

Farm groups upset with 'small' fines for railways

LEADER-POST, WITH FILES FROM THE CANADIAN PRESS JANUARY 13, 2015

Farm groups are railing against the \$150,000 in fines announced by the federal government last week against Canada's two major railways for failing to ship the minimum tonnage of grain per week as required under the Fair Rail for Grain Farmers Act.

Transport Minister Lisa Raitt said Thursday that Canadian National Railway and Canadian Pacific Railway were fined a combined total of \$150,000 for alleged violations of the act last summer. Norm Hall, president of the Agricultural Producers Association

of Saskatchewan, said the fines fail to compensate farmers for the damage caused by last year's massive grain backlog, which have cost western farmers an estimated \$5.1 billion in 2013 and 2014 crop years, "The fines should be paid to the producers, whether it be to the WGRF (Western Grain Research Foundation) or some place like that, other than into government coffers," Hall told the Leader-Post. He noted that one of the railways, Canadian Pacific, is disputing the \$50,000 fine. "They're going to pay their lawyers a quarter of a million dollars to fight a \$50,000 fine," Hall quipped.

Doug Chorney, head of Keystone Agricultural Producers in Manitoba, agreed there needs to be a way to compensate shipping companies and farmers who are adversely affected by rail delays. "A fine of such small amount really doesn't reflect the kind of damage poor service is impacting on shippers and farmers," he said. CN will pay \$100,000 for violations related to shipments made the during weeks of July 28 and Sept. 7, while Canadian Pacific, assessed a \$50,000 penalty for shipments during the week of Sept. 7, is disputing the fine on the basis that the shortfall was a result of matters beyond its control.

Jeremy Berry, a spokesman for Calgary-based CP, said that the missed targets resulted from broader supply chain issues, "specifically the Labour Day holiday shutdown at the Port of Vancouver the week before." Berry added the company moved record amounts of grain in 2014 that were 21 per cent above the threeyear average and up 16 per cent over the previous record crop year of 2008-09. Montreal-based CN said it would be paying a lower \$50,000 a week administrative monetary penalty. "CN is heartened that the Transport Canada enforcement officer's investigation appropriately took into account factors beyond CN's control and also reflected the important role that others play in the grain supply chain," spokesman Mark Hallman said.

In March, Raitt said fines against rail companies could total up to \$100,000 a day for delays. But Transport Canada said in September it would fine the railways up to \$100,000 weekly at the minister's discretion. The department said it is still reviewing fall data on grain volumes to ensure the railways adhered to the volume requirements.