



RAC Shortline Committee Meeting

May 7, 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

SHORTLINE COMMITTEE MEETING – 2024-01

TUESDAY MAY 7, 2024 – 07:30 – 09:00 (EDT)

Delta Hotel – LeBreton Room, 2nd Floor. 101 Lyon St. North, Ottawa.

ZOOM MEETING (VIDEO & AUDIO) [CLICK HERE](#)

MEETING ID: 867 4695 8240

PASSCODE: 88613457

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AGENDA

AGENDA

ADMINISTRATIVE ITEMS		LEADER	TIME
1.	Welcome & Call to Order	Chair	07:30
1.1	Competition Law Policy – Forward Statement	Chursinoff	07:32
1.2	Meeting Minutes – October 3, 2023		07:35
1.3	Steering Committee Minutes – March 6, 2024		
1.4	Vice-Chair Election		07:40
1.5	RAC Shortline Survey	Chursinoff	07:42
OPENING REMARKS			
2.	Opening Remarks	Chair	07:45
3.	President’s Report	Brazeau	07:50
MAIN ITEMS			
4.0	RAC Public and Government Affairs Update	Smith	08:00
4.1	RAC Advocacy Update	Mason	08:10
4.2	RAC Regulatory Affairs Update	Barfoot	08:20
4.3	ETC Update	McDade	08:30
4.4	RAC Dangerous Goods Update	Croome	08:40
4.5	RAC Environment & Programs Update	Chursinoff	08:50
STATUS REPORTS IN WRITING			
5.0	Operation Lifesaver		
5.1	Proximity Initiative		
5.2	Safety Culture Initiative		
5.3	Environment		
5.4	Research and Data Analysis		
5.5	Dangerous Goods		
5.6	Mechanical Services		
5.7	Spectrum & Telecommunications		
DISCUSSION AND OTHER BUSINESS			
6.	Other Business	Chair/All	8:55
7.	Next Meeting	Chair	8:58

8.	Adjournment	All	09:00
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SHORTLINE COMMITTEE MEMBERS MEETING MINUTES – 2023-02
TUESDAY, OCTOBER 3, 2023

VIRTUAL TELECONFERENCE

ATTENDANCE:

Members

Andrew Glastetter, Great Western Railway
André Pichette, Roberval and Saguenay
Chris Bevilacqua, BCR Properties
Dane Kostenuk, Last Mountain Railway
Daryl Duquette, Huron Centreal Railway
Denys Del Cardo, Genesee & Wyoming
Dominic Belleville, Chemin de fer de
Lanaudière

Drew Duquette, Ontario Northland
Transportation
Emily Mak, Southern Railway of BC
Guy Langis, Ontario Northland Railway
Jack Weston, Essex Terminal Railway
Marcel Leboulaire, chemins de fer QNS&L
Paul Newsome, Prairie Dog Central Railway
Sean Sefsik, Quebec Gatineau Railway
Tyson Stelter, Cando Rail & Terminals

RAC

Brianna Bowman
Chris Day
Janet Greene
Johanne Delaney
Jonathan Thibault

Kevin Mason
Magdy Fahmy
Marc Brazeau
Michael Barfoot

1. WELCOME AND CALL TO ORDER

Ben Chursinoff welcomed members and reviewed housekeeping items, and Johanne Delaney did the roll call and acted as secretary.

Andrew Glastetter called the meeting to order and reported that notification of the meeting was given in accordance with RAC by-laws. He notes that there was a quorum and declared the meeting to be properly constituted for the transaction of business.

Andrew Glastetter noted the Competition Guidelines are enclosed in the briefing package and explains that the policy emphasizes RAC's organization's compliance with Canadian Competition Law in all meetings and activities. He invited Ben Chursinoff to read the RAC competition law statement.

1.1 Competition Law Policy – Forward statement

The competition Law Policy is enclosed in the meeting documents. The policy emphasizes RAC's compliance with Canadian Competition Law in all meetings and activities. Ben Chursinoff read the RAC competition law statement to members.

1.2 Meeting minutes – May 4, 2023

No comments or questions from members. The minutes were approved and moved by Emily Mak and seconded by Drew Duquette.

1.3 Steering Committee Meeting Minutes – July 12, 2023

No comments or questions from members. The minutes were approved and moved by Emily Mak and seconded by Drew Duquette.

2 OPENING REMARKS

Andrew Glastetter thanked the attendees for attending the meeting and went through the agenda items.

Over the past year, there have been developments in the sector. We have a new minister, so it will be interesting to see how this affects the rail industry and how it could affect shortlines in the future.

The RAC is actively involved in many facets and is working on numerous projects. We'll find out more about their updates, plus where they're heading and how they're representing us in the shortline industry. The rail review that Transport Canada has been advocating is positive. To improve their representation, Andrew encouraged the committee members to get in touch with the RAC and share their suggestions.

3 PRESIDENT'S REPORTS

Marc Brazeau provided a brief update on RAC activities since the May meeting. His full report can be found in the briefing book.

Marc began by thanking the RAC team for their excellent work on several files.

Marc brought up the prospect of a 2024 federal election that may see a new transportation minister. There has been a lack of clarity in the minority government. The increased paid sick leave that was implemented and the stacking of such benefits have shown the effects on labour and how that affects the workforce's availability.

The RAC had several one-on-one meetings with officials educating them on the intricacies of rail operations. The RAC conveys messages with facts and evidence based on studies and reports such as the independent studies on freight rates by CPCS, and the supply chain paper conducted with a former TC official.

With a great deal of industry engagement, Operation Lifesaver's Rail Safety Week in September was a success. Lots of social media posts. Outstanding degree of involvement in the messaging and assistance provided to ensure Canadians remain safe near and on railroads. The industry has an excellent opportunity to get together during Rail Safety Week to simply discuss how important rail safety is.

The campaign Youth in Rail was developed by RAC's communications team to highlight the opportunities available to young people in the rail industry. To attract the future generation and highlight employment opportunities in the railway business, videos were produced featuring a variety of interns working nationwide..

With the possibility of a federal election in 2024, the RAC is working with all political parties on their readiness platform to ensure that shortline challenges and opportunities are identified such as funding needs, labour issues, and regional economic development considerations.

The RAC has been working on provincial outreach, education, and lobbying, meeting with a lot of decision-makers in various parts of the country as we also understand that provinces have a role to play in supporting shortlines.

The RAC will once again have their Shortline Conference in 2024 in Eastern Canada (Ottawa) given that the last time was out in Western Canada.

Andrew commented that all efforts made by the RAC have certainly been appreciated. The RAC has done a great job of always being at the forefront by providing recommendations to the Federal government.

4 MAIN ITEMS

4.0 Regulatory Affairs Update

Michael Barfoot RAC Director of Regulatory Affairs, reported on the following items.

The RAC met with Transport Canada regarding rule-making guidelines to ensure that changes to rules going further are beneficial.

Several ministerial orders have been issued throughout the years, and the RAC does not anticipate any soon, allowing time to deal with certain legacy issues that have been placed on the back burner. They are:

- Canada Rail Operating Rules (CROR), that has been scheduled for significant revision since 2020.
- Evaluate the quality of Transportation Safety Board (TSB) investigative reports and, in certain situations, the quality of recommendations.
- The automatic parking brake (APB) rule. The APB working group, which includes TC, industry, and RAC, met to discuss the progress of APB. A 20%–40% decrease in braking force application was detected at the NRC laboratory during testing of the Wabtec APB prototype, which is the main problem with the tests. A result that was not hypothesized. The prototypes were sent back to Wabtec to figure out exactly why this caused the unintended brakeforce reduction as everything was double-checked, and the NRC did the tests precisely as it should have been done. The problem is with the device itself. TC also commissioned a research and readiness report from the Volpe Center in the US. The RAC discussed that report with TC and Volpe Center last week. The APB is not as far along as the TBS made it seem. Further testing is required.

For the past five months, the RAC and TC have met every two to three weeks regarding the Enhance Train Control (ETC) and to review lessons learned from Positive Train Control (PTC). The goal is to complete the pre-consultations by the end of October of this year, after which they may begin drafting rules in 2024. The regulations will be published in the Canada Gazette Part 1 by the end of the following year and by the end of 2025 for the final Gazette Part II, followed by a five-year implementation period that extends until 2030.

Railway Employee Qualification Standards regulations are being modernized. Working with TC to get these regulations updated. TC sent out a questionnaire in August to all the affected railway members to understand what the impacts would be on industry members.

RAC has a working group on SMS effectiveness key performance indicators to improve KPIs, how they use the KPIs, and what it means to assess SMS for effectiveness. RAC is expecting to get potential revised KPIs in the middle of October and what TC is considering for its updated auditing and effectiveness assessment methodology.

Fatigue management systems have been on their forward-looking regulatory plan for a couple of years. TC informed the RAC that they want to regulate fatigue management and that they're not going to be looking for a standalone fatigue management regulation. They will review the SMS regulations and look at opportunities to merge fatigue management requirements into the existing SMS requirements.

The Fund for Railway Accidents Involving Designated Goods (FRAIDG) sent an email to shortline members regarding their interest in signing a Memorandum of Understanding (MOU) that would essentially outline the process for transferring claims over to this fund if members are involved in an accident with crude oil. If a member is involved in an accident with a railway and the claims exceed minimum regulated liability insurance, then this fund is legislated by the Canadian Transportation Agency (CTA) to step in and take over those claims, whether you sign the MOU or not. The RAC reached out to members asking about their interests in the MOU and potentially signing it and received sufficient interest to go ahead and draft the MOU.

Ministerial Order (MO) on train break rules phase one was approved back in January. The RAC filed phase two changes at the end of May. The changes will allow the adoption of an effective test that only applies to loaded unit trains on descending mountain grades in cold ambient temperatures. The RAC received the approval for those rules from TC. Those new revised rules are going to come into force on December 1, 2025. Members won't have to change anything in their operation unless they start operating unit trains and cold ambient temperatures under setting mountain grades with 100 tons or more per operative break.

4.1 RAC Advocacy and Outreach Update

Kevin Mason RAC Director of Policy, Advocacy, and External Relations, reported on the following items.

The Conservatives are now leading in opinion polls by a significant margin which is putting pressure on the Liberal Government. The government has become more in favor of prescriptive regulatory policies. In terms of impacts for the shortlines the RAC has seen sick leave changes, and the government is expecting to bring forward bans on the use of replacement workers. The RAC is meeting with senior officials at Labour Canada tomorrow, October 4. The RAC continues to do regular advocacy on these issues. Pierre Poilievre, leader of the Conservatives has been promising policies to get more housing built near transit stations. The RAC is pushing hard at all levels of government to promote the proximity guidelines and raise awareness of proximity issues.

There have been significant developments regarding shortline advocacy. The United States announced significant support for shortlines and has dedicated a rail fund and a tax credit that equates to meaningful support for shortline infrastructure.

The RAC received a request for a proposal from the BC government that is backed by evidence that shows the challenges that shortlines are facing and how the BC government can assist. The RAC will provide a proposal to welcome any comments from BC members and will use this content and supporting arguments and facts to add to the platform submissions in advance of the election.

Rail safety and Bill C-33 are being currently debated at the committee level and expect the debate will move forward in a couple of weeks. The bill impacts the rule and changes port governance inspections and monetary penalties for noncompliance. The RAC expects to testify on this bill and on Bill C-26 as well, which relates to cyber security and could impact federally regulated railways.

The RAC had a record number of touchpoints with policymakers, including more registerable lobby meetings. More individualized outreach of letters and congratulations has been done by the RAC to new ministers, deputy ministers, and other officials.

The RAC created a submission that contained 10 recommendations for creating a green prairie economy which highlights Western shortlines.

The RAC is planning an advocacy day at in Toronto at Queen's Park in the coming weeks.

The RAC will be consulting with members in the coming weeks regarding the 2024 federal pre-budget submission.

4.2 Communications and Events

Ben Chursinoff reported on the latest activities on behalf of Chris Day, RAC's communications consultant.

Advocacy and education are occurring simultaneously. The RAC continues to focus on supply chains, interswitching, and fact-and evidence-based interventions focused on safety, value, and reliability.

Supply chain and interswitching campaigns (spring/summer) brought 5.8 million impressions (a 61% increase over the total year 2022 in 8 months), 8133 clicks (nearly twice the 2022 total) and 0.34% click through rate (more than three times benchmark and industry average).

Other RAC Campaigns:

- World Tourism Day Sept 27
- Women in Rail (May/June and scholarships to be announced shortly)
- Youth in Rail. (Ongoing; great response so far)
- Rail Safety Week (excellent reception)
- Upcoming: Safety Summit (Nov 15 and 16), holiday reception (Nov 29)
- #FactsMatter #RailMatters will continue to be used
- Shortlines featured/profiled in several editions of newsletter, including SCFG just today.

Upcoming - idea stage

- #CheminotFier #CDNRailProud
- Looking to put a face to railroaders' work and have them tell their stories about why they are proud to do what they do.
- Looking to get selfie-style videos shot in the collection which would show a diversity of roles, experiences, locations, and lived experiences but a common passion for safety and contributing to Canadian communities/economy/etc.

The RAC is partnering with the Association Quebecois de Transport (AQTr) to host a Rail Symposium on November 15 and 16 in Montreal, at the Sheraton Centre. Topics of discussion will be rail safety, innovation technology, climate change and adaptation. Information will be communicated to members in the coming days.

The RAC will host its holiday reception in Ottawa and will be celebrating winners for the safety and environment awards. More information to come on that.

The RAC will continue the campaigns of #factsmatter and #railmatters. Currently in draft stages is a new campaign called #Canadianrail that will focus on railroaders telling their stories. Members who are interested in participating should contact Chris Day at the RAC.

4.3 **Shortline Trends**

Jonathan Thibault RAC Manager, Economics, Data and Research Public & Corporate Affairs gave the update on Shortline Trends.

The FY2022 Consolidated Rail Infrastructure and Safety Improvements (CRISI) funding was announced in the US. They also have their baseline strong level of support through the 45G tax credit, which recently became permanent. There's more urgency for Canada to move forward to make sure that the shortline sector does not fall behind.

With the help of Andrew, the RAC created a Shortline research paper. The team is always pushing forward and will get deeper into comparing government support for the shortline sector in Canada vs what is available the U.S..

As Kevin mentioned, the RAC has had many touch points with government officials, helping them out on potential costs of programs, developing programs, and ensuring that support is equivalent to the U.S. on per per-mile basis. In Canada, we have the National Trade Corridor Fund (NTCF), various funding under the RSIP, and the climate adaptation program. The RAC will examine all the programs and tax breaks available to construct a compelling argument for how we compare with the US.

The RAC is working on updating the printed atlas since the last version is from 2012. In the coming weeks, Jonathan will circulate a draft to all the RAC members through key contacts at each railway, for review and input. The digital atlas is being updated as well.

The digital map for members includes all MPs in your network, all the protected areas that you're running near or through, all TRANSCAER events that have taken place nearby, and other information. Members are encouraged to reach out to Jonathan for individual logins and training.

4.4 Dangerous Goods Update

Scott Croome RAC Director of Dangerous Goods Operations and Regulatory Affairs gave an update on recent activities.

The DG team continues to work with Transport Canada on some of the proposed regulations. The primary issue is the Administrative Monetary Penalty System (AMPS) regime. Another change is the TP14877 which is the rule on how tank cars are designed going back into the CGSB standard, where it came from originally a few years ago.

Next up is the site registration for shortlines. Anyone who has or moves dangerous goods on their property will have to register their sites. The RAC is working with TC to define a site. Any rail yard where trains are made, staged, or classified will become a yard. The locations will need to be registered with TC so that they are aware of all their sites if they choose to conduct a dangerous goods inspection.

Working on reverse logistics. It's been ongoing for several years now, and essentially, it's who classifies the materials for returning shipments. The next step is to align this with the rest of the industry.

The effective date for the new rule requiring rail yards to register under the TDG Act is November 3, 2024.

4.5 Memorandum of Understanding w/ Transport Canada

Ben Chursinoff RAC Manager, Policy, Environment, and Programs provided an overview of the draft Memorandum of Understanding (MOU) between the RAC and Transport Canada to reduce locomotive emissions.

The RAC is seeking feedback from shortline committee members throughout October. The MOU Management Committee has been working on developing a new MOU since June through a series of workshops with Transport Canada.

The MOU represents a collaborative framework between the Railway Association of Canada, its member companies, and Transport Canada. The purpose of the MOU is to collaborate to reduce GHG and CAC emissions in the Canadian rail industry. Part of this framework is to align government and industry efforts and to facilitate information sharing.

The first MOU dates back to 1995, and the latest MOU expired at the end of 2022. This MOU would be from 2023 until 2030 which aligns with Federal milestones.

Several key objectives in the draft MOU are to:

- align the government and industry actions to develop the necessary framework with an aspiration to achieve net zero by 2050
- to advance decarbonization research, and development, including technology trials.

- Continue to advance efficiency measures in the Canadian rail sector to reduce GHG and CAC emissions and improve collaboration and information
- exploring modal shift to rail opportunities.
- Reporting will continue through RAC's annual Locomotive Emissions Monitoring (LEM) report.
- Research will seek to increase the shared knowledge of emerging climate-related issues through government-industry cooperation.
- Advance research in low-carbon fuels and climate modelling.
- This MOU is designed for longer-term emission reductions, and we're focused on developing the right framework to achieve that

Ben will share a draft of the MOU for feedback with the committee after the meeting.

STATUS REPORTS – PAC/SOMC STANDING COMMITTEE – FOR REFERENCE

The various reports below were considered as read and briefly reviewed.

- 5.0 Operation Lifesaver
- 5.1 Proximity Initiative
- 5.2 Safety Culture Improvement Initiative
- 5.3 Environment
- 5.4 Dangerous Goods
- 5.5 Mechanical Services
- 5.6 Spectrum & Telecommunications

6.0 OTHER BUSINESS

No other business was discussed.

7.0 NEXT MEETING

The next Steering Committee meeting will be in November 2023.

The next Shortline Committee meeting will be in May 2024.

8.0 ADJOURNMENT

Meeting adjournment was moved by Paul Newsome and seconded by Denys Del Cardo.

Meeting ended at 2:55PM EDT.



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RAC Shortline Steering Committee Meeting
March 6, 2024

Attendees:

Andrew Glastetter, Great Western Railway
Drew Duquette (ONR)
Ben Chursinoff, RAC
Johanne Delaney, RAC

Shawn I. Smith, Boundary Trail Railway
Denys Del Cardo, Genesee & Wyoming
Michael Barfoot, RAC

Absent:

Neil Johnson, GIO Rail
Janet Greene, RAC

Kevin Mason, RAC

1. Welcome & Opening Remarks

Andrew welcomed members, called the meeting to order at 10:00am EST and discussed agenda items with the group.

2. Competition Law Policy – Forward statement

The competition Law Policy is enclosed in the meeting documents. The policy emphasizes RAC's compliance with Canadian Competition Law in all meetings and activities. Ben read the RAC competition law statement to members.

3. RAC Advocacy Update

Ben delivered the advocacy update on behalf of Kevin Mason.

The Conservative Party's polling lead has grown since the last Shortline Committee meeting. The unfavorable political environment for the Liberal Party combined with the stable liberal, NDP supply and confidence agreement further exemplified by pharmacare legislation tabled last week makes an election in 2024 unlikely. This is important context as the RAC advocates for railways in Ottawa and it's a factor in RAC's strategic decision-making visa-a-vis resource allocation.

In terms of lobby numbers, the RAC increased its advocacy activities 10 times above the 2022 total on behalf of Shortline and other member railways and well on the way to exceeding that total in 2023 and 2024. The RAC provided six prebudget submissions, including Federally and in the provinces of Alberta, British Columbia, Ontario, Saskatchewan, and Quebec. In every submission, the Shortline Railway Maintenance tax credit was a key ask, and as well as addressing the stacking of labor regulations, broader supply chain investments such as accelerated depreciation, carbon tax application in BC. Fuel tax rebalancing in Saskatchewan adherence to the proximity guidelines and access to funding for environmental initiatives among others.

Alberta and BC have tabled their 2024 budgets. The RAC sent summaries to the members. Quebec is planning to release its budget on March 25, with Ontario's to be tabled before March 31. Nova Scotia also released its budget with no mention of rail. The Federal budget will be either the week of March 18 or after April 8.

The RAC held a lobby day at Queen's Park in December 2023 intending to secure the Ontario Taxi Credit for Shortline members. RAC and some members had several meetings with ministers, deputy ministers, ministerial staff, and other key officials.

The RAC provided a written submission to the Treasury Board Supply Chain Regulatory Review that discussed the critical role of shortlines and the support that they require. Work is being done to support members of Bill S. 211, the Fight against Forced Labour, and Child Labour in Supply Chains Act.

4. Regulatory Affairs Update

Mike Barfoot delivered the regulatory affairs update.

The Transportation Safety Board (TSB) recommends that Transport Canada implement a timeline for Automated Parking Brake (APB). The working group reviewed the report and advised the TSB that the technology was not ready, therefore, the working group ceased to exist. As this was a board recommendation, the RAC will work behind the scenes, to determine the next steps. Meanwhile, the Innovation Center is reviewing automated parking brake technologies and will look at cold weather testing. This will also be mentioned at the Railway Research Advisory Board Conference in April in Edmonton.

The Enhance Train Control (ETC) completed 10 sessions in 2023 with TC to determine their policy direction. Two key issues continue to be a major concern. One is ETC across the Canadian network and whether certain territories would require a driver advisory system, which is like the lesser version of ETC, or if it would require the full automated train protection system, which is equivalent to the US's Positive Train Control (PTC). The second is the implementation timeline of ETC. The RAC, TC, and ETC working groups continue to work throughout the year on the initial drafting of requirements. The RAC requested all shortlines to send RAC any exceptions they would need when operating on an ETC territory. A regulatory provision that accepts certain scenarios regarding shortline operations having to fully equip their locomotives with ETC. The RAC will have a discussion on this topic at their Shortline Conference in May. In the meantime, the RAC looks forward to feedback from the Shortlines.

TC formed a working group with the RAC to look at wayside detectors. This stems from the Norfolk Southern derailment of March of 2023 and the train break rules amendment done back in September 2023 to implement break effectiveness testing, using cold wheel detectors on mountain grades. The working group working to understand what wayside detectors can do and how they're being used in the Canadian environment. Canada is currently using them responsibly and not causing issues, it's preventing issues. The working group is creating the terms of reference.\

TC notified the RAC at the Advisory Council for Rail Safety (ACRS) meeting that they will be reaching out with a formal intention to review and amend TC's exemption guidelines. When railways are requesting these types of exemptions going forward, which involve using new technologies that TC is still learning about, they want to ensure they are giving the railways the information they are required to give for transportation to be possible.

The Railway Employee Qualification Standards regulations will get an amendment to the current regulations and possibly a new title. This will be a high-level standard qualification.

No regulatory changes on Safety Management Systems (SMS) until 2025. New effectiveness and criteria are to be published on April 1. Any audits occurring after April 1 are going to use new KPIs and guiding principles.

The RAC signed a Memorandum of Understanding (MOU) with the Fund for Railway Accidents Involving Designated Goods (FRAIDG) that is specific to Shortline railways. It's a non-binding MOU, you do not have to sign it, but the RAC is suggesting you do because should you ever be involved in an accident involving crude, the expectations for how the fund would get engaged to cover some of the claims if you were meeting or getting up to the point where you were going to exceed your minimum liability insurance. Those expectations are indicated in this MOU.

Bill S-211, the act to enact the Fighting Against Forced Labor and Child Labor in Supply Chains came into force on January 1 as an annual reporting requirement to the Ministry of Public Safety on May 31 of every year for railways who are captured under this act. We should anticipate that the Government will consider railways to be applicable under this act. The Canadian Chamber of Commerce drafted a letter for the Minister of Public Safety and the Minister of Labor stating that the act is unclear for railways.

The wooden cross ties provision of the Track Safety rules comes into force on May 31. There's an increase in the minimum number of ties per 39-foot segment.

5. RAC Shortline Conference

Ben delivered the Shortline Conference update on behalf of Janet Greene.

The RAC Shortline Conference will start on Monday, May 6 with a planned tour of the National Research Council of Canada's facilities in the afternoon. On Tuesday, May 7 in Ottawa will be the start of the conference with the Shortline Committee meeting that morning which will be hybrid. Registration is to open later this week. Sponsorship opportunities will also be available later this week.

6. MOU with Transport Canada

Ben delivered the MOU with a TC update.

RAC renewed the MOU with Transport Canada in December of 2023 and will cover until 2030. The MOU recognizes the Class 1s sector for their individual SBTi targets. Through conversations, fuel efficiency is still going to be important. We are entering a transitional period of looking at more renewable fuels and then eventually have a net 0 technology. The MOU includes a long list of initiatives relevant to decarbonization with a new addition to climate resilience. An aspirational goal was added to the memorandum which is to increase the use of renewable fuels from 10 to 20% industry-wide.

That sends a strong signal to the government that the renewable fuel sector in the rail industry is going to need significant volumes of renewable fuels. It will also include R&D to better understand the requirements and considerations of using different renewable fuels, like blend rates, fuel types, operational considerations, and air emissions profile. It will include research into the air quality impacts of locomotives and different types of different communities across the country, as well as research into advancing modal shift, and opportunities to reduce emissions.

TC is developing a rail climate action plan because of the 2030 emissions reduction plan which is published by the Federal government a few years ago. It will outline the various measures and pathways that can be leveraged to advance decarbonization in the industry. This process kicked off last week with a virtual workshop that Transport Canada hosted along with rail industry reps, including OEMs and fuel producers. It did include the Southern Railway of BC, Genesee and Wyoming, the Western Shortline Association, and of course the RAC. Transport Canada's goal is to finalize this action plan by the end of the calendar year.

7. Discussion – Shortline Infrastructure Funding

As mentioned in the advocacy update earlier, the RAC is anticipating something on the Ontario budget. Through conversations with the MOU, from an environmental perspective, the RAC mentioned the tax credit for Shortlines, because that is an opportunity for a modal shift, bringing up your infrastructure capacity.

8. Shortline Members Outreach

Ben and Andrew have discussed creating a survey questionnaire designed to gather valuable insights from shortline members to help the RAC make informed decisions based on individual feedback. The steering committee agrees and Ben will draft the questionnaire and send it to the steering committee for review.

9. Other Business

No other business was discussed.

10. Next Meeting

A doodle poll will be circulated for the next meeting date.

11. Adjournment

The meeting was adjourned at 11:15 am EST.

CONFIDENTIAL – NOT FOR DISTRIBUTION**RAC Shortline Members Survey**

These questions are designed to gather valuable insights from shortline members to help the RAC make informed decisions regarding committee priorities. Please return a hard copy to an RAC staff member.

1. What are your top 5 priority areas?

Pick five.

- a) Advocating for Federal Government funding for Infrastructure for my short line operation.
- b) Advocating for Provincial Governments to fund Infrastructure for my short line operation.
- c) Developing positive relationships with elected officials and senior bureaucrats to ensure a working knowledge of short line operations and benefits.
- d) Developing materials for advocacy, social media, and other communications platforms that promote short line interests and support.
- e) Ensuring the RAC keeps my management informed of new regulatory matters that could have a negative impact on my short line business, and advocating to ensure that short line interests are communicated to regulators and legislators.
- f) Safety and Regulatory Affairs support from Transport Canada and the RAC
- g) Business Development and Marketing support
- h) Strengthening relationships with CN, CPKC, or other connecting railroads.
- i) Developing improved environmental and sustainable practices.
- j) Support for public proximity issue management and community engagement.
- k) Other, please specify.

2. In respect to your priorities, what specific areas should the Shortline Committee prioritize to bring the most benefit to members? (e.g., bringing in speakers, developing best practices, advocacy)

- 2



Railway Association
of Canada

PEOPLE. GOODS. CANADA MOVES BY RAIL.

President's Report
Marc Brazeau, President & CEO



SITUATIONAL CONTEXT



Potential for supply chain disruptions that will impact business continuity



Strong pro-labour support from all political parties



Shipper associations continue to pressure all political parties to make extended regulated interswitching a permanent measure



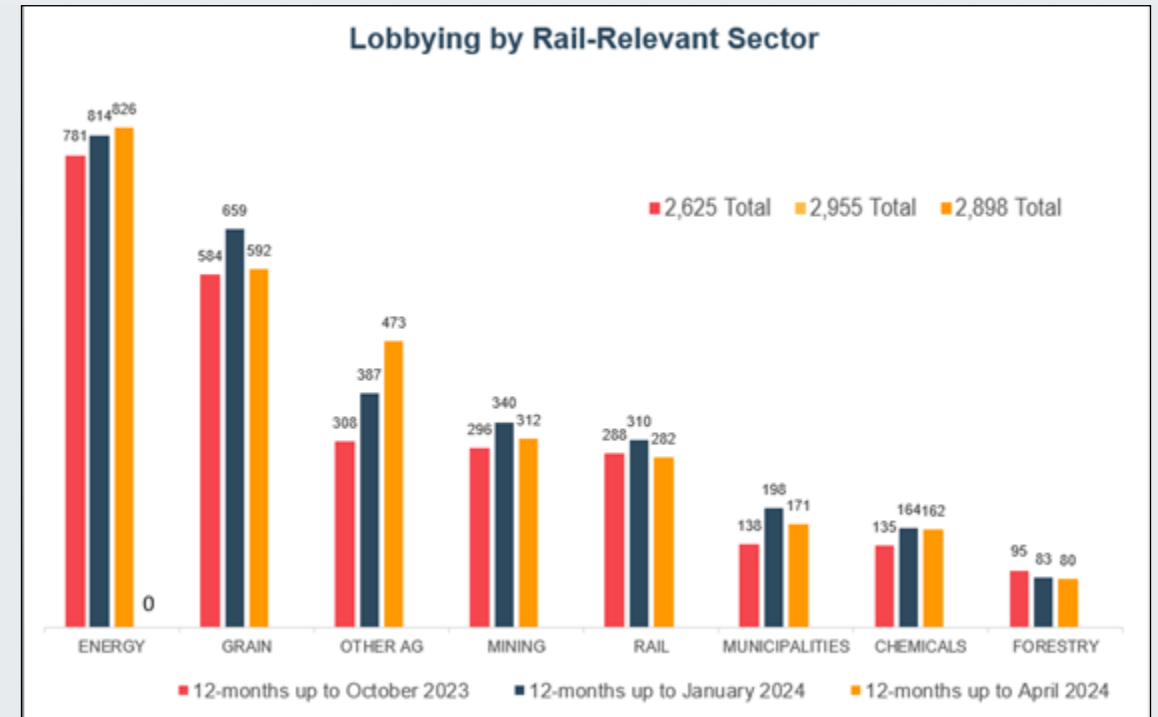
Transport Minister is more focused on Quebec politics than rail regulations. This could influence the decision on whether to continue extended interswitching.



Operation Lifesaver Program currently operating without funding support from TC

SHIPPER LOBBYING MAINTAINS PACE

- Canola Council and Cereals Canada appear more focused on transportation issues in recent months than some other agricultural associations
- Certain anti-rail groups, like the Western Grain Elevator Association, have been quieter
- Western Canadian Shippers Coalition is narrowly targeting TC officials (met Supply Chain Office 10X in past 12 months)
- Transport Minister has accepted few rail-related stakeholder meetings (note: he has met the Teamsters twice since December)
- RAC lobbying expected to exceed record full-year 2023 pace
- Energy organization not believed to be lobbying on rail issues.



COMPELLING FACTS

- Canadian rail freight rates remain the lowest on average among major market economies (re-confirmed in updated CPCS study)
- Railways continue to invest Billions annually to enhance the fluidity and resiliency of Canada's rail network (\$21.5 billion over then years)
- Federal government lacks any policy rationale for extended regulated interswitching
- Rail is the greenest mode of ground transportation; major reductions in emissions intensity by both passenger and freight in recent years
- Shortlines are critical first-mile, last-mile supply chains links; the U.S. tax credit model is proven to increase investment and enhance safety

Canadian railways are the safest in North America (lowest accident frequencies).



Average regulated grain rates are 33.4% lower than average Canadian rates



Average American rail rates have grown faster on an annual basis (2.2%) than Canadian rates (1.4%)



CURRENT LANDSCAPE

Wins

- Continue to successfully delay TC freight rail review and cast doubt on its merits
- Commitment from Senator Dagenais to table bill to repeal extended interswitching
- Recent federal budget commitment to replace VIA's LDRR fleet and advancing HFR
- Ontario budget recognized importance of shortlines and committed to support them
- Secured favourable amendments to Bills C-26 and C-33; prevented thermal coal ban
- Ongoing high level of engagement with government officials and public office holders
- Performance of extended interswitching communications campaign with effective messaging and efficient audience reach

Risks

- Risks related to potential labour disruption
- Possible continuation or expansion of extended interswitching
- Risk of shipper misinformation leading to negative policy or regulatory outcomes
- Continued threat of expanding labour and other regulations (including cybersecurity)
- After securing critical exceptions under Bill C-58 (replacement workers), there is risk of negative committee amendments
- Lack of new funding to address gateway bottlenecks and rail safety including crossings

Opportunities

- Leverage growing parliamentary opposition to extended interswitching into its full repeal
- Convert Ontario budget commitment to tax credit in 2024 Fall Economic Statement
- Build on positive federal (and some provincial) budget announcements to promote passenger railways and secure desired policy outcomes
- Translate increased political attention on grain-in-the-rain into tangible solutions
- Opportunity to refocus rail regulation discussions after a potential federal government transition (expected Fall 2025)

TOP PRIORITIES IN Q2-Q3

ADVOCACY

- Maintain pace to exceed 2023 total number of registerable meetings with public office holders.
- Work with shipper associations to communicate impacts of potential rail strike to key cabinet ministers, and support members during potential labour disruption.
- Obtain broad Parliamentary support to repeal EIS by March 2025.
- Work with Ontario government to develop a robust shortline support mechanism

COMMUNICATIONS

- Focused communications and media campaigns to repeal EIS.
- Further develop social media content plan with campaigns on passenger rail, proximity and dry season preparation.
- Ensure ongoing updates to keep Board and Committees, members, and key stakeholders engaged and informed

HUMAN CAPITAL

- Hire new Director of Government Affairs and Advocacy.
- Continued onboarding of new employees.
- Grow strong employee engagement and culture.
- Plan and execute annual staff planning meeting



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Shortline Committee Meeting – May 7, 2024

4.1 **RAC ADVOCACY AND OUTREACH UPDATE**

RAC has been very active in engaging government officials since the last board meeting in October 2023.

From October to mid-April, there have been well over 3,500 recorded unique touchpoints with policymakers, members, and other stakeholders.

RAC is on pace to exceed the 2023 total number of registrable meetings with designated federal public office holders. The 2023 number was 10X higher than 2022.

Below is a list of the top policy and political outcomes influenced by RAC since the last boarding meeting.

- A Senator's commitment to table a Senate Public Bill to repeal extended interswitching
- Four parliamentary letters of support on extended interswitching, with more to come
- Supporting VIA in securing the Long Distance, Regional, and Remote Fleet renewal
- Additional funding for RAC passenger railways
- An Ontario budget commitment to explore shortline support
- Preventing an early ban on the export of thermal coal
- Continuing to successfully delay the rail review process
- Securing certain favourable amendments to Bills C-26 and C-33

The Association will be prepared to support its members during a potential labour disruption later this month. This is a major priority for the coming days and weeks.

RAC has been convening shipper and other associations to assemble information and coordinate advocacy efforts.

The Association is also liaising with members to support communications and provide policy and regulatory expertise.

Beyond planning for the potential disruptions, RAC continues to push back against the stacking of labour and other regulations on top of generous existing benefits. RAC is supporting the FETCO coalition in opposing Bill C-58 (replacement worker ban).

Regulatory stacking is a challenge spanning RAC's membership, from passenger to Class 1 to shortline.

RAC is executing on the extended interswitching strategic plan.

In addition to regular meetings with Transport Canada, parliamentarians, and other officials, RAC led the development of the industry's substantive response to the department's request for pilot project evaluation considerations.

RAC's communications blitz on this issue broke through the "Ottawa bubble," with parliamentarians, staffers, and others commenting on the effectiveness of the ads.

With a Quebec-based Transport Minister more focused on politics than rail policy on the prairies, and with growing political opposition to extended interswitching (including within the Liberal caucus), RAC believes there remains a reasonable chance of repealing the policy by March 2025.

RAC's strategy of delay respecting Transport Canada's "Rail Review" has been effective to date. The Association is working to develop a substantive industry response, to be submitted at the appropriate time.

RAC and its members were disappointed that the federal budget did not include any new funds for the Rail Safety Improvement Program or the National Trade Corridor Fund. In fact, the budget reallocated certain funds earmarked for the NTCF program.

RAC will press officials on the status of critical rail-supporting programs and for accelerated depreciation changes that would spur investment across supply chains.

Influencing the work of the Supply Chain Office remains a key priority for RAC, which has been gathering intel and participating in recent roundtables with the Office's leadership.

RAC's comprehensive submission to Treasury Board's regulatory review, and subsequent meetings with officials on the topic, were intended to influence that process. These efforts will continue.

Since its review at the House Transport Committee, there has been no movement of Bill C-33 (port governance and railway safety) in the House. RAC will monitor its movement and shift advocacy to the Senate as appropriate.

The Association played a supporting role in the federal budget's positive announcements regarding passenger railways.

RAC included the LDRR fleet ask in five pre-budget submissions and raised the issue with senior officials.

At the House Committee on Transport, Infrastructure, and Communities, RAC made the case for dedicated tracks for passenger railways in densely populated economic regions.

Building on plans to increase advocacy on behalf of passenger railways, RAC has elevated its passenger-oriented communications.

Ontario's Transportation Minister recently shared RAC's post on expanded GO service.

Work is underway in collaboration with passenger members to ensure that issues important to this segment of our industry are prioritized.

Bill C-26 (regarding cybersecurity) is one example of a bill affecting passenger railways where the RAC has been active in influencing the process and informing members.

Significant progress has been made in recent months towards infrastructure funding support for shortlines.

Securing a firm commitment from the Ontario government in its 2024 budget to explore ways to support shortlines is a historic milestone for RAC and the industry. The industry has, for years, been pushing governments across Canada for a shortline tax credit. This now seems like a plausible outcome this year in Ontario.

RAC will continue to work closely with members in the coming four to five months to influence the design of this support mechanism and ensure it is included in the provincial Fall Economic Statement.

The Association plans to use the momentum and playbook in Ontario to push other provinces and the federal government to act.

In the context of a federal minority parliament with an unpopular governing party, RAC will advance work intended to influence a potential new government during its transition. It will prepare for various political scenarios.

To conclude, RAC will continue to push hard in its advocacy and communications efforts for outcomes that benefit the rail industry.

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Shortline Committee Meeting – May 7, 2024

4.2 REGULATORY AFFAIRS UPDATE

ONGOING ITEMS / IN DEVELOPMENT

TC / Industry Working Group on Automated Parking Brakes

- TC Rail Safety has wrapped up its work regarding Automatic Parking Brakes and the Working Group with industry has been concluded. TCRS has determined that APB is an unproven technology and is not ready for implementation. The TC Innovation Center may seek to research and test APB in the future.

Background Information:

- Transport Canada and the railway industry 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 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 was returned to Wabtec for further analysis.
- CN Railway also equipped four Wabtec prototypes on coal cars operating in captive service to see 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.

Wayside Inspection Systems (WIS) Working Group

- The work plan and terms have been finalized by the WG. The initiative is split into three phases:

- Phase I focus is assessing Brake Effectiveness Test (BET) on mountain grades as per the latest Train Brake Rules revision, to determine the level of safety and criteria for removing manual tests altogether which would result in further rule amendments. Estimated completion is May 1, 2025.
- Phase II focus is proposed to be on Hot Bearing Detectors. To commence after Phase I.
- Phase III focus is proposed to be other wayside inspection systems. Timelines TBD.
- The National Research Council of Canada has been brought on to conduct research and testing. A draft methodology and data requirements document for the work is under review.

Background Information:

- Transport Canada Rail Safety is researching the use of WIS on the Canadian railway network to better understand the landscape. It will seek to gain insights into what WIS technology is practicably available and in use by the industry and how information gathered from WIS is used by the industry to identify strengths and potential opportunities. TC and the industry have formed a working group and are in the early stages of drafting Terms of Reference and a work plan.

Railway Employee Qualification Standards Regulations (REQSR)

- TC's initial plan to move forward with a CGI publication in late June might be delayed until September.

Background Information:

- TC proposed in 2022 on its Let's Talk Website an approach to updating the REQSR, which has 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 and on the proposed RIAS in January 2024.
- 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).
- TC is planning to keep the regulations broad and flexible (CRM an example). Ideally, the regs would not go beyond what railways already have in their training programs.
- Concerns with the proposed two years of supervision could be addressed through guidance instead of regulation, which is a step in the right direction as long as we can align with TC on expectations.

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

- MTO informed in April 2024 that the EY report was received and is undergoing internal review.

- MTO is developing a path forward for the next phase of the framework which is expected to take the next few months, at which point MTO will re-engage with industry and RAC.

Background Information:

- 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") was brought on 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 engaged with RAC and appropriate railways in consultations.

Review of Railway Safety Management Systems Regulations

- TC notified the Advisory Council on Rail Safety (ACRS) on February 21, 2024 that pre-consultation is to begin in Q3, 2024 and that proposed regulations could be published in Canada Gazette, Part I in Q1, 2026.
- There remains uncertainty as to whether updated regulations would include fatigue management and/or safety culture requirements.

Background Information:

- TC emailed railway stakeholders on 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, in 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)

- Subsequent to TC hosting an “Info Session” on February 28, 2024, TC published revised KPIs/Guiding Principles. These took effect April 1, 2024. Several changes were made to address comments submitted by RAC.

Background Information:

- TC sent railways a letter dated October 11, 2022 informing the 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. TC included a list of key performance indicators (KPI) to be used as guidance to determine effectiveness.

Fund for Railway Accidents Involving Designated Goods (FRAIDG)

- RAC is now extending participation in the NBMOU to Federally regulated railways who are interested in being a party to the NBMOU. Being a party of the NBMOU is not a mandatory, or a regulatory requirement, however, RAC believes that it is a good practice to have such a protocol in place between the railway and the Fund in the event there is an accident that will require the involvement of the Fund.

Background Information

- 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 Non-Binding Memorandum of Understanding (NBMOU) which was signed between RAC and the Fund.
- This protocol, if endorsed by railways, would facilitate the process of transitioning claims from the railways to the Fund.
- Coverage by the Fund extends not only to those railways that are carrying crude oil but also to Federally regulated railways that may not be carrying crude oil, however, were involved in an accident involving crude oil (e.g. with another railway that was carrying the crude oil).

Culvert Safety Management Guidelines

- TC initially intended to publish the amended guidelines at the end of January 2024 though this is still pending. TC has committed to making changes based on RAC / industry joint consultations.

Background Information:

- Transport Canada is updating the Guideline for Culvert Safety Management. The initial publication of the Guideline was in 2012, and sufficient time and practice has passed that an update to the Guideline is prudent to ensure accuracy and relevance.
- In 2020 and 2021, TC engaged RAC and made considerable headway on revisions to the Guideline.
- TC was to have published the final draft for industry review in 2021, though this didn't occur due to competing factors (e.g. Lytton fires).

TSB update

- TSB issued a Safety Advisory Letter (01/24) regarding operations under restricting signals in CTC. The letter has not been published to their website. It cites four occurrences in the past year in which trains have operated under restricting signals over speed and resulted in a collision. TC is looking to develop an action plan to address the issues. RAC has formally engaged TC (letter) to open dialogue. The intent is for TC and the industry to work towards a common understanding of the operating environment concerning restricting signals to then inform a way forward.
- TC issued a Safety Advisory Letter (07/23) regarding the obstruction of inward-facing LVVR cameras. The letter has not been published to their website. In response, TC has notified the TSB of the following:
 - Oversight activities to date have focused on ensuring installation, having proper signage, and notifying crew members.
 - Subsequent oversight will also focus on protecting the integrity of recordings and overall compliance with the LVVR regulations.
 - The next phase of TC's oversight will allow TC to enhance monitoring against tampering, technical and technological requirements, including the prescribed yearly testing of LVVR systems, and address known functionality issues.
- TSB issued a Safety Concern regarding employee impairment, which is published on their website. TC is discussing internally what can be done within their existing powers to help address employee impairment concerns. It's unclear what the possibilities are, although we understand that this would not include creating a random testing regime.

Transportation of Dangerous Goods Regulations (TDGR) CGI Publication

- A proposed amendment to the Transportation of Dangerous Goods Regulations (TDGR) was published in CGI on December 9, 2023. The comment period ended February 22, 2024. The proposed TDGR amendment would require, among other things, increased requirements for buffer cars on trains transporting TDG. The purpose is to harmonize with US requirements.

- Class 1s are generally less concerned than shortlines because Class 1s have greater access to buffer cars.
- Currently, mixed commodity freight trains in Canada do not require buffer cars. TDG unit trains require buffer cars, but only on cross-border operations and it is the shippers that are responsible for providing the buffer cars, not the railways. Requiring buffer cars for Canadian domestic operations creates problems relating to: buffer car unavailability, negative impact to train dynamics/handling, increased train length, increased switching and therefore increased employee safety risk and inefficiencies.
- The TDG Committee has submitted comments to Transport Canada regarding the CGI publication proposing amendments to the TDGR. Our position is that the amendment is unnecessary and TC's justification is unsound.
- Further consultation is pending.

Bill S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act

- The Supply Chains Act came into force January 1, 2024. This Act was introduced by the Federal Government to fight against Forced Labour and Child Labour in Supply Chains.
- The Act aims to combat the prevalence of forced labor in global supply chains by requiring companies to disclose information on their efforts to address forced labour in their operations and supply chains. This includes information about the company's policies and due diligence processes, as well as the actions taken to address identified risks.
- Under the Act, entities & government institutions are required to annually report on their efforts to prevent or mitigate the risk that forced labour or child labour exists in their supply chains.
- The annual reports are to be filed with the Federal Minister of Public Safety by May 31 of each year and will need to be published prominently on the entity's website.
- Entities for the purpose of the Act include companies "engaged in either producing, selling or distributing goods in Canada or elsewhere, importing into Canada goods produced outside Canada, or controlling an entity engaged in either of those activities".
- After consulting with the Public Safety department and giving careful consideration with input from industry representatives, the general consensus is that railways are considered "entities" and therefore must report annually if they meet the following criteria.
 - is listed on a stock exchange in Canada; or
 - has a place of business in Canada, does business in Canada or has assets in Canada and that, based on its consolidated financial statements, and meets at least two of the following conditions for at least one of its two most recent financial years:
 - it has at least \$20 million in assets,
 - it has generated at least \$40 million in revenue, and
 - it employs an average of at least 250 employees.

- Public Safety released guidance that provides specific recommendations on the composition of reports in compliance with the Act, detailing both its format and content.
- RAC sent an email to members in March 2024 to identify the expanse of members which are subject to the reporting requirements, to determine whether further advocacy is warranted.

Standard Point of Location Codes (SPLC)

- RAC is taking over the SPLC administration process from the Canada Transportation Agency (CTA) as of April 15, 2024. The CTA has no legislative mandate to administer the Codes.

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 maintenance 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.

4.3 ETC UPDATE

The Railway Association of Canada's (RAC) Enhanced Train Control (ETC) Program consists of Amtrak, 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). This will be accomplished through the development of addendums to the Association of American Railroads (AAR) Interoperable Train Control (ITC) Standards.

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. 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;
- dependency of highly reliable and available communications for ATP; and
- need to operate unequipped without restriction for a period following implementation as the reliability of the system is improved.

Industry and Transport Canada are not currently aligned on the methodology and thresholds for risk-based implementation of ATP and DAS or the timeline for implementation of ETC.

For risk methodology, Industry recommended that key routes within Census Metropolitan Areas (CMA) be used as a freight determinate for highest risk track segments requiring ATP. Transport Canada's determinants result in a large increase in track requiring ATP (>3.25x at an estimated cost of \$6B). Industry remains of the position that CMAs are an established determinate for risk and should be used to evaluate consequences in terms of impact to public safety.

In relation to timeline for implementation, Transport Canada's expectation is that implementation of ETC will commence in 2030 and be completed on all required track segments by the end of 2035. Industry continues to stress that the timeframe proposed by Transport Canada is unrealistic and unachievable.

Transport Canada has indicated that they will be in position to share details on what is expected to be contained within the proposed regulation later this year. Industry continues to stress the need for clarity on regulatory requirements to avoid additional risk to the proposed implementation timelines.

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5.0 OPERATION LIFESAVER CANADA (OL) UPDATE

Key takeaways from this report:

- Recent trespassing and suicide incident statistics have trended above the five-year average since July 2023. OL continues to monitor Transportation Safety Board and other reporting and trendlines and will adjust outreach, awareness, and advocacy activities accordingly. Our *Today Is Better* campaign will ramp up in advance of summer, funding permitting.
- OL awaits word on two submissions for federal funding – Rail Safety Improvement Program funding for core operations and Enhanced Road Safety Transfer Payment Program funding for two special projects.
- OL's most recent campaigns have recorded high levels of engagement and underscore the importance of personal stories in reaching target audiences.
- OL is preparing three, flexible options for the 21st annual Rail Safety Week in September.

OL Activities Since October 2023: Discussion

Leadership transition

Operation Lifesaver Canada underwent a leadership transition in late December 2023. After more than seven years as National Director, Sarah Mayes left the organization to pursue other professional opportunities. Chris Day was named Interim National Director by OL's Board of Directors. His primary focus has been to ensure multi-year funding applications were developed and submitted, complete annual reporting requirements for existing Transport Canada agreement, and explore other funding sources, all while forward planning for Rail Safety Week and executing on existing strategy and campaign plans.

Incident statistics reveal OL's work continues

Recent trespassing and crossing incident data indicate that OL's mission remains as relevant as ever: there is still work to do to raise awareness and save lives. From April 2023 to February 2024, there were 68 trespassing incidents and 138 crossing incidents across Canada, including 53 fatalities and 29 serious injuries. OL remains deeply concerned by recent trespassing incident statistics, which have trended above the five-year average since July.



OPERATION
LIFESAVER



OPERATION LIFESAVER

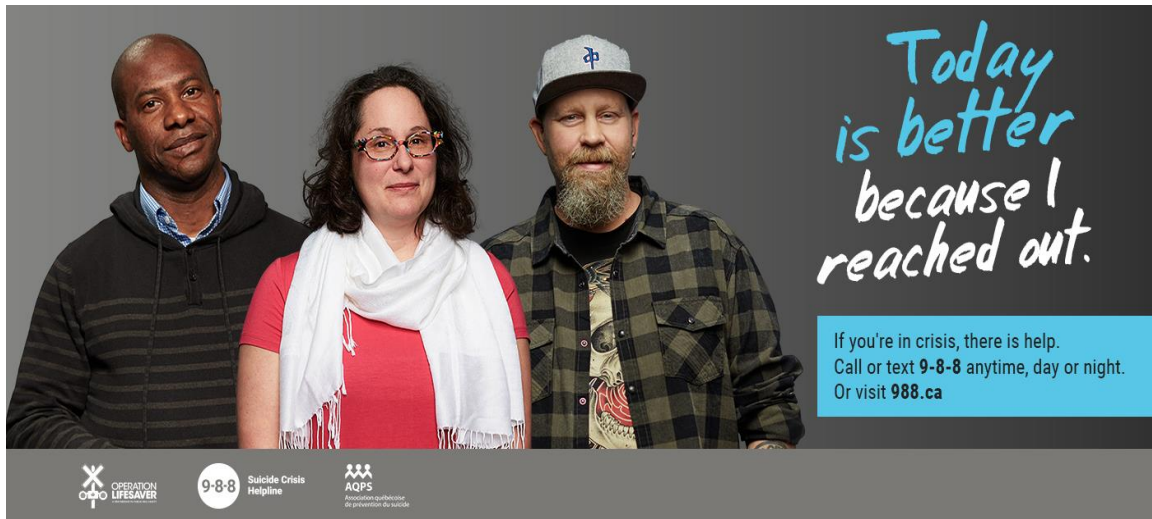
901 – 99 Bank Street
Ottawa, Ontario K1P 6B9

telephone: 613.564.8100

fax: 613.567.6726

e-mail: admin@operationlifesaver.ca

We will ramp up our *Today is Better* suicide prevention campaign during the summer months and we are considering additional measures informed by the input and counsel of mental health experts. Until we get to zero incidents, zero track tragedies, and zero lives lost, OL's work must continue.



Communications campaign metrics and learnings

Throughout December 2023, OL ran a *holiday campaign* to raise awareness about the dangers of distracted driving. The campaign, which featured Santa not paying attention while driving his sleigh through a railway crossing, generated more than 2 million impressions, 143,255 ad clicks, and 4,495 engagements. This was our first real foray into TikTok and the campaign performed better than the average campaign on that platform. Metrics will inform future campaign planning / audience targeting on that platform.



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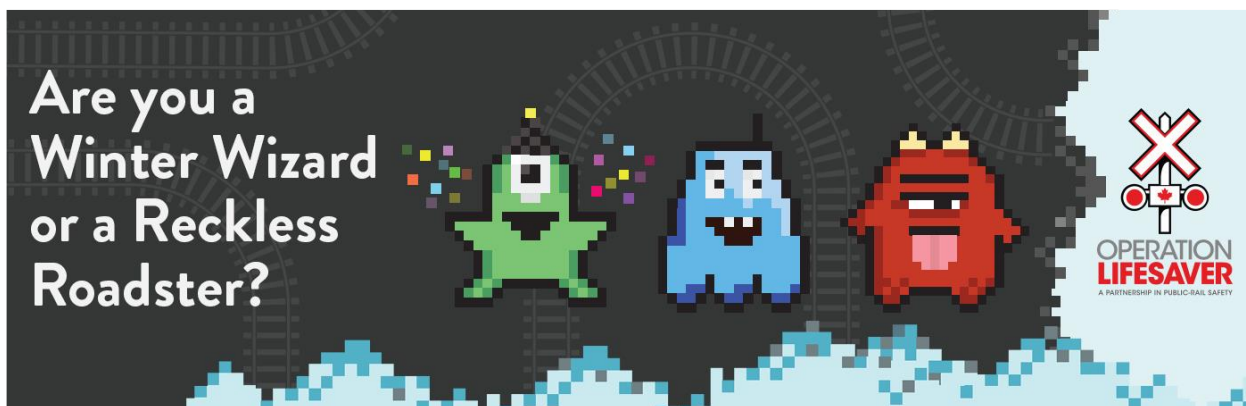
telephone: 613.564.8100

fax: 613.567.6726

e-mail: admin@operationlifesaver.ca



From January 10 to February 5, 2024, OL ran a *winter driving campaign* featuring online quizzes to assess respondents' habits and knowledge. The campaign was conducted on Facebook, Instagram, Google Display, TikTok, and Reddit, and included static and animated versions of the winter driving characters. With a budget of just \$15,000, it generated more than 4.4 million impressions and 29,000 page scrolls (quiz completions). Results from this campaign will allow us to further refine approaches for future campaigns on TikTok and Reddit in particular.



Two *#StopTrackTragedies* videos (Dylan's and Jacob's) launched during last fall's Rail Safety Week again proved the value of storytelling and the resonance of lived experiences in our marketing. OL's digital and out-of-home campaign generated more than 4.84 million video views, 12.4 million impressions, and 123,000 clicks to OL's website.



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We estimate that more than 319,000 viewers saw our pre-show ads in movie theatres and OL billboard ads generated an additional 1.8 million impressions across Canada.



Please see the appendix for additional OL metrics from 2023-24.

Media and social media outreach

From January to March 2024, OL proactively outreached to several media, social media outlets, and individual social media profiles to ask that they take down, avoid giving profile to, and distance themselves from posts that promoted (and even glorified) unsafe trespassing behaviours, including on-track photography and so-called 'train surfing' acts in which young people were filmed riding on the tops of train cars. Our outreach focused on the fact that such activities are not only extremely dangerous but illegal, with criminal charges, jail time, and/or fines of up to \$10,000 possible for an offense.

Additional outreach

With the launch of the 9-8-8 Suicide Crisis Helpline in November 2023, OL ordered 3,016 decals with the new 9-8-8 number to update existing suicide prevention signage along railway tracks across Canada.

OL's Prairie lead was pleased to join representatives from Class 1 partners, Transport Canada, the Transportation Safety Board at a March 2024 meeting with Treaty Six leadership in Qu'Appelle, Saskatchewan. OL also deployed awareness resources in a 14th Indigenous language, Nakoda.

Due to popular demand, OL has ordered an additional 35,000 EN and 15,000 FR versions of our *Stay Safe with Thomas* story and activity books. These will be distributed at events and presentations across Canada.



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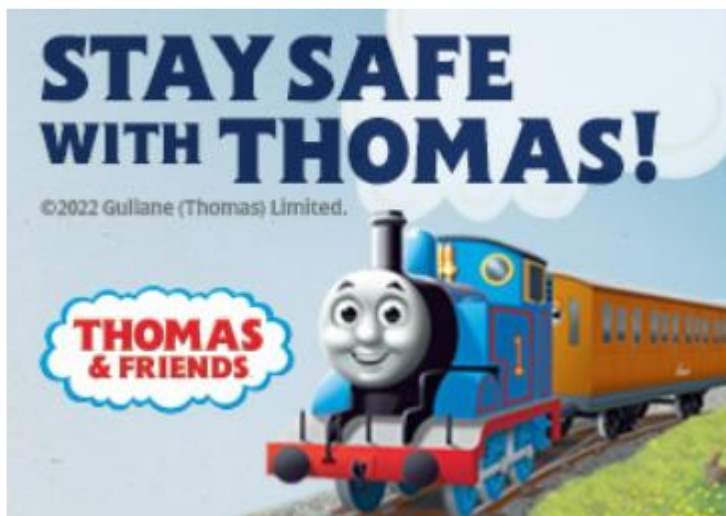
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telephone: 613.564.8100

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e-mail: admin@operationlifesaver.ca



We are very pleased to rollout the first-ever OL Challenge Coins. An initiative proposed jointly by our Quebec and Saskatchewan provincial co-leads, these attractive commemorative pieces will be given judiciously to frontline first responders and others who make extraordinary contributions to rail safety awareness in Canada.

Select outreach events:

- Medicine Hat High School assembly, Feb. 16, 2024 – Alberta
- Vancouver Outdoor Adventure & Travel Show, Mar. 2-3, 2024 – British Columbia
- Port Hope Model Railway Show, Feb. 24-25, 2024 – Ontario
- Rail safety kiosk, École Secondaire de la Pointe-aux-Trembles, Feb. 13, 2024 – Québec
- Agribition Event Booth and Educational Pavilion, Nov 20-25, 2023 – Saskatchewan
- Sask Snow Show, Nov. 3-4, Saskatchewan
- Grain Millers Harvest Showdown, Nov. 2-4, Saskatchewan
- Various model train and outdoor enthusiast shows, Feb.-Mar. 2024 – Saskatchewan and Ontario



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Sandra LaRose speaking to students at Medicine Hat High School, SK, Feb. 2024



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Ottawa, Ontario K1P 6B9

telephone: 613.564.8100

fax: 613.567.6726

e-mail: admin@operationlifesaver.ca

Rail Safety Week 2024 Planning

OL is again preparing to mark Rail Safety Week in the fall. The 21st edition will be held from Sep. 23-29, 2024 with a range of daily themes activities. Where possible, we are coordinating and aligning with Operation Lifesaver Inc. (OLI), our U.S. counterpart. (We will not, however, be following OLI in changing the name of Rail Safety Week to “See Tracks? Think Train! Week.”)

Given our uncertain federal funding situation, we are preparing for three ambitious but achievable scenarios (with scope and scale flexible to available funding). Our notional schedule of themes for the week is as follows:

MON. 9/23	TUES. 9/24	WED. 9/25	THUR. 9/26	FRI. 9/27	SAT. 9/28	SUN 9/29
#StopTrack Tragedies* Campaign launch event (TBC: ExpoRail, south of Montreal)	Operation Clear Track	Crossing Safety	Driver Safety	Trespass and Suicide Prevention	Volunteer callout (recognizing current and recruiting future rail safety champions)	Not worth the risk (targeting amateur and pro photogs and social media influencers)

*We hope to produce two new #StopTrackTragedies videos for use by both OL and OLI.

More information:

Chris Day
Interim National Director
Operation Lifesaver Canada
613-794-3780 or CDay@railcan.ca



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LIFESAVER**



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fax: 613.567.6726

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APPENDIX: 2023-24 OL METRICS

OL was pleased to provide the following results to Transport Canada as part of our fiscal-year-end reporting. (This reporting is a requirement of our existing Rail Safety Improvement Program contribution agreement.)

Attendees at organized events: 83,302

People reached through in-person events/presentations: 11,291

Individuals from Indigenous communities reached through outreach activities:
2,648

OL-branded materials distributed at events/presentations: 114,168

OL web metrics:

- OperationLifesaver.ca pageviews: 563,823
- OpérationGareAuTrain.ca pageviews: 291, 870
- Winter-driving campaign site (EN) pageviews: 273,560
- Winter-driving campaign site (FR) pageviews: 153,681
- OL's suicide prevention campaign microsite recorded 50,093 sessions with engagement times above industry standards.

Video views (You Tube): 862,538

Video views (paid campaigns): 6,765,480

Social media impressions (all channels): 9,953,912

- OL Facebook: 6,655,822 impressions
- OL Instagram: 3,061,749 impressions
- *Note: OL suspended posting to X on January 31, 2024 and is increasing its focus on channels such as LinkedIn and Reddit to better reach target audiences and capitalize on strong engagement rates for each platform.*

5.1 PROXIMITY INITIATIVE

2024 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 first part of 2024, the Proximity Initiative has engaged in the provinces of BC, Alberta, Saskatchewan, Manitoba, and Ontario. RAC's pre-budget submissions include a recommendation mandating the use of the proximity guidelines in land use planning decisions near railway infrastructure.

Stakeholder Engagements

- Meeting with Crown Indigenous and Northern Relations Canada
- Meeting with Saskatchewan Association of Rural Municipalities
- Meeting with Saskatchewan Ministry of Government Relations, re: Review of Saskatchewan Regional Planning
- Review of Nova Scotia Joint Regional Transportation Agreement
- Presentation to Saskatchewan West Central Municipal Government Committee
- Meeting with CMHC re: affordable housing near railway corridors
- Meeting with Sandeep Agrawal, University of Alberta's Planning school
- Meeting with Jason Mitity, Saskatchewan Common Ground Alliance, filmed video promoting safety near rail construction sites
- Meeting with Alan Williams, Veronica Blair, director of Saskatchewan Regional Planning and Provincial Interest re: affordable housing and developments near railway corridors
- Meeting with Jeff Marchand, proximity concerns in Apple Hill, ON
- Meeting with CIRNAC, Transportation Canada re: Indigenous engagement
- Meeting with Samatha Jones, Chris Woodcock, Roger Lam CMHC and RAC engagement
- Meeting with the town of Banff, AB
- Meeting with the City of St Catherine's, ON
- Meeting with White Rock, BC
- Meeting with Bria Arid, Planner with the City of Ottawa, ON
- Meeting with Julianne Threlfall, engagement opportunities with CN within Alberta

- Presentation to CMHC Municipal Planning Team Meeting with Richard Gibson, re: Passenger Rail opportunities in Saskatchewan
- Meeting with Paul Fraiser, re: developments in West Vancouver
- Meeting with Joanne Lufty, Transport Canada
- Meeting with Shannon Doka, Executive Director of Saskatchewan Common Ground Alliance. Will be guest presenter at upcoming breakfasts in April.
- Participated in Operation Lifesaver Board of Directors meeting.

Events

- Railway Research Advisory Board meeting.
- Saskatchewan Government round table on Land Use Policy/Red Tape Reduction
- RRAB Task Meeting Railway Trespassing and Grade Crossing
- Alberta Municipalities Leaders Caucus
- Participated in the Ottawa Confederation Heights Master Land Planning Advisory Committee
- Attended Alberta Speech from the Throne
- Alberta Premier's Chamber Luncheon
- Saskatchewan Urban Municipalities Conference and Tradeshow April 14-17, 2024
- Banff, AB Special Meeting of Council, re: Public Hearing for Proposed Bylaw 47
- *Federation of Canadian Municipalities annual conference in Calgary (June 6 – 10)
- *Canadian Institute of Planners conference in Edmonton July 9-11, 2024
- *Association of Manitoba Municipalities from November 25-27 in Winnipeg, MB..

*Upcoming events.

Saskatchewan Common Ground Alliance

The Proximity Initiative participated in the development of an informational video produced by the Saskatchewan Common Ground Alliance and SaskPower. The video focuses on road construction safety and safety near railways. This provided a new opportunity for the RAC to promote rail safety and better planning around railway infrastructure. The video will be released in April and RAC will participate in a series of breakfasts across Saskatchewan (Lloydminster, Saskatoon, and North Battleford).

Canadian Mortgage and Housing Corporation (CMHC)

Engagements with CMHC have positively progressed to the delivery of a formal presentation to the Municipal Advisory team within CMHC on April 3rd, 2024. This team is responsible for engaging directly with municipalities to provide support, advice, and to discuss housing. RAC presented the Proximity Guidelines to this team to educate them about proximity issues and the available best practices (i.e., Proximity Guidelines). Following the presentation, CMHC will discuss internally how best to promote the Proximity Guidelines in their engagements with municipalities.

City of Ottawa

The RAC will be meeting in person with staff from the City of Ottawa's Planning, Real Estate and Economic Development department to discuss proximity issues and the Proximity Guidelines on May 1st, 2024.

Transport Canada

TC's position on endorsing the Proximity Guidelines hinges on the need for RAC to demonstrate an indigenous engagement plan as the 2013 Guidelines did not include Indigenous perspectives. RAC is currently developing an outreach plan to raise awareness of proximity issues and the guidelines to indigenous communities.

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Shortline Committee Meeting – May 7, 2024

5.2 **SAFETY CULTURE COMMITTEE**

2023 Safety Culture Assessments

Safety culture assessments were completed with GIO Rail, Great Plains Rail and North American Rail Products (part of Universal Rail Systems), and a reassessment with Prairie Dog Central Railway (PDCR).

2024 Safety Culture Assessment Applications

Applications for safety culture assessments in 2024 have been received by Great Western Railway, Hudson Bay Railway, and Universal Rail Systems (i.e., Universal Rail Atlantic, A&B Railway Services Quebec, and A&B Railway Services Bolton, Ontario). RAC is currently assessing the applications to determine resource allocation and order of priority.

Member interest in RAC's Safety Culture Improvement Initiative continues to be strong. Other members have expressed interest but have not applied yet. These include Rocky Mountaineer, CN, and Tshiuetin Railway.

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 was piloted with volunteers from CPKC, Cando Rail, Metrolinx, Universal Rail, ONTC, and VIA Rail from September 2023 - January 2024. Feedback has been received resulting in enhancements to SCALE such as additional voiceovers and creation of module summaries. The pilot identified that the web version used did not save participant progress. A solution has been identified using WordPress to create an online environment with capabilities similar to a Learning Management System (i.e., ability to save user progress). This solution is currently being developed.

A soft launch of SCALE to a limited number of members is being planned for Summer 2024. Following the soft launch, a full launch will be made available to members in 2025.

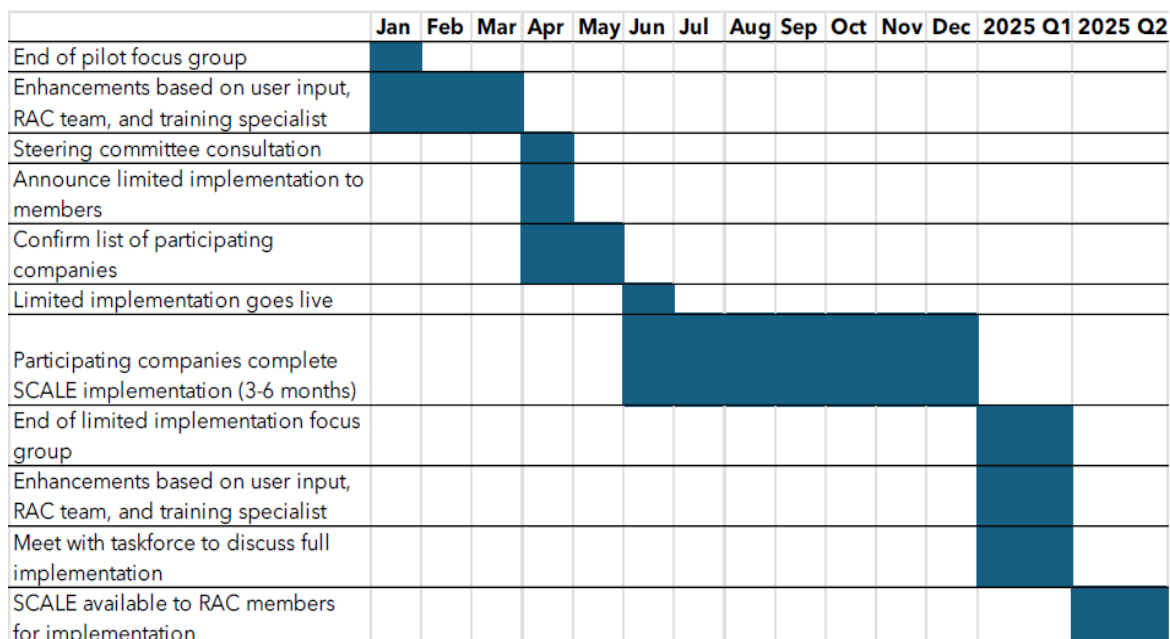


Figure 1. SCALE Timeline

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.

Action Plan Paper

Upon completion of a safety culture assessment, the participating organization is tasked with developing an action plan based on the insights gathered from the assessment. As of February 2024, 19 railways and contractors have completed a safety culture assessment.

A paper was developed to provide RAC members with action planning best practices. The paper provides an overview of the type of action items member railways have developed based on the RAC's five-dimension safety culture model, which includes: leadership commitment to safety, two-way communication, employee engagement, learning culture, and fair/just culture. Next, the best practices in action plan development are discussed, including the prioritization of initiatives, action plan design, communication, implementation, and reinforcement. Lastly, safety culture change is discussed, including common challenges and strategies for overcoming pitfalls.

This report is available on the members website.

Steering Committee Focus Group

RAC will engage members of the Safety Culture Steering Committee in Spring 2024 to identify opportunities for additional support. This exercise was last completed in December 2020 which resulted in the development of SCALE, creation of the comprehensive Assessment Guidance document, communications brochures, and the safety culture peer sharing initiative. Sufficient time has passed to repeat this exercise.

Safety Culture Indicators

Safety culture indicators are necessary for understanding safety culture changes over time, understanding changes within specific areas of safety culture, enabling companies to understand the impact of their initiatives, and to align direction by industry and regulators.

In 2019, RAC developed a report that identified opportunities for advancing safety culture indicators. Ultimately, this report supported the development of and implementation of the reassessment process.

In 2024, RAC will work with the steering committee to a) identify a shortlist of 3-5 indicators b) develop a practical approach for data collection c) create a methodology for safety culture indicators assessment.

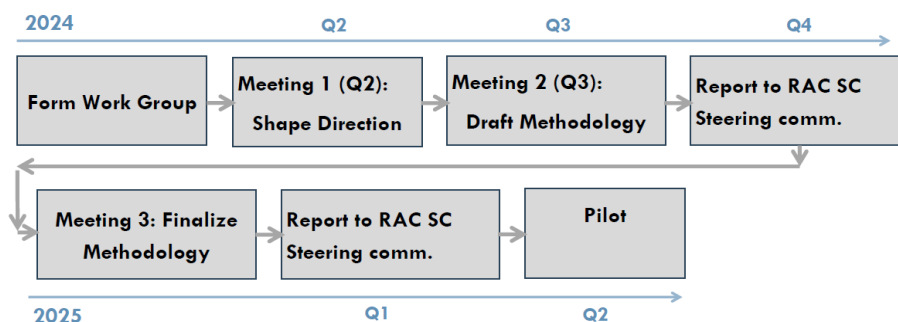


Figure 2. Proposed Timeline

Web Guidance Materials Task Force

RAC will work with volunteers from the steering committee to review available safety culture content. The purpose is to enhance accessibility and relevancy of safety culture materials offered to members.

Safety Summit

The RAC successfully hosted a Safety Summit in November 2023 with the Association Québécoise des Transports. The event featured an expert safety culture panel presentation and discussion moderated by Mr. Sam Berrada, SAB Vanguard Consulting and featuring Mr. Bob Tully, CPKC, Dr. Mark Fleming, SMU, Mr. Brian Hartlep, CN, and Mr. Peter Armstrong-Whitworth, Manager, Safety Systems Overview, Transport Canada. The panel was well received and highlighted the industry's commitment to safety culture.

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Shortline Committee Meeting – May 7, 2024

5.3 ENVIRONMENT

Memorandum of Understanding with Transport Canada

RAC signed a new Memorandum of Understanding (MOU) with Transport Canada (TC) in December 2023 to reduce locomotive emissions in the Canadian rail sector. The MOU outlines areas of collaboration for industry-government to collectively advance decarbonization from 2023-2030.

Key initiatives include recognition of Class 1 SBTi emission reduction targets to 2030, aspirational goal of industry using 10% to 20% renewable fuel, advancing trials of net-zero technologies, advance shared knowledge of climate risks and adaptation, air quality, and advancing modal shift to rail.

Funding Mechanism for Rail Decarbonization

RAC contracted Pollution Probe and Delphi Group to develop a report providing rationale and recommendations for federal government support of rail decarbonization. The final report was shared with Transport Canada following renewal of the MOU. The MOU Management Committee will serve as the platform for advancing discussions on federal government support.

2018-2022 MOU Audit

As per the 2018-2022 MOU between RAC and TC, a 3rd party audit is required to verify the credibility of the data and reporting processes. The project has been pushed to spring/summer 2024. The MOU Management Committee will determine the auditor and scope of work. Transport Canada will fund this audit with the understanding that RAC will fund the next audit.

Locomotive Emissions Monitoring

The 2022 LEM first draft report was circulated to the Technical Review Committee on March 28 for review. Comments are expected by April 17th. RAC will compile all comments and work with Delphi Group to develop V2 of the report. The anticipated completion date for 2022 LEM is late June.

Science Based Target Initiative

The SBTi opened a Call for Evidence on the Effectiveness of the Use of Environmental Attribute Certificates (EAC) in Corporate Climate Targets. RAC provided industry perspectives with support from CN and CPKC to outline the significance of supporting a chain of custody models such as a book and claim method. These methods are critical enablers for rail decarbonization.

Environmental Management Systems

Aureus Solutions has completed the project to develop additional supporting materials for members seeking to implement Environmental Management Systems (EMS). A series of policy checklists, templates, and videos are available on the members only website under Resources.

Port of Vancouver Climate and Air Quality Action Plan

The Port of Vancouver continues to develop its Climate and Air Quality Action Plan. RAC met with representatives from the port in March 2024 to discuss rail sector perspectives on decarbonization, infrastructure requirements, status of net-zero technology for rail, and the role of low-carbon fuels.

Future engagement opportunities are anticipated throughout 2024 as the Port of Vancouver develops the action plan.

Reduction in the Release of Volatile Organic Compounds (Storage and Loading of Volatile Petroleum Liquids) Regulations

TRC Companies presented to the Environment Committee on ECCC's discussion document on these regulations.

It's been determined that a scenario of gasoline tanks at railway facilities used for fueling equipment would be exempt, even those with tanks over 4,000 litres in size.

The key section is s.14 which states that for the purposes of these Regulations, all gasoline is considered to have a VOC concentration of 100% by weight, a TVP of 65 kPa and a benzene concentration of 1% by weight.

Given this, 2(f) would be the primary exemption to use:

These Regulations do not apply to the following facilities:

2(f) facilities where the following conditions are met:

- i) The tanks at the facility never store and the loading racks at the facility never load volatile petroleum liquids with a TVP greater than 76 kPa or a benzene concentration **greater** than 1% by weight,
- ii) The sum of the internal volume of all tanks at the facility used to store volatile petroleum liquids is less than 500 m³, and
- iii) The total volume of volatile petroleum liquid loaded at the facility does not exceed 1000 standard m³ in a calendar year.

Since gasoline has a TVP of 65 kPa (i.e. not greater than 76 kPa) and a benzene concentration of 1% (i.e. not greater than 1% by weight) you would be exempt provided the sum of the internal volume of all gasoline tanks at the facility is less than 500,000 litres (500 cubic metres) and the total volume of gasoline loaded at the facility does not exceed 1M litres (1000 cubic metres) in a calendar year which should not be an issue for any railway facilities.

The Environment Committee agrees with the assessment provided by TRC Companies. Industry comments were not filed.

British Columbia Carbon Tax

RAC continues to advocate for carbon tax reform in British Columbia. The tax is applied to renewable fuels in the same manner as petroleum diesel. This acts as a barrier to decarbonization. RAC also continues to support Advanced Biofuels Canada (ABFC) advocacy efforts.

BC Budget 2024 failed to include carbon tax reform. Advocacy efforts continue requesting a) Minister meeting and b) a formal joint review of the issue led by FIN with ENV/EMLI departments.

Salmon in BC

The Canadian Wildlife Federation (CWF) approached both CN and CPKC separately regarding a research study they completed. This study estimated impacts to salmon and their habitats from railway infrastructure (e.g., culverts and bridges). Members brought the issue to the attention of RAC to manage this from an industry perspective.

A meeting will be held between CWF and industry to discuss the findings of the report, opportunities for rail and opportunities for CWF objectives, and how we may potentially collaborate.

Right to a Healthy Environment

RAC is developing comments in response to ECCC's discussion document on incorporating principles of environmental justice, environmental racism, non-regression, and intergenerational equity into the Canadian Environmental Protection Act (CEPA). The document contains high level conceptual policy discussions. Direction received from the Environment Committee is to highlight the rail sector's positive contributions to sustainability and raise concerns over potential regulatory stacking effects.

Subcommittees

The Environment Committee approved creation of two new subcommittees to provide expert advice to the Environment Committee. One is focused on Natural Environment which will work on areas related to biodiversity, herbicides, habitat conservation, and species at risk. The other will focus on subjects related to rail industry Climate Resilience.

5.4 **RESEARCH AND DATA ANALYSIS**

Rail Trends 2023 Report

Rail Trends 2023 was published in December 2023. The report showcases the strong performance of Canadian railways over the 2013-2022 period.

To maximize the impact of the report, printed copies were mailed to 200 stakeholders, including members of parliament, the Senate, parliamentary and senate committees, government officials, provincial ministers, among others. The report also came with a letter, signed by RAC's President and CEO, Marc Brazeau, reiterating the importance of evidence-based decision making in government.



Members and associate members were also provided with a printed copy.

Key Highlights of the Rail Trends 2023 Report:

- In 2022, Canadian railways transported a total of more than \$380 billion worth of goods.
- Railways invested \$2.4B to improve safety, efficiency, capacity, and supply chain fluidity.
- Railways paid a record \$2.2B in taxes to Canadian governments – supporting important social programs.
- Industry employment increased by 3.2%, diversity representation improved across all categories, and average wages increased by 2.2% to \$104,443.
- Freight fuel efficiency improved to 711 revenue ton-miles per gallon – setting another consecutive record.
- Rail dwell times remained below eight hours while port dwell times more than doubled to 158 hours.
- Despite a 64.1% increase in fuel costs, rail freight rates remained amongst the most competitive in the world, at just 4.07 cents CAD per revenue tonne-kilometre.
- The freight accident rate and the dangerous goods accident rate remained below the 2017–2021 average.

Rail Trends 2024 Report

Rail Trends surveys (operating year 2023) were sent out to members in March 2024. Survey data is being collected, verified, and entered into the RAC Database through July 2024. The report will be drafted, translated, and designed in the summer and fall of 2024, and published on the RAC website before the end of 2024.

2022 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. The 2022 LEM report will be the final report under the 2018-2022 MOU.

The 2022 LEM Report is progressing on schedule and slated for publication in summer 2024. On March 5, 2024, the Technical Review Committee met to discuss planning of the draft. In April, the Technical Review Committee began its review of the first draft of the LEM report.

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 October 2023 PAC meeting, RAC has released the Q3-2023 Report and Q4-2023 Report.

Each report provides an opportunity to identify key highlights on the rail sector's performance and communicate these through social media. For example, recent reports highlighted the significant growth in Class 1 investment, strong passenger rail ridership recovery, exceptional safety performance of the industry, as well as details on the planned rail capacity that is going unused by grain shippers, and the detrimental impacts of the Vancouver ports strike.

The Q1-2024 Report is scheduled to be released in early June 2024.

Canadian Rail Atlas

Digital Atlas

The Canadian Rail Atlas is a user-friendly, interactive map of Canada's nearly 43,000-kilometre railway network. The atlas update is ongoing, K2 Geospatial Inc. set up new servers which requires some technical repairing. Expected completion is mid-May.

In addition to the regular updates listed above, SPLC codes were added to the freight stations data, a new layer was added for RAC Carloading Training, and a new layer for Critical Minerals was added.

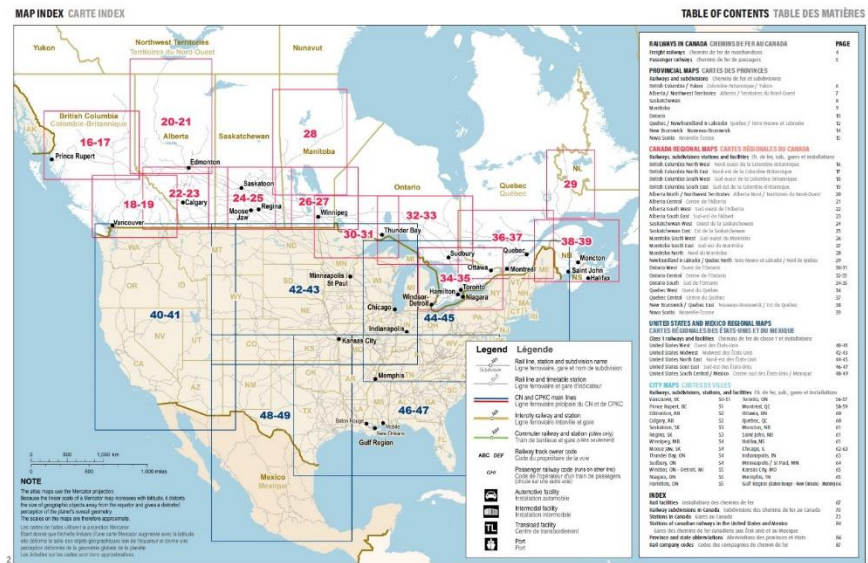
RAC continues to provide training on the Atlas for members upon request (please email Jonathan Thibault at jthibault@railcan.ca).

Printed Atlas

Over the past year, the RAC worked with its members to develop an updated printed version of the Atlas. The last printed version was produced in 2012.

The new atlas finished printing during the first week of April 2024. In April 2024, the RAC provided all members and associate members with a copy of the updated (2023) Printed Atlas.

In addition, the RAC provided ~200 stakeholders, including members of parliament, the Senate, parliamentary and senate committees, government officials, provincial ministers, among others, with a copy of the Atlas. The copies went out with an insert letter, signed by RAC's President and CEO, Marc Brazeau.



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Shortline Committee Meeting – May 7, 2024

5.5 **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 2024:

- 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 been booked 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 10-14, 2024, has a full slate plus Guest instructors. The second course for the week of September 9 – 13, 2024 is nearly full with multiple Guest instructors attending. Both courses have always been well received and huge thank you to all those on the committee who have continued to volunteer to make these courses the caliber they are.
- **TRANSCAER® activities** – The DGT is continuing TRANSCAER operations that are being conducted across Canada. There seems to be large demand for this training and DGT continues to service as many as possible. With 2024 looking to be the return to 2019 event numbers.
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. The new safety train tankcar is nearing completion and looking to see it on the rails late spring 2024.
- **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 2024.
- **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 2024.

Committee Work

- **AAR Tank Car Committee** – voting member.
- **AAR Security Working Group** – member.
- **AAR Hazmat Committee** – RAC is new to this committee in 2023 and looking forward to 2024.
- **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.

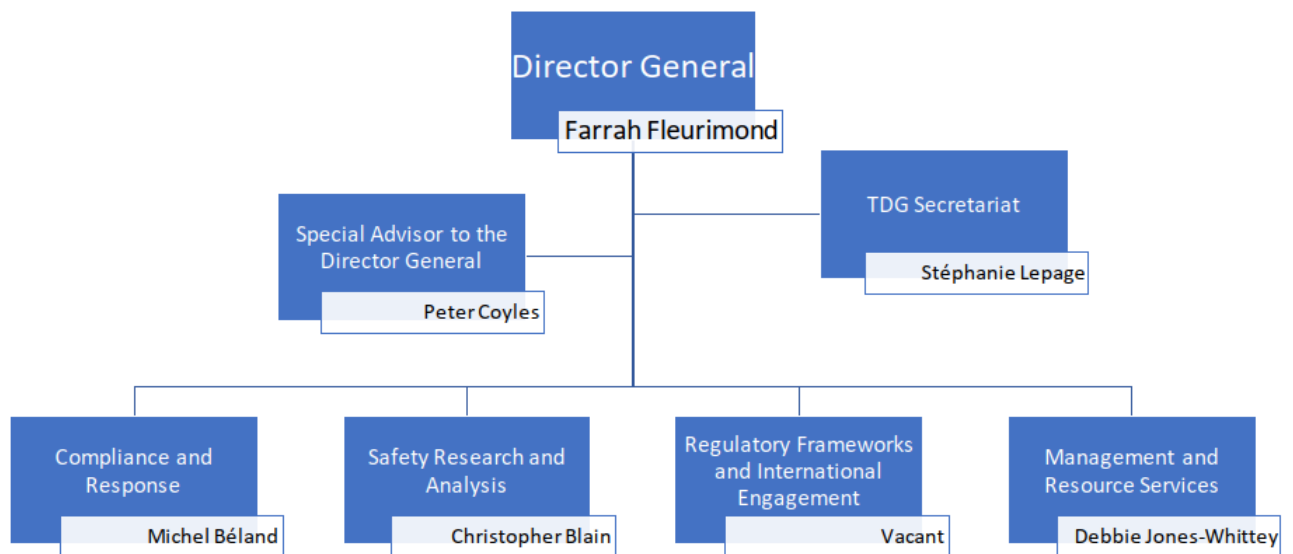
- **ERAC Executive Committee** – Emergency Response Assistance Canada – railway member. Covered by C. Myson
- **GPAC** – General Policy Advisory Council – railway member representing RAC Shortlines - alternate is Jean Pierre Couture.
- **GPAC Subcommittees**
 - International engagement
 - Compliance 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
- Fire Rescue Canada in Montreal this fall
- Disaster Former

Canada: TDG Regulations, Standards, Other Initiatives

TDG Directorate Organizational Chart



Registration Database –Client Information Database (CID)

Published in CGII October 25, 2023 - as Part 17 of the TDG Regulations. There is a one-year period to register in the application from the time published in CGII.

- 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.
- Also referred to as the Client Identification Database (CID), it will be used by Transport Canada to better assess risk, enhance overall safety measures, and facilitate effective communication and collaboration between Transport Canada and registered persons or organizations.
 - A site is defined as a permanent location where dangerous goods are imported, offered for transport, handled, or transported and are in the direct possession of a person conducting these activities, but does not include a location where dangerous goods are used only in the scope of a person's work or as raw materials in products that they manufacture. Both CN & CPKC have discussed their sites to be registered for their respective railways.

ERRATUM: Informal consultation documents - Regulations Amending Certain Regulations Made Under the TDGA (Part 12 and International Harmonization Update) sent via email December 27, 2023.

This consultation document presents changes made to the proposed 'Regulations Amending Certain Regulations Made Under the Transportation of Dangerous Goods Act, 1992 (Part 12 and International Harmonization Update)' based on comments received after the pre-publication in the Canada Gazette, Part I (CGI).

The main objective of the changes are to align, to the extent possible the Transportation of Dangerous Goods Regulations (TDGR) with UN Recommendations, as well as with the latest amendments that are incorporated into ICAO TI., the IMDG Code and the 49 CFR, the proposed Regulations would:

- facilitate the transport of dangerous goods between Canada and the United States;
- promote competitiveness by introducing a technical standard for the manufacture of large packaging, which would allow Canadian stakeholders to enter the international manufacturing market for these packaging;
- enhance safety for Canadian businesses by adopting cost saving amendments and safe alternative provisions in the TDGR;
- improve clarity, consistency, and certainty for stakeholders by ensuring that the same requirements apply to both domestic and international transport of dangerous goods;

Comments were submitted to Transport Canada which included the addition of using the classification of the previous consignor however RAC suggested rewording the addition to match the 49 CFR. Also commented on various other editorial comments as well as the requirements for placards when being replaced if lost in transit. Publication in the Canada Gazette, Part II is anticipated for early 2025.

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

In November of 2021 the Draft Standard was considered approved as the 1st Committee Draft Standard by the CBSB Committee. Public review closed on August 6th, 2022, and comments were reviewed by the CGSB Committee.

Accepted comments that favoured 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.

The proposed CGSB will be incorporated by reference in the Regulations Amending the Transportation of Dangerous Goods Regulations (Canadian Update) which would come into force after a six-month transitional period following the date of publication in the Canada Gazette, Part II

Regulations Amending the Transportation of Dangerous Goods Regulations (Canadian Update) Published in CGI December 9, 2023. The Update and clarify several domestic provisions of the TDGR to align with new industry practices and address comments received over the years. Purpose is to align TDGR with international codes and other federal regulations.

Buffer Car changes

- buffer cars required on unit trains in Canada between occupied units and DG.
- Includes prohibiting IMS DG next to occupied units (* indicates any source of ignition).
- Includes not allowing train dynamics to override the requirements of buffer cars.

Align with International DG standards:

- Allow voluntary display of UN numbers if not misleading.
- Specify when and how to use the terms Residue or residue-last contained on a shipping document.

Incorporate by reference the new CGSB standards.

- updates the safety requirements for tank cars used for toxic-by-inhalation dangerous goods, such as anhydrous ammonia;
- updates the safety requirements for tank cars used for flammable cryogenic dangerous goods, such as liquefied hydrogen and liquefied natural gas;

Comments submitted regarding the buffer cars changes and industry is of the view that the proposed amendments to the TDG Regulations will not achieve the desired additional safety benefit therefor industry is opposed to the addition of a Buffer car on a unit train. Additional comments on the marshalling of intermodal shipments noting each well is considered as one car. The proposed Regulations would come into force after a six-month transitional period following the date of publication in the Canada Gazette, Part II

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.
- The TDG Program has approved of the approach to redevelop the Part 6, Training policy in its entirety and re-publish in CGI. TC is currently researching and analyzing international standards for training and competency assessment. Once further informal consultations and analysis are conducted with subject matter experts, inspectors and industry, a white paper with renewed options will be circulated to industry for formal feedback (likely in early 2024).

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. First reading completed in the House of Commons in November 2022. Second reading in progress.

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

TC's Safety Research and Analysis branch shared that as the demand for hydrogen as a clean energy fuel increase, rail transportation of Liquid Hydrogen (and ammonia as a hydrogen carrier) may be expected to increase across Canada, various scientific research is planned to support the TDG Directorate with its assessment of risks related to this topic.

- a. Short term: TDG Program has initiated planning of several additional projects (assessing tank car derailment and puncture performance estimating ammonia gas release impact distances for human and environmental impacts quantitative risk assessment methodology for rail transport)
- b. Longer term: Jack Rabbit III anhydrous ammonia release studies research collaboration with the U S Department of Homeland Security to assess what factors impact ammonia behaviour during a release and if emergency response guidance needs any updating.

The TDG Directorate shared an update on the status of Bill C-33. The Bill is currently being studied in the HOC Transportation, Infrastructure, and Communities Committee, where they are currently in the process of clause-by-clause consideration. It is anticipated that the Bill will complete the committee stage by the end of 2023 and will be referred back to the house of commons in early 2024. The Bill is then expected to receive Royal Assent by the end of 2024 or early 2025.

United States: Rulemaking

- **HM-219D NPRM Published:** HMSA proposed 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. Published March 3, 2023. Comment period closed May 2, 2023. This Final Rule went into effect on April 3rd, 2024, with a delayed compliance date of March 4th, 2025.
- **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. Comments submitted by the AAR. Working with PHMSA to advise them on important decisions regarding the comments received to the rulemaking. PHMSA scheduled listening sessions with commenters to obtain more clarity on some of the issues identified by the public comments.
- **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 closed Dec 4, 2023. TBD
- **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. Rule was posted April 11, 2024, and is effective May 10th with a delayed compliance date of April 10, 2025.

U.S. Pending Rulemaking

- **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.
- **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 November 8, 2021. Final rule issued 9/1/2023. Suspended LNG tank car authorization until a companion rulemaking is published or June 30, 2025, whichever comes first.
- **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 NPRM: 2024.

- **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 NPRM: 2024.

5.6 **MECHANICAL SERVICES**

The RAC Mechanical Committee had a transformation this year with the departure of the previous chair and vice chair. The committee took this time to reset and revitalize. The conversations surrounding mechanical subjects still remain the committee's priority. Braden Murphy, CPKC was nominated as Chair and Sreechakradhar Masabattula, CN as Vice-Chair. Their fresh perspectives and enthusiasm have injected new energy into the committee's discussions and activities.

Hot Box Detectors

There was an event where a traction motor on a locomotive caught fire. That locomotive was having issues previously, so the crew cut it out, but they also cut out the speed sensor which is against protocol. The locomotive caught fire, dragged, and derailed. At the time the company hadn't been monitoring the hot box detectors for this type of issue. But since this incident a new algorithm that can now detect this kind of condition which will hopefully prevent this type of event from happening in the future. The new algorithm looks at locomotives and compares the trend of each of its axels and flags if one of the axels is warm.

Idling- Locomotive emissions

The committee discussed how members are managing their locomotive emissions regulations regarding idling. Members are finding it challenging to adhere to the stringent rules. Committee members shared information about their operations and the different types of systems they use to be compliant to the rules.

Locomotive 7DFL Engine Fires

The committee had a discussion on 7DFL engine fires and what can be done to prevent them. A locomotive was at a total loss last year because of an engine fire. A leak occurred on a high-pressure line several hours before the engine was lit, which caused the engine to burn for 5 plus hours once it was lit. There was also another incident recently where an engine caught fire but luckily it was limited to one power supply and was extinguished quickly. Members are looking at what other countries are doing, and for example Australia equips their PHP units with fire extinguisher systems in their cabs. This has proven to be effective, however, these systems are chemical based and extremely complex to install and maintain.

Another member mentioned they had no leaks on their high-pressure lines however they have had several thermal events in the last two years. Through their analysis they determined that the thermal events were being caused by wet stacking. Wet stacking is the build up of carbon within the exhaust systems and it's caused through underloading of the main engine. What the member found was that when they introduced or swapped that locomotive from a six coach consist to a twelve coach consist it was causing fires. Because its now running at a much higher temperature range and its causing that carbon build up to burn at an accelerated rate causing a thermal event. To prevent this they instituted an enhancement to their maintenance regime where every 90 days they preform a load test on their locomotives which helps burns off the excessive carbon.

5.7 SPECTRUM AND TELECOMMUNICATIONS**Health Canada Safety Code 6**

The Spectrum-E spectrum management tool was modified last year to be able to perform audits of installation for compliance with Health Canada Safety Code 6 regulations. A number of installations were identified as being out of compliance with the regulations. The members were provided a list of non-compliant sites and have been working on bringing the sites into compliance with the regulations.

220 MHz International Border Coordination

The proposed changes to the 220 MHz International Border Coordination have been discussed between the FCC and ISED the regulating bodies. ISED has agreed to modify the standard plan for the 220 MHz to accommodate most of the requests. The only request which is not being considered is increasing the mobile power limit to 50 W. Instead ISED is proposing that arrangements be agreed upon between licensing parties on either side of the border.

Non-Competitive Local Licensing (NCLL) Consultation

The decision for NCLL has been made allowing applicants to use 900 MHz spectrum in rural areas where the frequencies have not been deployed. The ATCS channels have been identified in the plan and will be protected from interference.

8 ADJOURNMENT**Resolution 2024: Adjournment**

There being no further business, it is moved by _____ and
seconded by _____ that the meeting be adjourned.

The CHAIR thanks the members for their participation and declares the meeting
adjourned at _____ hours.