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Fixing Canada's ailing rail system

If Canada fails to deal with rail problem, we will pay a steep price. No major nation can compete globally without an efficient rail system.



A CN freight train carrying crude oil and propane derailed near Plaster Rock, N.B., on Jan. 7, 2014.
TOM BATEMAN / THE CANADIAN PRESS

By Greg Gormick

Canada's once proud and efficient rail system is one sick iron horse. And it will get sicker without serious intervention.

While the rail executives and politicians who oversee it will hotly deny the beast is ailing, there are four obvious wounds that prove it is.

First, there are the safety breaches, stretching from the [July 6 derailment and explosion at Lac-Mégantic, Que.](#), to [CN's Jan. 7 accident near Plaster Rock, N.B.](#) Both trains carried dangerous goods and passed through Toronto heading east. Other derailments have heightened public safety concerns.

While rail is the safest means of moving freight, these accidents exposed long-simmering problems made worse by increasing traffic, such as the gusher of volatile western crude oil. Past band-aid solutions haven't brought our railways to a level of technological sophistication that would prevent these accidents.

The second malady is line abandonment, which has spread aggressively since the 1970s. CP is ripping up its Ottawa Valley main line and, as a result, sending western crude oil bound for eastern refineries through Toronto, where it meets the flow of crude and ethanol coming from the U.S. via Windsor. This makes the trip 250 kilometres longer, strains CP's busy southern Ontario network and increases the safety risks.

CN abandoned its Ottawa Valley line back in 1995 and has sent traffic for Montreal and points east through Toronto ever since. Its Toronto-Montreal line is busier than CP's, handling numerous VIA Rail passenger trains and all manner of freight, including U.S. crude oil entering Canada at Sarnia.

Today, another 975 kilometres of track is slated for scrapping. This includes the original CN Maritime main line. When the Plaster Rock derailment closed its primary Maritime freight artery, CN sent all Atlantic Canadian traffic, including crude oil, over this alternate route, proving its strategic value.

Also indicative of trouble are the angry shippers, who are furious about across-the-board cost-cutting that has undermined our rail industry's on-time performance. [Western grain growers](#) are screaming about CN and CP's failure to efficiently move their 2013 bumper crop, jeopardizing exports and Canada's food processing industry.

Finally, there is the accelerating deterioration of perpetually hobbled VIA Rail. In 2012, the publicly owned passenger carrier obtained government permission to trim frequency and de-staff stations — the third cut since it was spawned in Parliament in 1977 with no clear legislative mandate or stable funding. At the same time, VIA fumbled a \$923-million capital renewal program, which was inadequate for the full rebuilding it has always needed.

VIA's recently departed president called the train cuts and botched capital projects “right-sizing” and proof his team had “continued to develop a train culture in Canada.” Rising costs, declining revenue and stagnant ridership prove otherwise. VIA is being suffocated.

The causes of these challenges are complex. So are the solutions. But Canada is not alone in having to come to terms with a railway system past its best-before date. For decades, the U.S. faced even worse.

By the mid-1970s, a quarter of the U.S. system was bankrupt thanks to corporate greed, subsidized road, marine and air competition, and government indifference. Safety was in the ditch, lines were being scrapped furiously and the publicly owned passenger system was struggling under inadequate investment and congressional hostility.

The U.S. turnaround was slow, difficult and expensive. It's far from complete. But solid progress has been made, much of it involving public investment and increased oversight. The key was the combined will of a handful of enlightened railroaders and politicians, who realized the railways must be nurtured back to health if the U.S. was to compete economically, environmentally and socially with other nations that continually invest in rail.

That penny hasn't dropped in Canada. Rail executives and politicians have issued soothing statements, but taken little action. There's been no admission that fundamental questions about our rail system must be answered.

If Canada fails to deal with this problem, we will pay a steep price. No major nation can compete globally without an efficient rail system.

To turn our rail system into the thoroughbred it must become, we need a blueprint that balances public and private interests. The first step must be the long-overdue public debate leading to the production of a national rail policy. With our railways traditionally regulated by Ottawa, that puts the ball in [Transport Minister Lisa Raitt's](#) court.

So, dear minister, let the debate — and the rail recovery — begin.

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