

**Opening Remarks
AGRI Committee
December 5, 2024**

Thank you, Mr. Chair.

Through some of the most rugged terrain and challenging weather, Canada's railways move over \$380 billion dollars worth of commodities and consumer goods, and approximately half of Canada's exports. Grain accounts for one-fifth of Canadian Class 1 freight traffic.

Canada's railways deliver the highest safety performance in North America, industry-leading environmental innovation, and strong service, and they do it at virtually the lowest cost anywhere in the world.

Over the past decade, the Canadian freight rail sector's accident rate improved by 19%, and the dangerous goods accident rate by 34%.

Even within a capital-intensive environment, railways in Canada maintain some of the lowest freight rates worldwide—11% lower than those in the U.S., and significantly lower than rates in several European countries, Australia, Japan and India.

Take grain as an example: All grain starts in a truck. Grain companies charge more to farmers to truck and elevate a tonne of grain than railways charge to move that same tonne 1,500 kilometres from the Prairies to tidewater.

A CPCS study found that the implied MRE rate for regulated Canadian grain is 29% lower than the average Canadian freight rate.

Un solide secteur ferroviaire est essentiel à une économie canadienne concurrentielle. Plus de 35 000 cheminots canadiens travaillent nuit et jour dans des conditions difficiles pour acheminer en toute sécurité les biens canadiens sur les marchés mondiaux.

Alors que ce comité étudie des façons de soutenir l'agriculture canadienne, nous vous pressons de favoriser des politiques qui permettent des

investissements continus dans notre réseau de transport. Des politiques intelligentes créent des emplois, réduisent les coûts pour les consommateurs et améliorent les chaînes d'approvisionnement agricoles.

Cependant, nous avons récemment constaté une augmentation de la rhétorique des expéditeurs ainsi que des mesures réglementaires mal/avisées, comme l'interconnexion réglementée prolongée, qui met en péril les investissements, l'efficacité et des emplois bien rémunérés.

L'interconnexion réglementée prolongée permet aux chemins de fer américains d'accéder au trafic canadien à des tarifs réglementés, alors que les chemins de fer canadiens n'ont pas le même accès au trafic américain. Cela crée des conditions inégales.

Ça signifie moins de wagons complets pour les cheminots canadiens et moins de travail pour les travailleurs portuaires si les expéditions sont acheminées vers Seattle au lieu de Vancouver.

Ce sont des emplois syndiqués bien rémunérés.

Using a Winnipeg to Vancouver train as our example, the railways have modeled the effects of extended interswitching and we risk losing up to 44 workdays for Canadian railroaders to the U.S. —equivalent to 11 crews of 2 moving one train of grain to port and returning with empties.

That's why Canada's rail unions oppose extended regulated interswitching.

Unifor has stated: "Extending the interswitching limit has opened up the Canadian rail service to unbalanced competition with U.S.-based companies."

Teamsters also emphasized: [quote] "We firmly believe that this change will lead to the exportation of valuable Canadian union jobs to the United States, including those in the railway and port sectors. We thus recommend the government abandon any plans, both current and future, to expand interswitching distances in Canada." [end quote]

This committee should not support policies that chase jobs and investment to the U.S.

Any continuation of this pilot project will put more Canadian jobs at risk.

As a trading nation, Canada's reputation hinges on the reliability of its supply chains.

North American supply chains have been recently experiencing labour disruption from coast to coast.

As we've seen, these disputes affect not just ports and railways—they reverberate through our economy, impacting businesses and consumers alike.

The Canada Labour Code needs to be amended, providing the federal government with tools to rapidly prevent or terminate a work stoppage in Canada's supply chain, and impose binding arbitration when the parties are deadlocked.

This will help build a resilient system that supports agriculture and the livelihoods of Canadian workers.

Since 2018, CN and CPKC have invested over one billion dollars in thousands of new grain hopper cars and billions more in other projects to increase capacity.

Canada should promote the flow of trade, not create obstacles.

The federal government must act on supply chain challenges—such as the inability to load grain in rain at the Port of Vancouver, and labour stability.

We urge the committee to explore real capacity solutions, looking at proven approaches in other jurisdictions to address the issue of loading grain in the rain.

Action is what's needed now.

In conclusion, strategic policy changes and continued investments are crucial to ensuring Canada's position in the global market.

Mr. Chair, railways are enabling their customers and the economy to grow. Thank you.