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October 4, 2021

Hon. Ron Schuler
Minister of Infrastructure
minmi@leg.gov.mb.ca

Dear Minister Schuler:

Keystone Agricultural Producers is writing to the Minister of Infrastructure to highlight the importance of shortline railways and the need for increased funding and services.

Manitoba producers rely on an effective and efficient transportation network to allow their commodities to reach both national and international markets. While many producers in the province rely on Class 1 railways, other producers may be completely reliant on shortline railways for market access due to proximity to rail infrastructure.

Shortline railways provide many benefits to producers such as additional shipping options, increased competition in the grain supply chain and opportunities for rural economic development. Shortlines can also provide elevator cost savings, service variety, flexibility and a simplified process.

In Saskatchewan shortline railways operate on over 2000 kilometers of track and receive valuable government funding and services. The Government of Saskatchewan recognizes the value of 13 shortlines and offers technical and financial assistance, advisory services and research and development.

Many shortline railways in Manitoba operate on minimal budgets that limit the amount of track maintenance they can undertake each year. An increase in funding from Manitoba Infrastructure into shortlines would improve a shortlines' capacity to conduct track maintenance and to purchase additional tracks. Technical and advisory services would help shortline companies make more informative decisions, increase knowledge capacity and improve working relationships between industry partners.

The Government of Manitoba has highlighted the importance of reducing greenhouse gas emissions. Shortline railways provide an efficient and cost-effective way to move large volumes of goods across Manitoba. For example, a shortline only requires one liter of fuel to move one tonne of goods 200 kilometers. A larger reliance on shortlines from government and industry would mean fewer trucks on Manitoba highways resulting in lower emissions.

Manitoba Infrastructure could save money on road repairs by increasing funding to shortline infrastructure projects. For example, a considerable amount of canola farmed near Morden

ends up at the canola crushing facility in Altona. Much of this canola is located along a local shortline route. However, the canola crushing plant in Altona cannot receive canola by rail because farmers are required to deliver by road which results in increased wear on PTH #3 and #14. Manitoba Infrastructure has spent millions of dollars repairing these two highways due to wear from heavy truck traffic. This is only one example where investments in shortlines can benefit farmers, government and the environment.

Manitoba Infrastructure has stated through its website that shortlines make up a 'vital part of Manitoba's transportation system.' KAP is calling on Manitoba Infrastructure to increase funding and services to shortline railways, similar to the support shortline railways in Saskatchewan receive, that would benefit both industry and government. Thank you for your consideration. Please contact KAP policy analyst Neil Van Overloop at neil.vanoverloop@kap.ca should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Bill Campbell". The signature is written in a cursive, flowing style.

Bill Campbell
President, Keystone Agricultural Producers

Cc: Hon. Jon Reyes, Minister of Economic Development and Jobs
Hon. Ralph Eichler, Minister of Agriculture and Resource Development