

# Wheat growers call again for higher railway fines, up to \$1M per violation

By [Kelsey Johnson](#) | Sep 29, 2014 4:05 pm [iPolitics](#)

The Western Canadian Wheat Growers Association is reiterating its call for \$1 million fines against railways who fail to move the required amounts of grain.

The association's president Levi Wood said in a statement that the government must do more to ensure both national railways are held to account.

"Like every other player in the system, the railways need to be held accountable for their performances," Wood said. "Current measures fall well short."

Wood's comments come after *iPolitics* revealed last week the federal government had quietly reduced the maximum penalty a railway could face if it failed to meet federal grain volume targets from \$100,000 a day to \$100,000 per week.

Neither Agriculture Minister Gerry Ritz, nor Transport Minister Lisa Raitt have given a reason for the change, despite multiple request for an explanation from their offices.

With Transport Canada currently investigating reports Canadian National Railway Co. has failed to meet three weeks worth of targets, the policy change means the railway will likely only face a maximum penalty of \$300,000. Current grain volume targets are set at 536,250 tonnes each per week – thanks to an extended order-in-council issued August 1. The current order expires November 29.

That's a far cry from the \$2.1 million fine the railway could have been subjected to in March, under the initial federal order-in-council, which mandated both national railways move a minimum 500,000 tonnes of grain each per week. Failure to do so risked fines of up to \$100,000 per day, payable to the receiver general.

Under the government's Fair Rail for Grain Farmers Act, though, the wording would be changed from \$100,000 "for each day" to "per violation," which both ministers have now said means per week.

The emergency legislation and the order-in-councils stem from last winter's transportation crisis after a combination of a record harvest, frigid temperatures, reduced rail service and major miscommunication across the supply chain left millions of tonnes of prairie grain stranded.

Fining a railway up to \$100,000 per violation is a "paltry amount" for a railway, the Western Canadian Wheat Growers said Monday, particularly given CN earns on average \$184 million per week.

Canadian Pacific earns on average \$115 million per week, the association said.

Given the railways' financial earnings, multiple stakeholders – including the Western Canadian Wheat Growers Association – publicly questioned whether the up to \$100,000 per day penalty was stiff enough.

The Government of Saskatchewan would put forward a proposal to bump the penalties to \$250,000 per day, while Wood would suggest the fines be upped to \$1 million per violation. That suggestion was put forward in a written submission to the House agriculture committee. Both suggestions were rejected.

Demands for reciprocal penalties in service contracts – a request repeated by multiple stakeholders throughout the bill's debate – would also fail to make the final legislation.

Now, Wood said Monday, the government must listen to stakeholders. "The government has taken steps in the right direction," he said in the release. "However reciprocal penalties and a \$1,000,000 fine per violation are needed to hold the railways to account."

The association, Wood added, will continue to seek longer-term solutions to Canada's grain supply chain woes during the ongoing rail review. A final report is expected sometime in 2015.