



Canadian
Transportation
Agency

Office
des transports
du Canada

LET-R-10-2019

January 14, 2019

BY E-MAIL:

DNighbor@fpac.ca

Forest Products Association of Canada
Attention: Derek Nighbor, Chief Executive Officer

Dear Mr. Nighbor:

The Canadian Transportation Agency (Agency) has initiated an investigation on its own motion into possible freight rail service issues in the Vancouver area, pursuant to subsection 116 (1.11) of the *Canada Transportation Act*, S.C. 1996, c.10, as amended. Consistent with the requirements of this subsection, the Minister of Transport has provided his authorization of the investigation.

The decision to launch the investigation followed receipt of communications and information from various shipper organizations and other parties regarding current rail service levels in and around the Vancouver area.

As part of the investigation, the Agency will determine whether railways are fulfilling their service obligations in the Vancouver area and if not, what remedies should be ordered. It will look into, for example, the issue of whether railways may not be meeting their service obligations in respect of certain shippers or classes of shippers as a result of measures such as the imposition of permits or embargos, or preferential treatment of one or more commodities over others.

INQUIRY OFFICER

The Agency has appointed Ms. Lidija Lebar, A/Senior Director, Analysis and Regulatory Affairs, as an Inquiry Officer, pursuant to subsection 38(1) of the *Canada Transportation Act*, and instructed her to:

- Conduct interviews and take written statements from individuals and organizations involved in, or affected by, the alleged freight rail service issues;
- Obtain any documents, records, and information that she deems relevant to the inquiry; and,
- Submit a summary report to the Agency no later than January 23, 2019.

Canada

In carrying out this work, the Inquiry Officer may exercise all of the powers described in section 39 of the *Canada Transportation Act*.

INFORMATION REQUIRED FROM THE FOREST PRODUCTS ASSOCIATION OF CANADA

The Agency directs the Forest Products Association of Canada to provide any information and data in its possession that is relevant to the issues identified above, including but not limited to the following:

- Total car supply received at origin in the months of October to January in years 2015-2019.
- Total number of train deliveries per week and the total number of cars on each train delivered at Terminals in Vancouver.
- Any information on requests, denials and approvals for permits, including the location of the shipper, origin and destination, railway(s) and interchange(s) used.
- The number of carloads affected by the denial of permits for the months of October to January, in years 2015-2019.
- Total siding length (Vancouver terminals).
- Any evidence of additional costs (trucking bills, administration costs) incurred due to the embargo and permit system deployed by the railways.
- Any evidence of the imposition of discriminatory measures or practices on the part of service providers operating in the area.

All information must be submitted by January 17, 2019, via email to enquete.ferroviaire-Inquiry.rail@otc-cta.gc.ca

The Forest Products Association of Canada should indicate, with a clear rationale, if it believes that any of the information being submitted is commercially sensitive and/or that the public release of any of the information being submitted would cause it harm. The Agency will then decide whether to make a confidentiality order in respect of some or all of that information.

ORAL HEARING

An oral hearing will be held in Vancouver (British Columbia) on January 29 and 30, 2019, as part of the investigation, at a location and time to be confirmed by the Agency. At that hearing, the Forest Products Association of Canada and other parties will have an opportunity to comment on the Inquiry Officer's report, provide supplementary information, and respond to questions posed by the Agency Panel. Following the oral hearing, shipper associations will have the opportunity to make written submissions.

BY THE AGENCY:

(signed)

Scott Streiner
Member

(signed)

Lenore Duff
Member

(signed)

Gerald Dickie
Member