

# RAC Passenger Committee Meeting – 2024/01

February 21, 2024

People. Goods.  
Canada moves by rail.



Railway Association  
of Canada



## **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

**RAC PASSENGER COMMITTEE  
MEETING 2024-01****WEDNESDAY, FEBRUARY 21, 2024 | 13:00 – 15:00 (EST)****ZOOM MEETING – [CLICK HERE](#)****AGENDA****SCHEDULE****LEADER****TIME**

- |   |               |              |
|---|---------------|--------------|
| <b>1. Welcome, Call to Order &amp; Opening Remarks</b>                    |               | <b>13:00</b> |
| 1.1. Competition Law Compliance Policy – Forward Statement >              | J. Thibault   |              |
| 1.2. Meeting Minutes – September 26, 2023 >                               | T. MacPhee    |              |
| <b>2. Guest Speaker</b>   |               |              |
| 2.1. Bill VanRyswyk, RHEA Canada – Station Safety & Security              | B. VanRyswyk  | <b>13:10</b> |
| <b>3. RAC Updates</b>   |               |              |
| 3.1. RAC-TC MOU and TC Rail Climate Action Plan >                         | B. Chursinoff | <b>13:40</b> |
| 3.2. Passenger Rail Advocacy  | K. Mason      | <b>13:50</b> |
| <b>4. Member Spotlight</b>  |               |              |
| 4.1. Metrolinx Fare Integration   | M. Willer     | <b>14:00</b> |
| <b>5. Roundtable Discussion</b>   |               | <b>14:10</b> |
| 5.1. Multimodal connectivity (rail-rail; rail-bus; station access; etc.)  | All           |              |
| 5.2. First mile last mile (rural and remote), working with municipalities | All           |              |
| 5.3. Tourism Growth Strategy  | All           |              |
| 5.4. Member share   | All           |              |
| <b>6. Next Meeting Date</b>   | T. MacPhee    | <b>14:55</b> |
| <b>7. Adjournment</b>   | T. MacPhee    | <b>15:00</b> |

&gt; Supporting material in briefing book

- Competition Law Compliance Policy
- September 2023 Meeting Minutes
- 2023-2030 MOU between TC and RAC

## **RAC Passenger Committee 2023-02**

**Tuesday, September 26, 2023  
Virtual Meeting**

### **Meeting Minutes**

#### **Attendees:**

Bryan Taylor, Great Canadian Railtour Ltd.  
Douglas Aiken-Brown, Amtrak  
Hoang Tran, CN  
Marc Lavallée, exo  
Frank Ibe, Metrolinx  
Tracy MacPhee, Ontario Northland  
Transportation  
Lindsay Ambeault, Agawa  
Jonathan Thibault, RAC  
Ben Chursinoff, RAC  
Janet Greene, RAC  
Magdy Fahmy, RAC Consultant

Stephen Sylvester, West Coast Express  
Hind Nahri, Capital Railway  
Daniel Lapierre, exo  
Mike Martens, Great Canadian Railtour Ltd.  
Marie-Flore Ducrot, VIA Rail Canada  
Phil Pierce, Agawa  
  
Laura McNichol, Agawa  
Johanne Delaney, RAC  
Mike Barfoot, RAC  
Kevin Mason, RAC  
Chris Day, RAC

#### **Guest Speakers – Ontario Native Women’s Association (ONWA)**

Heather Cameron, ONWA  
Collin Graham, ONWA

Julie Hodson, ONWA

#### **Absent:**

James Berube (Tshiuettin), Sabrina Pasian (City of Ottawa), Sylvain Rodrigue (exo), Eric Smith (SSR), Todd Wallace (Translink)

### **1 Call to Order & Opening Remarks**

Jonathan Thibault called the meeting to order at 2:02 pm EST.

#### **1.1 Competition Law Compliance Policy – Forward statement**

The Competition Guidelines, as adopted by the RAC Board of Directors, were read to the committee participants. The Guidelines explain that the policy emphasizes the organization’s compliance with Canadian Competition Laws in all their meetings and activities.

#### **1.2 Approval of Minutes**

Minutes from the March 7, 2023, meeting were approved by committee members.

### **2 Presentations/Speakers**

#### **2.1 Guest Speaker – Ontario Native Women’s Association (ONWA)**

Guests were: Heather Cameron, Manager of Policy with the Ontario Native Women’s Association since 2015, and Collin Graham, Training Manager with ONWA since 2017.

ONWA is the oldest and largest indigenous women's organization in Canada and has been around for over 50 years. They're nonprofit and mandated to empower and support all indigenous women and their families. In Ontario, they do research, advocacy, policy, development, and programs, and all their work is grounded in culture as well as the safety of indigenous women and girls. ONWA is a voice for Indigenous women's issues, and its vision is to celebrate and honor the safety and healing of Indigenous women and girls as they take up their leadership roles in the family and community. ONWA is a direct service provider as well as a membership organization and delivers 66 programs across Ontario with 13 chapters.

Areas impacting indigenous women and their families are Mother Earth and the environment family violence, sexual violence, child welfare, human trafficking, missing and murdered indigenous women and girls, housing and homelessness, justice, and health. Ending violence against indigenous women is the cornerstone of ONWA which means addressing all these intersecting issues. Their programs offer mental health and addictions, programming health, promotion, and land-based healing advocacy around child welfare, family violence, and prevention. They also do some youth life, and youth programs, including youth and housing.

ONWA is a leader in indigenous anti-human trafficking work in Ontario as well as throughout Canada. Their report, Journey to Save Spaces, engaged 250 survivors of human trafficking. Their program called Courage for Change is the largest indigenous anti-human trafficking program in Canada. It provides immediate crisis support to indigenous women who are at risk of trafficking or exiting a situation of trafficking and some of their services include transportation to safe housing, liaising with police, counseling referrals, advocacy, and cultural support. They also have anti-human trafficking youth and transition workers, and these workers support youth who are transitioning out of the care of child welfare agencies.

81% of persons accused of human trafficking are men. the very first Province to have a strategy to end trafficking with Manitoba. I think there's the oldest just over 20 years. Second was BC. And then Ontario jumped on board, back in 2017. 70% of human trafficking victims identified by police are under the age of 25.

Air Canada has their policies when they suspect someone is being trafficked. Marriott hotel chains have all been trained not just for awareness but what to do if they suspect someone is being exploited. RAC's member Ontario Northland Transportation started focusing on anti-human trafficking and training their frontline employees, specifically their motor coach operators and employees who work on their passenger trains.

## **2.2 Member Spotlight – Agawa Canyon Railroad**

The Agawa Canyon Railroad/Watco presentation was given by Lindsay Ambeault, Supervisor of Tour Train Operations, and Phil Pierce, Chief Mechanical Officer. Also on the line was Laura McNichol, Senior VP & Chief Sustainability Officer.

Watco was founded in Louisiana, in 1983 and employs around 5,000 team members. Waco integrates rail, water, road, and air to solve supply chain challenges. While offering a broad range of services, Watco owns and runs more than 8,250 miles of shortline track throughout Australia and North America. Agawa Canyon railroad is the

only railroad in the Watco system that has a tour train. Back in February of 2022, they operated on 244.5 miles of mainline track that runs from Sault St. Marie to Oba. They move various commodities including metals, forest products, building materials, chemicals, propane, and fuel industries.

The Agawa Canyon tour train runs from August to early October and runs 114 miles up to the Agua Canyon with a stop for 90 minutes so customers can explore the park. On the way home they have three F40 locomotives and 17 coach gardeners, including a cafe car where hot meals are served, 3 snack bars, and one souvenir. The Canyon Park is 120 Acres. Five acres are maintained for tourist builders and trails to three waterfalls for customers to climb for scenic pictures. They also have a pavilion and picnic areas.

Just before the pandemic, ridership was near 30,000 per year, and in 2020, it dropped down to 0. A shortened season in 2021, with just over 5,000, and increased up to 20 and 2022. In 2023, they are at 27,000 and selling daily. They repaired 8 roofs on the coach cars, improved wastewater systems, and refurbished seats and floors in three coaches and window replacements.

### **3 Main Items**

#### **3.1 Communications Update – Chris Day**

Rail relationships with Transport Canada regulators are severely challenged on the freight side and the passenger side. The RAC recognized in the former minister that he and the team and many in Transport Canada had lost sight of the fact that transport is an economic portfolio. The RAC has been working hard to counteract this throughout the year.

The government will move forward with the replacement workers legislation in the fall of 2023.

The RAC's goal is to provide fact-based, evidence-based narratives that are solution-focused that are actionable and helpful.

#### **3.2 Government Relations Update – Kevin Mason**

The political landscape has shifted. The Conservatives are now leading in the opinion polls and putting pressure on the Liberal government. The RAC is pushing hard to promote the proximity guidelines.

The House of Commons and Transport Committee is looking at a high-frequency rail and the RAC helped influence some of the questions through the opposition leaders. The RAC continues to push for dedicated tracks and increased operational and capital funding for passenger railways of all kinds. The more information the RAC receives from passenger members, the more detailed they can be for the required funding to move people to their destination, and the better they can advocate. Fall economic statement and pre-budget coming up and the RAC will be consulting with members.

Bill C-33 is still being debated. The RAC is educating parliamentarians and officials on all types of railways and their operations.

Kevin attended the RAC's emergency response course in BC along with TSB and TC. Kevin took the opportunity to do some outreach in BC as well.

The Federal Government is moving ahead with the strategy introduced by the previous minister to advance the sector. The RAC is working to influence the department to ensure that rail gets the appropriate recognition and support for its essential role in the tourism industry.

With recent Cabinet shuffles, the RAC reached out to them with introductory letters. RAC's presence on the provincial level in different provinces has increased and the RAC is planning an advocacy day at Queen's Park in early December.

The Green Prairies Economy Act focused on the western region and the RAC had 10 recommendations that were driven by members, including smaller members. The recommendations covered everything from increased tourism funding to addressing labor shortages as well as supporting green rail innovation.

### **3.3 Policy Update (MOU with Transport Canada on Emissions, Safety, Educational Programs, Proximity Initiative – Ben Chursinoff**

The RAC had a booth stationed at the Union BC of Municipalities (UBCM) in September. The RAC needs to develop a more detailed proposal of what exactly can the government of BC do when it comes to proximity issues and development in railway infrastructure. A good example is from Ontario with the regulatory requirement that railways be notified of any developments near railway infrastructure. Another example would be New Brunswick and Saskatchewan with some of their policy statement guiding municipalities.

The RAC received notice last month from Transport Canada that they've made good progress on advancing a federal policy statement endorsing the proximity guidelines but unfortunately, two weeks later, the RAC received another notice from TC stating that they are putting a pause on this initiative. TC is concerned that because of the way the proximity guidelines were developed 10 years ago, there's no indigenous engagement. There's an opportunity here for the RAC to continue to collaborate with the federal government.

Since 1995, the RAC has held successive Memorandums of Understanding (MOU) with Transport Canada to reduce locomotive emissions from the Canadian rail industry. The RAC has been engaging with Transport Canada and Environment Canada as well as with members through a series of workshops and engagements to begin developing a new MOU. Ben will share a draft version of the MOU with members. This MOU is intended to align government and industry efforts to reduce emissions from the Canadian rail industry. The key objectives should be to advance efficiency measures in the Canadian Rail Sector to continue reducing emissions, and enhancing collaboration and information sharing between RAC and TC. To address, emerging challenges and exchange best practices to support climate modeling and policies for locomotive emissions, and reductions. To advance research and development for decarbonization initiatives, including technology trials. Aligning actions in pursuit of a net 0 vision by 2050, exploring opportunities for a modal ship-to-rail to reduce GHG emissions and transportation. Maintaining locomotive emissions, data, and initiatives reporting through the Lem report and increasing



shared knowledge of climate, related issues, and rail infrastructure through government-industry cooperation.

In terms of the research agenda, a couple of areas that the RAC listed as a priority would be to have TC provide annual updates on rail projects and programs related to rail decarbonization as well as the RAC and their members providing annual updates on any research priorities that the industry might be working on. Through its Innovation Center, TC will be establishing a rail decarbonization task team that would work under the Railway Research Advisory Board (RRAB) and would help to enhance the research, collaboration, and coordination relative to emissions activities for those who are familiar with the RRAB.

The RAC will also be looking at increasing collaboration with other Federal Government departments and agencies. For those that are familiar with the clean fuel regulation rail has been excluded from that. We'll also have research commitments looking into advancing the knowledge of the climate risks to rail infrastructure through collaboration. Other projects specifically would be looking at understanding the GHG and air quality impacts towards rail and assessing any gaps in knowledge and reporting on criteria, air, contaminant emissions, and profiles.

### **3.4 RAC Campaigns Updates – Chris Day**

RAC's supply chain and infrastructure campaigns that were out in the field earlier this year had a total of 5.8 million impressions. That's 61% higher than the full year of 2022 campaigns. Clicks nearly doubled, and the click-through rate on those campaigns nearly tripled what was expected. The RAC used geo-targeting to get all the social channels. Engaging more effectively on social LinkedIn channels has grown by 40% since the start of the year.

The RAC will be marking World's Tourism Day on September 27 on social channels. The RAC had a successful engagement with the Women In Rail campaign this year and the RAC will be putting out information on the scholarships in the next couple of weeks.

RAC's youth and rail campaign is out. Some of your organizations have been part of that and connecting us with interns who are telling their stories about what attracted them to rail and their experiences.

OL had a successful rail safety week last week. The RAC has a safety summit coming up and invites to follow. Please mark November 15 and 16 in your calendars. The Safety Summit in Montreal is in partnership with AQTR, the Quebec Transportation Association.

RAC's holiday reception for members is on November 29, in Ottawa.

RAC has two ongoing hashtag campaigns and would appreciate any amplification on #factmatter #railmatters.

Towards the end of the year will be the Canadian Railroad or Pride Campaign. The RAC would like to tap into the full diversity of the railroad or community in Canada



and what makes people proud to be railroaders. The RAC is looking to tell the stories of truly diverse stories of people from coast to coast.

### **3.5 Regulatory Update**

The RAC has been more engaged with Transport Canada, opening discussions to have a better flow of communications when in the pre-consultation phase on any rule-making activities so that when the RAC gets into formal consultation and approval phases, assessment periods of rules, it would be quick, it would be timely, and there'd be no major surprises. This is also done with the Transportation Safety Board (TSB).

The Duty and Rest Period Rules for federally regulated passenger railways are going to come into force on November 24, 2024. Since the last meeting, TC sent out a questionnaire in early July. The questionnaire is basically to serve as the cost-benefit analysis that TC will need to do when they eventually revise the regulations.

Enhanced Train Control (ETC) is without a doubt, the biggest file that the RAC is working on. Still in pre-consultation with TC with an aggressive timeline for implementation due to several rail recommendations out of the TSB as well as the Auditor General Report and Railway Safety Act (RSA) Review. They're going to start drafting regulations very shortly. Meeting with TC regularly.

The RAC is in a regulatory review with the Safety Management System (SMS), despite not much activity on this file. The RAC will help TC audit SMS effectiveness and KPIs as encountered issues with industries during audits. RAC and TC will meet in November during Rail Safety Week.

On November 23, Transport Canada is holding an industry day in Montreal. Although there isn't an agenda, it will focus on SMS effectiveness and what it entails. Ideally, the RAC will find common ground and work together to develop better KPIs for the industry and auditors.

## **4 Hiring challenges – Janet Greene**

The Human Resource Committee consisted of talent acquisition, people who were hiring, and those specializing in training from the different railways. The RAC also had the community colleges that offer the conductor program attend some of the meetings.

Since the conductor curriculum was dated 2002, a review was completed between the RAC and Class 1 members and the HR committee decided not to meet during that time. Several institutions that have signed the licensing agreement have begun implementing the new conductor curriculum. The feedback is positive from the instructors and the students.

Since the review is completed, the RAC will resurrect the committee, being cognizant that hiring needs retention. The RAC is looking for volunteers from members to be part of the HR committee and ensure that RAC members' needs are met.

Over the past years, the RAC has done hiring campaigns and this year the Youth In Rail campaign was developed by a former colleague. A webpage was created on the RAC's Career Resources page. The social media campaign started on August 8th, featuring each intern on RAC's social media platforms. The paid media plan continued to target pre-graduate trade school attendees across Canada from August to September.

## 5 Accessibility and ATPDR Phase 2

During the spring and early summer, there has been consultation with various modes of operations such as rail, air, and buses and completed site visits with smaller operators on site to have a firsthand appreciation. Magdy has been advised that CTA is currently working on a consultation paper which they hope will be available later this Fall. They will be sharing this for ideas and feedback which they will use to draft the integration.

## 6 Next Meeting

Next Passenger Meeting – TBD (2024)

## 7 The meeting adjourned at 4 PM EST.

Action Items – September 26, 2023	Lead	Status
1. Meeting Minutes	Johanne	Completed
2. Share MOU with Transport Canada to members	Ben	Completed

**2023-2030**

## **MEMORANDUM OF UNDERSTANDING BETWEEN TRANSPORT CANADA AND THE RAILWAY ASSOCIATION OF CANADA FOR REDUCING LOCOMOTIVE EMISSIONS**

### **1.0 Objectives**

The purpose of this Memorandum of Understanding (MOU) is to establish a framework through which the Railway Association of Canada (RAC), its member companies, and Transport Canada (TC) will collaborate to decarbonize the rail sector.

The MOU supports the following objectives to align government and industry efforts to reduce emissions from the Canadian rail sector:

- Align government and industry actions to develop the necessary framework to achieve net-zero by 2050.
- Advance decarbonization research and development including government-industry cooperation on technology trials.
- Continue to advance efficiency measures in the Canadian rail sector to reduce greenhouse gas (GHG) emissions.
- Improve collaboration and information sharing to address emerging challenges, exchange best practices, support climate modelling, and inform the development of policies that support locomotive emission reductions.
- Explore modal shift to rail opportunities to reduce GHG emissions from the transportation sector.
- Continue to report locomotive emissions data and initiatives through the Locomotive Emissions Monitoring (LEM) Program.
- Increase the shared knowledge of emerging climate-related issues facing rail infrastructure through government-industry cooperation.

As the Government of Canada is taking a whole-of-government approach towards emission reduction efforts, the MOU recognizes Environment and Climate Change Canada (ECCC) and Natural Resources Canada (NRCan) as partners in several of the objectives described above.

### **2.0 Governance of the Memorandum**

The following sections outline the governance structure for this MOU.

## **2.1**    *Management Committee*

The MOU will be governed by a Management Committee comprised of senior officials (director or above) from the parties to the MOU, other federal government departments (including ECCC and NRCan), representatives from railway companies, and a representative of an environmental non-governmental organization. The Management Committee will be co-chaired by a representative from TC Environmental Policy and RAC. As the lead federal department for the MOU, TC commits to keeping other federal departments informed with respect to relevant activities and initiatives that result from the MOU.

The RAC and TC will select the environmental non-governmental organization representative. Other individuals (e.g., subject matter experts) may be invited to attend meetings from time to time, as required and agreed upon by the Management Committee. The Management Committee will meet at least once a year, beginning in January 2024, to exchange information, discuss progress and issues, complete a year-end review of activities, and set out priorities for the year. RAC and TC may schedule additional meetings as needed.

The functions of the Management Committee will include, but not be limited to, the following:

- Regularly meet to discuss policy issues, share priorities on research and development, oversee the work of the Technical Review Committee, and approve work plans for achieving the objectives of this MOU.
- Participate in the development of the Rail Climate Action Plan as appropriate, such as providing direction on content and reviewing stakeholder commitments.
- Make recommendations and review the MOU when necessary (e.g., following the publication of the Rail Climate Action Plan), in consideration of developments in the rail industry or the Canadian economy's impact on the MOU.
- Work together to identify and overcome barriers and implement action on opportunities to support rail sector decarbonization.
- Review and approve the annual LEM Reports and any other generated outputs.
- Review and approve communication strategies associated with the dissemination of MOU products.
- Provide direction on the scope, mandate, and publication of the audit, as described in Section 10.0.

## **2.2**    *Technical Review Committee*

The Technical Review Committee membership will be determined and agreed upon by the Management Committee co-chairs. The Technical Review Committee will be co-chaired by a representative from TC Environmental Policy and RAC, and is responsible for the following:



- Support the Management Committee through development and implementation of work plans to advance MOU objectives.
- Meet on a quarterly basis, at a minimum, to review progress, discuss policy issues, set research and development priorities, and initiatives supporting the MOU objectives.
- Share information, evaluate technology trials, and support modelling of sector emissions and target setting approach.
- Support the production of the annual LEM Reports and suggest improvements to the LEM Program, including emission estimation methodologies as needed, and oversee and evaluate other reporting activities for products resulting from the MOU.
- Support the development of communication strategies associated with the dissemination of MOU products.

TC and RAC will serve as a liaison between the TRC, the Railway Research Advisory Board (RRAB) Decarbonization Task Team, the Railway Ground Hazard Research Program, and other relevant committees to help inform climate-related research priorities.

### **3.0 Context**

Dating back to 1995, the Government of Canada and the RAC have collaborated to reduce locomotive emissions from the rail sector. This successful partnership has been governed through four consecutive MOUs (1995-2005; 2006-2010; 2011-2017; 2018-2022).<sup>1</sup>

#### **3.1 Global Climate Change**

The Intergovernmental Panel on Climate Change (IPCC) found that current GHG commitments still leave a substantial gap to net zero, and it's likely that warming will exceed 1.5°C during the 21st century – making it more difficult to limit warming below 2°C. Human-caused climate change has already contributed to the planet's warming of about 1.1°C above pre-industrial levels in 2011–2020.<sup>2</sup>

Modelled pathways that limit warming to 1.5°C or 2°C involve rapid and deep and, in most cases, immediate GHG emission reductions in all sectors this decade. While some

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<sup>1</sup> Please contact Transport Canada or the Railway Association of Canada for previous iterations of the MOU. The latest can be found here: [https://www.railcan.ca/wp-content/uploads/2019/12/TC-RAC\\_MOU\\_2018-22.pdf](https://www.railcan.ca/wp-content/uploads/2019/12/TC-RAC_MOU_2018-22.pdf).

<sup>2</sup> On March 20, 2023, the IPCC released its latest report, “AR6 Synthesis Report: Climate Change 2023,” summarizing the current state of climate change and its widespread impacts and risks.

future impacts of climate change are unavoidable and/or irreversible, they can be limited by deep, rapid and sustained global GHG emissions reduction.

The transportation sector must play a key role in achieving these reductions. In 2021, transportation accounted for approximately 22% of Canada's GHG emissions, with the rail sector accounting for approximately 1% of total GHG emissions in Canada. While the on-road transportation sector represents the bulk (79%) of transportation emissions<sup>3</sup>, it will be essential to drive down emissions from all modes, including rail.

### **3.2 Government of Canada's Climate Response**

Canada has committed to reducing GHG emissions by 40-45% below 2005 levels by 2030. Canada also committed to achieving a net-zero emission economy by 2050, enshrined in the *Canadian Net-Zero Emissions Accountability Act*.

Most recently, in March 2022, the Government of Canada released its [2030 Emissions Reduction Plan \(ERP\)](#), a roadmap outlining a sector-by-sector path for Canada to meet its 2030 and 2050 emission reduction goals, including a commitment to develop a Rail Climate Action Plan.

Canada recognizes that rail is an efficient mode of transport that supports climate ambitions, economic prosperity, and well-being, and that encouraging a modal shift to rail, where possible, creates immediate GHG reduction opportunities within the transportation sector.

### **3.3 Canadian Rail Sector Climate Actions**

Rail accounts for less than 4% of Canada's transportation GHG emissions.<sup>4</sup> Yet, the rail sector moves nearly 70% of intercity ground freight and more than 100 million people annually (pre-pandemic)<sup>5</sup>, making it the least GHG intensive mode of ground transportation.

Canada's rail sector is committed to doing its part to improve its fuel efficiency, enhance the resiliency of rail infrastructure, and reduce emissions. Since 2005, the freight rail industry has improved its fuel efficiency by more than 25%, and intercity passenger rail fuel efficiency improved by over 30% as of 2019.<sup>6</sup> As the most fuel-efficient mode of ground transportation, the rail sector is working to attract new passengers and encourage freight traffic to rail.

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<sup>3</sup> National Inventory Report (2023), [https://publications.gc.ca/collections/collection\\_2023/eccc/En81-4-2021-1-eng.pdf](https://publications.gc.ca/collections/collection_2023/eccc/En81-4-2021-1-eng.pdf)

<sup>4</sup> National Inventory Report (2023), [https://publications.gc.ca/collections/collection\\_2023/eccc/En81-4-2021-1-eng.pdf](https://publications.gc.ca/collections/collection_2023/eccc/En81-4-2021-1-eng.pdf)

<sup>5</sup> Railway Association of Canada, *Rail Trends 2020*, p.13-14.

<sup>6</sup> *Railway Association of Canada, Locomotive Emissions Monitoring Report 2021.*

Rail is one of the sectors in which emissions are difficult to abate, requiring major transformational and technological change (i.e., low-carbon fuels and alternative propulsion) to achieve substantive emission reductions. To date, Canadian railways have made significant investments in infrastructure, fleet modernization, innovative fuel saving technologies, operational improvements, and the piloting of various low-carbon fuels and alternative propulsion technologies. The rail sector acknowledges the importance in mitigating the impacts of climate change through the reduction of locomotive emissions over the next decade, and the need to ensure that Canada's rail system is resilient to climate related impacts, including wildfires, flooding, and extreme heat and cold.

#### **4.0 Reducing Greenhouse Gas Emissions**

The rail sector is committed to continuing to improve its emissions intensity. For the duration of the Memorandum, the RAC will encourage its members to improve their GHG emissions intensity from railway operations.

TC and the RAC agree to work together to identify opportunities and address barriers to reducing GHG emissions in the rail sector. Forms of collaboration can include but are not limited to:

- collaboration on research, information sharing and dissemination on decarbonization technologies;
- collaborative clean technology research, development, and demonstration projects;
- policy development; and
- engagement on design and implementation of support programs.

Specific topics of collaboration may include, but are not limited to, the following areas:

- advance research and knowledge of rail infrastructure climate resiliency approaches; options to support modal shift; low-carbon fuels, alternative propulsion, and other clean technology; identify gaps in current funding opportunities for rail to inform government strategies for advancing rail sustainability;
- develop government supports for rail emission reductions and improve GHG reporting accuracy through year specific GHG emissions factors;
- promote the environmental benefits and strong emission performance of Canada's railways through reports, education campaigns, and other methods of communications; and
- engage with the passenger and shortline railway sectors to identify support requirements to advance decarbonization.

## **4.1 Net-Zero Vision**

This MOU represents a shared vision of working towards net-zero GHG emissions by 2050 for the Canadian rail sector. Both parties understand the significance of monitoring, reporting on, and reducing rail sector emissions, and are committed to collaborating on emission reduction opportunities.

Under this MOU, TC and RAC and its members intend to pursue short-term emission reduction opportunities (2023-2030); by taking action to improve low-carbon fuels use and advance trials of zero-emission technologies; improve fuel efficiency; and explore other decarbonization strategies. The Government of Canada invites individual railway signatories to join the Government of Canada's Net Zero Challenge, and other net-zero initiatives as appropriate.

## **4.2 Modelling Pathways to Net-Zero**

The Government of Canada recognizes the efforts of RAC members to disclose emissions and encourages a continuation of these efforts as the industry plans for 2030 and beyond.

To develop well-informed GHG reduction targets that are ambitious and reasonably achievable, TC and the RAC will work together to provide data to:

- develop modelled pathway(s) to net-zero for the sector, including low-carbon fuels uptake by 2030;
- better understand the policy, investment and incentive requirements to enable the adoption of zero-emission technologies;
- and support the development of additional rail decarbonization initiatives, such as the Rail Climate Action Plan.

## **4.3 Key Milestones on the Path to Net-Zero**

This MOU sets the following aspirational goals to help guide TC and the RAC in transforming Canada's rail sector into a sustainable, net-zero mode of travel and freight. These aspirational goals will evolve and be updated as the collaborative work of the MOU advances. With these aspirational goals, TC and the RAC are committed to a journey of innovation, environmental stewardship, and leadership in rail decarbonization.

### **4.3.1 Reducing Greenhouse Gas Emissions by 2030:**

While recognizing that modal shift from on-road to rail could increase rail emissions while reducing overall transportation sector emissions in the years to come:

- Class 1 freight railways commit to reducing emissions intensity in accordance with their Science Based Targets (SBTi) targets, and to achieve absolute



emission reductions by 2030 aligned with SBTi-modelled pathways.

- Passenger railways, shortline and regional railways, and Transport Canada will continue to work with other federal departments, provincial and municipal governments, academia, and other key stakeholders to reduce emissions by 2030.

#### 4.3.2 Advancing Low-Carbon Fuels in the Canadian Rail Sector:

This MOU commits the parties to exploring the feasibility of achieving 10 to 20% of low-carbon fuels use within the rail sector by 2030, to send a clear signal that the rail sector will require significant volumes of sustainable low-carbon fuels.

Achievement of this goal is dependent on policy that enables the competitive availability and price of low-carbon fuels in the Canadian marketplace, as well as trials to advance rail sector technical and operational knowledge. In support of this goal, TC and the rail industry will aim to increase investments in locomotive engine testing and trials for low-carbon fuels, and broadly share the results within the sector, investigate the availability of low-carbon fuels for rail transport use, and potential policy drivers for rail sector decarbonization.

#### 4.3.3 Advancing Zero-Emission Locomotives in Canada's Rail Sector:

This MOU recognizes the importance of accelerating the adoption of zero-emission locomotives over the coming decades to reach net-zero. To support this transition:

- TC and RAC members propose to work together to accelerate the retrofitting and upgrading of locomotives to advance net-zero technology.
- TC will explore options for new or existing federal policy drivers, measures, and support programs to assist in the transition to a net-zero rail sector.

#### 4.3.4 Promoting Modal Shift Opportunities:

This MOU sets an aspirational goal of achieving rail's potential to reduce transportation sector emissions through modal shift, both for passengers and freight. In support of this goal:

- TC and RAC members will seek to increase investments to modernize and expand the services of the rail network, such as increasing intermodal hubs and freight rail access to industries.
- TC will work to increase passenger rail ridership on existing routes through new, more efficient options (e.g., High Frequency Rail), and in working with stakeholders including other levels of government to promote coordinated operations that complement Canada's passenger rail network.

## **5.0 Reducing Criteria Air Contaminant Emissions**

The RAC will continue to encourage its members, including those not covered by the *Locomotive Emissions Regulations* (LER), to improve their criteria air contaminant emissions performance.

Through this Memorandum, the RAC will continue to report on annual CAC emissions, in a manner and format that is agreeable to all parties, with a view to leverage the data railways provide to enable collaboration on future initiatives, tools, or actions that address air quality knowledge gaps.

## **6.0 Research, Development & Demonstration Commitments**

Research, development, and demonstration (RD&D) are vital for decarbonization. TC and the RAC commit to working together to prioritize research and share, where possible, generated evidence in line with this MOU's objectives.

Through this MOU, TC and the RAC commit to the following items:

- TC will provide an annual update on rail RD&D projects and programs related to rail decarbonization to the Management Committee.
- RAC and its members will provide an annual update on research priorities that support the MOU objectives to the Management Committee.
- TC will establish Rail Decarbonization Task Team under the Railway Research Advisory Board (RRAB) in which RAC members are invited to participate, as a mechanism for enhancing rail decarbonization-related research collaboration between research bodies, industry, and federal departments, including coordinating strategic research direction and results sharing between the RRAB and the Management Committee.
- TC and the RAC will work with other federal government departments and agencies to support alignment of research with priority areas identified by the Management Committee.
- TC and the RAC will collaborate to advance knowledge of climate risks to rail infrastructure and identify and promote collaborative mechanisms to enhance climate and supply chain resiliency of Canada's rail network.
- TC, ECCC, NRCan, and RAC will collaborate on a research project to develop an understanding of the GHG and air quality impacts of modal shift towards rail, including a quantification and a policy analysis where possible.
- TC, ECCC, NRCan, and RAC will collaborate on a research project to assess the gaps in current knowledge and reporting on CAC emissions profile of the rail sector.
- TC, NRCan and RAC will collaborate to advance knowledge regarding low carbon fuels relevant to the sector.

- TC, NRCan and RAC will collaborate to advance knowledge regarding low carbon fueling infrastructure.

## **7.0 Rail Climate Action Plan**

This MOU recognizes the need for government-industry collaboration to advance decarbonization technologies for the rail sector. Collaboration under the previous MOU included technology assessments and a decarbonization roadmap, and an emphasis on fuel efficiency improvements.

As a next step, TC will lead the development of a Rail Climate Action Plan, which will set out additional actions and measures to support the decarbonization of the rail sector in line with Canada's net-zero by 2050 commitment, along with supporting GHG reductions by 2030.

The collaborative activities set out in this MOU will be important enablers for the development of the Rail Climate Action Plan, including through working together to inform the development of ambitious and achievable GHG reduction targets.

TC's role includes fostering partnerships among rail stakeholders, coordinating efforts across transportation modes, and leveraging infrastructure and energy synergies. In developing the Rail Climate Action Plan, TC will explore options to overcome barriers and accelerate the rail system's sustainability transition.

## **8.0 Annual Reports**

The following sections outline the reporting and verification requirements for this MOU. The first report will be for calendar year 2023 and the last report will be for the year 2030.

### **8.1 *Contents and Production of Annual Reports***

The RAC and the Technical Review Committee will be responsible for developing a Locomotive Emissions Monitoring (LEM) report for each year of the agreement. Each report will include:

- General information about the rail sector (reporting railways, network map, etc.); the sector's contribution to transportation-related emission reductions; and RD&D and other actions taken by the RAC, its members, and the Government of Canada (including an overview of funded/supported rail projects) to reduce GHG and CAC emissions from locomotives, advance new zero-emission technologies, and climate change adaptation efforts.

- Detailed information about the composition of the domestic locomotive fleet (OEM, model, tier level, engine, horsepower, year of manufacture, type of operation); names of the reporting railways and their province(s) of operation; freight and passenger traffic levels (gross tonne-kilometres, revenue tonne-kilometres, intercity passenger-kilometres); fuel consumption; fuel efficiency; and GHG and CAC emissions.
- Progress towards the aspirational goals listed in section 4.3.

The RAC will be responsible for the production, design and coordination of materials to produce the annual reports, and TC will be responsible for the translation of the annual reports. As part of the review process, the data workbooks used to prepare the annual reports (excluding company-specific information) will be circulated to the Technical Review Committee.

The final report under the Memorandum (i.e., 2030 reporting year) will include a summary of the parties' accomplishments over the total reporting period including GHG and CAC emission reductions, and TC and other departments' contributions towards achieving the objectives of the MOU.

## **8.2 *Review and Approval of Annual Reports***

The Technical Review Committee will support the production of each annual report.

Each annual report will be approved by the Management Committee.

## **8.3 *Dissemination of Annual Reports***

Each annual report shall be made available by the parties to the Memorandum and released to the public as soon as possible, once approved. The parties will jointly develop a communications strategy to maximize outreach and disseminate annual reports. As part of this strategy, TC will share the annual reports with ECCC and other relevant federal departments and agencies.

The RAC will be the copyright holder of all rights in, and to, the annual reports. TC will hold a royalty free license in perpetuity of any copyrighted materials included in the annual report.

## **9.0 *Duration***

The MOU will come into force upon signing by the duly authorized representatives of TC and the RAC and will endure until December 31, 2030, unless it is terminated at an earlier date. The party that is terminating the MOU will give six months prior formal written notice to each signatory.



## 10.0 Third Party Verification

A qualified auditor will be given access at least once over the duration of the MOU to audit the processes and supporting documentation pertaining to the MOU. Parties to the MOU will select the appropriate auditor and will share audit costs equally. The scope, mandate, and publication of the audit will be decided by the Management Committee.

## 11.0 General Provisions and Signatures

This MOU is a voluntary initiative that expresses in good faith the intentions of the parties. It is not intended to create nor does it give rise to legal obligations of any kind whatsoever, nor establish a partnership or joint venture between signatories. As such, it is not enforceable by law. The government reserves the right to develop and implement regulatory or other measures it deems appropriate to achieve clean air and climate change goals. Conversely, signatory parties reserve the right to review and reassess performance targets in correspondence with evolving government policies, operating procedures or market conditions. This Memorandum will not constrain the parties from taking further actions relating to GHG and CAC emissions or fuel use that are authorized or required by law.

The parties recognize that the information provided pursuant to the Memorandum will be governed by the applicable legislation concerning protection and access to information.

Dated at Ottawa this 5 day of December 2023.



Minister of Transport



President and CEO, Railway Association of Canada

## **Appendix A**

### **RAC MEMBER COMPANIES**

**(As of December 5, 2023)**

Agawa Canyon Railroad, ULC

Alberta Prairie Railway

ArcelorMittal Infrastructure Canada s.e.n.c.

Barrie-Collingwood Railway

Battle River Railway, NGC Inc.

BCR Properties Ltd.

Big Sky Rail Corp

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

Essex Terminal Railway Company

exo

GIO Rail Holdings Corporation

Goderich-Exeter Railway Company Limited

Great Canadian Raitour 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

Ontario Northland Transportation Commission

Ontario Southland Railway Inc.

Orangeville Brampton Railway

Ottawa Valley Railway

Prairie Dog Central Railway - Vintage Locomotive Society Inc.

Québec Gatineau Railway Inc.

Québec Iron Ore Inc.

Québec North Shore and Labrador Railway Company Inc.

Roberval and Saguenay Railway Company, 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.

Toronto Terminals Railway Company Limited, The

Train Touristique de Charlevoix Inc.

Tshiuetin Rail Transportation Inc.

VIA Rail Canada Inc.

West Coast Express Ltd.