

Introduction

Southwestern Ontario's freight railways are vital components of the region's multi-modal transportation system. But do they have a larger role to play in boosting its economic and environmental prospects?

In some respects, that question has already been answered by decisions made in the other countries with which this region and all of Canada compete. In Asia, the European Union, Australia and the United States, projects to improve and expand the flow of both domestic and international freight by rail are already underway. As a result, every rail-served trading region around the globe has no choice but to embrace similar policies and investments if it is to match the transportation efficiency gains being made by its competitors.

The main drivers of this international push for an increased use of rail freight service are its high cost efficiency, its ability to handle increased tonnage through the expansion of the existing infrastructure and its low environmental footprint. The last point is especially relevant at a time when decision makers are being compelled to weigh the high environmental costs of various modes and methods of transportation, which is one of the largest contributors to global climate change.

In light of this growing international reliance on rail freight, an examination of Southwestern Ontario's system is timely. Can it carry more tonnage and perform more efficiently? What policies, practices, technologies and investments are required? What barriers prevent a larger share of Southwestern Ontario's freight from moving by rail rather than on the highways?

This report addresses these and other questions. It outlines the development and current state of the rail industry in the region, including its market coverage, service offerings, strengths and weaknesses, and the economic and public policy frameworks under which it now functions.

Based on actions already taken in other jurisdictions, particularly the U.S., this report suggests there are measures that can be applied to selectively and incrementally increase the benefits of rail freight service in Southwestern Ontario. Several of these steps can be initiated at a regional level by partnerships undertaken between local governments, railway operators, shippers, receivers and logistics firms. However, it should also be recognized that federal and provincial involvement will be vitally important in moving these locally-crafted plans forward.

The next evolutionary turn of the railway industry's wheel is just beginning. Oxford County, in conjunction with its numerous potential partners in Southwestern Ontario can and should play roles to ensure this turn will be to their advantage. Oxford County has recognized the underlying link between a strong economy, a clean environment and healthy, vibrant communities. Enhanced rail freight efficiency and utilization are fully supportive of the vision and goals of the Future Oxford Community Sustainability Plan and Oxford's commitment to 100 per cent renewable energy by 2050.