

## **Rail Line Abandonment in Manitoba**

### Rail Service Discontinuance Process

There are rules a railway must follow when it wishes to discontinue operating a rail line. When a line is operated by a federally regulated Class 1 railway such as Canadian National Railway and Canadian Pacific Railway, or by a provincially regulated shortline like Central Manitoba Railway, railway companies that wish to abandon a line must first offer the line for sale or lease to private interests for continued operations (steps 1 to 3 in the table below). This requirement provides other private interests an opportunity to determine if they are able to operate the line under commercial conditions.

If there are no viable expressions of interest, then a railway must offer the line for sale, at net salvage value, to affected provincial and municipal governments and relevant First Nations (steps 4 and 5 in the table below). If no party comes forward to purchase the line, the railway may then discontinue operations and remove the track. The process and timelines involved are detailed in the table below.

<b>Railway Discontinuance Process</b>		
	<b>Canada Transportation Act</b>	<b>Provincial Railways Act (Manitoba)</b>
<b>Step</b>	<i>Minimum Waiting Period After Step Before Next Step Taken</i>	
1. Notification of Intent to Discontinue	1 year	60 days
2. Advertise Sale in Newspapers Requesting Expression of Interest	60 days	30 days
3. Negotiate with Interested Party	6 months	90 days with possibility of extension for another 90 days
4. Offer Rail Line to Governments	<i>Period for Governments to Reply to Offer</i>	
	Provincial Government - 30 days* Municipal Government - 60 days*	Provincial Government - 30 days* Municipal Government - 60 days*
5. Period to Negotiate Price if a Government Accepts Offer Before Reference to Arbitration	90 days	30 days
<b>TOTAL MINIMUM TIME</b>	<b>16-22 months</b>	<b>5-8 months</b>

\* Add another 30 days if the offer must also be made to federal government.

Under the *Canada Transportation Act* (CTA), a federally-regulated railway is required to provide \$30,000 in compensation to every municipality for each mile of “grain dependent branchline” track that is abandoned in their jurisdiction. In Manitoba, *The Provincial Railways Act* (PRA) does not require a shortline railway to compensate a municipality when it discontinues operating a line. In this case, Manitoba’s regulatory process seeks to achieve a reasonable balance between the commercial decision of a rail line operator to exit the market and the public interest in encouraging retention of rail services for Manitoba businesses.

For more information on the provincial shortline railway abandonment process, please contact Michelle Slotin, Motor Transport Board, Manitoba Infrastructure, by telephone at (204) 945-6764 or by e-mail at [Michelle.Slotin@gov.mb.ca](mailto:Michelle.Slotin@gov.mb.ca). For more information on the federal railway abandonment process, contact the Canadian Transportation Agency.

### Environmental Assessment Process for Abandoned Rail Infrastructure

As landowners, companies that once operated a railway service are subject to provincial legislation that oversees the human health and the environment, including water drainage patterns and land use. If a former railway wishes to dismantle its rail bed infrastructure, Manitoba Sustainable Development (MSD) recommends that an Environmental Site Assessment (ESA) be completed to determine if any contaminants are present. If the ESA shows contaminants of concern above referenced guidelines, the ESA must be submitted to MSD for review to determine if further action is required.

For more information on the ESA process, please contact Warren Rospad, Contaminated Sites Program Specialist, Manitoba Sustainable Development, by telephone at (204) 330-2685 or by e-mail at [warren.rospad@gov.mb.ca](mailto:warren.rospad@gov.mb.ca)