

# THE MINISTER OF TRANSPORT CONFIRMS RAIL LEGISLATION COMING IN SPRING SESSION

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The Minister of Transport, Marc Garneau, has addressed a [letter](#) to the Chair of the Standing Committee on Transport, Infrastructure and Communities (“**SCOTIC**”) that confirms the government is on track to table remedial rail legislation in the House of Commons during the spring legislative session. The letter follows the Government of Canada’s extension of the *Fair Rail for Grain Farmers Act* and the [report](#) of SCOTIC entitled *Certain Provisions of the Fair Rail for Grain Farmers Act*, which was tabled in the House of Commons on December 14, 2016.

As summarized in our previous [bulletin](#), among other things, the *Fair Rail for Grain Farmers Act*, enacted by the previous Conservative government, had empowered the Canadian Transportation Agency to extend regulated interswitching rates in the Prairie provinces from 30 kilometres to 160 kilometres. That Act also empowered the 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 and make regulations specifying what constitutes “operational terms” for the purposes of rail service level arbitrations.

The April 12, 2017 letter from Minister Garneau indicates that the legislation will address:

- the future of the 160 kilometre extended rail interswitching limit;
- the requirement that Canadian National Railway and Canadian Pacific Railway move minimum volumes of grain;[\[1\]](#)
- clarifying the meaning of “adequate and suitable” service for common carriers such as CN and CP;
- financial penalties in the context of rail service level agreements;
- the future of CN’s and CP’s Maximum Revenue Entitlement from the carriage of grain;
- rail shippers’ recourse to dispute resolution processes; and
- access to federal railway market data.

The letter indicates the legislation will also include other complementary measures for strengthening the rail policy framework. It remains to be seen whether the legislation is passed before the end of the spring legislative session.

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[1] *Canada Transportation Act*, s. 116.2.

### **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.

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