

Last train out of town?

Len Green – Director, Provisional Board, River Hills Railroad

With the question of a rail line through these parts about to be settled, I thought it a good time to question the relevance what lies currently in our backyard so to speak.

Its value is both known and unknown. We know how much CP wants for it. The ratio of producer investment, debt and government cash to get it is unknown. Considering other precedents it is safe to say the ultimate price borne by farmers will be substantially less than the amount CP is demanding. We know with the tax incentives currently offered by the Province the true cost of the line has now been potentially reduced by nearly \$2 million.

They say to expect savings of \$1000 or more per car. If a conservative number of 500 cars move on the line a year (5 unit trains), then that would be half a million dollars more in our region every year the line is used than if the line was gone. With savings like that the line will have paid for itself in 20 years even with operating costs factored in. An extra half million dollars in the region would have far reaching effects.

If we lose the line, we do not know what the future cost of that will be. We do know tomorrow will be different than today. We also know shipping by truck is markedly inefficient when compared to rail or barge. In spite of all the change in the last 200 years rail remains the most efficient mode of land transportation by a wide margin. Price increases in fuel and other inputs are inevitable and will amplify this inefficiency. Our response to this will be either to adapt provided we have the tools required or to ask for help provided we are heard.

Owing that line provides options. It creates competition. Most importantly it places control into our hands. These all translate into the ability to make money and determine our future. Even if used by some it provides these benefits to all *simply by being there*.

It is jobs. It is an opportunity for business transacted in town and traffic down Railway Avenue that used to be there. If we demand the services and conveniences of a vibrant community such as a school or hospital it cannot be done by outsourcing our jobs and industry and ultimately also our money and people. This line is key infrastructure required for developing industry and commerce locally. Losing the line will cause unseen collateral damage. The viability of our farms and communities is directly related to our efforts today to make strategic investments for both today and tomorrow.

It is a risk - a secured risk. Money put up is backed by the steel already put down. To lose everything steel would have to be worth nothing and useless for anything. This line is being purchased for its *net* salvage value – the price of the steel with the cost to tear it up already factored in. If this venture does not work we can do what CP will do and cash out by salvaging the line. There is a margin of safety to the risk.

The board of directors have researched, commissioned studies, incorporated, held meetings, raised funds, negotiated deals, received tax credits and overall done what they could to save this line and illustrate its potential. It is now time for producers, businesses and community members to decide the fate of what has been integral to our communities for over a hundred years and only recently rendered “irrelevant”.

I believe this line is critical not as it is, but as it can be. The privilege of having a loading site in town is something we can build back. The cost of facilities is a small fraction of the cost of the line and these will undoubtedly follow once the fate of the line becomes clear. If we come to the conclusion we were wrong to let it go, rebuilding this line will be impossible. It would cost 10 times to rebuild what we can buy today that is already there. I know having a gravel scar bisect the towns and farms we call home is a reality perilously close. This is the largest undertaking the region has seen in generations. For us this is a once in a lifetime opportunity. Come February 28, once gone – it’s gone for good.