

**Transport sur rail au Québec
Sixth Annual Symposium on Railway Safety
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The Association of Regional Railways of Canada (ARRC)

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INTRODUCTION

The Association of Regional Railways of Canada (ARRC) is a new organization. It was founded in September of 2001. As ARRC is a new player on the scene, I would like to thank the sponsors for the opportunity to participate in this symposium, introduce ARRC, its membership and mandate, and to talk about the management of safety.

The Canadian short line and regional railway (SL/RR) industry has grown to over 40 railways. It has matured to a point where the SL/RR industry requires a unifying structure through which to represent and promote its unique goals and specific interests on a variety of issues facing the Canadian railway industry, without the compromises necessary when in association with the Class I railways.

The charter members of ARRC are BC Rail, The Hudson Bay Railway, The Carlton Trail Railway, and Ferroequus Railway Company Limited. We are currently in discussion with a number of other railways and expect growth in ARRC's membership.

ARRC's member companies operate approximately 4,067 route-kilometres of track and in 2000 produced over 5 billion revenue ton-miles and had revenues of approximately \$450 million.

THE REASONS FOR ARRC'S CREATION

In July 2001, the Canada Transportation Act Review Panel published its final report, ***Vision and Balance*** and the recommendations in this report will provide important input as Parliament considers legislative amendments to the ***Canada Transportation Act***. This legislation will also have either direct or indirect influence on the legislative regimes governing provincially-regulated railways across the country. It will therefore be important to all railways in Canada.

Vision and Balance clearly demonstrated that the concerns and positions of the

SL/RRs were subsumed to those of the Class I railways. The fact that the SL/RRs' specific positions and concerns were not communicated effectively by the industry during the Review process played a large part in the Panel's inability to properly consider and assess SL/RR issues.

There are many examples of this throughout *Vision and Balance*. For instance, on page 57, under the heading "Railway profits and financial returns", the report states,

"With improved financial results of recent years, railways rank among Canada's most profitable businesses."

This may be true of the Class I freight railways. It is not entirely the case for the SL/RRs. The conditions under which the SL/RRs operate make it difficult for them to control significant elements of both pricing and service thus limiting their ability to grow traffic and increase revenues.

The non-Class I railways now originate approximately one-third of rail traffic and yet this important segment of the Canadian transportation industry was largely ignored in the Review panel's report. Exporters and other industries, including many outside the major urban areas, depend on SL/RRs for efficient, effective transportation.

ARRC was created to promote the interests of the SL/RRs and to ensure that their concerns and positions on important issues are articulated and communicated to the public, governments and other stakeholders.

Because ARRC is a new organization, I would like to share with you our mission and objectives as approved by the ARRC membership and included in the Associations by-laws.

"It is the mission of the Corporation to represent the common interests of members before all levels of government, the public and other bodies, and to provide services to members as may be required.

The objectives of the Corporation are to:

- a. raise the profile of Canada's short line and regional railways,
- b. articulate and advocate the interests of Canada's short line and regional railways,
- c. communicate to the public, government and other interested stakeholders, the important economic impact of a healthy, viable short line and regional railway industry at both the local and national level,
- d. make representations to the federal, provincial and municipal governments on

- public policy, taxation, safety, federal/provincial jurisdictional issues, competitiveness, relations with Class I carriers, regulation and legislative initiatives, that could have an impact on the activities of Canada's short line and regional railways,
- e. foster improved communication and cooperation between interprovincial and federal/provincial governments to enhance harmonization of safety standards and regulatory requirements,
 - f. liaise and work with other associations and interested stakeholders, and,
 - g. provide advisory and other support services to member companies to further the viability and competitiveness of Canada's short line and regional railways."

The mission and objectives indicate that ARRC will first and foremost represent the interests of the SL/RRs and will be vigorous in promoting the interests of its members.

Close collaboration between SL/RRs and their Class I partners is necessary for success. Consistent with promoting the specific interests of the SL/RR industry and stating their position on the more general issues facing today's railways, the members of ARRC appreciate the need and have the desire to work in a collaborative manner with the Class I railways and with the Railway Association of Canada (RAC) wherever possible.

As an indication of our cooperative approach, ARRC membership is open to SL/RRs that may be, and wish to remain, members of the RAC. Currently one of our members, Ferroequeus Railway Corporation Limited, is also a member of both organizations.

We would mention that collaboration is a two-way street and ARRC's members hope that the Class I railways will collaborate with their SL/RR partners in a cooperative and statesmanlike manner.

SAFETY AND SECURITY

Effectively managing safety is fundamental to the success of any railway, but particularly to SL/RRs. ARRC members work closely with their Class I partners and with the regulatory authorities to promote safe railway operations throughout the network.

The ***Railway Safety Act*** (RSA) is world-leading legislation. It protects the public interest, gives Transport Canada inspectors' strong powers and ensures that labour unions have a role in the safety process. At the same time, it recognizes that managing safety is an inherent part of managing a railway and places the responsibility for safe

railway operations with railway management.

Recent amendments to the RSA that require federally-regulated railways to develop a formal Safety Management System, will continue to improve the management of safety and allow the Railway Safety Directorate of TC to focus its efforts on auditing safety performance within each company's safety plan.

At OmniTRAX, the **Railway Safety Act** has had an impact throughout our operations. Safety Management Systems (SMS) have been implemented on our Canadian properties and we plan to implement SMS on our U.S. properties as well. Transport Canada has been complimentary about the efforts of OmniTRAX and have indicated that we are ahead of other railways, including the Class 1 carriers.

ARRC and its members have some concerns that the safety regime for federally and provincially regulated railways is not identical. Some provinces, such as Ontario, have incorporated the RSA into their legislation and contract with TC to inspect and oversee safety management of provincially-regulated railways. Quebec and some other provinces maintain a separate establishment and legislation to oversee railways that they regulate.

While most provinces have adopted the federal rules, it is ARRC's view that regulation of safety of all railways in Canada should be consistent.

A key element of the RSA is the rule-making process, which is the responsibility of the railway companies, as defined in Sections 7 (for technical standards) and Sections 19 and 20 (for all maintenance and operating safety rules).

The industry has organized itself through the RAC to manage the rule-making process. ARRC has had discussions with the Railway Safety Directorate concerning the rule-making process and is prepared to work with the Railway Safety Directorate and the RAC in this process.

ARRC has concerns about the regulatory "gap" that exists in safety legislation where the operation of federally and provincially regulated railways come together. For example, VIA Rail Canada Inc., a federally-regulated railway, runs trains on the New Brunswick East Coast Railway, a provincially-regulated railway. In this case, it is unclear whether federal or provincial regulation governs safety.

There are also many places in Canada where freight cars are interchanged between federally and provincially regulated railways and where crews of both railways operate in yards and over short distances on each other's trackage. While there is close cooperation by companies in managing safety at interchange points, federal and provincial legislation should be clear on jurisdiction wherever possible.

A commercially successful railway will be a safe railway. Railway safety is of paramount importance to railways, their customers, employees and to the public.

Maintaining high standards of safety requires constant vigilance by all stakeholders and symposiums such as this are important in facilitating the dissemination of knowledge. On behalf of ARRC and its members, I would like to commend TRAQ and its sponsors for holding this symposium and would also like to thank TRAQ for the opportunity to participate in this important event.

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