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Our File No.: 248156
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EMAIL

Lidija Lebar
Inquiry Officer
Vancouver Freight Rail Investigation
Canadian Transportation Agency

Re: Vancouver Freight Rail Investigation – Case No. 19-00189

We represent the Forest Products Association of Canada (“FPAC”).

FPAC has reviewed the Second Report of the Inquiry Officer, dated March 6, 2019, (the “Second Report”) and the Agency’s Decision No. LET-R-29-2019 (the “Preliminary Decision”) and wishes to provide initial comments on the following issues which are relevant to the questions identified in the Preliminary Decision:

1. *Changes in traffic volumes arriving at Thornton Yard*

- The Second Report notes a change in car volumes arriving at Thornton Yard during the period from October 2018 to January 2019 as compared to the same three month period one year earlier (Second Report, p. 4).
- The Preliminary Decision (at paragraph 8) notes that these changes in volume occurred “during” the period between October 2018 and December 13, 2018.

The Second Report indicates that the data received by the Inquiry Officer related solely to the two three-month periods in question and did not include any data for the intervening months in 2018. FPAC respectfully submits that a comparison between the two three-month periods accordingly does not permit any conclusions to be drawn with respect to when these increases occurred or whether they occurred gradually or within a short period of time.

2. Increase in the number of cars on hand at Thornton Yard from October 1 to December 13, 2018

- The Second Report states that on October 1, 2018 there were 300 cars on hand at Thornton for delivery to the North Shore and that this number swelled to 1171 by December 13, 2018, and describes this as a 186 % increase (p. 4).
- In its Preliminary Decision, the Agency notes this 186% figure.

A change from 300 to 1171 cars would appear to represent an increase of approximately 290%, not 186%. FPAC respectfully requests that this be clarified.

3. Share of intermodal vs. non-intermodal traffic arriving at Thornton Yard

- The Second Report notes, at page 6, that:
 - from October 2018 to January 2019, intermodal traffic accounted for 20% of total traffic arriving at Thornton Yard, and non-intermodal traffic for 59.6%; and
 - from October 2017 to January 2018, intermodal traffic accounted for 16% of total traffic arriving at Thornton, and non-intermodal traffic for 53.7%.

This would appear to account for approximately 80% of the total traffic arriving at Thornton Yard in the first three-month period and approximately 70% of the total traffic arriving at Thornton Yard during the second three-month period. FPAC respectfully requests clarification as to any other categories of traffic that made up the balance of the 100% of traffic arriving at Thornton Yard during the two three-month periods.

4. Embargoes and Permits

- The Report suggests that all of CN's embargoes allowed permits at all times (p. 13 – first and second types of embargoes described). This is inconsistent with data obtained from the AAR Embargo System which indicates that CN amended most of its embargoes to remove the possibility of permits for a period of time in December (Appendix A to FPAC's Written Submission).

While the Preliminary Decision refers to FPAC's evidence on this point (para 9 on page 3), FPAC wishes to note that the source of this information is the AAR Embargo System.

- The Preliminary Decision, on page 3, refers to FPAC's evidence that "CN's permits are for specific days that may not align with scheduled delivery times".

FPAC wishes to clarify its evidence on this point. As CP witnesses explained during the oral hearing in Vancouver, an embargo precludes a shipper from issuing a waybill for a railcar at

origin. Where permits are allowed, the shipper can issue a waybill, provided it includes a permit number that is valid for the *waybill* date. Permits are not tied to specific delivery dates or delivery times at destination but to specific dates on which the shipper releases the car to CN at origin. Permits "meter" when cars become available to be pulled by the railway at origin. They do not meter their actual departure from origin, their departure from the railway yard serving the origin, their arrival at the railway yard serving the destination or their placement at the destination terminal. Variability in these intervening events precludes any advance scheduling of delivery dates.

FPAC appreciates the opportunity to provide preliminary comments on these issues.

Yours truly,



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