



CANADIAN OILSEED PROCESSORS ASSOCIATION

Canada's Oilseed Processors See Significant Progress for Value-Added Shippers in Rail Bill

(Winnipeg) – May 18, 2017

The Canadian Oilseed Processors Association (COPA) commends the Government of Canada on new legislation that will create a more reliable and efficient rail transportation system.

"The Government has introduced long-awaited changes to the *Canada Transportation Act* through Bill C-49 that will build better accountability and transparency between the rail companies and their captive shipper customers," said COPA Executive Director, Chris Vervaet. "This is good news for the grain sector as a whole, and in particular Canada's oilseed processors who rely on consistent and predictable delivery when serving our customers at home and abroad."

One of the most important amendments in the new legislation will grant shippers the ability to negotiate reciprocal penalties into Service Level Agreements.

"With no ability to hold the railways accountable for failing to meet their service obligations, our hands have been tied," explained Vervaet. "Our value-added oilseed product is only as good as our ability to get it to our customers on time and when they need it. This legislative change allows us to make good on our commitments to our customers because we now have a mechanism to ensure the railways are providing consistent and predictable service."

Bill C-49 introduces a new provision, Long-Haul Interswitching, intended to give all of Canada's captive shippers access to competing railways.

"We appreciate the Government is looking to find ways to give shippers across all sectors access to extended interswitching, which, for the oilseed sector, has proven to be an increasingly valuable tool," said Vervaet. "The effectiveness of extended interswitching has been in its simplicity to create real competition with minimal government or legal intervention."

COPA will be studying the new long-haul interswitching provision in the coming weeks with the aim of ensuring the new mechanism is equally effective for value-added processors in creating proactive competition.

COPA members are very pleased to see other important provisions in Bill C-49 that will improve the general service obligation by tightening the definition for adequate and suitable service, along with enhancing transparency through more extensive reporting and contingency planning. COPA also sees tremendous value in giving the Canada Transportation Agency greater leeway to grant orders as it sees fit to address systemic problems.

As the Bill is unlikely to pass before Parliament breaks for the summer, COPA is urging the Government to consider issuing an interim order to ensure a predictable and consistent transition to the new legislation. "The extended interswitching limit of 160 km has been valuable for value-added oilseed crushers. COPA recommends that a comparable provision be put in place for this crop year while we wait for the new legislation to come into force," concluded Vervaet.

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The Canadian Oilseed Processors Association (COPA) is a federally incorporated non-profit industry association that works in partnership with the Canola Council of Canada to represent the interests of the major oilseed processors in Canada.

COPA MEMBER COMPANIES: ADM Agri-Industries Company, Bunge Canada, Cargill Limited, Louis Dreyfus Company Yorkton Trading LP, Richardson Oilseed Limited, Viterra Oilseed Processing