



# Let's Keep Things on Track

A big picture look at the current state of transportation in Canada

by **Pulse Canada**

Politics 101: Identify a practical and reasonable solution. Build a critical mass of support from a range of stakeholders with an interest in the issue. Clearly and consistently communicate the problem, the impact and the solution to all those who have the ability to influence change. Sounds simple, but the reality is that it almost never works out this way.

Why? For the most part, it's because people rarely get past the first step. As a result, Government hears from dozens of interested stakeholders, if not more, on an issue and each stakeholder presents five to ten of their own "practical and reasonable solutions." What does Government do when their constituents present nearly a hundred wide-ranging and often competing solutions? More often than not, it's forced to go with the lowest common denominator ... and why would that surprise anyone? There's no consensus on the approach and no consensus on the desired outcome, and any

decision will result in a good portion of constituents being unhappy at the end of the day.

The agriculture industry's response to the unprecedented grain backlog is a prime example of how this scenario continues to play out each and every time there's an opportunity to make meaningful progress on an issue. Nearly every ag industry association made transportation a top priority this season and as a result nearly every group became active on the transportation file. This is good – this needs to happen. Everyone with a stake in moving grain, from the farm to the customer, needs to know that failure is not an option and growers, processors, and exporters expect more. When is it "good enough"? It's never good enough and that message came through loud and clear. But the inevitable response to the demand for Government to "do something" is a very legitimate question – what would you propose Government do to resolve the problem?

Everyone with a stake in the ag industry voiced their opinion and put forward recommendations in February and March. Solutions ranged from finding ways to pay the railways more, to granting joint running rights, and everything in between. The Government's first response was to establish targets that essentially require the railways to move what they say they are capable of moving week in and week out and threatening to penalize them if they fall short. It followed by committing to introduce additional amendments to the Canada Transportation Act to enhance the Fair Rail Freight Service Act that was passed in June of 2013. At the time of writing

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in brief

this article, it remains to be seen how Government will respond to the extremely wide range of views that the agriculture industry has put forward, but if history repeats itself, we can expect a lowest common denominator approach in the short term and deferral of more comprehensive change to some point in the future.

The ag industry has had its opportunity to influence the Government's actions in the short term. The "some point in the future" is the Canada Transportation Act Review, which is currently set for 2015. One option that should be given consideration by all ag industry

stakeholders is an approach whereby groups come together and put all of their great ideas on the table and together, prioritize and short list the range of solutions that will advance to the next round. From there, stakeholders have to be prepared to critically assess each solution and understand the implications of each from a commercial and political perspective. Once the short list has been confirmed, the industry will have to be prepared to start the conversation with representatives from all shipping sectors in Canada. Agriculture is but one stakeholder when it comes to rail freight movement and the solutions that will

get traction in Ottawa are those that are supported by the broadest range of stakeholders. Messaging will have to be clear, concise, and consistent and will have to be sustained over a long period of time.

Admittedly, the process outlined here has been oversimplified, but in reality the agriculture industry must agree on the destination, must be prepared to work together to map out the best possible route, and must be able to convince a wide range of others to join them on the journey.

If not this, then what? If not us, then who? If not now, then when?



## Investing into outcomes

*Investments from the Canadian pulse industry, including grower levy dollars through SPG, have fuelled Pulse Canada initiatives which put our industry in a leadership position.*

**Service Level Agreements (SLA):** Pulse Canada took a wide range of industry proposals and was the only shipper group in Canada to package them and promote them in the form of an SLA to the Rail Freight Service Review Panel. Ultimately the Panel included the concept in its recommendations to Government and Government introduced legislation giving shippers a right to an SLA and a process to establish one if commercial negotiations fail.

**Coordination of Canadian Shipper Efforts on Transportation Legislation:** Pulse Canada helped coordinate the submission of one common piece of draft legislation to Transport Canada from forestry, mining, fertilizer, automotive, chemicals, steel, recycling, and other sectors. Pulse Canada hosted the first ever Rail Customer Summit, where the draft legislation was presented in person to the Minister of Agriculture and Agri-Food.

**Service Level Agreement Templates:** Building on the legislation, Pulse Canada developed SLA templates for use between the pulse industry and the railways. These are now the basis for agri-industry templates for bulk, car load, and intermodal shippers. Pulse Canada also was the only industry association to be invited to participate in the government-led SLA negotiation sessions between railways and shippers.

**Performance Measurement:** Pulse Canada developed the first industry-based transportation system performance measurement tool. This tool is currently being rolled out for use by the entire grains and oilseeds industry.

**Crop Logistics Working Group:** Pulse Canada has served as the industry chair of three iterations of the Crop Logistics Working Group, an advisory group established to make recommendations to the Minister of Agriculture and Agri-Food.

**Coordinating Ag Industry Efforts on Transportation:** Pulse Canada led the development of a five-year multi-organization/multi-commodity initiative that resulted in more than \$1.5 million in Government funding and more than \$1.7 million in industry funding. The initiative will advance work related to SLA negotiations, industry-based performance measurement, and industry-led solutions to supply chain challenges.

