



**Alberta  
Barley**

July 11, 2014

Dear Mr. Smolik and Mr. MacKay:

Thank you for the opportunity to respond to the Canadian Grain Commission's (CGC) request for feedback on the *Potential Grain Delivery Contract Regulations*.

To be clear, Alberta Barley **strongly supports** the legislative changes that will empower the CGC to act as arbitrator in any contractual disputes between grain producers and licensees. Additionally, we support the recommendation of a penalty provision within grain delivery contracts.

However, we cannot accept the inclusion of "inadequate rail service" as a means to excuse a licensee from their contractual obligations to a producer.

If grain companies can collect damages for losses incurred as a result of rail service issues, we believe that producers should have recourse to do the same.

Alberta Barley will continue to advocate for increased rail capacity required to effectively move grain, and meet the needs of our domestic and international markets.

However, as we work towards building a transportation system that serves all parties, licensees have a responsibility to work with rail companies. In our estimation, the inclusion of the term "inadequate rail service" provides licensees no incentive to ensure their commitments to producers are met. If we allow "inadequate rail service" to excuse licensees from their contractual obligations, we will not be any further ahead.

Arbitrators are entrusted to hold licensees accountable to the terms agreed upon in their contracts with producers. This cannot be accomplished without clearly defined rights and obligations. The need for arbitration will be minimized when a clear framework with definitive language is established.

We invite you to contact us if you have any questions about our submission.

Sincerely,

Matt Sawyer  
Chairman