

April 8 2010

Rail Freight Service Review
180, rue Elgin Street
Suite/Bureau 808
Ottawa ON,
K1A 0N5

Attention Rail Freight Service Review Panel
Mr. Walter Paszkowski, Chair

Dear Mr. Paszkowski,

We thank you for the opportunity to comment on the Rail Freight Service review launched by Transport Canada in 2008.

The Chamber of Shipping of British Columbia (COSBC) represents a wide spectrum of international and domestic shipping related interests in Western Canada including but not limited to international and domestic ship owners, BC Ferry Corporation, vessel agency companies, cargo interests, terminal interests, maritime law firms, port authorities, the Pacific Pilotage Authority, British Columbia Coast Pilots, marine survey, support and service companies.

As a not for profit society affiliated to the International Chamber of Shipping based in London, COSBC enjoys a highly constructive level of engagement with the Government of Canada, the Provincial Government of British Columbia and at a local level our various Municipal Governments. Our mandate is to represent the marine industry but also to explain the importance of same to the development and prosperity of Canada. We also take seriously our role in promotion of the Asia-Pacific Gateway and Corridor Initiative in order to ensure that both domestic and overseas stakeholders recognize the strategic importance of the investments being made.

We have taken the opportunity over the past year to carefully consider the issues related to the Rail Freight Service Review and would like to summarise our recommendations as follows:

Recommendation 1

Develop a boiler plate service contract to consistently define the contractual relationship between ocean carriers and railways.

2/

We would envisage the boiler plate to include reference to the following topics:

Communication and notices
Volume forecasting
Contractual relationship with specific terminal(s)
Carrier service(s) description / frequency
Rail Service levels, standard dwell (containers) and transit times based on what volume?
Demurrage terms
Dispute resolution with fixed time scales
Contract review meeting schedule (monthly / quarterly etc. and where)

Recommendation 2

Develop a series of practical and realistic service standards for incorporation into the boiler plate service contract and against which performance on all sides can be measured.

Recommendation 3

Redefine the relationship between terminals and railways. The absence of a contractual relationship but exposure to service levels results in a serious lack of accountability.

In Vancouver we have the example of a previous Terminal / Rail contract having been negotiated, however not signed and eventually cancelled unilaterally by the rail carrier.

We would envisage such a contract specifying agreed shift working to cover railcar loading, unloading, service and communication protocols. Obviously for this to work there needs to be synergies with carrier / rail contractual relationships.

Recommendation 4

Develop greater integration in the port rail service network and oversight in order to ensure optimization of capital asset utilization and timely movement of freight.

In Vancouver, the Deltaport Container Terminal and Westshore Coal Terminal being outside the congested inner harbor would be unlikely to benefit from greater integration. However, there is significant room for improvement in the inner harbor despite the current CN/CP interchange agreement.

Recommendation 5

Develop an integrated and coordinated rail service forecast demand model. Measure weekly forecast demand against forecast capacity supply in order to enable forecasting of congestion and thereby establish recovery plans.

Recommendation 6

Extend to the railways legislation to achieve:

“Economic success in the Asia-Pacific Gateway through labour stability”.

In order to achieve reliability, all components of the supply chain require incorporation into legislation aimed at achieving labour stability. The movement of grain is already considered an essential service under the provisions of Bill C-19 which received Royal Assent in 1998.

We look forward to your consideration of our recommendations and will be pleased to expand on these if requested at a time and place of your convenience

Yours sincerely
Chamber of Shipping of British Columbia

A handwritten signature in blue ink that reads "Stephen Brown". The signature is written in a cursive style and is positioned to the left of a large, faint blue watermark of a globe.

Stephen Brown
President

cc: COS Board of Directors