

Canadian Transportation Agency  
Attention: Mr. Ryan Dallaway

**Re: Uniform Classification of Accounts Consultation**

Please find below our further comments in respect of the Agency's UCA consultation. We look forward to our continued participation on behalf of Teck Resources. Our comments and questions below refer in particular to the impact of the UCA consultation on railway costing methodology and its impact on rail freight rates and, indirectly, levels of service.

1. We notice a departure by the Agency from Canadian GAAP accounting, or at least a deletion of its mention. We would appreciate knowing whether this deletion is to accommodate the Agency's pension decision, which appears to us to significantly deviate from GAAP, or whether it is intended to accommodate other proposed non-GAAP changes.
2. We understand that the Agency proposes to alter the definition relating to Geographic Cost Centres. To the extent that this change would affect the ability to estimate unit costs in a reliable manner, Teck will be interested in the impact as well as the opportunity to pursue the status quo, if not improve the definition in a manner that does not impair that ability.
3. Given the Agency's recent pension ruling, we are interested in obtaining more detail in relation to what will be recorded in the proposed new account for pensions (account 38). Further, in respect of pension accounting, we would like to know the basis and justification for departing from GAAP accounting, whether it is a one-time accommodation and in what other ways the Agency intends to depart from GAAP.
4. We are especially concerned with the proposal at section 1903 – Schedule C to reduce the number of car categories, especially with respect to gondolas, from two categories to one. Please kindly provide us with assurance that this change would not cause unit car costs for coal cars to increase.

Lastly, in response to our prior submission, we noticed objections to our recommendations regarding public data disclosure, which is not discussed in your document, even though the history is that data disclosure was a significant item when the current UCA was adopted. Canadian costing disclosure in particular has moved a long way toward opaqueness rather than transparency, to the detriment of shippers generally and captive shippers in particular. It should be counted as a glaring affront that it is easier for a shipper in Canada to get readily transparent data about its shipments in the United States than it is to get the same data about the same shipments in Canada. Accordingly, we wish to impress on you the need for timely and fulsome disclosure of Canadian railway accounting/statistical data. It is to be expected that railways

would object, but the grounds for doing so are founded in a desire to maintain market power, not with a view either to the goals of national transportation policy nor the economic well-being of those dependent on rail transportation.

**François Tougas\***

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