



MEDIA RELEASE

April 30, 2018

FOR IMMEDIATE RELEASE

Government of Canada's Amendments to The Canadian Transportation Act Fails to Address the Needs of the Canadian Mining Industry

Regina: The Saskatchewan Mining Association (SMA) echoes the profound disappointment and frustration voiced by the Mining Association of Canada (MAC) with respect to the Government of Canada's legislation amending *The Canada Transportation Act (Bill C-49)* as it fails to address the existing imbalance between the mining sector, as captive shippers, and the railways.

"Mining companies must have the ability to get their products to market in a timely and reliable manner. As a land-locked trading province, rail service is the only cost-effective mechanism to move bulk mineral products, like potash, to ports and ultimately reach our international customers," says Pam Schwann, President of the Saskatchewan Mining Association. "If we don't get the product to market in a predictable fashion, our global competitors will jump at the chance to increase their market share. That will be at the expense of Saskatchewan mining operations and Saskatchewan jobs. Last week's announcement of the temporary shut-down of Nutrien's Vanscoy and Allan operations and the resulting layoff notices to 610 employees was a direct consequence of inadequate rail service," says Schwann.

The failure to modernize Bill C-49 that would have worked towards balancing the interests of shippers and railways will result in the status quo in terms of rail service, which is unsatisfactory. As stated by Pierre Gratton, President and CEO, MAC, "the effectiveness and reliability of rail freight service is critical to Canada's mineral investment competitiveness, and this move by the government will diminish that competitiveness."

According to the 2015 Conference Board of Canada Report "*The Impact of Rail Access of Saskatchewan's Export Potential*", potash shipments represented both the highest value and volume of exports by rail from Saskatchewan, followed by wheat, canola, vegetables and then petroleum products in 2012. By 2020, however, it was forecast that while potash would almost double their volumes shipped, and agri-good products would increase shipments by 40%, the petroleum sector would quadruple the volume of product shipped by rail. "The current environment of uncertainty surrounding new pipeline builds in Canada will undoubtedly put more pressure on the rail providers that will exacerbate the existing rail service issues for minerals and agri-products. The review of *The Canada Transportation Act* provided a much-needed opportunity to address rail service issues, and it is very disappointing that the opportunity was squandered," said Schwann.

The mining industry is a major sector of Saskatchewan's economy, directly contributing \$5.72 billion to the province's GDP. Saskatchewan's mining sector employs over 30,000 people directly and indirectly across the province. The industry is proportionally the largest private sector employer of Indigenous people in Saskatchewan and is a major customer of Indigenous-owned businesses.

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About SMA

Saskatchewan Mining Association is an industry-driven organization representing the mining and mineral exploration industry in the province.

SMA advocates on behalf of members on issues related to provincial and federal regulatory changes, develops and supports educational outreach programs, organizes and hosts public outreach and membership events. Please visit <http://saskmining.ca/>

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