

A National Rail Plan – If Only

BY GREG GORMICK

Imagine a country with a national plan linking its government with its railways to identify the role and the needs of this vital mode of transportation for the next 25 years.

At a time when our rail system is beset with crises ranging from its inability to move a bumper crop of western grain to a rash of derailments with fatal consequences, it would be nice to report that this country is Canada. It isn't. What should be doubly concerning is that while we don't have such a plan or even a desire on the part of government to create one, the process is well under way south of our border.

The U.S. went through a bleak period in the 1970s and '80s, when a quarter of its rail system was in bankruptcy, safety was abysmal and the government-owned passenger system was being starved into submission. But the U.S. has slowly rebuilt its rail system physically, financially and legislatively. Now, it is poised to make the next leap forward. Any Canadian who understands the necessity of a healthy rail system – freight and passenger – should be concerned.

The U.S. is developing what Canada has always lacked, namely a national rail plan. That plan is chugging swiftly down the line to final delivery under the authority of their Federal Railroad Administration. It is impressive in its breadth and depth.

Not only does the soon-to-arrive U.S. National Rail Plan sketch out Washington's role, it has compelled states desirous of federal funding for rail projects of regional concern to produce their own plans. There are now 49 of these statewide plans in existence or in the works, the only absentee being Hawaii, which has no rail service.

On top of these detailed plans, there is another with a bearing on them all. Undertaken in 2007 by the Association of American Railroads, it identifies the capacity and investment needs of the 52,340-mile national core rail freight system through 2037. It quantifies the industry's ability to fund the required \$148 billion capital investment and the private sector's \$39 billion shortfall; Amtrak and commuter agency needs are on top of this.

The implication of that figure is quite clear: Someone is going to have to pick up the tab and it will, no doubt, be the public. That likelihood is excellent given U.S. rail spending habits of late.

Despite what Canadians may think about the land of free enterprise's attention to public needs, many politicians there have recognized a fully functional rail system is vital to U.S. economic and social prosperity. The proof is the growing number of public-private partnerships to boost the U.S. system's ability to handle the growing freight, intercity passenger and commuter traffic.

On the long-haul scene, there are three corridor projects designed to expedite the flow of traffic on main lines from Maine to Mississippi to Missouri. Others are unsnarling urban rail congestion in Chicago, Dallas-Fort Worth, Kansas City and Los Angeles.

Perhaps most impressive is the targeting of three key corridors for public and private investment under the ownership of Burlington Northern Santa Fe (BNSF). Canadians should be concerned by two of them. BNSF's Mid-Continent Corridor slinks down North America's spine from Winnipeg to the Gulf of Mexico. The Great Northern Corridor sprawls across the continent on its way from Chicago to Seattle and up to Vancouver, not only hugging the border, but piercing it at several key points.

Owned by Warren Buffett's Berkshire Hathaway investment group, BNSF has been taken off the high quarterly dividend treadmill by the man known as the Oracle of Omaha. He has instructed BNSF management to invest properly in its plant for maximum long-term benefit. Buffett views this as good business and calls it part of his "societal contract" for the provision of the infrastructure necessary to make America boom.

Couple that enlightened corporate viewpoint with public bucks for those BNSF corridors and you've got a stealth railway that can lure considerable traffic and revenue off two Canadian railways that aren't investing properly and don't want government funds because they feel it will allow the public to meddle with their businesses. Of the six largest North American railways, CP and CN invest the least annually in capital renewal on a per-mile basis; BNSF's reinvestment is almost twice that of CP.

Finally, add in governments in Ottawa and the provincial capitals with no interest in a national plan or funding rail projects with both public and private benefits. You wind up with a nation that's economically, socially and environmentally heading for the brink of the cliff. Welcome to Canada and its current railway mess.

With all of this U.S. rail investment and planning occurring literally under our noses, it behooves our federal government to explain why it isn't doing the same. Our national well being and global competitiveness demand it be undertaken before our transportation system goes any further off the rails.

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Canada a nation of divestors, not investors

In Sunday's *Chronicle-Journal*, Greg Gormick comments on Canada's lack of a national rail plan (A National Rail Plan – If Only – Commentary, March 16). We are also the only nation in the western world that does not have a national highway system. This is in large part due to the fact that Canada is still a nation based upon the extraction of resources.

Resource extraction requires only three things: get in, extract the resource, get out. Don't invest, don't think long term. Consequently, Canada is a nation of divestors, not investors. Extract the resource, and sell the resource.

The philosophy of extract and divest permeates the Canadian approach to policy at all levels of government. We can do better.

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