

November 9, 2009

Future Rail Service Depends On You!



The rail continuance recovery plan undertaken by Palliser Regional Municipal Services (PRMS) on behalf of its member municipalities is at the important stage of raising funds for an offer to CNR.

The feasibility study and business plan consultants, Rail West Management Ltd.(RWM), recently completed the final business plan and the results are available at www.blrail.net or by contacting the PRMS office. The business plan depicts that a grain producer could save up to \$1,200 for each loaded producer car minus the cost to move that car from the established short line to Lyalta or Oyen where CNR would pick it up.

The Badlands Railway Company board of directors will be made up of local producers and users of the rail line. This is a great opportunity for grain producers to take back control of their loading operations. With a short line in place the producers in our area would have a much shorter haul and would not be restricted by long wait times at high-throughput elevators or the short time frames to load producer cars demanded by CNR. *"The short line railway (the producers) would be in control of when and how the producer cars are moved"* stated Barrie Hoover, Reeve of Starland County and Chairman of the Rail Recovery Project steering committee.

PRMS and RWM recently held meetings in locations along the rail line from Oyen to Lyalta to provide information to those who could benefit from the establishment of a short line railway along this track. The meetings were well attended however *"we will need the support of the majority of the grain producers in the region for a short line to be viable"* said Brad Wiebe, CEO of PRMS. *"The existing grain producers and industry are the rail activity we have to draw from right now but if the short line is established, there is the potential for future industries and opportunities that disappear if the track is removed"*.

The commercial interest stage for offers to CNR is coming up in mid November and allows any interested party 60 days from the advertisement date to produce an offer. CNR is required by the Canadian Transportation Act to negotiate in good faith with any group making an offer to continue rail operations. The rail recovery steering committee has incorporated a company, Badlands Railway Company Ltd. to establish a short line railway and to negotiate with CNR. PRMS and RWM will be holding meetings to raise funds for a deposit to accompany an offer to CNR that will be refundable if a reasonable purchase price is not resolved. These meetings will be held December 2nd and 3rd at locations along the rail line. *"The newly formed company will need to raise enough funds at this stage to at least make a reasonable deposit, 5 or 10% to let CNR know that we're serious. If the interest isn't out there to at least raise enough for a refundable deposit, the rail recovery project could come to an end and unfortunately that means the rail will be ripped out of the ground in 2010 along with a lot of potential industry"*, stated Hoover.

For anyone looking for information for specifics on how a short line could operate please check the website www.blrail.net or contact the PRMS office at 1-877-854-3371 and watch for upcoming meeting dates.