



For Immediate Release

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Wheat Growers Support Proposed Amendments to Canada Transportation Act

The Western Canadian Wheat Growers Association is generally supportive of amendments to the Canada Transportation Act tabled yesterday by the federal government.

“The proposed amendments go some distance to addressing the rail service issues that have plagued our industry and imposed costs on farmers,” says Cherilyn Jolly-Nagel, President of the Wheat Growers. “Once passed, the legislation should help provide farmers and shippers with a necessary regulatory check on the monopoly power of the railways.”

The Wheat Growers note the legislation will help restore greater balance between the interests of shippers and railways. Some of the more positive amendments include:

- Provision to allow shipper groups, rather than individual shippers only, to apply for Final Offer Arbitration over rates and conditions of service;
- Allowing shippers the ability to appeal to the Canadian Transportation Agency for relief from unreasonable terms and conditions of shipment, or the unreasonable application of incidental railway charges such as demurrage fees;
- The undertaking of a comprehensive level of service review, 30 days after passage of the amendments;
- The requirement of the railways to list producer car loading sites and to provide 60 days notice of any discontinuance. The Wheat Growers will be seeking an amendment to ensure farmers have an opportunity to appeal to the Agency if the railways propose the discontinuance of any producer car loading site.

“These measures will give farmers and shippers greater ability to hold the railways accountable for poor service or excessive charges,” says Con Johnson, chair of the Wheat Grower transportation committee, “At the same time, it still gives the railways adequate economic incentive to make the necessary capital and operational investments to improve service.”

The Wheat Growers also wish to ensure speedy passage of Bill C-11, which would reduce the allowance for maintenance costs under the railway freight revenue cap by approximately \$2.00 per tonne. Bill C-11 is now before the Senate.

“Farmers need to see this legislation passed so these maintenance cost savings can be reflected in freight rates by August 1, 2007, especially since freight rates are otherwise projected to increase by 3.2%”, says Cherilyn Jolly-Nagel. “We urge all members of Parliament to ensure this Bill becomes law during the current Session.”

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While the Wheat Growers support the above two Bills, we note that ultimately the best way for the federal government to reduce farmer concerns about railway market power would be to make policy changes that encourage the use of more grain on the prairies, whether that is through increased grain processing, biofuels, bioproducts or livestock production.

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