% progress towards achieving their 2022 MOU target.
- Since 2005, the emissions intensity of freight railways has improved by 25.9%.
- Since 2005, total railway industry fuel consumption and GHG emissions have decreased by 8.0%.
- In 2021, Canadian railways continued to make progress on modernizing their fleets. The share of the active locomotive fleet meeting an emission standard (Tier 0 through Tier 4) increased from 82.7% to 82.9%; and the share of active locomotives equipped with an anti-idling device increased from 82.8% to 84.1%.
- Since 2005, despite an increase in rail traffic, Canadian railway's CAC emissions have decreased considerably: CO (-7.8%), NO<sub>x</sub> (-47.4%), HC (-54.8%), PM<sub>10</sub> (-61.2%), and SO<sub>2</sub> (-99.0%).

### RAC Quarterly Reports

The quarterly report sources weekly, monthly, and quarterly data from railways and various statistical and regulatory agencies to provide a timely update on the state of the economy, the transportation sector, and freight and passenger rail operations. This informative, timely report bolsters the RAC's reputation as a reliable go-to source for information on Canada's railways.



Since the May 9<sup>th</sup>, 2023, PAC meeting, RAC has released the Q1-2023 Report and Q2-2023 Report. The Q3-2023 Report is scheduled to be released in November 2023.



### **Canadian Rail Atlas**

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



RAC continues to provide training on the Atlas for members upon request (please email Jonathan Thibault at [jthibault@railcan.ca](mailto:jthibault@railcan.ca)).

The RAC is currently working with members to develop an updated printed version of the Atlas. The printed atlas is not intended to replace the digital version of the atlas, which will continue to be updated and available to the public and members.

The latest printed version was produced in 2012, before RAC launched the digital version of the atlas. As of October 3, 2023, initial drafts have been produced and reviewed by select RAC members. In the coming weeks, the Atlas drafts will be circulated more broadly among RAC membership for review before going to print and distribution.

### **Passenger Committee**

The passenger committee held a productive meeting on September 26, 2023.

- For the Member Spotlight, a relatively new RAC member, Agawa Canyon Railroad, delivered a presentation on their operations to the committee.
- The committee also hosted a Guest Speaker from the Ontario Native Women's Association (ONWA), who provided a presentation on human trafficking. ONWA provided a background on their organization and human trafficking in Ontario and Canada, as well as pertinent information on transportation, including how traffickers utilize transport (including rail), warning signs for rail transport staff, and what to do/report.
- Various RAC staff provided updates.
- Discussion topics focused on hiring challenges and accessibility.

### **Taxation Committee**

In June, with the support of the Taxation Committee, RAC developed a "top tax issues document". The document was shared internally at RAC and is being leveraged to support engagement with officials and in drafting pre-budget submissions and other consultations/submissions.

In September 2023, with the support of the Taxation Committee, the RAC provided a response to the Department of Finance's Consultation on Budget 2023 tax measures. RAC's submission highlighted the various contributions of the rail sector to Canada's economy and provided seven recommendations to support the competitiveness of the Canadian rail sector.

In September 2023, the Saskatchewan Chamber of Commerce circulated a follow-up survey (from their first survey in January 2023) regarding the creation of the Saskatchewan Revenue Agency. With the support of the Taxation Committee, the RAC provided a submission, reiterating and expanding on the rail industry's concerns with the creation of the Saskatchewan Agency.



## 5. **SHORTLINE**

The Shortline Committee met on May 4, 2023, and October 3, 2023, in accordance with the biannual meeting schedule. This committee continues to enjoy high turnout and member engagement opportunities.

The Shortline Steering Committee met on June 12, 2023, where it discussed the BC port strike, Bill C26, the Canada Infrastructure Bank, and the maximum revenue entitlement.

All 2023 pre-budget submissions from RAC (federal and provincial) contained a recommendation supporting the creation/enhancement of funding programs dedicated to shortlines. This recommendation is consistently reiterated during engagements with federal and provincial officials across the country. For instance, RAC's submission to the consultation for Growing a Green Prairie Economy contained shortline views which were foundational for its development.

Recurring meetings between RAC and Canada Infrastructure Bank (CIB) have been held to explore financing opportunities for shortlines, and CIB have been invited to present to various RAC forums so far.

RAC was present at the American Shortline and Regional Railroad Association (ASLRRA) Annual Conference in New Orleans (April 2-4, 2023).

RAC is beginning to conduct a comparative analysis into the differences in funding opportunities between Canada and the United States. This analysis will help to inform RAC advocacy with decision makers across Canada to demonstrate the need for shortline funding support.

Support to shortlines is featured as a key recommendation on our website for supporting strong supply chains: [Canadian Railways – Reliable Supply Chain Partners | RAC \(railcan.ca\)](https://www.railcan.ca/Canadian-Railways-Reliable-Supply-Chain-Partners-RAC)

RAC continues to look for the creation of opportunities so the shortline's voices are heard.

## 6. **ENVIRONMENT COMMITTEE**

### **Memorandum of Understanding with Transport Canada**

RAC's Memorandum of Understanding (MOU) with Transport Canada (TC) provides a framework for collaborating on research initiatives, advancing decarbonization, and setting emissions reductions targets for the rail industry. The most recent MOU covered the years 2018 – 2022. While the MOU period has concluded, there remains the 2022 reporting year for LEM to complete.

A series of engagements between government and industry occurred over the summer months to begin drafting a new MOU. The current draft proposes to acknowledge the Class I freight SBTI targets to 2030 and to commit the passenger and shortline sectors to continuing to reduce their emissions (no specific target). Annual reporting would continue largely the same as in the past.

Aspirational goals are being considered which would help to send signals to other federal departments and stakeholders. For instance, an industry goal of using 10%-20% renewable fuels are being considered which would send market signals to the federal government and fuel producers. Additionally, commitments to advancing pilot projects would help to signal the need for federal funding to advance the development of trials and technologies.



The expected timeline to finalize a new MOU is by the end of November 2023.

#### **2018-2022 MOU Audit**

TC is developing a Statement of Work (SOW) to audit the 2018-2022 MOU as per Section 9.3 of the MOU. The last audit occurred in 2015. Once RAC and TC are comfortable with a draft SOW, the MOU Management Committee will be engaged for review and approval of the SOW.

Once approved, the project would be completed by March 1, 2024.

#### **Diffusion de l'avis sur la décarbonation du transport lourd dans vos réseaux**

The Quebec Advisory Council on Climate Change engaged with RAC regarding transportation sector decarbonization. RAC feedback focused on the findings of the Rail Pathways Initiative, member projects, and the sound emission track record (LEM reports) of the Canadian rail industry to reduce emissions. RAC promoted modal shift to rail as an important pathway for reducing emissions in the transportation sector.

In September 2023, the Advisory Council shared their final report with RAC (in French only – available on request). The report rightly identifies the opportunity presented by modal shift to rail and marine which includes recommendations to develop strategies to implement modal shift. This is positive for the industry. RAC will continue to engage.

#### **Environmental Management Systems**

Following a survey to members in the Spring of 2022, RAC has contracted Aureus Solutions to develop additional supporting materials for members seeking to implement Environmental Management Systems (EMS). A series of policy checklists, templates, and videos will be produced to provide more guidance to members.

The materials have been drafted by Aureus Solutions. The Environment Committee is currently reviewing the materials. Two webinars were held in September 2023 to begin the review process.

EMS materials are expected to be finalized for member distribution by the end of October 2023.

#### **NRCan Biofuels Consultation**

Budget 2023 promised a consultation on Canada's biofuels sector. NRCan hosted a virtual workshop in late May 2023 in which RAC participated and provided feedback. Industry views presented focused on the need for greater renewable fuels production in Canada, sharing how the industry sees renewable fuels as a significant pathway to decarbonization, and what the challenges are for implementation including technical and economic considerations.

NRCan indicated that an announcement may be made in the 2023 Fall Economic Statement.

#### **Cross-border Movement of Hazardous Waste and Hazardous Recyclable Materials Regulations (XBR)**

##### **a) Permit of Equivalent Level of Environmental Safety (PELES)**

- Environment and Climate Change Canada's (ECCC) Regulatory Operations branch within the Waste Reduction and Management Division denied RAC's most recent proposal for a PELES on the basis that it does not comply with international obligations binding on Canada (i.e., Basel

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Convention, OECD Decision C (2001)107/FINAL, and the Canada-USA Agreement on the Transboundary Movement of Hazardous Wastes, 1986.

- Industry has engaged this branch of ECCC several times over the last couple of years to develop an approved PELES template but with no success. A PELES would allow for alternative compliance with the XBR that industry could meet.
- Given the lack of success with this approach, RAC, CN, and CPKC are considering an advocacy approach with both Minister Guilbeault's and Minister Rodriguez offices.

**b) Definitions of Hazardous Wastes and Hazardous Recyclable Materials**

- Following the submission in September 2022 to Environment and Climate Change Canada (ECCC) in which RAC made the case that scrap rail ties should not be considered hazardous, ECCC has communicated that this regulatory process is currently on pause. They indicated that it may be 3-4 years before they review Schedule 7 of the XBR.
- In March 2023, RAC, CN, CPKC, and Ken Roberge (TRC Companies) met with representatives from Environment and Climate Change Canada (ECCC) to discuss the XBR and scrap rail ties. Industry asked if ECCC could potentially provide feedback on a draft Statement of Work that would seek to conduct a risk assessment of scrap rail ties in Canada. The goal is to demonstrate that there is minimal environmental risk and scrap ties should not be considered hazardous but there needs to be assurances that the project meets the requirements of ECCC to which they agreed to review any Statement of Work developed by industry.
- CPKC provided two relevant studies to ECCC on rail ties and creosote for their review as ECCC had asked if industry knows of any available literature.

**Storage Tank Systems Regulations**

In October 2022, the RAC submitted comments on behalf of industry to ECCC in response to the Discussion Document – Review of the Storage Tank Regulations. The 17-page submission was developed with comments from CN, CPKC, and support from Ken Roberge (TRC Companies). RAC and members will continue monitoring for further consultation opportunities.

**British Columbia Carbon Tax**

In January 2023, the RAC was approached by Advanced Biofuels Canada (ABFC). ABFC was seeking support from the rail industry to support its advocacy campaign in BC regarding the application of the provincial carbon tax to renewable fuels. Under this policy regime, the carbon tax is applied the same to renewable fuels (e.g., biodiesel) in the same manner as petroleum fuels which adversely impacts the price point of renewable fuels that have a lower carbon intensity.

The application of the carbon tax results in incorrect market signals and a lack of policy support for the advancement of renewable fuels. RAC provided its support to ABFC's advocacy campaign by supporting a letter to the BC Government. Unfortunately, with the BC Budget 2023, no policy change was implemented to correct this issue. ABFC remains engaged with the BC government.

RAC included a recommendation to remove the carbon tax from renewable fuels in its 2024 pre-budget submission. RAC feedback was listened to as demonstrated by the finance committee's recommendations for budget 2024 which included reviewing the application of the provincial carbon tax.





RAC continues to engage BC officials (EMLI, Finance, and Transportation) on the need to remove the carbon tax as its disincentives the transition to low-carbon intensity fuels.

### **Environment Committee**

RAC is surveying the environment committee to identify priority areas for the next few years. Committee feedback will be presented at the October 25, 2023, committee meeting in Calgary at CPKC. This hybrid meeting will also feature a planned tour of the CPKC hydrogen locomotive project.

## **7. PROXIMITY**

### **2023 Outreach Plan**

Canada is continuing to experience a housing crisis and now more than ever, there is a strong push for communities to address these concerns. The need for affordable housing is now front and centre with our government and we are now seeing consultations, funding, and incentives to address the housing shortage in Canada. While transit-oriented development typically brings users closer to commuter rail and increases ridership, RAC and industry partners must work with municipalities to ensure these housing units are being thoughtfully constructed to ensure that safety and livability are prioritized. Proper development at the early planning stages needs to be prioritized to ensure that human health and safety are never compromised. We have expanded our outreach efforts beyond municipalities and have identified several new stakeholders and partners.

For the last part of 2023, the Proximity Initiative is continuing to focus outreach on British Columbia and Ontario. To support this objective, we attended the Federation of Canadian Municipalities annual conference in Toronto (May 25 – 27) and for the Union of BC Municipalities in Vancouver from September 18 – 22.

We also expanded our outreach to urban development institutes, land developers, engineering groups HATCH, WSP, and stakeholders including CMHC, Transport Canada and Environment Canada in addition to continued outreach with municipalities.

We also participated in and provided feedback to government land use consultations in Saskatchewan, Quebec, and Ontario

### **Stakeholder Engagements**

- Meeting with Bethune, SK
- Meeting with County of Westlock, AB
- Meeting with Scott Brown, CN re: engagement opportunity with Saskatchewan Common Ground Alliance
- Meeting with Dillon Consulting re: Proximity Guideline update
- Meeting with Jennifer Gilmore, Municipal panner, St Pierre-Jolys, QC
- Meeting with HATCH re: opportunity to collaborate with engineering group for the Proximity Update
- Meeting with Sandeep Agrawal, University of Alberta's Planning school
- Meeting with Jason Mitity, Saskatchewan Comon Ground Alliance re: opportunity to promote Rail safety in their fall series.
- Meeting with CPKC members: Mike LoVecchio, Fittipauld Lourenco, Stacey Patenaude re: Ontario's Bill 23
- Meeting with Dave Poole, Dillion consulting re: establishing a glossary for various terms including how rail classifications are determined.
- Meeting with Lori Foster re: development in Lac La Hache, AB
- Meeting with Daniel Savator re: Proximity concerns in St Catherine's, ON
- Meeting with Ashkan Matlabi, WSP re: development in St Catherine's, ON



**Railway Association  
of Canada**

- Meeting with the town of Wetaskiwin, AB
- Meeting with the City of Grande Prairie, AB
- Meeting with Li-Lian Lui, Partum Consulting
- Meeting with UBCM President and CEO
- Meeting with Bria Arid, Planner with the City of Ottawa, ON
- Meeting with Jordan Thompson, City of Lacombe, AB
- Meeting with Julianne Threlfall, engagement opportunities with CN
- Meeting with Kimberley Worthington of Central Alberta Economic Partnerships
- Meeting with Carla Thompson, Economic Development Officer, County of Wetaskiwin, AB
- Meeting with Kalen Anderson, UDI Edmonton Metro
- Meeting with Lynn Gagnon, Dillon consulting re: Proximity Guideline Update
- Meeting with Edmonton Urban Development Institute
- Meeting with Chris Woodstock, CMHC
- Meeting with Samantha Jones, CMHC
- Meeting with Joanne Lufty, Transport Canada
- Participated in Operation Lifesaver Board of Directors meeting

#### **Events Attended**

- Attended Saskatchewan Government round table on Land Use Policy/Red Tape Reduction
- Attended the Federation of Canadian Municipalities Tradeshow
- Attended the Union of British Columbia Municipalities Tradeshow
- Tour of the Port of Vancouver
- Attended the Alberta Municipalities Conference
- Participated in the Confederation Heights Master Land Planning Advisory Committee
- Participated in Quebec Land Use Consultations, Consultation en vue de la publication de nouvelles OGAT
- Women in Rail Conference
- Alberta Premier's Breakfast, Calgary Stampede

### **8. SAFETY CULTURE IMPROVEMENT INITIATIVE**

#### **2023 Safety Culture Assessments**

Three assessments are occurring in 2023 with GIO Rail, Great Plains Rail (part of Universal Rail Systems), and a reassessment with Prairie Dog Central Railway (PDCR).

PDCR has developed their action plan while Great Plains Rail is in the process of developing their action plan. GIO Rail will be launching their safety culture assessment in October 2023.

#### **Safety Culture Asynchronous Leadership Education (SCALE)**

The aim of the Safety Culture Asynchronous Leadership Education (SCALE) initiative is to provide people in supervisory roles, such as foremen, lead hands, supervisors, managers, and leaders, with an overview of safety culture and how they can use their roles to positively influence safety culture in their organization.

SCALE is now being piloted with volunteers from CPKC, Cando, Metrolinx, and VIA Rail. The pilot will run from mid-September to the end of November 2023.

It is important to point out that SCALE was initiated following strong interest by members for such training for their supervisors and managers.

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### Safety Culture Workshop with Dr. Fleming

In August 2023, the RAC worked with Dr. Fleming to pilot a workshop with volunteers from the Safety Culture Steering Committee. Dr. Fleming delivered the workshop virtually in which he presented on using safety culture indicators to gain insights for improvement opportunities. Participants were tasked with working through a sample SMS audit to gain safety culture insights. The pilot was well received. Future opportunities may be explored with Dr. Fleming.

### Near-Miss Reports

A new version of the near-miss report, Shared Lessons about Near Miss Reporting Across Industries, has been developed by the RAC safety culture team lead by Keri Harvey. The report provides information on barriers to near miss reporting and opportunities to address them. Insights from RAC safety culture assessments are included. This report is available on the members website under resources.

As a follow up to this report, interviews were held with Safety Culture Steering Committee members to gain further insights into near miss reporting at member companies. Data collected from the interviews were used to develop another report, Near Miss Insights from Interviews in Canadian Rail. This report was developed in June 2023.

### Safety Summit

The RAC continues to plan for a Safety Summit to be held at the Sheraton Centre in Montreal from November 15-16. This event is being planned in partnership with the Association Québécoise des Transports. The planning committee is currently working to develop registration information, webpages, communications materials, as well as developing the agenda and securing speakers for the event.

## 9. RAC MEMBERSHIP

### RAC MEMBER RAILWAYS

Agawa Canyon Railroad, ULC
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.
CPKC

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.
Immeuble VDS 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.
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, The
Romaine River Railway Company
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.
St. Paul & Pacific Northwest Railroad Company LLC
Toronto Terminals Railway Company Limited, The
Train Touristique de Charlevoix Inc.
Tshietin Rail Transportation Inc.
Union Pacific Railroad Company
VIA Rail Canada Inc.
West Coast Express Ltd.
White Pass and Yukon Route Railroad

#### RAC ASSOCIATE MEMBER RAILWAY

Absopulse Electronics Ltd.
Arrimage National
Ashcroft Terminal
Bayside Canadian Railway
BHP Canada Inc.
British Columbia Institute of Technology
CAD Railway Industries Ltd.
Canadian Heartland Training Railway Services Inc.
Canadian Rail Research Laboratory
Canadian Railway Services
Canadian Urban Transit Association
Cando Rail & Terminals Ltd
Cégep de Sept-Iles
Colliers Project Leaders
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
Green Response Environmental & Rail Inc

Groupe Ingati inc.
Groupe Pelletier Entretien
Harsco Rail
Hitachi Rail STS
J Lanfranco Fastener Systems Inc
Jones Rail Industries Ltd.
Koch Fertilizer Canada ULC
L.A. Hébert Ltée
Lambton College
Lanyi Rail Solutions Ltd.
McCarthy Tétrault
Messer Canada Inc.
NARSTCO
Nu-Edge Rail LTD
Ontario Steel Haulers Inc.
Partum Consulting Inc.
PNR Railworks Inc.
Rail Cantech
Rail-Werx Inc.
Red River College
Rees Rail Services Ltd.
RTC Rail Solutions Ltd
Sait Polytechnic
Sands Bulk Transport
Sandy Cooke Consulting Inc.
Siemens Mobility Limited
Société du port ferroviaire de Baie-Comeau (SOPOR)
Soulanges Railway Services Inc.
Stantec Inc.



Suncor Energy Products Partnership
Torq Transloading
T-Rail Products Inc.
Tybo Contracting Ltd.

Universal Rail Systems
VIP Rail ULC
Wabtec Corporation
Whiting Equipment Canada
X-Rail Signalisation Inc.

# COMMUNICATIONS + MEDIA RELATIONS

**5.8M+**

Impressions with supply chain and extended interswitching campaigns

**3x**

Click Through Rate improvement in 2023 campaigns vs. 2022

**41%**

Increase in LinkedIn followers (w/ above-average engagement)

- ✓ Fact- and evidence- based campaigns drawing on proprietary and 3<sup>rd</sup>-party research to fill knowledge gaps and prep that ground for advocacy meetings
- ✓ Effective use of geo-targeting: Campaigns had smaller target audiences, but focused on targets that truly matter (policy- and decision-makers + those supporting them)
- ✓ Aggressive countering of mis-/dis-information by opponents
- ✓ SEO optimization and social listening to stay most relevant to organic political discourse
- ✓ Campaign collateral that evolved with feedback from outreach activities



# COMMUNICATIONS UPDATE (CONT'D)

- RAC 'charm offensives' have focused on celebrating everyday railroaders, their stories, and their commitment to safety and sustainable growth.
- Putting real faces and voices front and centre creates opportunities for elected and non-elected officials alike to think differently about railways and the impacts of the policies, rules, and regulations they implement. This changes discussions on industry trends, supply chains, and more.



## Megan McLeod

Meet Megan McLeod, who interns for the Western Mechanical Division of CN Railway.



Megan is an electrical engineering student at the University of Alberta and plans to specialize in plasma and photonics in her final year.

Her career goal is to apply her knowledge as an electrical engineer in the field of energy and transportation.

[Read bio](#)

## Martin Ortega

Meet Martin Ortega, who is doing an internship in the technical services department at VIA Rail.



He is a student of mechanical engineering at the École de technologie supérieure.

Martin is interested in railways, aeronautics, cars and cycling. He is particularly fascinated by sustainable development and green technologies.

[Read bio](#)





Board of Director Meeting – October 18, 2023

### 4.3 **COMMUNICATIONS AND MEDIA RELATIONS**

#### **Q2-Q3 HIGHLIGHTS**

- Since May, our **social media activities** have produced the following results:
  - [FB Metrics](#)
  - [LinkedIn metrics](#)
  - [Twitter/X metrics](#)
- Highlights:
  - Follower growth
    - LinkedIn: +45% since start of the year to 14,500.
    - Facebook: +2.04% growth in new fans; 209k users reached.
    - Twitter/X: slight growth (0.68%) despite turmoil and 11.6% drop in daily users on platform.
  - Engagement
    - LinkedIn: Engagement rates above industry average for both page (30%) and posts (10%).
    - Facebook: Engagement rates 7x higher than industry average with focus on safety, family and community messaging.
    - Post engagement rate 8x higher than industry average.
  - Other:
    - LinkedIn continues to show excellent growth in followership and engagement; we will continue to focus on growing this platform
    - We will review and refresh our social media channel strategy for all channels in Q4 2023

#### **Paid campaigns**

Supply Chains and Extended Interswitching: 5.8M impressions (1.9M more than 2022 campaigns); 8,133 clicks (nearly double the clicks from 2022 full-year campaigns); CTR: 0.34% (triple 2022 rates and more than 3x higher than target).

Youth In Rail: in field now; early engagement rates very strong.

Supplements in the *National Post* on sustainability (circular economy) and infrastructure have positioned railways as innovators investing for future.

- **Takeaways**
  - Paid campaigns were more focused and tightly geo-targeted; the smaller 'n' for our target audience meant we could focus on getting it seen by the people that mattered.
  - We received regular feedback from policy and decision-makers that our ads were seen, impactful.



- 'Air war' complemented and evolved with advocacy 'ground war' - assets were adaptable to feedback we received in outreach meetings. Combined efforts helped keep focus on facts helped counter grain shippers' efforts to make zone distances larger and the 'pilot' longer/permanent.

**Conferences:** (featuring refreshed RAC backdrops and booth collateral)

- UBCM
- FCM
- AB Municipalities conference
- Fire Rescue Canada
- Women In Rail (virtual)

**Staffing Updates**

Communication specialist (Ellie Gun) resigned to pursue Master's degree in France in September

New Communications specialist, Lee McPhail, has been hired and will begin October 23.

**BACKGROUND**

With many new players in key roles, our communications activities have had to ensure education and advocacy are done concurrently. This has involved 'cutting through the noise' to identify and fill knowledge gaps, pinpoint trends we can react to quickly, and mis/disinformation with a relentless commitment to fact- and evidence-based policy development.

Communications activities in 2023 have focused squarely on advocacy priorities and aligning where possible RAC members' messages to top political issues. We have refined high-level messaging to keep pace with outreach feedback. Tying supply chain and interswitching messaging to affordability and cost of living concerns is one example. Arguing publicly that extended interswitching will drive well-paying union jobs and private-sector investment to the U.S. is another.

Our 'always on' messages spanned paid, earned, shared and owned channels and focused on continually reinforcing rail's advantages in three areas: safety, value, and reliability. To truly penetrate with key players in the federal political ecosystem (MPs and Senators, their staff, relevant non-elected officials in key ministries) and provincial players, we will need to continue the ground and air war approach. We also must ensure we hit hearts and minds - with real railroaders' stories, passion and pride leading the way. Railroaders' voices and experiences will be important to put a face to rail as we head into 2024.\*

Additional focus will be devoted to continued SEO/search optimization, website optimization (backlinks/internal links, URL, and mobile friendliness) and improving our email marketing and performance to better capitalize on growing subscriber list and high open rates.





### **'Charm offensives'**

- World Tourism Day (Sep. 27)
- Women In Rail
- Youth In Rail
- Rail Safety Week
- Personalized welcome / congratulatory notes and posts
- #FactsMatter #RailMatters
- Safety Summit (Nov. 15-16)
- Holiday Reception and Awards (Nov. 29)
- **\*#CheminotFier / #CDNRailProud**

### **Member Engagement**

The communications team continues to nurture member engagement and relationships through participation in committees, regular meetings with member communications teams and producing a robust calendar of events that provides value to **all** member segments.



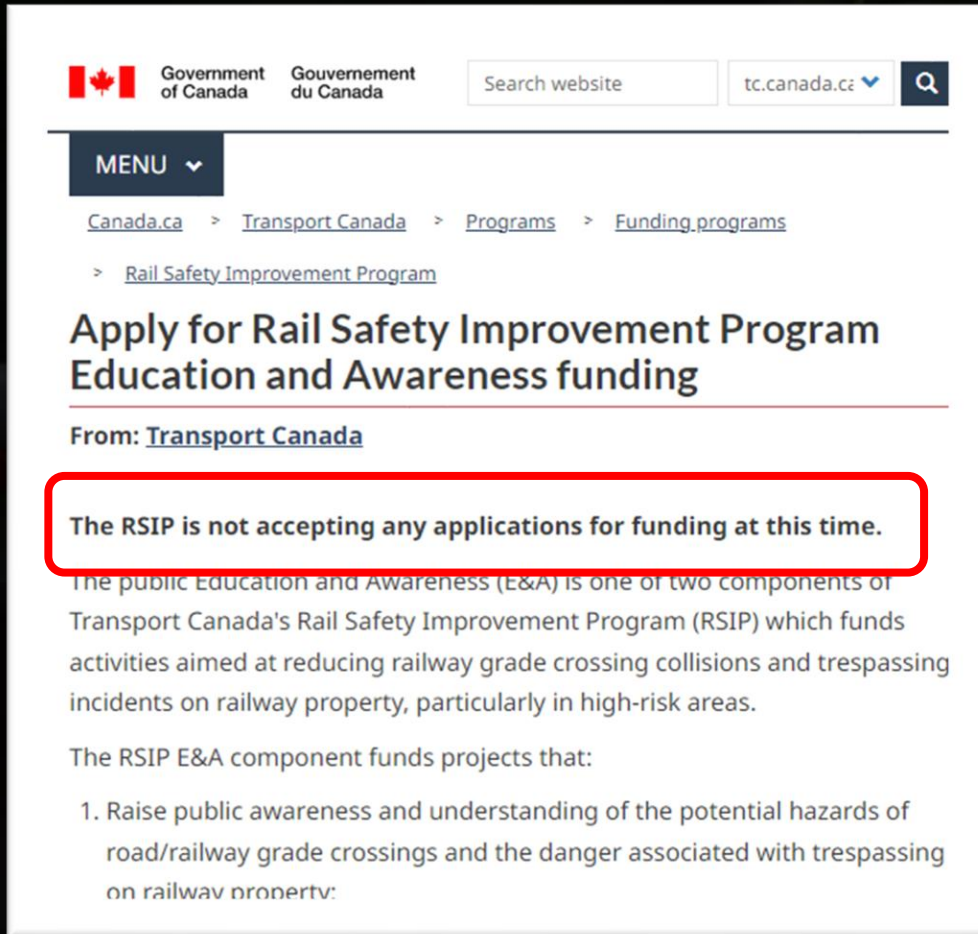
# Operation Lifesaver Canada: National Director's Report

**RAC Board Meeting**  
October 18, 2023



OPERATION  
**LIFESAVER**

# RSIP Funding



Government of Canada / Gouvernement du Canada

Search website

tc.canada.ca

MENU

Canada.ca > Transport Canada > Programs > Funding programs > Rail Safety Improvement Program

## Apply for Rail Safety Improvement Program Education and Awareness funding

From: [Transport Canada](#)

**The RSIP is not accepting any applications for funding at this time.**

The public Education and Awareness (E&A) is one of two components of Transport Canada's Rail Safety Improvement Program (RSIP) which funds activities aimed at reducing railway grade crossing collisions and trespassing incidents on railway property, particularly in high-risk areas.

The RSIP E&A component funds projects that:

1. Raise public awareness and understanding of the potential hazards of road/railway grade crossings and the danger associated with trespassing on railway property:

- OL's 3-year contribution agreement with Transport Canada expired on March 31, 2023
- TC has extended our funding by another year – until March 2024
- Call for proposals for longer-term funding hasn't been sent out



OPERATION  
LIFESAVER



# Key Campaigns & Initiatives



OPERATION  
**LIFESAVER**

*Today is better because I reached out.*

If you're in crisis, there is help. Call:  
**1.833.456.4566** (Canada)  
**1.866.APPELLE** (Quebec)  
Anytime, day or night.

 **OPERATION LIFESAVER**  
A MEMBERSHIP OF PUBLIC CANADA SOCIETY

 **talk suicide**  
CANADA

 **AQPS**  
Association québécoise de prévention du suicide

**TodayIsBetter.ca**

## Today is Better

- Trespassing incidents trending above 5-year average this summer
- 3-week paid campaign on social media in July and August — when incidence of rail suicides is typically highest
- Campaign generated:
  - >476,000 video views
  - 3.5 million impressions
  - 22,700 clicks through to [TodayIsBetter.ca](https://TodayIsBetter.ca)





<sup>th</sup> **RAIL  
SAFETY  
WEEK**

**2003–2023**

---

[operationlifesaver.ca](https://operationlifesaver.ca)

**September 18-24, 2023**

# #STOPTrackTragedies



- 2 new #STOPTrackTragedies videos produced to highlight two fatal incidents (one crossing, one trespassing)
- Campaign theme: ***It's not worth the risk.***
- New RSW logo and landing page developed featuring downloadable graphics, messaging, & schedule of events



# #STOPTrackTragedies



- Dylan Ford's mother was interviewed for this year's #STT campaign
- Dylan and two of his friends were killed while painting graffiti in a railway tunnel in 2010

# #STOPTrackTragedies



- Jacob Hicks' mother was also interviewed
- Jacob was distracted by his music and phone at a crossing, and was struck and killed by a train in 2012
- Both videos are available at:  
**[STOPTrackTragedies.ca](https://stoptracktragedies.ca)**

# #STOPTrackTragedies



- 4-weeks of paid ads on social media
- Pre-show ads in 85 Cineplex and Magic Lantern Theatres
- Billboard ads in select communities
- Blog and social posts, e-blasts and news releases to promote #STT campaign and RSW initiatives



# #STOPTrackTragedies



- Campaign is still in market, but just 1 week generated:
  - 2.1 million #STT video views
  - 5.2 million impressions
  - 34,000 clicks to OL's website
- > 318,000 people saw OL's pre-show ads in movie theatres
- Billboards generated 1.8 million impressions across Canada





th RAIL  
SAFETY  
WEEK  
2003-2023  
operationlifesaver.ca

It's not  
worth the risk.

Don't trespass on railway tracks.

**STOPTrackTragedies.ca**





# It's not worth the risk.

Obey signs and signals at rail crossings.

**[STOPTrackTragedies.ca](http://STOPTrackTragedies.ca)**



No tag is  
Worth the risk

Whatever your pastime,  
stay off railway tracks.

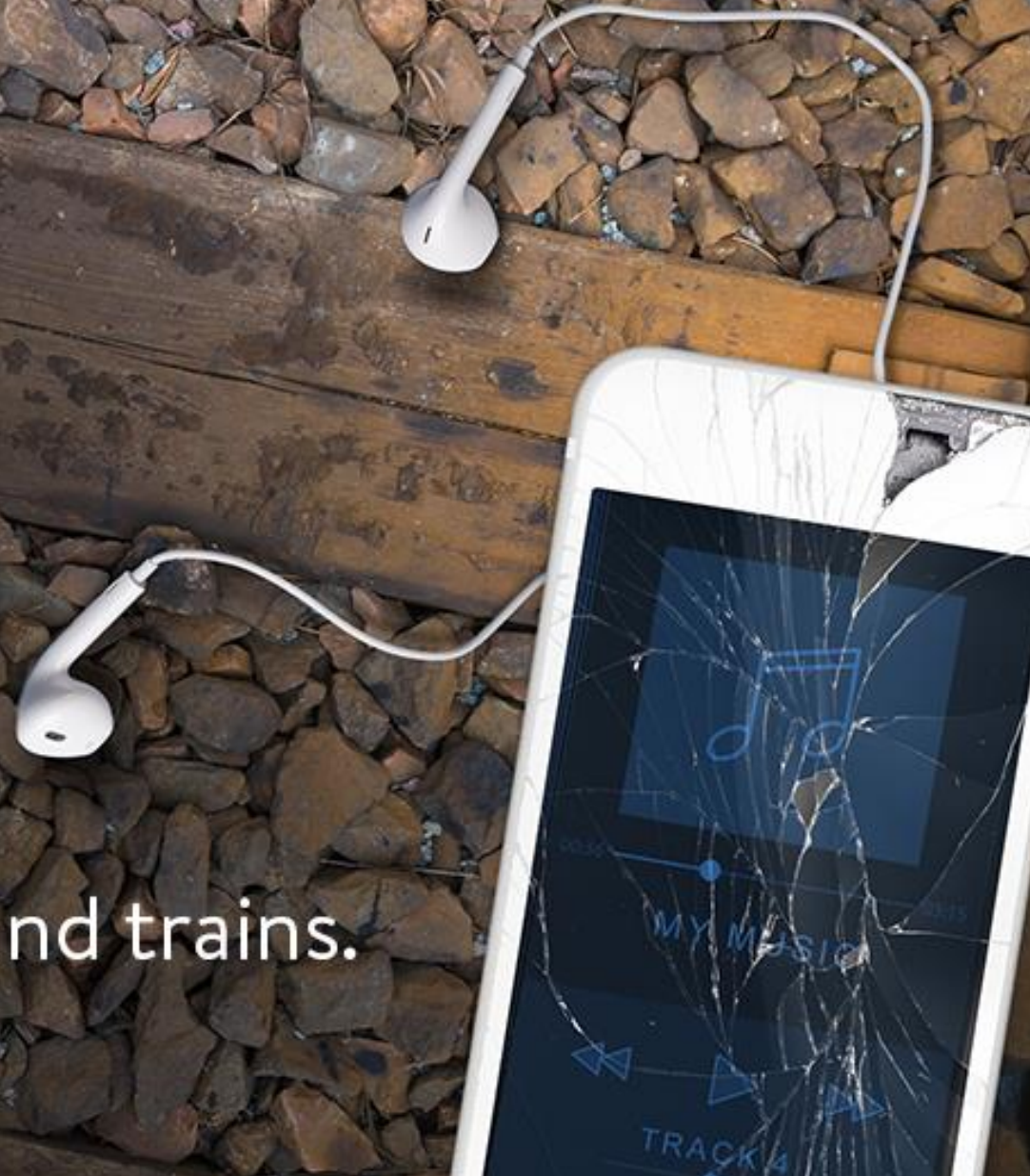
**STOPTrackTragedies.ca**



# NO SONG IS WORTH THE RISK.

Avoid distractions around tracks and trains.

**STOPTrackTragedies.ca**





**NO JOYRIDE  
IS WORTH  
THE RISK.**

Don't play on trains or tracks.

**STOPTrackTragedies.ca**





SEMAINE DE  
LA SÉCURITÉ  
FERROVIAIRE  
2009-2029  
[operationgareautrain.ca](http://operationgareautrain.ca)

**Aucun texto**

**ne vaut le risque.**

Évitez les distractions près  
des voies ferrées et des trains.

**FiniLesVoiesTragiques.ca**





SEMAINE DE  
LA SÉCURITÉ  
FERROVIAIRE  
2003-2023  
opérations gare au train.ca

# Aucune photo ne vaut le risque.

Ne prenez pas de photos sur les voies ferrées.

**FiniLesVoiesTragiques.ca**



# Operation Clear Track

- Police enforced laws, distributed pamphlets, and promoted rail safety through press releases and social media
- 640 Canadian police departments and detachments participated this year
- This is a record to date — we're hoping to exceed this level of engagement next year





# Community Safety Partnership Program

- >200 rail safety decals and signs unveiled in communities across Canada this year
- 20 new communities joined the program, bringing the total number engaged to 98





### British Columbia

- 1 Ashcroft
- 2 Barriere
- 3 Burnaby
- 4 Chilliwack
- 5 Fernie
- 6 Fort Langley
- 7 Genelle
- 8 Kamloops
- 9 New Westminster
- 10 Pitt Meadows
- 11 Prince George
- 12 Revelstoke
- 13 Rivervale
- 14 Squamish
- 15 Surrey
- 16 Vancouver

### Alberta

- 17 Airdrie
- 18 Bow Island
- 19 Brooks
- 20 Calgary
- 21 Carstairs
- 22 Cochrane
- 23 Edmonton
- 24 Grande Prairie
- 25 Hamlet of Irvine
- 26 Innisfail
- 27 Jasper
- 28 Lloydminster
- 29 Morinville
- 30 Olds
- 31 Redcliff
- 32 Slave Lake
- 33 Stony Plain
- 34 Vegreville
- 35 Wabamun Park

### Saskatchewan

- 37 Bethune
- 38 Eastview
- 39 Eston
- 40 Grenfell
- 41 Humboldt
- 42 Midale
- 43 Pilot Butte
- 44 Regina
- 45 Saskatoon
- 46 Weyburn
- 47 Whitewood

### Manitoba

- 48 Brandon
- 49 Dauphin
- 50 Morden
- 51 Portage La Prairie
- 52 Winkler

### Ontario

- 53 Bradford
- 54 Brampton
- 55 Cambridge
- 56 Chatham-Kent
- 57 Fort Frances
- 58 Guelph
- 59 Halton Hills
- 60 Hamilton
- 61 Kingston
- 62 London
- 63 New Hamburg
- 64 New Market
- 65 North Bay
- 66 Markham
- 67 Parry Sound
- 68 Plympton-Wyoming
- 69 Richmond Hill

### Quebec

- 70 Sault Ste-Marie
- 71 Smiths Falls
- 72 Sudbury
- 73 Toronto
- 74 Thunder Bay
- 75 Whitchurch-Stouffville
- 76 Windsor
- 77 Woodstock

### Quebec

- 78 Acton Vale
- 79 Beaconsfield
- 80 Jonquière
- 81 Montreal
- 82 Sainte-Hélène-de-Bagot
- 83 Saint-Wenceslas
- 84 Sorel-Tracy
- 85 Trois-Rivières

### New Brunswick

- 86 Baker-Brooke
- 87 Fredericton Junction
- 88 Grand Bay-Westfield
- 89 Moncton
- 90 Saint John

### Nova Scotia

- 91 Antigonish
- 92 Dartmouth
- 93 Halifax
- 94 New Glasgow
- 95 Stellarton
- 96 Westville

### Newfoundland and Labrador

- 97 Labrador City
- 98 Wabush



# RSW Decal Unveilings





# Stay Safe with Thomas Reading Events





# 2022 Roger Cyr Awards



- Two awards recognize **Individuals** and **Communities** for excellence in promoting rail safety
- **Phil Breden** and **Wemotaci, Que.** announced as this year's winners via a news release and social media posts during RSW
- Awards dinner at OL AGM on October 26<sup>th</sup>





# Fall/Winter Campaigns & Initiatives



OPERATION  
**LIFESAVER**



# STAY SAFE WITH THOMAS!

FREE Thomas & Friends™ story and activity books

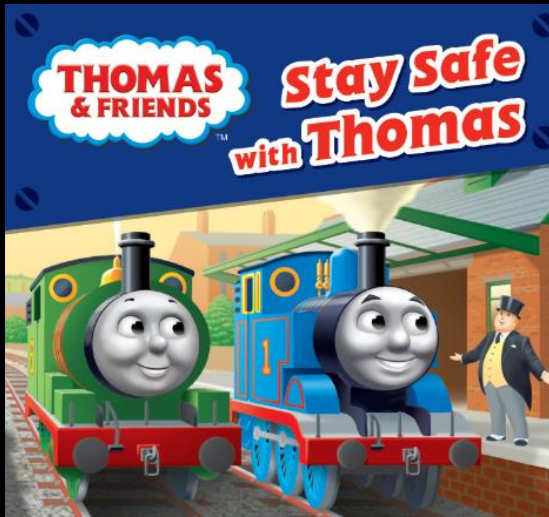
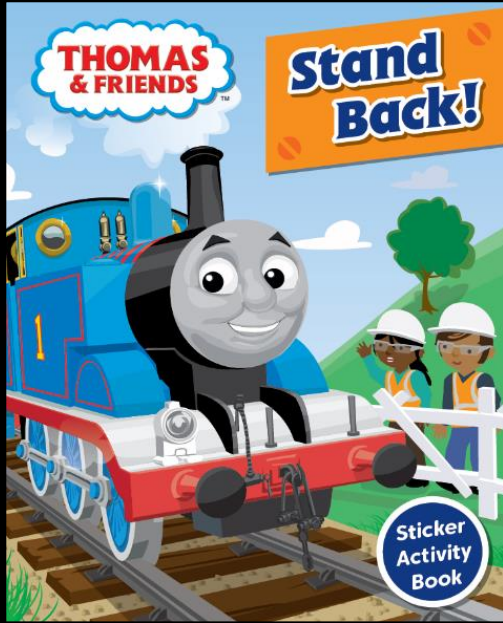


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A PARTNERSHIP IN PUBLIC-RAIL SAFETY

# Stay Safe with Thomas Campaign



- November campaign will encourage parents, librarians, and educators to order free copies of story and activity books from OL's website
- 2022 campaign was very effective — we almost couldn't meet the demand for books
- Hoping for a similar level of interest this year

**CPKC**

 **METROLINX**



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LIFESAVER**



# Youth Rail-Safe Driving Speaker Series



- OL has hired Sandra LaRose as a youth outreach consultant
- Sandra's daughter, Kailynn, was killed in a distracted-driving crossing incident in 2018
  - Her story is featured in our #STT campaign
- Sandra will be speaking in schools and to youth-focused community groups across Canada



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**LIFESAVER**

# CAN YOU SEE IT?



Winter conditions can obstruct your view and impact your ability to stop quickly.  
**Slow down. Watch for the signs. Drive safely this winter.**

[OperationLifesaver.ca](http://OperationLifesaver.ca)





# Thank you!

Sarah Mayes  
National Director  
[smayes@railcan.ca](mailto:smayes@railcan.ca)



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## Operation Lifesaver Canada Update — October 2023

Operation Lifesaver (OL) Canada has continued to make good progress on its objectives over the past six months. OL's main activities from May 2023 to October 2023 included securing additional funding from Transport Canada's Rail Safety Improvement Program, promoting its *Today is Better* suicide prevention initiative, and preparing and launching its 20<sup>th</sup> anniversary Rail Safety Week campaign in September.

### 1. Rail Safety Improvement Program Funding

OL's three-year contribution agreement with Transport Canada expired on March 31, 2023, and the next call for Rail Safety Improvement Program proposals is not expected until later this fall. As this would leave the organization without funding for an extended period, OL and the RAC successfully advocated for Transport Canada to extend OL's funding by an additional year—until March 31, 2024. With this funding now in place, OL can focus on delivering its life-saving campaigns and initiatives. Its 2024-2027 proposal has already been drafted, and will be ready to submit as soon as TC's call for proposals is sent out.

### 2. *Today is Better* Campaign

OL chose to promote its [\*Today is Better\*](#) (TIB) campaign throughout the summer months, as research suggests this is when the incidence of rail suicides is highest in Canada. *Today is Better* features the stories of 13 people with lived experience of suicidal thoughts, who got help, and shared their stories of hope. The campaign was developed in consultation with the Canada Suicide Prevention Service (now Talk Suicide) and the Association Québécoise de Prévention du Suicide. OL's three-week campaign spanned July and August, and was promoted on Facebook, Instagram, TikTok, Google Display, YouTube, and Reddit. It generated more than 476,000 video views, 3.5 million impressions, and 22,700 clicks through to [TodayIsBetter.ca](https://TodayIsBetter.ca).



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### 3. 20<sup>th</sup> Annual Rail Safety Week (September 18-24, 2023)



To mark the 20<sup>th</sup> anniversary of Rail Safety Week (RSW), OL Canada developed a series of events and initiatives to highlight the importance of rail safety from coast to coast, and to acknowledge the great work of OL's partners and Rail Safety Ambassadors in saving lives.

The week began with a launch event at the Toronto Railway Museum, and was followed by record-levels of engagement in Operation Clear Track, as well as the unveiling of hundreds of rail safety decals and signs across Canada, the promotion of two heartbreaking new [#STOPTrackTragedies](#) videos, and the announcement of OL's 2022 Roger Cyr Award winners. A summary of OL's key RSW activities is below.

#### **Rail Safety Week Launch Event – Toronto Railway Museum – September 16, 2023**

OL was excited to kick off the 20<sup>th</sup> anniversary of Rail Safety Week in partnership with its Ontario Committee and the Toronto Railway Museum on Saturday, September 16<sup>th</sup>. The launch event began with an unveiling of new [“Look. Listen. Live.”](#) rail safety decals at the museum's mini-train crossing, and was followed by readings of OL's [Stay Safe with Thomas](#) storybook for children that afternoon. OL also had a booth on the museum grounds with Rail Safety Ambassadors on-hand to distribute rail safety promotional items, including *Stay Safe with Thomas* story and activity books, stickers, and t-shirts. OL wishes to extend a big thank you to Li-Lian Lui, OL's Ontario Committee Co-Chair, for planning such a successful event.

#### **Operation Clear Track – September 19, 2023**

OL Canada also participated in [Operation Clear Track \(OCT\)](#) again this year. OCT is the largest rail-safety law-enforcement initiative in North America, and was held on September 19<sup>th</sup>. A record number — more than 600 Canadian police departments and detachments — participated in OCT this year by doing face-to-face outreach, promoting rail safety through press releases and social media, and enforcing rail safety laws in communities. OL wishes to

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thank Bennett Gibson, OL's Administrative Coordinator, for reaching out to hundreds of law enforcement agencies over the summer to encourage them to participate in OCT. OL hopes to secure a similar level of engagement in OCT again next year.

**#STOPTrackTragedies Campaign**



This year's [#STOPTrackTragedies](#) campaign reminded Canadians that *"It's not worth the risk"* to engage in unsafe behaviours around tracks and trains, by highlighting the tragic stories of two Canadian teens: [Dylan Ford](#) and [Jacob Hicks](#). Dylan was among three boys struck and killed by a train while painting graffiti in a railway tunnel in November 2010. Jacob suffered a similar fate: distracted by his music and his phone, he didn't notice the activated warning signals at a rail crossing when he was walking home one afternoon in February 2012. He stepped into the crossing, was hit by an oncoming train, and later died from his injuries.

These two #STOPTrackTragedies videos were promoted through four weeks of paid digital ads on Facebook, Instagram, TikTok, Google AdWords, YouTube, and Reddit. In addition, "pre-show" #STOPTrackTragedies ads were shown in 85 Cineplex and Magic Lantern theatres during Rail Safety Week, while digital billboards featuring the campaign messaging were posted in select hotspot communities. Nine new graphics (samples pictured below) were also developed to promote the campaign on social media, and were posted to a new [Rail Safety Week](#) landing page on OL's website. OL's #STOPTrackTragedies ads will be in market until October 26<sup>th</sup>, and so the campaign results will be reported at a future date.

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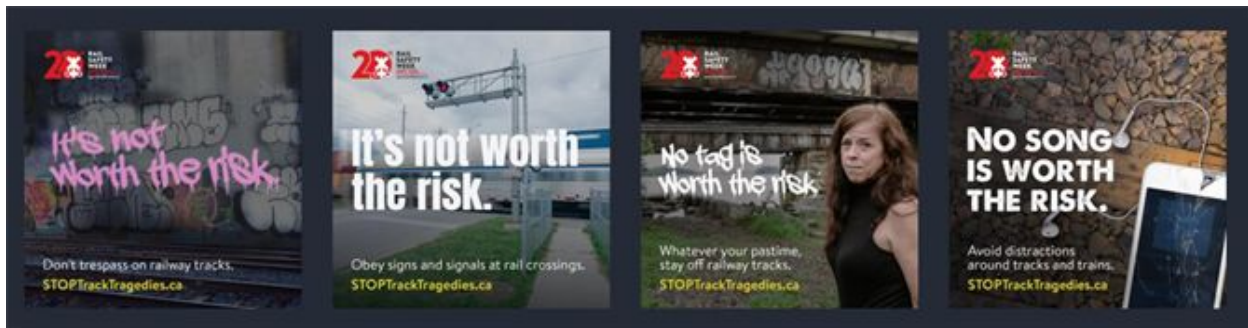
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**Stay Safe with Thomas Storytime Events – September 16-24, 2023**



For a second year in a row, OL and its partners also hosted *Stay Safe with Thomas* storytime events across Canada during Rail Safety Week. The [Stay Safe with Thomas](#) storybook allows children to follow along with the iconic Thomas the Tank Engine character as he learns valuable lessons about the dangers of not stopping at rail crossings or standing too close to the platform edge at rail stations. This year's reading events were hosted in a variety of locations, including rail stations, schools, daycares, and public venues such as the Toronto Railway Museum, the Vancouver Roundhouse Community Centre, and libraries in Sherwood Village, Filmore, Melville, and Yorkton, Sask.

**Unveiling of “Look. Listen Live.” Rail Safety Decals – September 18-21, 2023**

This year also marked a banner year for municipalities joining OL's [Community Safety Partnership Program \(CSPP\)](#). The CSPP encourages communities to install “Look. Listen. Live.” decals or signs near rail crossings as a reminder for drivers, pedestrians, and cyclists to be extra vigilant before crossing the tracks.

On September 21<sup>st</sup>, OL announced the unveiling of more than 200 decals and signs in 30 communities across the country through a press release and social media posts. OL also co-hosted a decal unveiling event with officials from the City of Markham on September 18<sup>th</sup>. A big thank you to Catherine Henry, Manager of Communications and Outreach, for encouraging so many communities to join OL's CSPP this year.



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### **Roger Cyr Awards Announcement – September 22, 2023**

Finally, OL capped off Rail Safety Week 2023 by announcing the recipients of its [Roger Cyr Awards](#) via a press release and e-blast to partners on September 22<sup>nd</sup>. Named after OL's founder, the Roger Cyr Awards recognize individuals and communities that are doing outstanding work to prevent rail crossing and trespassing incidents.

Phil Breden was named as the recipient of the 2022 individual Roger Cyr Award for being the epitome of the “citizen Rail Safety Ambassador.” Breden—who does not work for a railway—has volunteered for OL since 2018, chairs OL's British Columbia Committee, and now also leads the organization's outreach in Western Canada.

The Roger Cyr Community Award was awarded to the First Nation community of [Wemotaci, Que.](#) for its outstanding work to ensure that residents understand the risks surrounding tracks and trains following a rail tragedy in the community in 2018. OL Ambassadors have been invited year after year to make rail safety presentations in Wemotaci schools, and rail safety signage has also been installed in key locations in the community.

OL hopes that its partners will join in congratulating these winners for their commendable efforts to #STOPTrackTragedies.

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

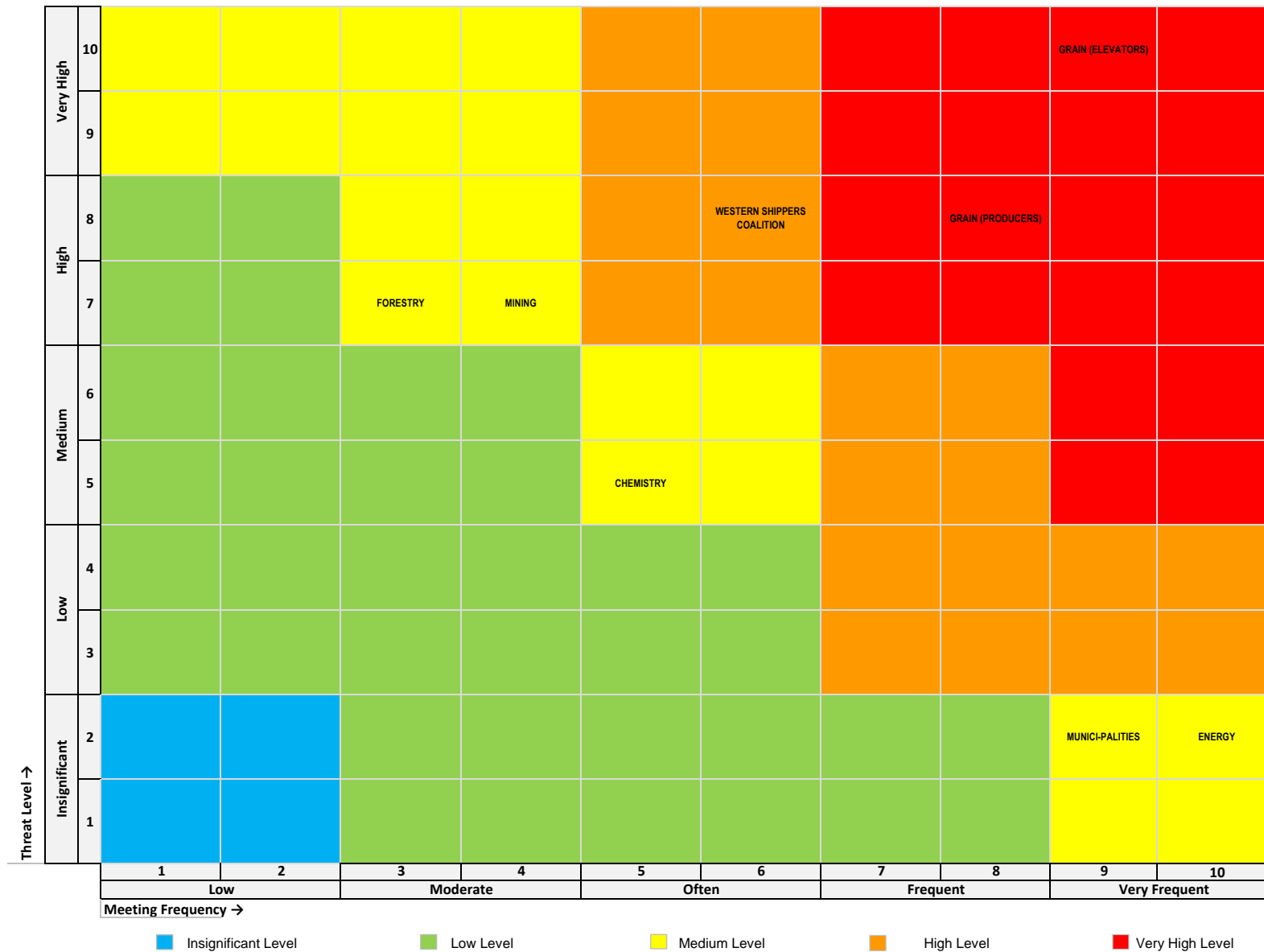
Sarah Mayes  
National Director  
Operation Lifesaver Canada  
[smayes@railcan.ca](mailto:smayes@railcan.ca)

**Registered Lobbying Overview by Sector - Oct 2022-Sep 2023**

Sector	Risk	Quick Analysis	Meeting Frequency	Threat Level
GRAIN (ELVATORS)	Very High	Grain advocacy is largely controlled by big grain conglomerates (rail customers) and carried out by associations representing elevator companies and producers, respectively. Associations like Pulse Canada and the Western Grain Elevator Association (WGEA) are highly active and aggressive.	9	10
GRAIN (PRODUCERS)	Very High	On rail issues, producer groups align with and appear to take direction from organizations like the WGEA.	10	8
WESTERN SHIPPERS COALITION	High	Significant bulk shipper membership in Western Canada. Shipper groups have a tendency to align on anti-rail advocacy (e.g., interswitching).	8	9
MINING	Medium	Part of the anti-rail shipper lobby.	4	7
FORESTRY	Medium	Industry association is historically active on rail issues. Less active at present given other industry challenges and strong service.	3	7
CHEMISTRY	Medium	Industry association is a partner on emergency response (e.g., TRANSCAER). Have been active in the past on rail-shipper issues.	5	5
ENERGY	Medium	Active but not on rail files. Could be elevated in activity if there was a major event.	10	2
MUNICIPALITIES	Medium	Less active on rail safety issues than in the past. But views carry a lot of weight with this government. Constant irritants related to proximity (noise, vibration, etc.).	9	2



## Lobbying Organizations Heat Map (Oct. 22 - Sep. 23)





## RAC Variable Compensation Program Proposal Presented October 18, 2023

### **Background**

The RAC variable compensation structure consists of three (3) equally weighted factors:

#### **1) Performance of the Industry**

The performance of the industry is based on the actual average corporate performance of CN and CPKC assuming an individual performance factor of 100%. The following table uses a corporate performance rating of "100%" as an example:

	Corporate & Safety Performance	Individual Performance	Total
CN	100% x 80%	100% x 20%	100.00%
CPKC	100% x 50%	100% x 50%	100.00%
	Industry Average		100.00%

#### **2) Performance of the RAC**

RAC's President & CEO completes an assessment of RAC performance for the year, against strategic objectives, and recommends a performance rating.

#### **3) Individual Performance**

Individual performance ratings for RAC staff are determined during the annual appraisal process and reviewed by RAC's appraisal review committee. The President and CEO's rating is determined by RAC's BOD.

#### **4) Allocation of available Variable Compensation funds**

Available variable compensation funds are allocated based on a formula comprised of 1/3 individual performance, 1/3 for RAC performance and 1/3 for rail industry performance.

### **Review**

The RAC Board of Directors has requested a review of RAC's rating chart to allow for flexibility within each performance rating in determining the bonus percentage factor.





### **Proposal**

RAC surveyed a few members for their performance factors and proposes the following rating scale:

<b>Overall Performance Assessment</b>	<b>Current Performance Factor Range</b>	<b>Proposed Performance Factor Range</b>
<b>Unsatisfactory</b> Consistently fails to meet job duties and expectations; performs at a level demonstrably below corporate requirements; improvement required immediately to maintain employment.	0%	0%-39%
<b>Satisfactory</b> Performs job duties at a satisfactory level according to job description, under normal supervision and direction; but requires improvement to fully meet objectives; must develop a plan for the following year.	50%	40% - 89%
<b>Fully Satisfactory</b> Meets all job requirements; consistently meets goals and objectives; accomplishments occasionally made in areas outside normal job role.	100%	90% - 110%
<b>Superior</b> Often exceeds job requirements; consistently meets goals and objectives; accomplishments regularly made in areas outside normal job role.	110%	111% - 125%
<b>Outstanding</b> Consistently exceeds job requirements; top performer in all areas; frequently makes accomplishments in areas outside normal job role.	125%	126% - 140%



Board of Director Meeting – October 18, 2023

**5.1.2 VARIABLE COMPENSATION PLAN REVIEW**

<b>Resolution 2023: Variable Compensation Plan Review</b>
It was moved by _____ and seconded by _____ that the variable compensation plan review be and are hereby approved and accepted by the Directors.



Board of Directors Meeting – October 18, 2023

## 5.2 HR Update

### Staff Leadership Development

RAC's HR consultant has completed preliminary assessments with key management staff and is tailoring a leadership coaching plan for certain individuals.

### Succession Planning

RAC is in the final stages of the recruitment process for the Vice President Public and Government Affairs position. It's expected that the individual will be in the position by year-end.

The Communications Specialist position has been filled effective October 23, 2023.

3-Year financial projections include succession planning costs for unplanned departures. The following is a summary of number of employees within the average retirement age:

<b>Average Age of Employees</b>	<b>48 years</b>
<b>Average Tenure at RAC</b>	<b>6 years</b>
<b># Employees within 1-2 years of retirement</b>	<b>-</b>
<b># Employees within 3-5 years of retirement</b>	<b>3</b>

\*\*\*\*\*

	<u>#ee's</u>	<u>Avg Tenure</u>
# Employees over the age of 65	-	
# Employees aged 60-65	3	11 years
# Employees aged 55-60	2	10 years
# Employees below 55	12	6 years
Total Employees	17	6 years

\*There are currently three vacant positions. In the past 3 years the average age of employees has decreased by three years.



# ***PEOPLE. GOODS. CANADA MOVES BY RAIL.***

President's Report  
Marc Brazeau, President & CEO





# OUTNUMBERED BUT NOT OUTWORKED

**6500+**

Touchpoints with  
policymakers, members, and  
other stakeholders YTD

**7x**

Number of registrable  
federal lobby meetings  
compared to all of 2022

**33%**

Increase in the pace of  
touchpoints YTD 2023  
compared to all of 2022

## MORE:

- ✓ Evidence-based output and outreach to counter anti-rail advocacy
- ✓ Education provided to policymakers to bridge knowledge gap (grain briefings, emergency response course, Rail Ops Live, Rail 101)
- ✓ Personalized, high-impact communications (letters, submissions, etc.)
- ✓ Proactive policy development and communications (e.g., rate, dwell time analysis)



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# CURRENT LANDSCAPE

## Wins

- Major campaign against extended interswitching; no harmful amendments to Bill C-47
- Alignment on “big ticket” ETC items with TC Rail Safety team
- New Express Entry eligibility for RTCs and rail carmen and women
- Delayed implementation of new Train Brake Rules to Dec. 1, 2025
- Invited to submit platform proposals to political parties
- Increased visibility on Rail Safety Week and successful “Youth in Rail” campaign
- Increased credibility through substantive, targeted advocacy and analysis

## Risks

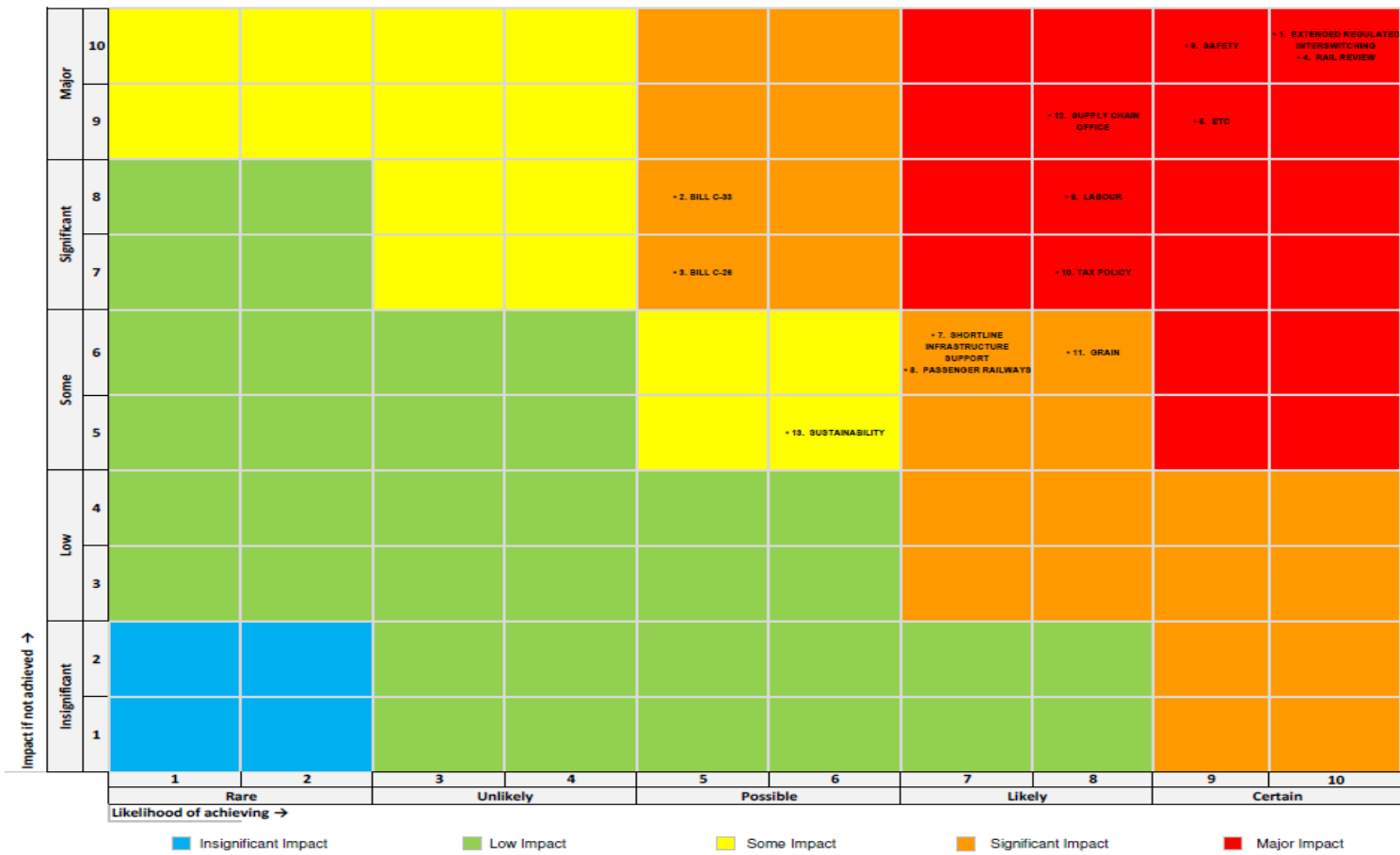
- Continuation or expansion of extended interswitching after 18-month pilot
- As proposed, TC’s Rail Review could lead to biased and negative outcomes
- TC could impose ETC regulations that do not align with industry recommendations and negatively impact operations
- Replacement worker ban passes and does not reflect the essentiality of rail supply chains
- Port governance changes proceed and negatively impact operations

## Opportunities

- New Transport Ministers (CA, ON, MB, SK)
- TC open to reviewing rulemaking guidelines given TBR process
- Tourism Growth Strategy could lead to funding opportunities for RAC members
- Leverage increased U.S. support for shortlines/grade crossings
- Influence Supply Chain Office (new leader: Robert Dick)
- Secure TC formal endorsement of Proximity Guidelines
- Sign favourable MOU with TC on environmental initiatives



### Top Priorities Heat Map Q3-2023



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RAC Top Priorities September 2023

Top Priorities	Risk	Quick Overview	Impact	Likelihood
1. EXTENDED REGULATED INTERSWITCHING	Major	18-month campaign to repeal extended regulated interswitching.	10	10
2. BILL C-33	Significant	Seek to amend to improve port governance model, separate safety/security definitions, among others	5	8
3. BILL C-26	Significant	Seek to amend to harmonize with U.S., address vague terminology, and focus on risk-based rather than prescriptive regulations, among others	5	7
4. RAIL REVIEW	Major	TC Internal Rail Review could lead to policy decisions that cause real harm to the efficient functioning of Canada's supply chains	10	10
5. ETC	Major	Scope / Risk methodology / PTC lessons learned / Viable communications solution / Possible exceptions / Implementation timeline	9	9
6. LABOUR	Major	Regulations / Policies / Immigration / Attraction / Retention / DEI	8	8
7. SHORTLINE INFRASTRUCTURE SUPPORT	Significant	Stable & predictable funding / Regional economic development	7	6
8. PASSENGER RAILWAYS	Significant	Operational and capital funding / Dedicated track / HFR vs. HSR / Tourism Growth Strategy	7	6
9. SAFETY	Major	Train Brake Rules / Automated Parking Brakes / CROR Revision / TSB Data / Crossings / Proximity Guidelines / Operation Lifesaver	9	10
10. TAX POLICY	Major	Capital cost allowance / Section 45G tax credit / Capacity-enhancing projects / Competitiveness / Carbon tax	8	7
11. GRAIN	Significant	Highly regulated (MRE) / Port inefficiencies / Education on grain supply chain (grain briefings, tracking of demand vs. capacity)	8	6
12. SUPPLY CHAIN OFFICE	Major	Minimize negatives / Holistic supply chain approach / Constructive / Solutions focused (not just government "solutions") / Data driven	8	9
13. SUSTAINABILITY	Some	Tell green rail story / Unlock partnership & funding opportunities / Element of rail "charm offensive"	6	5



PEOPLE. GOODS. CANADA MOVES BY RAIL.



# TOP PRIORITIES IN 2024

## ADVOCACY

- Deliver impactful outreach aligned with member expectations
- Be constant presence on the political and non-elected fronts
- Strike right balance with governments to drive collaborative working relationships

## COMMUNICATIONS

- Deploy messaging and campaigns that support effective advocacy, yield results
- Secure 3<sup>rd</sup> party validation of RAC facts and evidence
- Ensure ongoing updates to keep Board and Committees, members, and key stakeholders engaged and informed

## HUMAN CAPITAL

- Attract, retain, and invest in RAC team members that are top performers
- Continue to provide opportunities for growth and competitive rewards

**BUILD BEST-IN-CLASS ORGANIZATION CULTURE + DELIVER UNPARALLELED MEMBER VALUE**



PEOPLE. GOODS. CANADA MOVES BY RAIL.

## ADVOCACY & REGULATORY AFFAIRS DELIVERABLES

- Focused advocacy and regulatory campaigns to mitigate / pushback on regulations and policies detrimental to the industry:
  - Extended regulated interswitching
  - TC Rail Review
  - Anti-replacement workers
- Counter shipper lobbyist tactics – continued focus on facts and evidence in all communications products
- Educate elected and public officials on the facts of railway operations – events, tours, comms, etc.
- Continue to push for capital cost allowance, tax credits, and shortline funding
- Level-up provincial and municipal advocacy (Proximity Initiative, supply chains, Operation Lifesaver)
- Position railways as modern, green, innovative and integral to meeting climate and sustainability goals
- Ongoing research to support advocacy positions with facts and evidence



## COMMUNICATIONS & OUTREACH DELIVERABLES

- Focused communications and media campaigns:
  - Paid/Earned/Shared/Owned campaigns:
    - Extended regulated interswitching
    - #CheminotFier #CanadianRailProud
  - Owned channel optimization (website, social channels, email marketing)
  - Level-up SEO and geo-targeting efforts to reach key audiences and increase views on key content
- Focused outreach events:
  - Women In Rail (virtual – to permit participation from across the country and around the world)
  - RAC Annual Conference (formerly RGI) with focus on emerging technology, innovation, and industry best practices
  - Shortline Conference highlighting infrastructure investment needs and competitiveness arguments
  - Regional events, tradeshow, conferences that attract key stakeholders (e.g., FCM, provincial municipal associations)
  - Lunch-and-learns to educate government, other stakeholders on safe, efficient railways' day-to-day operations



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## MEMBER SERVICE DELIVERABLES

- Focused delivery of core member services & programs:
  - Proximity Initiative 2.0: prioritized/targeted approach to greater engagement with municipalities and land developers. Case studies will be developed to show how Proximity guidelines make developments safer.
  - Continued support of Operation Lifesaver program: renewal of Transport Canada contribution agreement
  - Maintain progress on ETC
  - Continue to oversee the railway telecommunications network with added emphasis on cybersecurity
  - Continuation of:
    - Dangerous Goods training and outreach
    - Mechanical / Railcar Loading Rules and training
    - Safety Culture initiative
    - GIS Rail Atlas





## PEOPLE REQUIREMENTS & INVESTMENTS

- Continuation of HR resource to enhance internal HR capabilities and reinforce organizational culture
- Continuation of GR consulting support (Robert Taylor and Fiona Murray) for first half of year
- New staff additions (all in replacement of consultants):
  - VP, Public Affairs
  - Director, Communications
  - Regulatory Affairs Specialist





Board of Director Meeting – October 18, 2023

## 6.1 **FINANCE & AUDIT COMMITTEE REPORT**

The Committee met by virtual meeting on September 28, 2023.

### **2023 Audit Services and Plan**

The committee was advised that PricewaterhouseCoopers (PWC) are incurring high costs and are transitioning their smaller NPO clients to local firms specializing in NPO audits. PWC recommended to RAC, Welch LLP as PWC's former Director, Audit & Assurance, Melanie Platt is the partner that would handle RAC's file.

The committee requested RAC management to attain quotes from Welch LLP, Ernst & Young (2<sup>nd</sup> choice during the 2019 Audit RFP process), and an estimated cost from PWC.

The committee concurred with RAC's recommendation to move forward with Welch LLP for 2023 audit services given that the partner that would handle RAC's account, Melanie Platt (former Director Audit & Assurance with PWC) has RAC historical knowledge, will maintain current level of services, and RAC will realize substantial savings in audit fees when compared to PWC or EY's proposed costs.

The committee will reconvene in the fall to review the audit plan for 2023's audit.

### **Risk Assessment**

The Committee reviewed RAC's Risk Assessment model, showing elements of likelihood and impact to RAC operations, and noted the status quo of risk rankings compared to the review that took place in the Spring. [Addendum 6.1 (i)]

### **2023 Financial Update**

The Committee reviewed the August 2023 financial statements, noting the positive budget variance of approximately \$136,000 and the factors contributing to the variance. The Committee reviewed the update to the projected financial position for 2023 and projected level of net assets. Receivables are closely monitored. The committee was advised that all government remittances are current with no delinquencies. [Addendum 6.1 (ii)]



### **2024 Proposed Budget**

The Committee reviewed the proposed 2024 Budget and requested a longer-term sustainability outlook as the committee expressed concern that a moderate increase in member funding levels was not in line with inflation to support wages, program expenses and overhead costs.

RAC management provided a 3-year 2024-2026 financial outlook with a breakdown of costs by expense categories and the impact it will have on Net Assets (reserves) over the next three years. The committee also reviewed historical member funding and reserve levels. The 3-year outlook indicates that reserves should be maintained at a level of **\$2.5m** to support the financial plan. This would necessitate an increase in member funding levels for each of the 3 years.

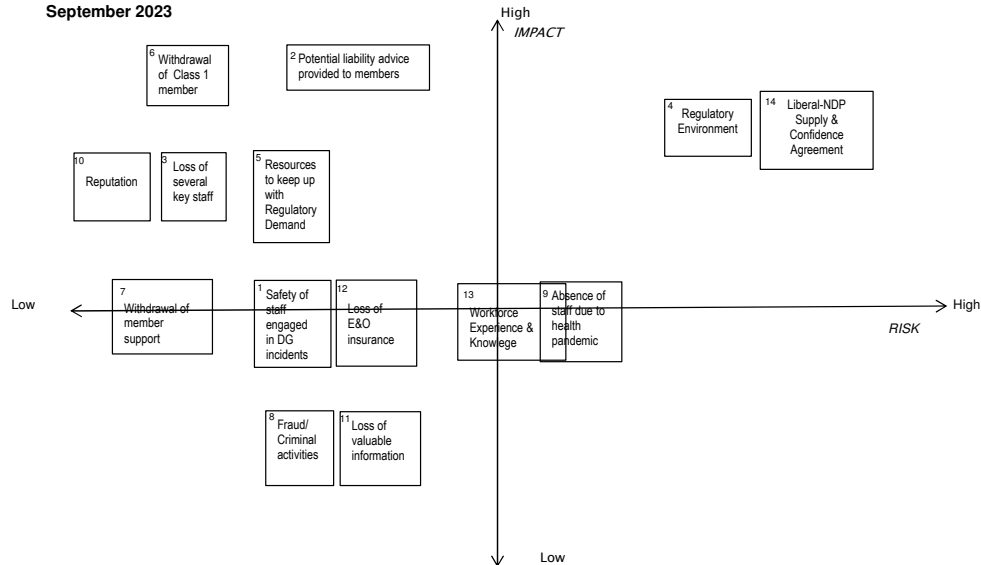
Member funding options "Scenarios A to D" and impact on Net Assets were presented for the committee's review. The 3-year financial outlook was based on member funding levels per "Scenario A". (TAB 6.2)

The Finance & Audit committee has been asked by the Chair to support Fee Scenario A or B based on:

- Member dues have not increased since 2015, therefore, inflationary increases had to be absorbed by RAC's net assets during that period.
- Recent and projected inflation increases have a significant impact on RAC's budgeted expenses; the 3-year forecast demonstrates that a member dues increase is required to maintain RAC's net assets above the level required by the policy.
- Fee Scenario A or B provides a consistent amount without substantial fluctuation to members.

The Spring meeting of the Finance & Audit Committee is scheduled for April 25, 2024.

**RAILWAY ASSOCIATION OF CANADA  
RISK ASSESSMENT  
September 2023**



RISK IDENTIFICATION			RISK ASSESSMENT						
	CATEGORY	RISK STATEMENT	Likelihood	Impact	Weight	RANK	CONTROLS IN PLACE	Effectiveness of Controls	△
1.	Operational	Safety of staff engaged in dangerous goods incidents or other onsite incidents	2	3	6	MEDIUM	Procedures, rules, regulations in place	Strong	=
2.	Operational	Potential liability for advice, standards, procedures provided to members	2	5	10	MEDIUM	Use published regulations	Adequate	=
3.	Operational	Permanent or temporary loss of several key staff	1	4	4	LOW	Cross training; can supplement from members	Adequate	=
4.	Operational	Regulatory Environment	4	4	16	HIGH	Industry is responding in a timely manner; use of consultants	Strong	=
5.	Operational	Resources: ability to keep up with Regulatory demand	2	4	8	MEDIUM	Sweat Equity from members; Other RAC staff with knowledge; Use of consultants	Adequate	=
6.	Financial	Withdrawal of Class 1 member	1	5	5	LOW	RAC Bylaws indicate that a 12 month notice period is required for membership termination.	Adequate	=
7.	Financial	Poor performance of rail sector resulting in withdrawal of member support	1	3	3	LOW	Engage with Board members and Senior Executives as required	Adequate	=
8.	Financial	Fraud or other criminal activities	2	2	4	LOW	Policies, internal control	Strong	=
9.	Health	Recurrence of pandemic resulting in temporary absences of a large portion of staff	3	3	9	MEDIUM	Ability to work from home/Hybrid workplace	Strong	=
10.	General	Reputation	1	4	4	LOW	Broad access to expertise	Strong	=
11.	Technological	Loss of valuable information	2	2	4	LOW	Offsite backup	Strong	=
12.	Operational	Loss of Errors & Omissions Insurance Coverage	2	3	6	MEDIUM	Insurance broker approaches market well in advance of expiry-cost is manageable	Adequate	=
13.	Operational	Workforce Experience & Knowledge	3	3	9	MEDIUM	Succession plan	Adequate	=
14.	General	Liberal-NDP Supply and Confidence Agreement pushing government agenda further left. Potential for new regulations that could be economically damaging	4	4	16	HIGH	Advocacy efforts, coalition with other impacted stakeholders	Adequate	=

**RISK ANALYSIS: Scales for Likelihood and Impact**

**LIKELIHOOD** = Probability of the risk event actually occurring.

Score:	Description:	Approximate probabilities:
1	Improbable; Rare	.00 - .04
2	Unlikely	.05 - .24
3	Possible	.25 - .54
4	Likely	.55 - .89
5	Certain	.90 - 1.00

**IMPACT** = Degree of severity of the consequence.

Score:	Description:
1	Insignificant - negligible effects.
2	Minor - normal administrative difficulties;
3	Significant - delay in accomplishing program or project objectives;
4	Major - fundamental rework before objective can be met
5	Catastrophic - objective will not be met

Risk assessment will be updated two times per year by Senior Management, reviewed at each Finance & Audit Committee Meeting and presented to the Board on an annual basis.



The Railway Association of Canada  
Financial Statements to August 31, 2023

Overall, the organization continues to manage within its budget at the end of August with a positive budget variance of \$135,998. Approximately \$75k (55%) of the variance is due to higher revenues generated from interest earned on reserves; 2022 rent adjustment received in 2023 and proceeds from a leased vehicle; and \$61k (45%) on lower wage costs due to vacancies. The 2023 forecast reflects these savings and adjusts the forecast to a net expense of \$435,000 instead of the net expense of \$640,000 originally budgeted.

Divisional Highlights:

The Executive group is underspent by \$19k, as of August 2023, in the categories of conferences, travel and advocacy.

Finance and Administration division is underspent by \$93k primarily due to higher revenues of \$53k (new core member & associate members, interest earned); \$12k recovery of 2022 rent costs; \$13k in vehicle proceeds; lower contract service costs than budgeted, and slightly lower expenses relating to consumables.

Operations and Regulatory Affairs is below budget by \$8k. All divisions are slightly underspent with the exception of Mechanical Services that has incurred higher travel costs with the onboarding of the new Manager, Car Loading.

Public and Corporate Affairs is exceeding budget by \$45k primarily due to an increase in consulting support to offset staffing vacancies, an increase in media campaign costs offset in part by lower costs for stakeholder outreach.

As of August 31, 2023, salaries and benefits are below budget by \$61k due to vacancies.

Accounts receivables are primarily current, however five railway members, totaling \$16k in receivables, are at 120 days with ongoing dialogue.

All government remittances are current and paid on time with no delinquencies.

**The Railway Association of Canada - L'Association des chemins de fer du Canada**  
**Consolidated Departmental Statement of Operations for the Period Ended**  
**August 31, 2023**

	Actual Year-to-Date	Budget Year-to-Date	Positive/(Negative) Variance		Budget Annual	Forecast 2023
	\$	\$	\$	%	\$	\$
Executive Group						
Expenses						
Travel, hospitality and miscellaneous	39,425	58,425	19,000	33%	88,605	68,465
Net Expenses	39,425	58,425	19,000	33%	88,605	68,465
Finance and Administration						
Revenue	3,987,365	3,934,674	52,691	1%	5,694,341	5,776,617
Expenses						
General Administrative and Finance	441,217	481,562	40,345	8%	808,119	749,289
Succession Planning	-	-	-	-%	50,000	-
Amortization					33,686	32,721
	441,217	481,562	40,345	8%	891,805	782,010
Net Expenses (Net Revenue)	(3,546,148)	(3,453,112)	93,036	3%	(4,802,536)	(4,994,607)
Operations and Regulatory Affairs						
Revenue	3,022,080	3,164,462	(142,382)	(4%)	4,141,836	3,990,094
Expenses						
Departments						
Regulatory & Policy	23,330	28,795	5,465	19%	67,605	51,631
Radio Spectrum	1,982,211	1,984,750	2,539	0%	2,038,050	2,037,910
Operation Lifesaver	336,038	331,393	(4,645)	(1%)	727,213	703,866
Dangerous Goods	125,338	143,734	18,396	13%	238,402	225,655
Mechanical Services	62,816	52,335	(10,481)	(20%)	75,075	87,958
ETC Initiative	835,333	977,408	142,075	15%	1,489,980	1,362,585
	3,365,066	3,518,415	153,349	4%	4,636,325	4,469,605
Projects						
Safety Culture	76,473	72,895	(3,578)	(5%)	98,020	107,755
Other Projects	28,290	28,500	210	1%	48,000	47,790
	104,763	101,395	(3,368)	(3%)	146,020	155,545
	3,469,829	3,619,810	149,981	4%	4,782,345	4,625,150
Net Expenses	447,749	455,348	7,599	2%	640,509	635,056
Public and Corporate Affairs						
Revenue	52,307	52,330	(23)	(0%)	81,930	87,107
Expenses						
General P.A.	317,080	244,810	(72,270)	(30%)	308,735	456,041
Media/Communications	438,471	397,160	(41,311)	(10%)	602,195	719,606
Advocacy/Events	80,352	150,795	70,443	47%	226,915	173,383
Proximity Project	39,545	41,240	1,695	4%	65,460	62,259
Economic Support	49,465	50,054	589	1%	132,419	128,354
Human Resources	18,191	11,665	(6,526)	(56%)	52,490	52,358
Other Projects	9,430	11,900	2,470	21%	45,500	46,047
	952,534	907,624	(44,910)	(5%)	1,433,714	1,638,048
Net Expenses	900,227	855,294	(44,933)	(5%)	1,351,784	1,550,941
Salaries and Benefits						
Salaries and benefits	1,928,312	1,989,608	61,296	3%	3,361,638	3,175,145
TOTAL REVENUE	7,061,752	7,151,466	(89,714)		9,918,107	9,853,818
TOTAL EXPENSES	6,831,317	7,057,029	225,712		10,558,107	10,288,818
EXCESS REVENUE (DEFICIENCY) OVER EXPENDITURES	230,435	94,437	135,998		(640,000)	(435,000)
Net Assets - beginning of year					4,046,570	4,046,570
PROJECTED NET ASSETS					3,406,570	3,611,570
Capital Purchases	5,139	9,000	3,861		9,000	5,139



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RAC 3-Year Plan 2024-2026



## 2024 BUDGET ASSUMPTIONS

2024 strategic business plan will continue to focus on core mission and activities of RAC in the areas of:

- Advocacy and regulatory affairs
- Communications and outreach events
- Critical member services
- People skill and knowledge

The financial plan reflects an increase in member funding levels to support the 3-year financial outlook and to maintain Net Asset Reserves at a level of approximately \$2.5m per the policy approved by the Board in 2021. The 3-year financial plan uses Fee Scenario “A”, however other options are provided under Fee Scenarios “B”, “C” and “D” (next slide).





## RAC 2024-2026 Financial Outlook Member Funding Scenarios

### Member Assessments - Fee Scenarios 2024-2026

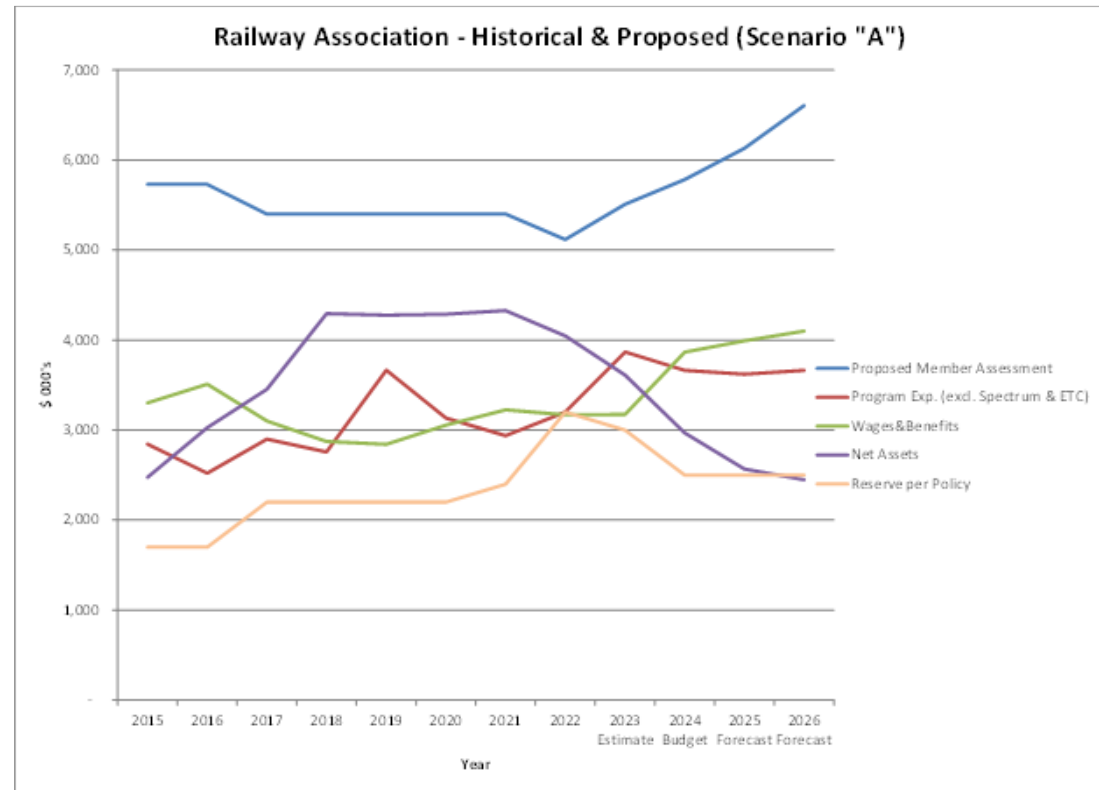
Projected Net Assets		2024	2025	2026
<b>Scenario A</b>	Rate adj each Year	6.00%	6.00%	6.00%
	Projected Member Fees	\$ 5,838,480	\$ 6,188,789	\$ 6,560,116
	Opening Net Assets	\$ 3,611,570	\$ 3,023,570	\$ 2,680,570
	Projected (Expense) Revenue	(\$588,000)	(\$343,000)	(\$165,000)
	Projected Net Assets	\$ 3,023,570	\$ 2,680,570	\$ 2,515,571
	Requirement per policy	2,528,207	2,551,832	2,537,154
	Surplus (Deficit) against policy	\$495,363	\$128,738	(\$21,583)
<b>Scenario B</b>	Rate adj each Year	5.00%	6.00%	7.75%
	Projected Member Fees	\$ 5,783,400	\$ 6,130,404	\$ 6,605,510
	Opening Net Assets	\$ 3,611,570	\$ 2,968,490	\$ 2,567,105
	Projected (Expense) Revenue	(\$643,080)	(\$401,385)	(\$119,606)
	Projected Net Assets	\$ 2,968,490	\$ 2,567,105	\$ 2,447,500
	Requirement per policy	2,528,207	2,551,832	2,537,154
	Surplus (Deficit) against policy	\$440,283	\$15,273	(\$89,654)
<b>Scenario C</b>	Rate adj each Year	4.00%	7.00%	9.00%
	Projected Member Fees	\$ 5,728,320	\$ 6,129,302	\$ 6,680,939
	Opening Net Assets	\$ 3,611,570	\$ 2,913,410	\$ 2,510,923
	Projected (Expense) Revenue	(\$698,160)	(\$402,487)	(\$44,177)
	Projected Net Assets	\$ 2,913,410	\$ 2,510,923	\$ 2,466,747
	Requirement per policy	2,528,207	2,551,832	2,537,154
	Surplus (Deficit) against policy	\$385,203	(\$40,909)	(\$70,407)
<b>Scenario D</b>	Rate adj each Year	3.00%	8.00%	9.50%
	Projected Member Fees	\$ 5,673,240	\$ 6,127,099	\$ 6,709,173
	Opening Net Assets	\$ 3,611,570	\$ 2,858,330	\$ 2,453,640
	Projected (Expense) Revenue	(\$753,240)	(\$404,690)	(\$15,943)
	Projected Net Assets	\$ 2,858,330	\$ 2,453,640	\$ 2,437,698
	Requirement per policy	2,528,207	2,551,832	2,537,154
	Surplus (Deficit) against policy	\$330,123	(\$98,192)	(\$99,456)



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## RAC Budget History

- Until 2023, Member dues had not increased since 2015. In 2017, Member assessment fees were reduced to the level of \$5.4m and remained at that level for six years until the 2.0% fee increase implemented in 2023. *(Note: A one-time adjustment took place in 2022 to reduce fees to \$5.117m as reserve levels were high coming out of the pandemic).*
- RAC's wages have increased each year to support economic adjustments and to attain and retain resources required to deliver on initiatives.
- Programs costs (excluding Spectrum & ETC) fluctuate depending on industry priorities and emerging issues and threats.



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## RAC 2024-2026 Financial Outlook Assuming Member Funding per Scenario "A"

### RAILWAY ASSOCIATION OF CANADA 2024-2026 PROJECTIONS-SUMMARY

	ACTUAL 2022	Estimated 2023	Budget 2024	Forecast 2025	Forecast 2026	\$Variance Bdgt 2024 /Est 2023	%Variance Bdgt 2024 /Est 2023	Notes
<b>ASSESSMENTS</b>								
MEMBER ASSESSMENTS	5,400,000	5,508,000	5,513,100	5,838,480	6,188,789	330,480	6.0%	Until 2023, Member dues had not increased since 2015. In 2017, Member assessment fees were reduced to the level of \$5.4m and remained at that level for six years until the 2.0% fee increase implemented in 2023. (Note: A one-time adjustment took place in 2022 to reduce fees to \$5.117m as reserve levels were high coming out of the pandemic). <b>Projections use Scenario "A" 6% increase each year to maintain Net Assets at levels required per policy.</b>
MEMBER ASSESSMENT INCREASE	(283,000)	5,100	325,380	350,309	371,327			
ASSOCIATE MEMBER ASSESSMENTS	109,300	116,567	119,900	119,900	119,900	3,333	2.9%	
	<u>5,226,300</u>	<u>5,629,667</u>	<u>5,958,380</u>	<u>6,308,689</u>	<u>6,680,016</u>	<u>333,813</u>	<u>5.8%</u>	
<b>PROGRAM EXPENSES</b>								
OPERATIONS & REGULATORY AFFAIRS	568,532	635,056	642,320	648,705	639,522	7,264	1.1%	Increase: \$60k (9%) re:CROR update, Regulatory, DG, Mech Serv, Safety Culture; Decrease: OL \$34k (timing based on Apr-March year); Safety Culture online training module SCALE \$20k (developed in 2023)
PUBLIC & CORPORATE AFFAIRS	951,006	1,422,587	1,074,115	995,805	1,020,590	(348,472)	(24.5%)	Shift consulting support decrease of \$435k to salaries (2023 Vacancies: Exec VP-6 mths; Dir Comms 12 mths; add new FTE JR Regulatory position); Increase in stakeholder outreach \$92k
ECONOMIC RESEARCH	93,215	128,354	107,410	110,145	111,820	(20,944)	(16.3%)	Includes \$100k placeholder for policy studies in 2023 and \$80k for 2024 to 2026
FINANCE & ADMIN	639,540	635,060	700,370	793,746	856,816	65,310	10.3%	3% increase over 2023 (insurance, legal, IT, rent, consumables etc. ) when netting out proceeds received in 2023 of \$34k (Vehicle, Rent CAC adj, higher interest)
EXECUTIVE GROUP	61,043	68,465	74,945	81,460	85,885	6,480	9.5%	Conferences/Advocacy/Travel
	<u>2,313,336</u>	<u>2,889,522</u>	<u>2,599,160</u>	<u>2,629,861</u>	<u>2,714,633</u>	<u>(290,362)</u>	<u>(10.0%)</u>	
<b>SALARIES &amp; WAGES</b>	<u>3,169,703</u>	<u>3,175,145</u>	<u>3,865,220</u>	<u>3,991,828</u>	<u>4,100,383</u>	<u>690,075</u>	<u>21.7%</u>	3.5% Wage Incr; Vacancies filled (Exec VP-6 mths; Dir Comms 12 mths); FTE ~ \$115k (Jr Regulatory); VCP adj \$21k. Overall increase is 7.6% when factoring in consulting support decrease.
<b>TOTAL EXPENSES</b>	<u>5,483,039</u>	<u>6,064,667</u>	<u>6,464,380</u>	<u>6,621,689</u>	<u>6,815,016</u>	<u>399,713</u>	<u>6.6%</u>	
<b>NET REVENUE (EXPENSE) b/f Other</b>	<u>(256,739)</u>	<u>(435,000)</u>	<u>(506,000)</u>	<u>(313,000)</u>	<u>(135,000)</u>	<u>(71,000)</u>	<u>16.3%</u>	
SUCCESSION PLAN EXPENSE	25,360	-	82,000	30,000	30,000	82,000		Unplanned departures
<b>NET REVENUE (EXPENSE)</b>	<u>(282,099)</u>	<u>(435,000)</u>	<u>(588,000)</u>	<u>(343,000)</u>	<u>(165,000)</u>	<u>(153,000)</u>	<u>35.2%</u>	
Opening Net Assets	4,328,669	4,046,570	3,611,570	3,023,570	2,680,570			
<b>CLOSING NET ASSETS</b>	<u>4,046,570</u>	<u>3,611,570</u>	<u>3,023,570</u>	<u>2,680,570</u>	<u>2,515,571</u>			Net Asset Reserve requirements to be reviewed annually.
Capital Expenditures	(9,478)	(5,139)	(10,000)	(68,000)	(5,000)	4,861	94.6%	Server replacement to cloud in 2025



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## RAC 2024-2026 Financial Outlook Net Asset Requirements

### RESERVE REQUIREMENTS 3 Year Outlook 2024-2026

			Likelihood/ Factor	2024	2025	2026
<b>1. Operating/working capital (3 month) based on 2024 budget</b> (excludes 3 months of Strat Plan initiatives)				\$ 1,571,906	\$ 1,621,667	\$ 1,658,824
3 month average operating costs (excludes ETC, Spectrum & Transport Canada portion of OL)	\$	1,571,906				
<b>2. Contingency/winding down</b>						
Severance per RAC policy/employee contract + 20% buffer	\$	2,035,340	15%	305,301	335,085	344,930
RAC Office Lease - assumes 2 years rent until lease transfer	\$	423,100				
RAC Office Lease - assumes 2 years CAC until lease transfer	\$	419,743				
RAC Office Lease penalty - unamortized portion of lease inducement	\$	(45,379)				
RAC Office Lease - differential of RAC lease rate to market (3.75 years)	\$	86,073	<3.75 yrs			
Moving & Liquidating	\$	20,000				
Equipment leases - full commitment (to March 2026)	\$	903,537	Low	\$ -		
Vehicle leases - 4 months until return of vehicles	\$	3,556	Low	\$ -		
Legal fees	\$	14,824	Low	\$ -		
Contractual Obligations (to March 2025-3 months)	\$	20,000	Low	\$ -		
Transport Canada	\$	10,863	Low	\$ -		
	\$	150,000	Low	\$ -		
<i>Events of Default Section 15.1(f) "the Recipient is wound up or dissolved"</i>						
<i>Remedies on Default Section 15.3 (c)-"require Recipient to reimburse Canada all or part of the contribution paid by Canada to the Recipient"</i>						
<b>3. Capital and strategic program</b>				\$ 651,000	595,080	533,400
2024 Strategic plan initiatives	\$	641,000				
2024 Capital program		10,000				
<b>Reserve Requirement</b>				<b>\$ 2,528,207</b>	<b>\$ 2,551,832</b>	<b>\$ 2,537,154</b>
<b>Projected Net Assets</b>				<b>\$ 3,023,570</b>	<b>\$ 2,680,570</b>	<b>\$ 2,515,571</b>
<b>Differential - Surplus (Shortfall) compared to policy</b>				<b>\$495,363</b>	<b>\$128,738</b>	<b>(\$21,583)</b>







Board of Director Meeting – October 18, 2023

## 6.2 **APPROVAL OF PROPOSED 2024 RAC BUDGET**

<b>Resolution 2023: Proposed 2024 RAC Budget</b>
--

It was moved by _____ and seconded by _____, that the 2024 Budget, only, be adopted within the following parameters:
--

- |  |
|--|
| <ul style="list-style-type: none"><li>a) 2024 Member assessment fee increase of _____% (5% is proposed)</li><li>b) Provision for 3.5% to 4.0% wage increase in 2024 pending annual benchmark surveys and industry direction.</li><li>c) Net Asset position to be maintained in the range of \$2.5m for 2024.</li></ul> |
|--|



Board of Directors Meeting – October 18, 2023

## 8.1 **PROPOSED 2024 RAC BOARD AND AGM MEETINGS**

The proposed schedule for the RAC Board of Directors Meetings and next Annual General Members Meeting is noted below.

### **Annual Board Call will be as follows:**

TIME: 11:00 AM-12:00 PM (EST)  
 DATE: Thursday, February 8, 2024  
 PROPOSED LOCATION: Teleconference

### **Spring 2024 Board of Directors and Annual General Members Meetings:**

TIME: 10:00 AM -1200 PM (EST)  
 DATE: Wednesday, May 8, 2024  
 PROPOSED LOCATION: Ottawa – Venue TBD

### **Fall 2024 Board of Directors Meeting**

TIME: 11:00 AM- 12:30 PM (EST)  
 DATE: Thursday, October 17, 2024  
 PROPOSED LOCATION: Teleconference

<p><b>Resolution 2023: Upcoming Meetings</b></p> <p>It is moved by _____ and seconded by _____ that</p> <p>the dates for the annual Board Call 2024, Spring 2024 Board Meeting and</p> <p>AGM and the Fall 2024 Board Meeting, proposed above be adopted.</p>
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**CONFIDENTIAL**

**2023-24 Performance Objectives (April 2023 to September 2023) – Marc Brazeau, President and CEO**

<b>Category: Leadership and Coaching (25%)</b>		
Objective; Provide Leadership and Coaching to direct and indirect reports	Metric	Results Mid-Year
<b>Actions</b> <ul style="list-style-type: none"> <li>• Provide ongoing coaching support to all employees</li> <li>• Support leadership team in achieving their individual and team objectives</li> <li>• Hold team members accountable on business plan priorities and outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Identify, agree on and track business plan priorities</li> <li>• Hold weekly senior leadership team huddles to ensure focus and discipline on top priorities</li> <li>• Hold regular staff meetings to update employees on business plan deliverables</li> <li>• Oversee talent recruitment and retention</li> <li>• Build strong team culture and work environment to maximize talent and drive results</li> </ul>	<ul style="list-style-type: none"> <li>• Team members focused on regulatory affairs, industry briefs and reports, dangerous goods training, government submissions, stakeholder outreach, member events and Operation Lifesaver</li> <li>• Increased activities and touchpoints related to federal advocacy efforts and targeted and effective communications</li> <li>• Senior leadership changes made in June 2023 to address performance issues</li> <li>• Quarterly reviews with new team members ongoing and biannual reviews completed</li> <li>• Staff engagement through weekly meetings and regular internal communications</li> </ul>



<b>Category: Communication and Member Engagement (25%)</b>		
Objective; Increase Communication & Member Engagement	Metric	Results Mid-Year
<b>Actions</b> <ul style="list-style-type: none"> <li>• Create alignment with members on key priorities and business strategies</li> <li>• Improve the effectiveness of RAC communications and strategies</li> <li>• Closer collaboration and regular communications with key stakeholders</li> <li>• Increase RAC regional outreach as required</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings and webcasts on key industry issues and projects</li> <li>• Virtual conferences and in-person events hosted by RAC</li> <li>• Deployment of effective communication plans and actions on a timely basis</li> <li>• Increased presence and key relationship building across Canada with members and government officials</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining regular touchpoints and exchanges with senior advocacy and communications leaders from railway members</li> <li>• Continue to leverage all social media platforms to drive external communications, stakeholder outreach with highly targeted and impactful messages</li> <li>• Organization and delivery of quality events with strong participation from industry and governments</li> <li>• Increased number of meetings with elected provincial and municipal officials</li> </ul>





<b>Category: Industry Promotion and Outreach (25%)</b>		
Objective; Create stronger ties with shipper groups and key stakeholders	Metric	Results Mid-Year
<p>Actions</p> <ul style="list-style-type: none"> <li>• Maintain pro-active outreach program with key shipper groups</li> <li>• Improve Provincial advocacy programs to address key industry issues such as land use planning and tax policies</li> <li>• Promote career opportunities in the rail sector</li> <li>• Strengthen staff knowledge of the rail business</li> </ul>	<ul style="list-style-type: none"> <li>• Regular ongoing communications and relations with various shipper associations</li> <li>• Grow awareness of Proximity Guidelines with provinces and municipalities</li> <li>• Host regional meetings to better inform and educated provincial and federal policy makers of the importance of rail sector</li> <li>• Promote career opportunities in the rail sector</li> <li>• Presentations by subject matter experts on various rail-related operations</li> </ul>	<ul style="list-style-type: none"> <li>• Regular touchpoints with transportation service providers, producers, shippers, and their associations, as well as other transportation stakeholders.</li> <li>• Participated in various conferences (FCM, PTA's, etc) to promote the Proximity Guidelines</li> <li>• Held several Lunch and Learn events for staff and government employees throughout the year</li> </ul>



<b>Category: Safety and Innovation (25%)</b>		
Objective; Create a Safety Culture and Showcase Innovation in rail sector	Metric	Results Mid-Year
<b>Actions</b> <ul style="list-style-type: none"> <li>• Ensure RAC is helping effectively shape government policy and decision making on railway safety</li> <li>• Continue to respond to recommendations from TC and TSB with facts and evidence</li> <li>• Support Operational Lifesaver program in partnership with Transport Canada</li> <li>• Continue to champion Safety Culture Improvement Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Increase awareness of and showcasing of railway innovation and technology with key partners such as CARL, NRC and MxV Rail</li> <li>• Ongoing TC support for OL program</li> <li>• Continue to promote Canada's leading railway safety record</li> <li>• More railways conducting safety culture assessments</li> <li>• Decarbonization of rail sector in Canada</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly and monthly meetings with TC to move forward on key train rules and railway regulations</li> <li>• High social media activity to communicate strong safety record of railways and significant investments being made in new technologies that drive innovation in safety and efficiency</li> <li>• Ongoing discussions and representations with TC and other Dept's regarding industry concerns with recommendations brought forward by National Supply Chain Task Force</li> <li>• Development of framework methodology for assessing technological options for decarbonization of railways in progress</li> </ul>



Board of Directors Meeting – October 18, 2023

**10 ADJOURNMENT**

<b>Resolution 2023: Adjournment</b>
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.