Imagine what the TransCanada highway would look like without rail

The Canada of the future will be served by a highly-integrated logistics network that includes shipping, ports, terminals, railways, trucking, and others: one that is capable of delivering goods efficiently, allowing industries to compete globally.

By MICHAEL BOURJQUE

OTTAWA—Railways have been in the headlines a lot lately and so it is hard to imagine Canada without rail. Canada has the most progressive railway network in the world, with the largest one—CN, still in its teen years as a former government-owned entity. To become the best in the world, rail companies have had to make significant changes in a short period of time. Some of these changes have impacted the way customers do business because of the evolution to scheduled rail service for freight.

In some cases, this caused challenges and difficulties, perhaps just short of resentment. However, rail companies have been working with the customers and we are seeing the same effort and focus to meeting or exceeding customer expectations as they have to their own operations. There is still some work to do, but many customers, from across the spectrum, have signed agreements or contracts based on these expectations.

There are some who have called on the government to further regulate the commercial side of the freight rail industry: a regulatory step that would lead to additional cost and a reversal of innovation and productivity. Perhaps Canada’s greatest gift, the rail industry looks at the growth of the rail business and of the nation with a unique perspective. You can’t build 45,000 kilometres of track, with almost 15,000 railway crossings with collateral investment. Nor can you build an advanced supply chain infrastructure for global competitiveness within a government-led and funded model. Those days are behind us. Instead, you need collaboration between the supply chain (i.e., industry, trucking, shipping, infrastructure (ports, terminals, intermodal hubs etc.), financing (pension funds, banks and other financiers) and governments.

Perhaps because the commercial course we are on is building an even better system for moving goods around the world, rail is the right approach. As recent debates illustrate only too well, we are producing an increasing amount of energy and other products from our vast natural resources. Potash, wheat, barley and other agricultural goods, forest products, oil, natural gas, chemicals and mining products are all finding new markets around the world. It would be impossible to deliver these products without rail. In fact, for certain manufacturers, rail is an integral part of the fabrication process, where continuous production requires rail cars to reliably enter exit factories to deliver inputs and load finished products.

Imagine what the TransCanada highway would look like without rail. An average train handles the equivalent of 1,600 to 2,000 trucks. Currently, more than 70 per cent of all goods in Canada are shipped on tracks built by rail companies on their own land using money that these companies have earned. Rail pays taxes on the right-of-way it does its own snowplowing, its own maintenance and even its own snow removal. Most of us don’t think about the “parallel universe” that exists across Canada moving goods and people, leaving room for the rest of us in our cars and trucks. If we want our growth as a supplier to the world to be sustainable, then it’s hard to imagine the future without rail, since the 70 per cent of all goods shipped account for only three per cent of greenhouse gas emissions from the transportation sector. This makes rail by far the most environmentally sustainable transportation mode in Canada.

When you consider that Canadian railways are recognized globally to be the most efficient, cost effective and environmentally sustainable, it’s hard to imagine Canada without rail. In 2015, Canada will celebrate the 300th anniversary of the Royal Proclamation, our first Prime Minister; the man who oversaw the completion of our first national railway system, now Canada Pacific. Today, our vision must be to build the most sustainable, integrated supply infrastructure and logistics network in the world. We must ensure that Canadian producers and manufacturers remain globally competitive. After all, they are our customers and together, we are the Canadian economy.

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