

## 3.0 Southwestern Ontario's Rail Traffic Growth Options

Although the involvement of the federal and provincial governments remains the key to seizing the opportunities available from a more forward-looking rail policy, there are several steps that can be taken by regional governments in partnership with the Class I and short line railways, truckers, ports, shippers and others.

Based on the experience of several U.S. regions, the following is a suggested list of initiatives Oxford County and other Southwestern Ontario governments can pursue singly or jointly in partnership with those involved in and affected by rail freight service.



*The critical role of short lines, such as Oxford County's privately-owned Ontario Southland Railway, has been recognized in several federal and provincial reports, and supportive actions have been proposed. A general failure to follow through is jeopardizing these vital local rail service providers. Photo by Walter E. Pfefferle*

## 3.1 Short Lines

Ontario's regional or short line railways play a large role as "first and last mile" feeders to the continent-wide rail system. By lowering costs and providing a more locally responsive service, they have revived several former CP and CN branch and secondary lines. Nationally, short lines originate and terminate approximately one-fifth of all rail tonnage.

For those regions served by them, Ontario's short lines provide an opportunity to increase local rail freight options through their customized, retail-style service. They can and should be the first line of action in any campaign to increase rail usage.

The potential of Ontario's short lines is detailed in Oxford County's Empowering Ontario's Short Line Railways report, which was released in February 2017 and endorsed by the Western Ontario Wardens Caucus (WOWC) and the Mayors of Southwestern Ontario

(MOSO). It makes the case for the upper levels of government to adopt policies and programs conducive to the maintenance and expansion of the short lines' services.

While the vital role of short lines has been recognized in several federal and provincial reports, and affirmative actions have been proposed, none have materialized. In fact, the short lines appear to be losing ground everywhere except in Quebec, where the provincial government has maintained its positive, cooperative assistance program.

Since the Oxford County report was released, Saskatchewan has scrapped its short line program and sold its grain car fleet, which generated revenue for the short lines. The collapse and suspension of the American-owned line to Churchill, Manitoba, has also occurred.

In Ontario, the Sudbury-Sault Ste. Marie Huron Central Railway (HCRY) announced it requires assistance to continue rehabilitation and operation of the line, which serves many local shippers whose cost competitiveness would be affected if it closed. A previous public-private partnership began this work in 2010 after much government delay. That investment was more than recouped through the avoidance of highway maintenance costs that would have resulted from a shift of the HCRY's traffic to truck haulage, if it could have even been moved by truck.

Across Canada, short lines are grappling with new costs created by recent federal safety and grade crossing requirements. The small amount of federal funding available to offset some of these costs is not accessible to many short lines because they are provincially chartered, while those funds are only available to railways that operate under federal regulation.

There are additional challenges for municipally-owned short lines due to local budgetary constraints. The Town of Collingwood recently decided to scrap its portion of the Barrie Collingwood Railway, selling the right-of-way to the County of Simcoe for future transportation and utility use. Maintaining this 37-km line segment had cost the town up to \$425,000 annually. The City of Barrie continues to support the eastern portion of the line, which connects local shippers to the CP transcontinental main line at Utopia, but financial pressures are building.

Ontario's short lines have already demonstrated the extent to which they can and will go to invest in their own properties, which are vital to the regional economies they serve. All are still attempting to overcome the deferred maintenance that preceded the sale of these lines by the two Class I railways, which couldn't continue them under their higher cost structures.

Canadian governments, with the exception of Quebec, have been generally unwilling to assist the short

lines. This is jeopardizing their survival. The failure of a previous Ontario government to even recognize the need for legislative changes resulted in Class I branch lines north of Goderich, Stratford and Orangeville being dropped by short lines as candidates for retention and rehabilitation. Bruce and Grey counties lost all their lines, foreclosing the future economic benefits that would have flowed from the maintenance of these railways.

Strengthening the commitment to short lines that has already been expressed by Oxford County, the WOWC and MOSO should be a first step. Campaigning with and for these short lines – three of them municipally owned – to advance their case with the federal and provincial governments should be the next step.

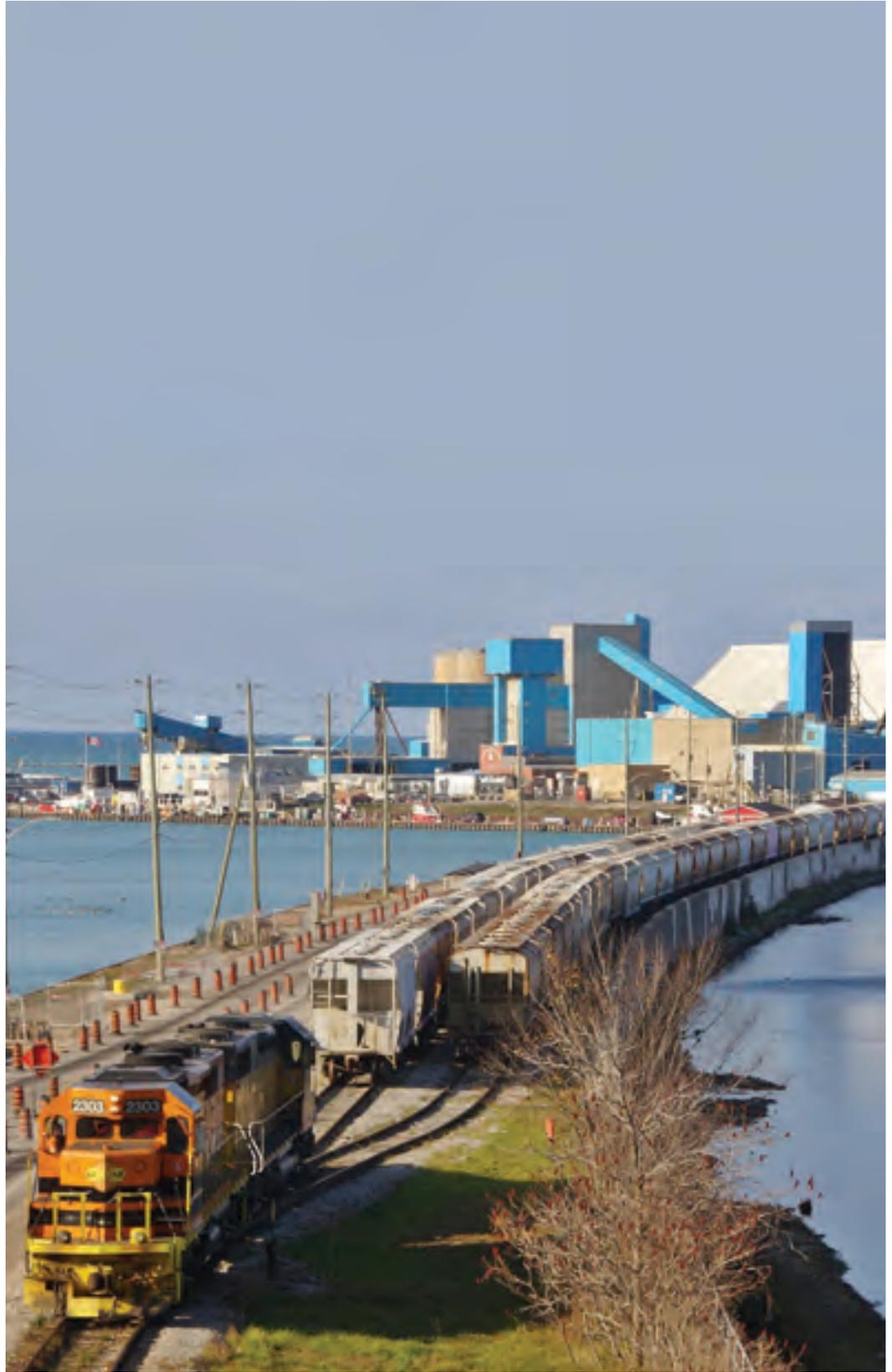
Two specific matters need to be brought back to the attention of the federal government:

- The CTA Review's short line recommendations, including U.S.-style tax credits to encourage infrastructure investment; and
- The short line endorsement in the Transportation 2030 strategy and eligibility for some of the \$10.1 billion it pledged to eliminate bottlenecks and bolster trade corridors.

An easy start could be supplied by adopting tax credit legislation similar to the U.S. Building Rail Access for Customers and the Economy (BRACE) Act. It requires a short line to invest one dollar for every 50 cents in credit up to a credit cap equivalent to \$3,500 per mile of track.

As well, Queen's Park needs to be encouraged to follow through on the recommendations in the Ontario Climate Change Action Plan, even though this largely amounted to more study.

The fragility of Ontario's short lines is real, their impact is large and the need for action grows.



*The provision of sidings for the loading, unloading and storage of freight cars is essential in supporting important Southwestern Ontario shippers, such as the Compass Minerals' Sifto Salt facility at Goderich. The responsive service provided by the Goderich-Exeter short line plays a critical role in making this plant and its workforce competitive.*

*Photo by Walter E. Pfefferle*

## 3.2 Shipper Sidings

The most basic building blocks of carload freight service, beyond the cars themselves, are the sidings that provide direct access to all manner of shipper facilities. In the era of railway market dominance, few industries could survive if they were not located on an active rail line and connected with a track switch and a siding of their own or a team track where multiple shippers could load and unload their individual carloads or less-than-carload shipments.

With the arrival of rail-based intermodal service in 1952 – first trailers on flat cars and then containers – the railways converted many shippers from carload service and the need for sidings declined. But for those shippers and receivers whose commodities remain unsuited to intermodal service, sidings are still their gateway to the North American railway grid.

As the Class I railways pruned their assets and eliminated labour-intensive services, the number of sidings and road switcher trains to serve them declined. The cost of maintaining the switches and track has been thrown to the shippers, many of whom have been only occasional users of carload service. Faced with these costs, they've allowed their sidings to be ripped up.

While CN and CP constantly talk about attracting more carload traffic, CP's 2016 annual report boasted, "Removing redundant switches from our main line meant less capital costs and a more fluid and productive railroad, as we turned assets more quickly. The excess switch inventory will contribute to lower capital costs related to future growth."

Some of those switches, which are admittedly high-maintenance points of stress and wear in the track structure, were related to shipper sidings. Although they can be reinstalled as required, that creates additional costs borne directly by the shippers.

This is a situation familiar to U.S. carload shippers, but the response has been different thanks to public intervention. Numerous federal, state and regional programs have encouraged the retention or reactivation of shipper sidings through grants and tax credits, which are matched by the shippers. This has worked most successfully where the sidings are located on short lines, which provide the required car switching at lower cost than the Class I railways.

Recently, North Carolina invested \$420,000 in a spur to serve a Danish textile firm that is investing \$60 million in a new manufacturing facility at Asheboro. An existing connection between the North Carolina Railroad and the Norfolk Southern main line completes the equation.

Oxford County has witnessed this through partnerships between its local short line, the Ontario Southland Railway (OSR), and its shippers. Sidings have been reactivated and improved through joint investment by the OSR and its customers.

The engagement of local governments in securing federal and provincial funding and tax credits to assist shippers and short lines in expanding siding availability would be beneficial.



*Ontario Northland Temiskaming Region grain transload*

## 3.3 Transload, Warehousing and Distribution Facilities

Where potential carload shippers don't have direct rail access, transload facilities supply an alternative. These are little more than a series of sidings where freight cars are "spotted" for the transfer of shipments to and from trucks, which "dray" the freight to and from local points. They are the modern, specialized equivalents of the team tracks of long ago, where shippers delivered and picked up shipments with wagons hauled by horse teams.

Plastics, fuels, chemicals, lumber and construction supplies, steel, fertilizer, grain and other agricultural products are among the many commodities handled by these transload facilities, which are expanding rapidly in regions across the U.S.

CN and CP maintain such facilities across their networks, often operated by third-party distribution firms. However, their coverage of Southwestern Ontario is minimal. CN has some transload facilities for various commodities on the Michigan side of the border, but those serving Southwestern Ontario require long truck hauls to and from Vaughan and Hamilton.

CP advertises a number of Southwestern Ontario transloads, but most are operated by third parties and served by connecting short lines. The privately-owned facilities in Guelph serve as a major hub for the distribution of granules and resins from Alberta and the U.S. Gulf Coast.

Other Ontario regions have awakened to the potential of this type of rail service in lowering regional shipping costs and road maintenance needs with a very small capital outlay. Several projects are now under way in Northern Ontario. The provincial government's decision to not privatize the Crown-owned Ontario Northland Transportation Commission (ONTC) has assisted, enabling its rail division to partner with municipalities to create or expand transload facilities.

The Town of Sioux Lookout, on the CN transcontinental main line, has proposed a transload to transfer truck-hauled chromite from the Ring of Fire mining development to rail for movement to a smelter in Sault Ste. Marie, Capreol or another northern location. It would also handle other commodities, such as inbound mining supplies and outbound forest products.

The current Northern Ontario transload projects have accessed funding sources not available to Southwestern Ontario, including the Northern Ontario Heritage Fund Corp. and FedNor. ONTC and municipal funds will be recovered through facility usage fees.

Similar upper-level government funding programs would enable Southwestern Ontario agencies to partner with short line railways, truckers and logistics firms to embark on comparable projects in this region. The Northern Ontario examples and those already in operation in Oxford County are proof of the ability of these facilities to attract freight to rail at low cost.

A more asset-intensive means of maximizing rail freight haulage in partnership with truckers and logistics firms is through rail-served facilities that receive, store and distribute shipments in bulk by rail. The U.S. Class I railways have been notching up their efforts to spur this sort of development on their own lines and in partnership with connecting short lines.

A handful of facilities of this type are already in operation in Southwestern Ontario, some even serving for the cold storage and truck distribution of U.S. frozen foods that arrive by rail.

Another method of warehousing and distribution related to long-haul rail freight movement is warehousing in transit. This uses freight cars as mobile and flexible warehouses on an as-required basis. Shippers and logistics firms pay per diem rates to the railways or car leasing firms for the use of the rolling stock in lieu of building actual warehouses. The cars remain on the sidings at these facilities until the commodities are required and only then transferred to trucks for highway drayage, following which the cars are released for backhaul and reloading by their owners.

There are examples of this type of service in Southwestern Ontario, particularly for the storage and distribution of fuels such as propane, which originates by rail in Alberta and is distributed by truck from these facilities for home, farm and industrial use throughout the region.



*Washington DOT pool refrigerator car in Cold Train service*

## 3.4 Shipper Car Pools

A complaint of many carload shippers is their difficulty in obtaining empty cars in a timely, reliable fashion for loading. This is a result of the Class I railways' lean production and asset reduction practices, which greatly reduced the rolling stock fleets that once gave them leeway to deal with traffic fluctuations. Now, the fleets have been pruned and pushed to higher levels of productivity. Large shippers generally get first crack at Class I-owned rolling stock.

As well, many large shippers use fleets of leased or owned equipment to assure themselves of equipment availability as and when they need it. This is popular with the Class I railways because it relieves them of the cost and responsibility for this rolling stock. Consequently, railways now own only 20 per cent of all North American freight cars.

One solution that would require some federal and/or provincial participation would be the creation of freight car pools as public-private ventures that would earn back their capital costs through lease charges to shippers. This has been done in the U.S. to assist smaller shippers develop or retain their markets.

The State of Washington partnered in 2006 with the federal government and a private rail freight forwarding company to lease and manage a pool of refrigerator cars for the movement of apples, pears,

onions, potatoes and other perishable produce to Chicago, New York and Boston. This traffic had been lost to the railways years before, but it has slowly been reclaimed in the U.S. over the last decade.

The \$2.2 million Washington State DOT Produce Railcar Pool Program ended in 2012, having bolstered the state's agricultural producers and enabling them to keep their traffic on the rails. This paid public dividends by reducing road maintenance, traffic congestion and environmental degradation that would have occurred had this traffic remained on the highways.

This is a solution that can ease the car shortages that stymie traffic growth. While there is strong demand for some cars, the used and leasing markets are glutted with others. A public-private pool car program would assist Southwestern Ontario shippers make greater use of rail.

In general, carload traffic has not been fully developed by the Class I railways as they made cost cutting their priority. This is costing them traffic and restricting growth. More equipment, facilities and service must be provided if this market is to grow. As has been demonstrated in the U.S. and some other Canadian regions, the way forward is to find methods to jointly fund and operate these services and facilities so they produce public and private benefits.



*Regina Global Transportation Hub*

## 3.5 Regional Intermodal and Inland Port Facilities

The most serious gap in the rail freight system in Southwestern Ontario is, ironically, the one type of service that the Class I railways relentlessly promote as their shining star: intermodal.

Soon after CP and CN began their initial trailer-on-flat-car (TOFC) intermodal services on the Toronto-Montreal route in 1952, they extended them to London, Windsor and other points in the region. The early terminals used fixed ramps at the ends of sidings so the trailers could be backed on and removed from the flat cars. When the gradual conversion from TOFC to container-on-flat-car (COFC) service began in the 1970s, these terminals were equipped with rubber-tired loaders to load and unload the containers from the side or the top.

In the drive to reduce their costs, these smaller intermodal facilities in Southwestern Ontario have been closed. CP and CN have consolidated their intermodal services in a network of major hubs across their systems, reducing the rail haul to several markets and replacing it with truck drayage of as much as 500 km. For example, not a single railway intermodal

terminal is now in operation on either CP or CN between the Greater Toronto Area and Winnipeg.

While this terminal consolidation may be good for the railways' shareholders, it isn't necessarily beneficial to smaller shippers. Many more would make use of intermodal service if the cost could be reduced and the convenience increased by eliminating the truck haul to and from the CP intermodal terminal in Vaughan or the CN facility in Brampton.

The only remaining TOFC services of any consequence were the overnight Expressway trains operated by CP once daily in each direction between Montreal and a Toronto-area terminal on the east side of Milton. Counting many Southwestern Ontario trucking and forwarding companies as regular clients, it demonstrated there is a specialized market for a fast and accessible intermodal service of this type in the region. Sadly, CP's Expressway trains made their last runs on May 30, 2018, for a variety of reasons, including governments' lack of interest in using it to divert truck traffic to rail and reduce road congestion and publicly-funded maintenance costs. This pattern

of intermodal terminal consolidation also occurred in the U.S., but now it is being reversed through public-private partnerships, as well as some growth in the railway-funded terminal network. Many of these U.S. intermodal terminal projects have been spearheaded by regional governments that have accessed federal and state funds to increase transportation efficiency, reduce costs and remove rail and highway bottlenecks that have worked against the establishment of regional intermodal hubs. This has also been the case in the development of new carload facilities, as discussed in Chapter 3.3.

This U.S. intermodal terminal growth has been driven by a number of factors. The partnerships between the Class I railways and the public sector for the expansion of robust rail corridors in the Southeast and Midwest have fuelled terminal expansion and coverage. So, too, has the expansion of the Panama Canal, the adoption of larger Panamax container vessels and increased traffic to and from Asia through the Deep South ports.

Many of these new intermodal terminals are inland ports, directly connected to the coastal port facilities through Class I and short line railways. This has resulted in new, direct rail services to expedite the containerized traffic in and out of the landlocked points they serve. In some cases, the inland facilities are owned and operated by the ports. This is the case with the Charlotte Intermodal Terminal, which is owned by the North Carolina State Ports Authority and directly connected to the Port of Wilmington by the CSX Queen City Express rail service.

This will be complemented by the construction of the CSX Carolina Connector terminal to serve northeastern markets through Rocky Mount, North Carolina. Norfolk Southern, the rival of CSX, is also engaging in partnerships with ports, short lines and regional and state governments. The states and the railways point

out that this not only increases their economic and investment desirability, it lowers shipping costs and reduces highway wear and emissions.

Canada has developed a few of these inland port facilities, but the pace is slow. An example is CentrePort in Winnipeg, which is Canada's first and largest tri-modal inland port. It is part of a designated foreign trade zone with direct rail, truck and air cargo access. CentrePort occupies 8,000 hectares of land available for manufacturing and assembly, warehousing and distribution, agribusiness, food processing and packaging, and transportation-related logistics. It is also developing a new rail park to provide co-location opportunities for rail-intensive businesses.

Smaller but more accomplished than CentrePoint is the Global Transportation Hub in Regina, which has a better governance model and has been able to move forward faster without being encumbered by the numerous political, financial and competitive constraints on CentrePort.

Southwestern Ontario agencies need to examine the potential for such a multi-modal facility in this region, ideally between the Highway 401/402 and Highway 401/403 junctions, and where access to a short line operator is practical. One of the key advantages for CentrePort, which also exists to an even higher degree in this region, is that it has direct service by both Class I railways and it is within 24 hours of more than 100 million consumers on both sides of the Canada-U.S. border.

A key benefit of these intermodal terminal developments has been their ability to attract and focus industrial development. Just as passenger facilities and services, coupled with supportive land use policies, lead to transit-oriented development, the same can be done with freight. There are a few examples of this in Canada, such as CP's Vaughan Intermodal Terminal.



*The direct connections between CP's Vaughan Intermodal Terminal and the Fastrate and SLH warehousing and distribution facilities in the background results in savings to taxpayers by reducing wear and tear on local roads. Photo courtesy CP*

On the west side of the terminal are the warehousing and distribution facilities of Fastrate and SLH Transport, which is the truckload division of Sears. Both have partnerships with CP for the domestic and international movement of intermodal freight to and from these facilities by rail. Containers move to and from the CP terminal on internal roads using yard tractors, which can be converted to electric operation. This increases the efficiency of this shipping and distribution system, and saves public costs by reducing highway drayage.

To succeed in Southwestern Ontario, a similar facility would ideally have direct service by both Class I railways and/or a connecting short line, which could eliminate the need for CP and CN to do more than just set off and lift loaded and empty intermodal and carload rolling stock. Long, flat sites adjacent to the railway lines, easy access to the main 400-series highway system and zoning that designates these sites for industrial and commercial purposes are additional requirements for maximum effectiveness.

## 3.6 Coordinated Passenger and Freight Strategies

In its report, *New Directions: Advancing Southwestern Ontario's Public Transportation Opportunities*, Oxford County made a strong case for the need for an integrated, multi-modal passenger system built on a foundation of much-improved rail passenger service. This has been endorsed by WOWC and MOSO.

Combining the high-performance rail passenger aspects of *New Directions* with a strategy to improve and expand rail freight service is already occurring on several U.S. corridors through a wide range of combined improvement projects. As in Canada, there are few opportunities and limited resources to pursue alternative projects that would separate the two forms of rail traffic.

In any strategy to increase rail freight use in Southwestern Ontario or elsewhere in Canada, the adoption of this joint passenger and freight approach has the potential to generate benefits for all operators

and users. Where it has been applied in the U.S., the results have not only been impressive, they've also been fast and affordable for all the parties in the partnerships.

A working example is the Capitol Corridor in Northern California. Starting from scratch in 1991, this high-performance rail passenger service has been developed on the infrastructure of the Union Pacific Railroad (UP), which is not noted for being passenger friendly. UP now uses it as the yardstick by which to measure other passenger improvement projects.

Operating from the western foothills of the Sierra Nevada at Auburn through Sacramento to Oakland and San Jose, the Corridor Capitol runs up to 15 daily roundtrips. It uses the western end of a busy UP transcontinental line and the mid-section of its equally busy Los Angeles-Seattle route. In the centre are many of the Bay Area's vital port facilities.



*Chicago's Inglewood Flyover was constructed under a public-private partnership to bring benefits to Amtrak intercity passenger, Metra commuter and Norfolk Southern freight services. Photo courtesy CREATE*

The Capitol Corridor's creators designed the system to produce a passenger service that would be as invisible as possible to UP. In turn, it also crafted it so the passenger trains would not face freight-induced delays. With federal and state funding, the existing UP trackage and signalling systems were built out to accomplish this. UP also contributed to the upgrading, some of which it had contemplated on its own without passenger considerations.

Today, the Capitol Corridor route is extremely fluid, posting a high on-time performance on the passenger side and assisting in UP's traffic growth in the Bay Area. More expansion is planned, including eventual passenger electrification, speed and frequency increases, and reconstruction of some abandoned trackage to ease capacity constraints as they emerge through joint passenger and freight growth.

Other joint passenger-freight expansion projects can

be found in the U.S. from Maine to Florida and New York to the Pacific Northwest. Even CP is engaged in a project like this in conjunction with the state-supported Amtrak Hiawatha Corridor between Chicago and Milwaukee.

By working cooperatively to bring about passenger and freight improvements, the railways, the passenger agencies, shippers and passengers are benefitting. There is no reason why this shouldn't be a consideration in any rail freight expansion programs in Southwestern Ontario.

Such an initiative would be especially timely as federally-funded VIA Rail Canada and the Government of Ontario are proposing rail passenger projects that would take an alternate approach and attempt to build separate, all-new passenger routes at high cost, with uncertain delivery schedules and with no demonstrable benefits for freight traffic.

## 3.7 A Southwestern Ontario Rail Corridor Coalition

Terminals and other rail-served facilities are only as good as the complete trade corridors they serve and of which they are key components. In Canada, much is said of the need to develop these international trade corridors and gateways, but little has been done.

The previous federal government, in partnership with the provinces, sketched out a national trade corridor concept in 2005-2006 and designated three main “gateway and corridor initiatives” requiring multi-modal investment and expansion:

- Atlantic Gateway;
- Ontario-Quebec Continental Gateway; and
- Asia-Pacific Gateway.

To date, only the last has seen anything resembling a long-term strategy and investment, although even this has been largely confined to highway and grade separation projects at the ports of Vancouver and Prince Rupert.

The Continental Gateway, covering the area from the ports of Quebec and Montreal to the Michigan border, was targeted for multi-modal development involving government, the railways, the ports and other stakeholders. The only noteworthy component of this proposal that has received attention is the Windsor-Detroit Gordie Howe International Bridge and related highway expansion, including the \$1.4-billion Herb Gray Parkway. The project’s total cost has grown to more than \$5 billion and its completion has been pushed back to 2023.

This highway project will do nothing to improve rail’s competitive position. In fact, it’s likely to weaken it at a time when Southwestern Ontario’s cross-border rail services need improvement. Nor are there any other signs of investment elsewhere in this corridor that will play a role in bolstering the rail option or even expanding the multi-modal corridor itself.

While the international bridge and highway project had its wheels greased by the federal and provincial governments, a parallel rail project went unfunded. For more than a decade, CP has been attempting to launch a public-private partnership (P3) to replace its constricted tunnel under the Detroit River. Completed in 1910 by the New York Central System’s Michigan Central Railroad, the twin-tube tunnel cannot accommodate the new generation of double-stack intermodal trains hauling two levels of high-cube containers on each car. CN built a new tunnel to the new dimensions at Sarnia-Port Huron before it was privatized and while it still had access to low-interest, government-backed capital.

CP formed a partnership with Borealis Infrastructure (now OMERS Infrastructure) to build a new Detroit River Tunnel, which could have released the old one for reuse by an extended VIA passenger service to connect with Amtrak at Detroit. With no public participation, the P3 tunnel project stalled and this has serious implications for Southwestern Ontario.

To take advantage of the economic benefits of unrestricted double-stacking, which reduces costs by up to one third, CP now diverts its Toronto-Chicago intermodal trains to Buffalo, where they are handed over to CSX for haulage to and from Chicago. This adds 228 km to the journey and jeopardizes the future of CP’s Southwestern Ontario main line from Campbellville to Windsor and Detroit by reducing the traffic it is now handling.

Since the current federal government came to power, endorsements and announcements have emanated from Ottawa regarding the trade gateway and corridor concept and its support for P3 projects. The committee reviewing the Canada Transportation Act received a submission from Transports Québec in July 2015

that said, “The federal government should recognize the importance of the Ontario-Québec Continental Gateway and Trade Corridor in international exchange and recommend resuming the work and update the analyses and the Strategy . . . to ensure its implementation.”

As part of Budget 2017, Ottawa announced a Trade and Transportation Corridors Initiative that includes:

“A National Trade Corridors Fund; a Trade and Transportation Information System; measures to enable the modernization of Canada’s transportation system; the Oceans Protection Plan; and funding to undertake climate risk assessments and address the requirements of existing federally funded transportation assets (VIA Rail Canada Inc., Marine Atlantic Inc. and Eastern Atlantic ferries). . . .

“Budget 2017 proposes to provide \$2 billion over 11 years to support the Fund’s activities. At least an additional \$5 billion will be provided through the Canada Infrastructure Bank to address trade and transportation priorities.”

The theory is fine, but the lack of a clearly defined plan and the low level of public investment are of concern. Also missing is any mention of the need for any Ontario-Quebec Continental Gateway and Trade Corridor to have branches that link it with other markets, especially in the Northeastern U.S.

This needs to be compared to the equivalent U.S. corridors that have been developed between various levels of government, the railways and others involved in the complete transportation system. The American initiatives include complete corridors, built out as public-private partnerships (P3s), such as the Norfolk Southern Heartland and Crescent Corridor projects linking the Northeast with the Deep South and the Midwest. The CSX National Gateway P3 project is another that is already functional.

Elsewhere in the U.S., there have been major rail-based P3 projects, such as the Alameda Corridor, which has streamlined and expanded access to the ports of Los Angeles and Long Beach through major improvements to the rail system of Southern California.

The trade corridor investment approach is obviously a sound one. The U.S. and other countries are far ahead of Canada on this score. The time is ripe for those in Southwestern Ontario who can see the virtues of such an approach taking the lead and starting the discussion, especially given the supportive comments and initial (if small) investment fund being provided by Ottawa.

It is, therefore, recommended that Oxford County, other concerned agencies and the members of the transportation and shipping community unite to form a public-private coalition to engage the upper levels of government in the development of a strategy. Such a coalition would ideally include, but not be limited to:

- Local shippers of industrial, agricultural and consumer products;
- Local short line railway operators;
- Local trucking companies, especially those that now provide drayage services linked to the Class I railway intermodal operations in the GTHA;
- Local firms engaged in freight warehousing and distribution;
- CP and CN representatives;
- Chief administrative and development officers of all the counties that form the Western Ontario Wardens Caucus (WOWC); and
- Mayors of the cities that form the Mayors of Southwest Ontario (MOSO).

The time for concerted action is now if this region is not to fall further behind competing jurisdictions in the U.S. and around the world in terms of rail freight options. It is vital that this be undertaken before whatever public funds that are available for transportation improvement and expansion initiatives are committed elsewhere.