

## 4.0 Recommendations

That a county government such as Oxford should show an interest in and devote resources to broad issues such as increased rail freight usage, the role and the state of the short line rail industry, and the need for an integrated, multi-modal passenger system is both encouraging and shocking. That Oxford County should be pondering and advancing these issues in terms of their economic, social and environmental impacts is refreshingly visionary. Few others are doing this work.

The shocking aspect of this work is that the upper levels of government are not undertaking it. Worse, while the issues discussed in this and the previous reports on passenger transportation and short lines are advancing at a quickening pace in the U.S. and other nations, Canada seems stalled in its tracks.

## 4.1 A Southwestern Ontario Rail Roundtable

For Oxford County to advance the urgent and serious issue of rail freight maximization, it must consider how best to start and lead the discussion. It is an unfortunate fact that the multitude of players in the transportation game all largely live in silos, distracted by their individual day-to-day matters and rarely talking to each other, except when required to do so.

Dialogue among those involved in and who would benefit from a focussed review of the current state and the future direction of the rail industry should be a first step. The suggested means to begin this process for all current and potential players is with a roundtable discussion session hosted and directed by Oxford County.

Bringing all the various interests together to openly and freely discuss how those who see a greater role for rail can bring it about. Within its own boundaries, Oxford County directly and indirectly possesses many parties who would have a keen interest in such a conversation. Current, past and potential shippers, the local short line railway operators, representatives of the two Class I railways, truckers, logistics firms and others should be invited to participate in this first session.

Such an event has the potential to lead to the formation of the Southwest Ontario Rail Corridor Coalition, as discussed in Chapter 3.6 of this report.

However, an issue that does require discussion is how to engage with the federal and provincial governments. To date, the low level of interest by Ottawa and Queen's Park in the issues and the regional perspective has been discouraging. This must change if many of the local and regional improvement recommendations in this report are to be vigorously and swiftly addressed. The federal government has the lead role to play because of its broad powers and resources in the field of transportation. Greater interest and engagement must occur at the provincial level, too. This is especially important given the increasing crossover of services and projects between the federal and provincial levels of government.

A prime example is the proposed Southwestern Ontario high-speed rail service, which would have major implications for federally-operated VIA Rail Canada and the two national freight railways. Yet, little dialogue has taken place between the two governments or even VIA and GO Transit.

Bringing the various parties together at an Oxford County rail roundtable would also present an opportunity to draw the two governments into the mix, to impress upon them the need for change and, at the very least, to alert them to this situation and Oxford County's concerns.

## 4.2 The Broader Issues

While regional advocates of improved rail freight service can accomplish much on their own, there is a limit to the influence they can exert. Some aspects of those projects that can be advanced at the regional level can only attain their maximum potential if there is a serious revision of the transportation policies and modal investment decisions made by the provincial and federal levels of government, especially the latter.

This has already occurred in the U.S. and elsewhere, and Canada is falling far behind its trading partners and competitors. The progress that has been made in the U.S., in particular, is impressive, especially when one considers the state of its rail industry and its lack of upper level government attention back in the 1970s, when large chunks of the system were falling into bankruptcy and in danger of being shut down and liquidated.

In the U.S., there are now national rail freight, rail passenger and multi-modal freight plans in place or in development. These have been informed by state plans, which are required by the federal government if states are to participate in national funding

programs. Canada and Ontario have none of these.

This lack of comprehensive rail and freight plans to guide policy, regulation and investment was noted in the review of the Canada Transportation Act. The committee recommended that:

“Transport Canada lead the development of a clear performance and evidence-based National Framework on Transportation and Logistics . . . in collaboration with the provinces, territories and industry. . . .

“Transport Canada formalize in policy the concept of a National Freight Rail System, inclusive of all interconnected railways in Canada.”

There is also a serious information gap that makes analysis and planning difficult. Federal programs that once captured a plethora of rail data have been scrapped in the interest of budget savings. Others have been modified to such an extent that it is impossible to plot clear and accurate trends on an historical basis for purposes of comparison and performance measurement.

By comparison, the Congressionally-mandated Bureau of Transportation Statistics gathers and circulates a wide range of data that allows researchers, planners and operators to more accurately track rail and multi-modal performance and trends. While the federal government recently allocated \$50 million over several years to improve its transportation data gathering, Canada is far behind the U.S. and other nations in this work.

A failure to harmonize rail regulations, taxation and public sector funding also puts Canada years, if not decades, behind its international competitors. The adoption of simple regulatory and tax changes would bring Canada and Ontario in line with the U.S. and its border states. This could have a profound effect on the financing and functioning of Canada's railways, as well as ease and encourage the movement of freight by rail across the border.

There is also a need for an inter-governmental, multi-modal approach to policy, regulation and taxation so that changes for one mode don't negatively affect another. For example, the allowance by the provinces – to which Ottawa long ago devolved responsibility

for highway transportation – of increased truck weights and lengths has had a corrosive effect on both the federally- and provincially-regulated railways. The traffic and revenue losses that have resulted have been documented and they have undermined the rail sector.

Other jurisdictions have faced and dealt with similar issues. They need to be raised, discussed and resolved if Oxford County and all of Canada are to derive the maximum benefit from the freight railways. The suggested Oxford County rail roundtable is a method for starting this overdue process rolling.

As the not inaccurate cliché goes, "Think globally; act locally." That philosophy applies to any efforts to maximize the use of Canada's railways.