Railway Association of Canada | Association des chemins de fer du Canada

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March 8, 2019

Ms. Vicky La
Financial Instruments Branch- Policy Unit
77 Wellesley Street West
Toronto, ON
M7A 2T5

Dear Ms. La,

The Railway Association of Canada (RAC) welcomes the opportunity to provide comments on the *streamlining and updating of greenhouse gas reporting requirements.*

In Ontario, our membership consists of the Class I operations of CN, CP, 11 shortline and regional railways, and the passenger operations of GO Transit, VIA rail and Capital Railway. Our members have been covered under this reporting regulation as some of them import fuel purchased outside of Ontario into the province for their own use.

These railways own and maintain over 10,000 kilometers of track, employ over 7,000 Ontarians and pay nearly $160 million in taxes annually[1]. They reinvest substantial amounts of capital back into Ontario's economy each year, which in 2017 exceeded $380 million[2] .

RAC shares the government's commitment to reduce costs and unnecessary regulatory burden and applauds the move to simplify greenhouse gas (GHG) reporting and verification requirements for railways (as importers of fuel) in Ontario. Our industry is deeply committed to environmental sustainability and remains a low-emission mode of transportation for moving goods and people in Ontario, underscoring the rail industry's potential for supporting the government's made in Ontario Environmental Plan.

Our members have voluntarily maintained emission reduction and reporting requirements for locomotive emissions through a successful series of Memoranda of Understanding (MOU) with the federal Government since 1995. Currently our members operate under an MOU that covers performance from 2011 to 2017. This MOU includes voluntary emissions reductions targets for Class 1 freight, shortline and inter-city passenger railways[3]. Each year railways produce an emissions summary report that is peer reviewed by Transport Canada and Pollution Probe, while Transport Canada conducts a data integrity audit as part of each MOU. Negotiations for the MOU's renewal are currently underway and will extend the industry's reporting commitments to 2022.

The initial MOU covered performance from 1995 to 2005 and committed the railways to cap nitrogen oxide (NO_x) emissions from locomotives to 115 kilo-tonnes annually. Subsequent

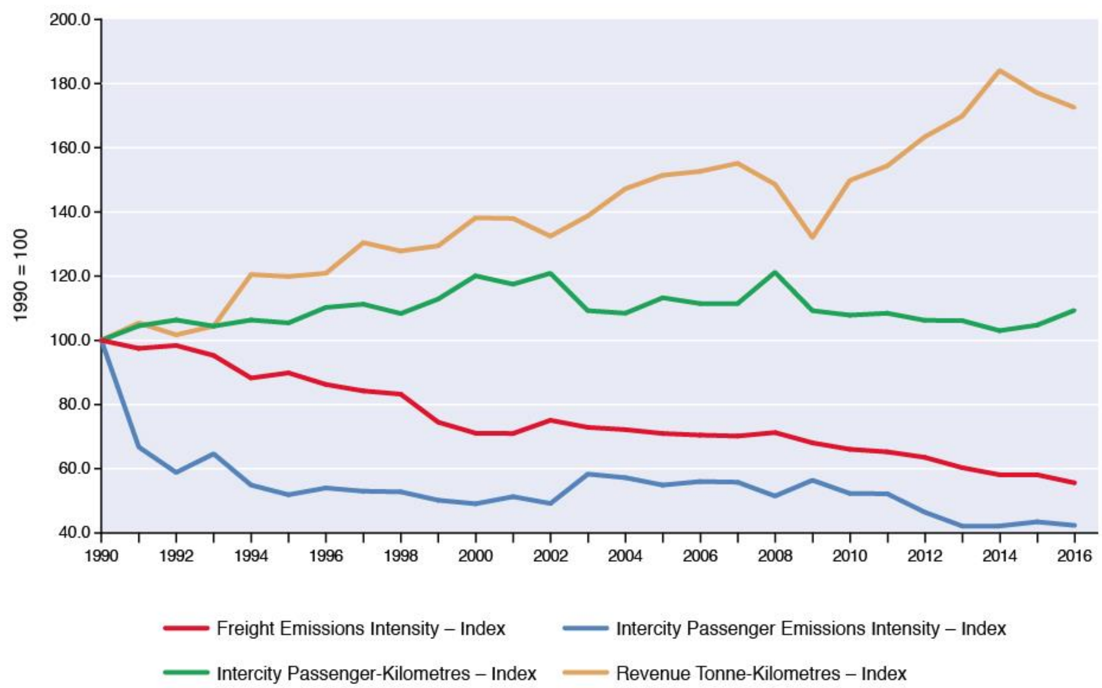
[1] Railway Association of Canada, Rail Trends 2018. Available here.
[2] Ibid.
[3] The 2011 to 2017 MOU and supporting action plan can be reviewed at: https://www.railcan.ca/wp-content/uploads/2016/10/TC_RAC_MOU_2011-2015_EN.pdf

MOUs have included GHG reduction targets (i.e. intensity based-targets) for Class 1 freight, short line, inter-city passenger, and commuter railways. Under this agreement railways maintained their commitment to reduce CAC emissions.

Emission performance under the MOU agreements has been exceptional. **Figure 1** highlights that from 1990 to 2015 freight railways have reduced their GHG intensity (kg of CO_{2e} per 1,000 revenue tonne-kilometer) by more than 40 per cent, while increasing their workload by more than 70 per cent[4]. Similarly, intercity-passenger railway emissions (kg of CO_{2e} per passenger-kilometer) have decreased their emissions by more than 55 per cent while ridership has increased by more than 5 per cent over the same period[5].

The MOU also plays a role in formulating corporate emission reduction targets that are reported through various formats including the Carbon Disclosure Project (CDP) and sustainability initiatives. For example, both CN and CP have been awarded positions on the CDP Leadership Index in recognition of their efforts to establish targets and disclose high quality carbon emissions and energy data to the CDP.

Figure 1: Emission performance from 1990 to 2016



4 Selected subset of data from Rail Trends 2017.

5 Ibid.

Policy Considerations

As railways have self-reported emissions annually since 1995, RAC supports the government's proposal to remove mandatory reporting and verification for petroleum product supply and natural gas distribution for the emissions from fuel they sell (or in the case of rail, import for their own use). RAC also supports a harmonized approach with the federal government with respect to reporting requirements under the Greenhouse Gas Reporting Program (GHGRP).

Conclusion

RAC welcomes the opportunity to further discuss GHG reporting requirements and current self-reporting practices that have demonstrated considerable results in achieving voluntary emissions reduction targets.

If you have any questions, please do not hesitate to contact me at mgullo@railcan.ca.

Sincerely,

Michael Gullo
Senior Director, Policy and Public Affairs
Railway Association of Canada