

National Transportation Act, 1986

Final offer arbitration is important because it will encourage private settlement of shipper-carrier disputes. Where such private settlement proves impossible, the deal imposed by the arbitrator will at least have been developed by one of the parties involved.

The new Act also features a more effective investigation procedure for matters of public interest. Upon receiving a complaint, the National Transportation Agency will be empowered to inquire into any carrier's rates, acts, or omissions which may prejudice the public interest. In particular, the agency will take into account the new transportation policy set out in the legislation in deciding whether the public interest has been harmed.

May I turn now to the difficult and often controversial issue of branch line abandonment. Our current rail legislation gives the Canadian Transport Commission two methods for dealing with an application for branch line abandonment. The CTC can allow the line to be abandoned, or it can order that it be retained with a government subsidy.

I am pleased to say that the legislation before us today will provide the CTC successor, the National Transportation Agency, with more useful choices when handling applications for branch line abandonment. For example, the new agency will be able to facilitate and approve the sale of a branch line to another operator, in effect establishing a short line operation. It may recommend that Ministers provide financial assistance to shippers, or a provincial Government or others to develop more effective and less costly means of transportation to replace the branch line. The NTA may also recommend that the Minister order one railway company to interconnect its branch line with the lines of another company, thereby providing the opportunity for the branch line to be more competitive. It may decide that the line has the potential to be economically viable and should be retained. It may order that the line be retained with a subsidy for three years, at which time the decision will come up for review. It may simply allow the branch line to be abandoned.

Under the new application procedures, the definition of branch line costs and losses will be changed to ensure that these are limited to costs actually incurred in operating the line in an efficient manner.

The legislation establishes time limits during which the agency must respond to applications for branch line abandonment. A railway will be required to give at least 90 days' notice that it intends to apply for the abandonment of a branch line. Shippers and interest groups will have 60 days from receipt of the application to file objections. The NTA will then have 120 days to make its decision.

Where a branch line is clearly uneconomical and will remain so in the future, the agency will order that the line be abandoned. However, in cases where the line serves a large region of Canada and where its abandonment would significantly hamper shippers, the Governor in Council can order that it be

retained with compensation to the railways for their losses on the line.

These new provisions ensure a more flexible and balanced approach to branch line abandonment, and allow for the best possible use of taxpayers' dollars in providing adequate transportation services.

May I make it clear that the new provisions will not affect the prairie grain lines within the permanent grain network.

Mr. Benjamin: You want to bet?

Mr. Kilgour: The current protection from abandonment that these lines have until the year 2000 will be continued under this legislation.

The Government is committed to maintaining a healthy, viable railway industry. That viability is not threatened by this new legislation, contrary to what some people have said, and perhaps will say after I sit down. These reforms do not compromise the safety of the Canadian rail system. Safety remains of paramount concern to the Government. Rather, we are convinced that the legislation will do much to strengthen the industry and the economy of Canada.

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The reformed National Transportation Act will now give Canada's railways the opportunity to become more efficient and to compete with other transport modes and with American carriers. It will give primary resource producers and other shippers more and better options for moving their products to market, particularly export markets. It will create employment opportunities for thousands of Canadians in a wide range of occupations from one end of the country to the other.

In short, the legislation contains a signal reform to our rail transportation system across the land, one that is long overdue in a modern, confident industrial democracy like our own.

Mr. Benjamin: Mr. Speaker, I listened carefully to the remarks of the Hon. Member, and I have three questions for him. I will try to ask one question now and follow it with two quick ones.

My hon. friend talked about confidential rates for shippers. I presume he meant that it did not matter whether they were close to or far from their markets. Does he believe that a small shipper who might move a few hundred carloads per year will be able to obtain the same confidential rate as a big shipper who moves several thousand carloads of sulphur, potash, or coal per year in competition to the same market?

Does he really believe that the railroads will agree to the same confidential rate for small shippers and big shippers, when we take into account railroad economics, economies of scale, and volumes of shippers? Does he believe for one moment that a small manufacturer of agricultural implements in the Prairies which ships a couple of hundred carloads per year will receive the same kind of deal as Massey-Ferguson or IAC which moves thousands of carloads per year? Would he