



As Canada faces a confluence of trade, geopolitical, and national security challenges, we must act decisively to protect our economy. Doing so requires following the advice of any good therapist – focus on what you can control and get our own house in order.

Canada’s economy relies on resource extraction, and rail is the backbone of this work. In 2022, \$200 billion worth of Canada’s exports were delivered by rail¹, and every year millions of people and almost \$400 billion worth of goods get to where they need to go by train. As Alberta Premier Danielle Smith outlined to Prime Minister Trudeau,² her province alone exported \$20.1 billion worth of goods by rail in 2023, including minerals, agriculture, and forestry products, employing nearly 5.5 per cent of Albertans in the process.

Making rail more efficient is essential to strengthening our economy. As interprovincial trade barriers are eliminated, only our rail network can move goods at the volume we need. It will also be necessary to ensure our exports can rebalance as much trade as possible beyond North America.

The importance of rail is why we—17 municipalities representing over 300,000 Albertans and nearly 1,500 businesses and economies that contribute over \$90 billion to Canada’s GDP—formed the Community Rail Advocacy Alliance (CRAA). In advocating for more effective and efficient service delivery from the two large providers, we have identified ways, alongside those partners, that can strengthen our economy and help respond to the severe challenges our country faces.

First, measures that previously extended interswitching must be brought back into play. Interswitching is the transfer of traffic between two rail providers. This ensures an efficient system and allows for greater competition between rail providers, reducing costs to shippers and making our exports more competitive. Standard interchanges are 30 km, but in 2023 a pilot program lengthened that to 160 km across the prairies. This pilot will expire in March, and with parliament prorogued, it is unlikely to be extended soon. This pilot should not just be extended but made permanent and expanded to the entire country.

We must also assure export markets and investors that we are a reliable producer. Over the last few months, we’ve seen firsthand the threat labour actions can have on our economy throughout the rail network. During this process we learned that rail is not considered by the Canada Industrial Relations Board (CIRB) an essential service. The CIRB believed that since the Canada Labour Code does not classify rail service as “essential,” the rail providers could lock out employees, and employees could strike.³ This needs to change, and it will require federal legislation. We cannot have our nation held hostage when the economic risks are already so high.

Finally, we must explore regulatory, legislative, and even financial ways to catalyze short line development. Alberta Premier Danielle Smith has remained committed to developing the Passenger Rail Master Plan, and Prime Minister Trudeau has made the nation-building announcement of a high-speed rail link from Toronto to Quebec City. We need that same energy and commitment to the movement of goods by rail. Short lines will strengthen local communities

¹ Railway Association of Canada, “Canada’s Freight Railways: Moving the Economy” <https://www.railcan.ca/101/canadas-freight-railways-moving-the-economy/#:~:text=Canadian%2Orailways%20moved%20more%20330,America%20and%20around%20the%20globe>

² Premier Smith, Letter to Federal Cabinet: <https://x.com/ABDanielleSmith/status/1790167747512668593/photo/1>

³ CBC, CPKC, CN Rail both threaten lockout if labour deal isn't reached by Aug. 22, August 9, 2024, https://www.cbc.ca/news/politics/cn-cp-rail-strike-lockout-essential-service-cirb-1.7290323?cmp=newsletter_CBC%20News%20Politics%20Headlines_1636_1660688





and catalyze economic growth, creating more local jobs, increasing local spending, and attracting investment across the country.

Our country was first united by the construction of a railway. And it wasn't just about the economy. It provided us our first unifying story of nation-building and independence. We need that again. Of course, we must focus on protecting our economy, but we must also show ourselves and the world that Canada can be bold and build big things. Like before, our nation's future depends on it. Let's get to work.

Tom Pickard (Mayor of Whitecourt) and Terry Ungarian (Reeve of the County of Northern Lights) are executive members of the Community Rail Advocacy Alliance (CRAA). CRAA represents over 17 municipalities, industries, associations, and regions in a united voice to government and the rail industry. We represent 300,000 Albertans and people in the Northwest Territories and over 1,500 businesses.

