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**CANADA  
TRANSPORTATION  
ACT  
REVIEW**

**British Columbia's**

**Position on Rail Competition**



**BRITISH  
COLUMBIA**

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## **1. EXECUTIVE SUMMARY**

The submission by British Columbia to the Canada Transportation Act (CTA) Review Panel establishes the provincial position on rail competition. The primary focus of the submission is on rail running rights, though other recommendations are included.

Thirteen recommendations have been developed that cover safety, running rights, regional railways, mergers, grain and urban access. These are based on guiding principles established to encourage the viability of the Canadian freight system.

BC's first recommendation is that a railway safety benchmark be set against which any changes to rail competition will be measured.

Recommendations 2 through 8 provide a new position on running rights. That is, a limited form of negotiated/arbitrated running rights needs to be provided to regional carriers while ensuring that the class 1 carriers have the right to appeal. This process should be reviewed every 3 years.

Recommendations 9 and 10 address the need for continued provincial regulation of regional carriers.

Recommendation 11 supports rail merger reviews.

Recommendation 12 advocates extending the maximum rate scale provisions of the CTA to grain moving in to British Columbia.

Recommendation 13 supports access to urban railways for commuter rail service.

The provincial submission attempts to balance the needs of individual stakeholders in the context of the total transportation system. The goal of this submission is to ensure that the transportation system supports an export economy and trading nation.

## **2. FORWARD/INTRODUCTION**

The Canada Transportation Act (CTA) Review Panel has been asked to assess rail competition in Canada, specifically with regard to running rights and other forms of competitive access remedies. This is significant for British Columbia because the Province owns the largest regional railway in Canada, BC Rail. In addition, many other regional railways operate in British Columbia.

The purpose of this paper is to provide the CTA Review Panel with the province's position on rail competition. The primary focus of the recommendations on rail competition is on running rights. However, BC would also like to draw attention to the need for further amendments to the CTA to ensure that the legislation does not continue to discriminate against value-added agri-food production in British Columbia.

The need to ensure that shippers have cost-effective services available must be balanced against the long-term viability of rail transportation in the province. The ongoing consolidation of railways in North America and the dynamic operating environment make the balance difficult to assess and complex to change.

It is important to note that no empirical data is available to assess the potential impact of change on British Columbia. BC, therefore, is moving cautiously in this area.

A Provincial Coordinator has been appointed to meet with stakeholders and to ensure that an integrated provincial position is developed. However, BC has not undertaken a formal consultation process. Stakeholders who have participated in discussions include shippers, railways, airports, marine ports, and many other transportation interests. A complete list is available in Appendix A.

This submission is divided into several sections. The background section will briefly explain the significance of railways and ports in British Columbia and describe the current rail industry in British Columbia. The following section covers some general principles established for rail transportation. BC's recommendations on safety, running rights, regional railways, interswitching, mergers, grain and urban access make up most of the remaining sections.

The recommendations are listed in the conclusion.

### 3. BACKGROUND

British Columbia is served by three class 1 rail carriers, three interprovincial passenger services, five main regional railways and one commuter train service.

Table 2-1 summarizes British Columbia's railways.

Table 2-1: British Columbia Railways		
Category	Railway	Status
<b>Class 1</b>	Canadian National Railway (CN)	Canadian domiciled
	Canadian Pacific Railway (CP)	Canadian domiciled
	Burlington Northern Santa Fe (BNSF)	US domiciled
<b>Interprovincial Passenger Service</b>	VIA Rail	Federal Crown Corporation
	National Passenger Corporation of America (Amtrak)	U.S.
	Great Canadian Railway Company	Private
<b>Regional Railways</b>	British Columbia Railway	Provincial Crown Corporation
	Southern Railway of BC	Privately owned
	Rail America	Private + passenger service
	Okanagan Valley Railway	Privately owned
	Kelowna Pacific Railway	Privately owned
<b>Commuter Rail</b>	West Coast Express	Regional Government

The province has about 6800 kilometres of mainline track operated by various rail companies. A map of rail lines in British Columbia is available in Appendix B.

CN and CP both have mainlines into the southwestern portion of the province which terminate in Vancouver. Both routes were built through the challenging terrain of the Fraser Canyon. Recently, the two railways have reached an agreement to run trains bi-directionally in the Fraser Canyon. This means trains run east on the CP line and west on the CN line representing efficiency gains for the railways.

CN owns the rail line that runs across the northern corridor of the province between Prince Rupert and the Alberta border. From the Alberta border it routes east to Edmonton where CN and CP interswitch.

Burlington Northern Santa Fe operates between British Columbia and the United States (US).

Provincial passenger services are provided by both Crown and privately owned operators. BC Rail and VIA Rail provide scheduled passenger service within the province. BC Rail operates a scheduled passenger service between North Vancouver and Prince George, as well as seasonal tourist packages. The Great Canadian Railway Company operates seasonal luxury tourist trains between Calgary, Jasper and Vancouver. Amtrak operates a daily international service from Vancouver to Seattle. VIA Rail provides scheduled transcontinental service to Vancouver, rural service from Jasper to Prince Rupert and service on Vancouver Island.

In British Columbia, five main regional railways are regulated by provincial legislation. BC Rail is a provincial Crown Corporation. Rail America provides service on Vancouver Island. The Southern Railway of British Columbia is a Lower Mainland freight service. Okanagan Valley Railway and Kelowna Pacific Railway are also shortline freight services.

Commuter rail service in the Lower Mainland is operated through West Coast Express. It is a wholly-owned subsidiary of the regional government, TransLink, and operates on CP track.

Provincial railways are regulated principally through two pieces of legislation. The *Railway Act* (Railway Act [RSBC 1996] Chapter 395) regulates all railways including BC Rail, and the *British Columbia Railway Act* (British Columbia Railway Act [RSBC 1996] Chapter 36) regulates only BC Rail.

Running rights have been established provincially in both pieces of legislation. However, they only apply when specified on an operating certificate. Appropriate excerpts are provided in Appendix C.

Railways moved \$5.6 billion in British Columbia exports in 1999. This represents 20 percent of the total value of British Columbia's exports. Between 1990 and 1998, despite losing significant market share to trucks, the value of rail exports to the US grew by 86 percent.

Lumber accounted for 59 percent by value of all rail-transported exports to the US in 1998, as compared to 24 percent for sea exports and 18 percent for road exports. The forestry industry represents 8 percent of British Columbia's gross domestic product.

Railways are essential to British Columbia's ports. In 1998, the Port of Vancouver handled 71 million tonnes of cargo, of which 69 million tonnes were international. Vancouver is the largest foreign tonnage port in Canada and one of the top three in North America. The Port of Prince Rupert moved 56 million tonnes of cargo in 1998 despite a 10 percent drop in tonnage from the year before.

#### 4. GUIDING PRINCIPLES

The purpose of this section is to set out the principles upon which BC's recommendations are based. Any changes to improve rail competition should result in efficiencies that support a healthy rail industry and trading economy. They should not threaten the viability of the Canadian rail freight system.

**Rail transportation needs to be supported and enhanced as the provincial economy grows.**

British Columbia is a province with a major transportation hub in the Lower Mainland. More than 50 percent of the total provincial population resides in this area that is surrounded by mountains, divided by waterways and constrained by an ocean and an international boundary. In this context, British Columbia's ports are competing globally for international traffic. Both land use and traffic congestion are serious considerations. Maximizing the use of all modes of transportation for freight, passenger and commuter movement is fundamental in this context.

Rail transportation needs to be able to compete with road transportation. The expansion of container shipping and the integration of road/rail services are assisting this goal. Railways are focusing productivity gains on improved service and scheduling for customers. It is true that some high value, time-sensitive goods favour the truck mode. However, the drastic shift from rail to road transportation witnessed in the 1990s cannot be sustained on the existing highway infrastructure in the Lower Mainland. See Appendix D.

**The long-term viability of both class 1 and regional railways must continue.**

All existing classes of carriers play a significant role in supporting British Columbia's economy. The regional carriers are strategic resources that support the government's social, economic and development goals while class 1 carriers are central to the

country's east-west economic linkages. Class 1 carriers feed marine ports and help them remain competitive.

**British Columbia needs to maintain provincial autonomy over regional railways and the legislation that supports this important resource.**

BC Rail represents a strategic resource for the Province. British Columbia is keenly interested in protecting the investment it has made in BC Rail and in maintaining the flexibility it provides in regional economic development. The Province also has an interest in ensuring the viability of other regional carriers within the province. The provincial mandate over railways protects small carriers from elements of the CTA that would render them uneconomic and reduce competition.

**British Columbia needs to support and promote its northern corridor.**

British Columbia is fortunate to have two major transportation corridors, one in the south and one in the north. The southern corridor has developed and grown with the Lower Mainland of the province. British Columbia's northern route is not supported by an international centre of commerce like Vancouver, but it has the supporting infrastructure of a railway, highway and modern port facilities. It is also congestion-free. Recent reductions in tonnage and the loss of coal resulting from the closure of Tumbler Ridge have increased attention on the northern route.

**Changes to the CTA should avoid overlap and redundancy.**

The CTA contains competitive access remedies that have the potential to overlap. For example, expanding running rights could have the same result as strengthening competitive line rates (proposed as "competitive access rates" by some). Pursuing both remedies may not be necessary and enhancing one may provide the opportunity to eliminate another. The CTA needs to be reviewed with a view to avoiding redundancy and overlap where possible.

**British Columbia needs to encourage the use of commuter rail as a means to alleviate transportation related greenhouse gases.**

In British Columbia, transportation generates 26 megatonnes of greenhouse gases annually. This represents 43 percent of all emissions in the province. Transportation emissions are projected to increase to 50 percent of provincial emissions.

West Coast Express commuter rail service removes 2,700 cars from the road during weekday peak periods.

## 5. SAFETY

A major consideration to any changes of the legislative or regulatory framework must ensure a continued emphasis on safe rail transportation and operations. Safety must not be compromised by changes in rail competition. This is of particular concern in British Columbia where rail tourism is expanding and freight volumes have increased. In both urban and remote areas of the province, the integration of passenger and freight movements on railways is increasing. This heightens the need to address safety.

***Recommendation 1:***

*BC recommends that a benchmark for safe railway operations be established and any suggested changes to rail competition be measured against this benchmark.*

## **6. RUNNING RIGHTS**

The granting of rail running rights to regional railways has been suggested as a way to increase rail competition and ensure competitive market prices for moving freight. The compensation to class 1 carriers for running right access could either be regulated or open to commercial negotiations between carriers.

### **6.1 Need for Capital Investment**

Class 1 railways believe legislating access to their rail lines will threaten their revenue stream and the long-term viability of railways.

Running rights have the potential to allow regional carriers to service the most profitable customers and leave those with lower margins to existing railways; this reduces class 1 railway revenues.

Class 1 carriers have significantly invested in infrastructure over the 1995-1999 time frame. The 1996 enactment of the CTA supported this re-investment. Without this investment, system deterioration and service interruptions could affect British Columbia's ports. As well, without consistent investment, railways to the south could draw freight away from British Columbia's ports.

Railways need to maintain strong returns and continue to invest during all economic cycles. The current operating environment has not been through a full economic cycle.

## **6.2 Efficiencies and Network Capacity**

Class 1 railways, by their nature, serve long hauls and large trains most efficiently. Increasing the number of small operators on rail lines can reduce overall capacity and network efficiency. Integrating small carrier shipments between regular class 1 traffic creates scheduling and logistical challenges. The financial, service and overall network capacity costs of these impacts can be significant for class 1 carriers.

These concerns regarding the operating environment of class 1 carriers must be balanced against the needs of regional carriers for service and competitive rates. In the case of British Columbia Railway, for example, logistic challenges and network inefficiencies are mitigated because the Association of American Railroads Field Manual of Interchange Rules has been adopted by the railroad. These rules establish minimum standards for rail equipment compliance and compatibility.

## **6.3 Regional Railways' Need for Service**

One of the most significant barriers to regional railroads is service. As rates reach a common level, more focus is placed on service.

Regional carriers can only provide service guarantees to their customers if they receive the same guarantees from interconnecting railways. For example, BNSF is introducing a freight delivery guarantee from the Pacific Northwest to northern California. Regional carriers in British Columbia cannot capitalize on this service because they have no way of ensuring their cars will connect with BNSF in a timely manner. Customers of the regional railway who have the option of trucking to

reload can move off the regional rail carrier and take advantage of the freight service guarantee by BNSF.

In British Columbia regional carriers tend to recognize the cost of access on class 1 carriers and are willing to pay for it. A number of commercially negotiated contracts are already in existence.

An alternative to direct running rights, or an addition to them, would be hauling rights. Hauling arrangements could be used to have a class 1 carrier move regional rail cars with its own power and crews. These arrangements would be subject to service guarantees. Through these types of arrangements regional carriers could gain access to transfer points with more than one carrier but not actually be operating on a class 1 track.

## **6.4 Rate Pressures**

Increased competition between regional and class 1 carriers could have an effect on rates. Concern that impacts on rates could have a negative effect on revenue is a serious consideration for both regional and class 1 carriers. However, lower rates support exports. They create a positive effect if Canadian goods can be made more globally competitive. Canadian business benefits from the lowest possible transportation cost.

Furthermore, rate reductions do not necessarily result in less revenue if the market share can be expanded. Lower rates can attract new customers to rail. BC supports the full utilization of all rail capacity, particularly where it helps relieve pressure on the road system.

The regulation of rail carriers needs to balance competitive rates and service with support for a capital-intensive infrastructure.

BC therefore recommends to the CTA Review Panel that:

***Recommendation 2:***

*A limited form of running rights, based on commercially negotiated agreements, be established for regional railroads in the CTA.*

BC recommends that limited running rights be governed by the following conditions.

***Recommendation 3:***

*Running rights for regional carriers can only be employed to reach the nearest interchange<sup>1</sup> with more than one connecting railway, a so called, competitive interchange<sup>2</sup>.*

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<sup>1</sup> Interchange can be defined for these purposes as the first available opportunity to transfer or interswitch freight with another rail carrier. “Interchange” as defined in the CTA does not apply to this recommendation.

<sup>2</sup> Competitive interchange in this case is used to define where there is the opportunity to transfer or interswitch freight to more than one carrier in the same location.

Running rights within the province should be flexible enough to include hauling rights, where parties agree. This means there are two options available under running rights. A class 1 carrier could haul freight to a competitive interchange for the regional carrier. Hauling arrangements would allow a class 1 carrier to move regional rail cars with its own power and crews.

Alternatively, a regional carrier could be granted access to the rail line to reach a competitive interchange under a running right. The definition of hauling rights should include the ability to incorporate service guarantees and penalties.

Increased competition is intended to reduce transportation costs. It should be designed to ensure that savings are passed on to producers and consumers.

***Recommendation 4:***

*Running rights must be defined in such a way that either direct access or access through hauling rights satisfies the definition of “running rights.” Hauling rights must have the ability to incorporate service guarantees and penalties.*

Regional carriers are expressly forbidden from soliciting or handling traffic to or from customers located along the portion of class 1 line upon which running rights are exercised. A running right functions for the purpose of moving loads to an interchange.

***Recommendation 5:***

*Where running rights are exercised, regional carriers have no right to solicit traffic from customers located on the class 1 rail line.*

Rates for running rights must be commercially negotiated, subject to final offer arbitration as set out in the CTA.

***Recommendation 6:***

*Running rights are commercially negotiated and subject to final offer arbitration under the Canada Transportation Act.*

In cases where class 1 carriers believe that running rights represent a threat to the public interest they have the right to oppose running rights on a specific rail line. This would only be granted after all interested parties have had the opportunity to be heard.

***Recommendation 7:***

*Class 1 carriers must have the opportunity to present a case that running right access is contrary to the public interest in specific locations.*

Governments must be responsive to the changing pace at which business is being conducted in Canada and with our trading partners around the world. The operating environment will significantly affect the utility of government regulation. In order to ensure that government provides industry with the greatest chance to succeed, BC recommends ongoing reviews of running rights.

***Recommendation 8:***

*The impact of running rights and other forms of competitive access must be reviewed every 3 years and must include an assessment of rates, revenue and network efficiency.*

## 7. REGIONAL RAILWAYS

Regional carriers are often designed to meet specific operational needs or local goals that can not be met by class 1 carriers. In British Columbia, provincial rail policy and regulations have developed to reflect the particular goals and objectives of the Province. They also reflect the investment the Province has made in infrastructure and regional economic development.

As mentioned previously, British Columbia has used a provincial Crown Corporation to develop its regional economic development goals with regard to the rail sector.

Changes to federal policy and legislation that impact the regulatory environment, which the Province has developed to support the Crown Corporation, have the potential to create significant vulnerabilities for the Province.

***Recommendation 9:***

*BC recommends the CTA Review Panel evaluate the existing legislative structure to ensure the balance between federal and provincial legislation can be maintained prior to making recommendations that could affect provincial carriers.*

Provisions of the *Canada Transportation Act* are primarily aimed at regulating transnational carriers. As provincially regulated railways, regional carriers are not subject to the Act. This means that provisions in the Act that would make regional carriers uneconomic are avoided. In order to ensure regional railways do not become subject to the CTA, provincial regulation of regional carriers must be maintained.

***Recommendation 10:***

*BC recommends that any changes to create running rights for regional railways in federal legislation be done in a way that does not infringe on existing provincial authority over railroads.*

Regional railways are not class 1 carriers. They do not have the resources or assets of class 1 carriers, or the national presence. Regional railways must be able to integrate traffic movements efficiently with mainline class 1 carriers. By their nature, they are unable to take advantage of the efficiencies used by national carriers. This increases the importance of ensuring the regulatory structure gives them the greatest opportunity to succeed without being given unfair advantage in the market place.

## **8. INTERSWITCHING**

On the issue of maximum versus actual interswitching rates, BC has no position.

While BC does not have a specific position on interswitching, it believes the continued application of interswitching regulations to federal carriers is appropriate. As long as this continues, the competitive alternatives provided by British Columbia regional carriers will not be eroded.

## 9. RAILWAY MERGERS AND INDUSTRY REVIEW

BC is concerned that railway mergers and industry consolidation are not subject to federal or provincial government review. Mergers and reviews should be done within the context of a national transportation vision. This vision must outline the national objectives for transportation and support an integrated multi-modal transportation system that balances community access with global competitiveness. It should also reflect the ability of large carriers to fill the long-distance, high-volume market and the small carriers to fill niche markets or move smaller loads that would not otherwise move by rail.

Mergers and similar business affiliations between railways must not adversely affect Canadian regional carriers or shippers. There is a need to ensure that mergers and future partnerships enhance economic opportunities for British Columbia ports, industries, communities or rail systems.

***Recommendation 11:***

*The Canada Transportation Act should be revised to authorize the Canada Transportation Agency to review class 1 mergers; to approve or prohibit a proposed merger, or to impose pro-competitive conditions as a prerequisite to the merger.*

BC also recommends that the Canada Transportation Agency consult with the Competition Bureau in any merger review.

## 10. BRITISH COLUMBIA GRAIN USERS

BC has requested additional amendments to the CTA in order to ensure that British Columbia's feed grain users are treated in an equitable manner.

Since 1995, the Province and the British Columbia livestock feeding industry have been asking federal Agriculture and Transport Ministers to end the discrimination against British Columbia's feed grain users by extending the maximum rate scale provisions of the CTA to the carriage of grain into British Columbia for domestic use.

There is a significant differential between export and domestic rates that is not justified by a similar differential in cost. Recent changes to the CTA regarding grain shipments require railways to significantly reduce export freight rates. However, the federal government has extended no rate protection whatsoever to users of prairie feed grains in British Columbia. Without regulation of domestic movements into British Columbia, the differential between these export rates and domestic rates will increase significantly.

With the recent changes to the CTA, the federal government is continuing to regulate all grain shipments eastward by rail including grain bound for eastern Canadian domestic markets as well as western shipments for export. The legislation is discriminating against, and effectively imposing a levy restricting inter-provincial trade in, feed grains for use in British Columbia.

Thus, further amendments to the CTA are required to ensure equity for British Columbia users of prairie feed grains and to end the discrimination against value-added agri-food production in British Columbia.

### ***Recommendation 12:***

*BC recommends that the CTA apply a revenue cap that treats all Canadian grain users equally.*

## 11. URBAN PASSENGER RAIL ACCESS

In British Columbia, commuter rail services support the efficient movement of people. Passenger travel time can be reduced and air emissions from transportation improved. The impact of passenger vehicle congestion on movement of goods can also be mitigated.

Existing rail rights-of-way in urban areas represent linear corridors that can be used to move people and freight through congested urban areas. However, urban areas typically reflect complex operating environments and capacity restraints. The full social and financial cost-benefit of commuter rail must be balanced against its impact on freight rail service.

As urban areas expand in British Columbia both regional and class 1 carriers will come under pressure to provide capacity for local commuter movement. Policy and legislation should reflect the need to accommodate passenger service on railways.

### ***Recommendation 13:***

*BC recommends that the CTA be amended to include provisions to facilitate access to urban rail rights-of-way and a process for negotiating a balance between commuter rail mobility and the needs of freight movement. These negotiations should also be covered by final offer arbitration under the CTA.*

There are significant societal benefits that accrue as a result of commuter rail access. While these are desirable, the costs associated with these benefits should not be borne by the host railway. There should be an undertaking in the CTA that ensures compensation for access includes direct, provable costs plus reasonable rates of return to the host railways.

## 12. CONCLUSION

The CTA Review Panel has been asked to assess rail competition in Canada, specifically with regard to running rights and other forms of competitive access remedies.

BC makes the following recommendations to CTA Review Panel on rail competition.

***Recommendation 1:***

*BC recommends that a benchmark for safe railway operations be established and any suggested changes to rail competition be measured against this benchmark.*

***Recommendation 2:***

*A limited form of running rights, based on commercially negotiated agreements, be established for regional railroads in the CTA.*

***Recommendation 3:***

*Running rights for regional carriers can only be employed to reach the nearest interchange with more than one connecting railway, a so called, competitive interchange.*

***Recommendation 4:***

*Running rights must be defined in such a way that either direct access or access through hauling rights satisfies the definition of “running rights.” Hauling rights must have the ability to incorporate service guarantees and penalties.*

***Recommendation 5:***

*Where running rights are exercised, regional carriers have no right to solicit traffic from customers located on the class 1 rail line.*

***Recommendation 6:***

*Running rights are commercially negotiated and subject to final offer arbitration under the Canada Transportation Act.*

***Recommendation 7:***

*Class 1 carriers must have the opportunity to present a case that running right access is contrary to the public interest in specific locations.*

***Recommendation 8:***

*The impact of running rights and other forms of competitive access must be reviewed every 3 years and must include an assessment of rates, revenue and network efficiency.*

***Recommendation 9:***

*BC recommends the CTA Review Panel evaluate the existing legislative structure to ensure the balance between federal and provincial legislation can be maintained prior to making recommendations that could affect provincial carriers.*

***Recommendation 10:***

*BC recommends that any changes to create running rights for regional railways in federal legislation be done in a way that does not infringe on existing provincial authority over railroads.*

***Recommendation 11:***

*The Canada Transportation Act should be revised to authorize the Canada Transportation Agency to review class 1 mergers; to approve or prohibit a proposed merger, or to impose pro-competitive conditions as a prerequisite to the merger.*

***Recommendation 12:***

*British Columbia recommends that the CTA apply a revenue cap that treats all Canadian grain users equally.*

***Recommendation 13:***

*BC recommends that the CTA be amended to include provisions to facilitate access to urban rail rights-of-way and a process for negotiating a balance between commuter rail mobility and the needs of freight movement. These negotiations should also be covered by final offer arbitration under the CTA.*

## **APPENDIX A**

### **CONSULTED STAKEHOLDERS**

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Neptune Bulk Terminals (Canada) Ltd.  
Vancouver Port Authority  
Fraser River Port Authority  
Prince Rupert Port  
BC Rail  
Canadian National  
Canadian Pacific Railway  
Great Canadian Railway Company  
Southern Railway of BC  
West Coast Express  
Vancouver International Airport Authority  
WESTAC  
Western Canadian Shippers' Coalition  
Prince Rupert Grain Ltd.  
Intervistas Consulting Inc.  
Western Stevedoring Company Ltd.  
BC Wharf Operators Association  
Northwest Corridor Development Corporation  
BC Agriculture Council  
Business Council of BC  
Council of Forest Industries  
Greater Vancouver Gateway Council  
Northern Development Commission

## APPENDIX B



## APPENDIX C

### Railway Act

#### Part 12 — Running Powers

##### **Use of another company's property**

**135** (1) A company may

(a) take possession of, use or occupy any land belonging to another company,  
(b) use and enjoy the whole or any portion of the right of way, tracks, terminals, stations or station grounds of another company, and

(c) have and exercise full right and power to run and operate its trains over and on any portion or portions of the railway of another company.

(2) A company may only exercise the powers listed in subsection (1) with the prior approval of the minister and subject to any order and direction which the minister may make in regard to the exercise, enjoyment or restriction of those powers.

(3) The approval may be given by certificate of the minister on application and notice, and, after a hearing, the minister may make the order, give the directions and impose the conditions or duties on either party as to the minister may appear just or desirable, having regard to the public and all proper interests.

(4) If the parties fail to agree as to compensation, the minister may, in a certificate or by order, set the amount of compensation to be paid in respect of the powers and privileges granted.

##### **Traffic over connecting lines**

**187** (1) If a line of one railway joins or connects the line or lines of that railway with another, the minister may, by certificate, on application of one of the companies or of a municipal corporation or other public body, order that the railway company that constructed the branch line must provide all reasonable and proper facilities, by means of the branch, for the interchange of freight and livestock traffic, and the empty cars incidental to it, between the lines of that railway and those of the railway with which that branch is so joined or connected, in both directions, and also between the lines of the first mentioned railway and those of other railways connecting with the lines of the first mentioned railway, and all tracks and sidings used by the first mentioned railway for the purpose of loading and unloading cars, and owned or controlled by or connecting with the lines of the company owning or controlling the first mentioned railway, and other tracks and sidings the minister directs.

(2) The minister may, by certificate, determine as questions of fact and direct the price per car that must be charged by and paid to the company owning or controlling the first mentioned railway for that traffic.

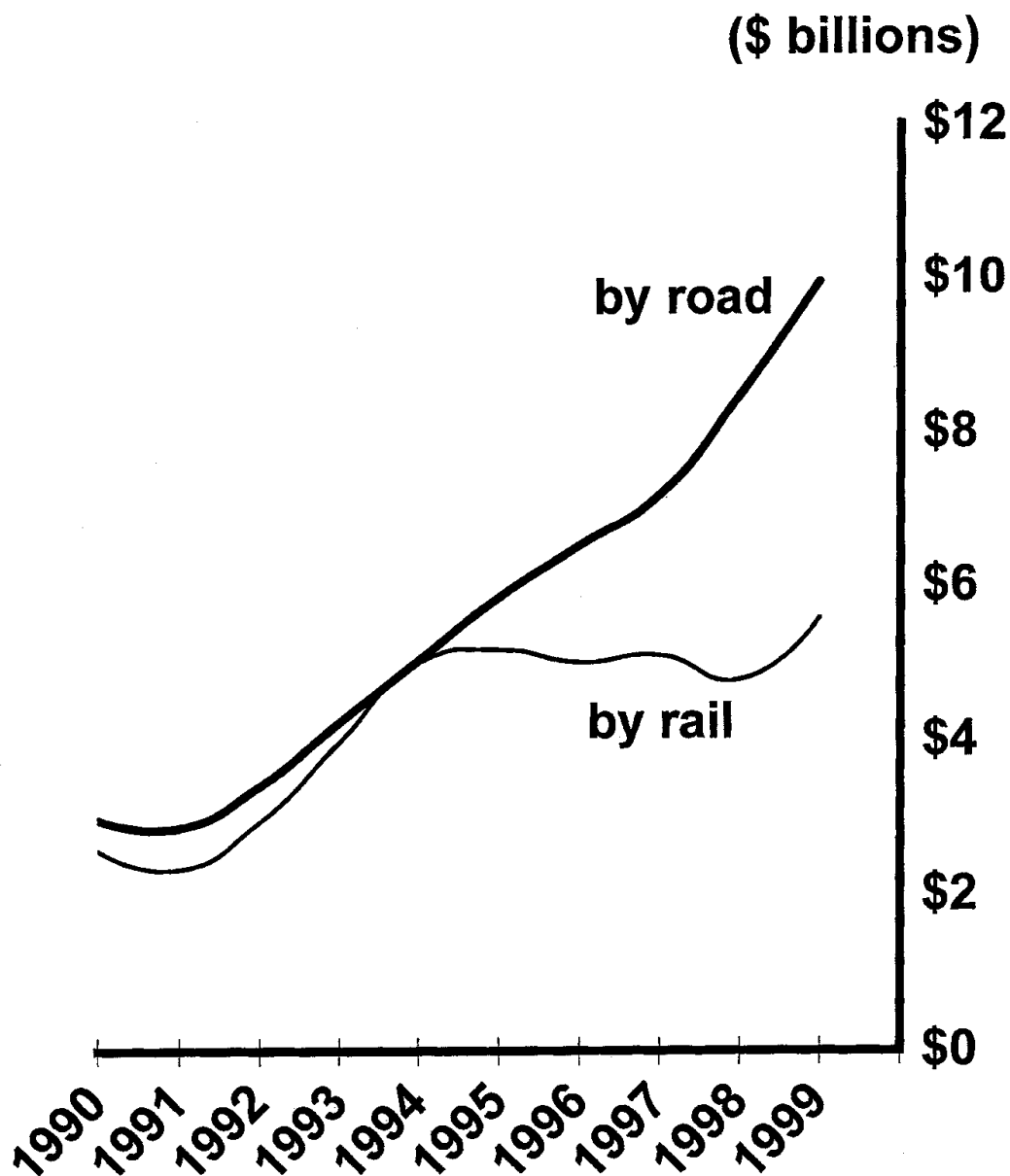
### British Columbia Railway Act

##### **Running arrangements**

**19** The company may acquire by purchase or lease or make running arrangements with any railway lines in British Columbia.

APPENDIX D

***B.C. Road Exports to U.S. Soar  
As Exports By Rail Level Off***



**BC STATS**