

THE GOVT OF CANADA EXTENDS THE *FAIR RAIL FOR GRAIN FARMERS ACT*

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Following approval by both the [House of Commons](#) and the [Senate](#), the Government of Canada announced on June 15, 2016 that it had postponed for one year the repeal of certain provisions of the *Fair Rail for Grain Farmers Act*. As reported in our previous [bulletin](#), the Government of Canada had previously announced its intention to do so. The now formalized extension of the *Fair Rail For Grain Farmers Act* will continue to amend the *Canada Transportation Act* (the “CTA”) until August 1, 2017 to:

- allow Cabinet to require Canadian National Railway Company and Canadian Pacific Railway Company to move minimum quantities of certain grain commodities within specified time periods, subject to administrative monetary penalties for failure; and
- empower the Canadian Transportation Agency to
 - require a federal railway company to compensate any person for expenses suffered as a result of that railway company's failure to fulfill its service obligations to that person;
 - extend the regulated interswitching limits beyond 30 kilometres for certain regions or goods (so far, the Agency has extended the regulated interswitching limits from 30 kilometres to 160 kilometres for all goods in the three prairie provinces); and
 - make regulations specifying what constitutes “operational terms” for the purposes of service level arbitrations under the CTA.

The announcement indicates that the postponement is intended to allow participants in the freight rail supply chain to plan under predictable conditions while the Government of Canada considers recommendations made in the report (discussed [here](#)) in respect of the 2015 statutory review of the CTA.

by Ryan Gallagher and François Tougas

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

The logo for mcmillan, featuring the word "mcmillan" in a lowercase, sans-serif font. The letters "m", "c", "m", "i", "l", "l", "a", and "n" are in a dark red color, while the letter "c" is in a light blue color. The logo is positioned in the upper left corner of a banner image.

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