



March 13, 2014

The Honourable Lisa Raitt
Minister of Transport, Transport Canada
330 Sparks Street
Ottawa, Ontario K1A 0N5
Email: lisa.raitt@parl.gc.ca

RE: Legislation to Prioritize Grain Shipments by Rail

Dear Minister Raitt,

On behalf of the members of the Canadian Propane Association (CPA), I am writing to you today to express our opposition to potential legislation that will permanently prioritize grain movements by rail over other commodities. We strongly oppose any legislation that prioritizes one commodity over another. Canada's railways are essential to transporting many commodities that support the lives of Canadians, including propane.

As you are aware, this has been one of the coldest winters in Canada in 20 years. Along with many other industries, the early and sustained winter has affected the propane industry's ability to deliver its product to consumers. The extreme temperatures significantly increased demand and resulted in delivery disruptions in parts of Ontario and Quebec, as well as in the United States. The pressures on propane supply and prices prompted the Ministers of Natural Resources and Industry to request a review of the propane industry in Canada.

While only the preliminary report on the review has been released thus far, one factor that was identified as a contributor to the issues was supply chain congestion and disruptions from greater-than-usual demands being placed on propane terminals and other transportation infrastructure, and disruptions related to weather conditions. As rail is one of the primary modes of transportation for propane, prioritizing grain shipments during a similar situation in the future could be catastrophic, delaying the transportation of propane further and many homes, schools and hospitals that use propane for heat may not receive it. The agricultural industry will also be affected, as many in the industry rely on propane to dry grain, heat barns and livestock and fuel farming equipment.

Driven by a unique combination of organizations, every year the propane industry makes a \$10 billion dollar impact on the Canadian economy, generates over \$900 million in taxes and royalties, and supports the livelihood of more than 20,000 Canadians. Canada produces approximately 11 billion litres of propane annually; over half of the supply is consumed within Canada and the rest is exported to the United States. Consequently, the potential legislation would have a negative impact on our member companies who rely on rail to transport propane and on the Canadian economy.

We understand that it is essential to transport grain throughout the country and are not asking that propane is prioritized over any other commodity that is shipped by rail – however, we strongly oppose any legislation that prioritizes any commodity over another, as they are all vital to the Canadian economy.

It would be my pleasure to discuss this matter with you if you have any questions. I can be reached at 613-818-7458 or andrealabelle@propane.ca.

Regards,



Andrea Labelle
General Manager

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