

Issue Spotlight: Railways

Canada has announced plans to construct a high-speed passenger rail network between Toronto and Québec City, known as Alto. While high-speed rail may offer benefits, the project is expected to involve both new and familiar challenges.

In recent years, railway companies have changed their approach to financial obligations toward landowners whose properties abut with or are divided by rail corridors. Railway companies have been attempting to transfer infrastructure related costs—notably drainage, crossings, and fencing—to farmers by renegotiating agreements and opposing the province’s jurisdiction over railway lands. Historically, railway companies have borne these costs, and their sudden reassignment to farmers is unacceptable. Farms are business that rely on stable, predictable agreements to plan and grow their operations. Unilaterally forcing new terms and contracts on commercial operations fundamentally destabilizes business confidence, farm or otherwise.

Drainage Costs

Recently, federally regulated railway companies informed municipalities across Ontario that they will no longer assume any costs associated with drainage infrastructure under Ontario’s *Drainage Act*. OFA was granted intervenor status at Ontario’s Court of the Drainage Referee in the case between the Municipality of Chatham-Kent v. Canadian Pacific Railway, where OFA advanced the position that federally regulated railways are subject to the Act and therefore required to pay their share of drainage related costs.

Ontario’s *Drainage Act* is an important piece of legislation for farmers. If railways refuse to meet their drainage-related assessments, millions of dollars in costs could be shifted to property owners, with farmers bearing the majority of those costs. Additionally, if federally regulated railways believe that this provincial legislation does not apply to them, they may also refuse to permit work on their lands as allowed under the *Drainage Act*. As a result, farmers may be denied efficient and effective drainage which is necessary to safeguard farm productivity.

Ontario’s Drainage Referee ruled that Ontario’s *Drainage Act* is applicable to federal railways and like all landowners, they must pay the cost of municipal drainage work

apportioned to their property. The Railway is appealing this decision to Ontario's Divisional Court.

Railway Crossings

Most existing crossings were built according to an agreement between the railway company and the landowner, or a Canadian Transportation Agency (CTA) arbitration decision. Railway companies own the crossing infrastructure and only authorized personnel may service it.

Transport Canada's updated Grade Crossings Regulations were applied to private grade crossings on November 28, 2024. Some existing crossings required upgrades to meet the new standards. Costs in several cases were estimated to be between \$600,000 and \$2 million, plus annual maintenance expenses approaching \$10,000. Railway companies have attempted to transfer these financial obligations to farmers.

OFA advocated, and continues to advocate, on behalf of farmers by insisting that railway crossing agreements must be honoured, presenting to the federal government, requesting funding under the Rail Safety Improvement Program (RSIP) for farm crossings, helping members navigate railway laws, and by engaging with various stakeholders and organizations.

In late 2024, Transport Canada confirmed to OFA that, following site alterations to improve the line of sight for trains and at crossings, the vast majority of non-compliant crossings have been exempted from the new regulations. Farmers with unresolved crossing disputes are encouraged to reach out to their OFA member service representative to weigh options, engage directly with the railway company, and consult the CTA for additional information, facilitate negotiations, or conduct arbitration if a mutual agreement cannot be reached.

- [Canadian Transportation Agency \(CTA\), Complaints and disputes about rail transportation](#)

Fencing

Preventing trespass and unwanted access by animals, whether wild or livestock, is an on-going issue on conventional railway lines. Both the *Line Fences Act* and the

regulations of the *Railway Safety Act* are silent on this matter, but a regulation under the *Railway Safety Act* could be made to require fencing. It is important to prevent the unwanted access of railway lands, as trains cannot stop in time for unexpected obstacles. These concerns are even greater with respect to high-speed trains. Railways should maintain fencing where it already exists and build new fencing when requested by farmers.

High-Speed Rail

The Government of Canada has announced its intention to construct a roughly 1,000 km high-speed passenger rail network between Toronto and Québec City. This railway project is known as Alto, which operates at arm's-length from its parent corporation, VIA Rail. Alto is planned to use electric trains and run at speeds of 300 km/h or more.

Many key details remain undecided, including the exact locations of the rail corridors and transit stations. Between January and March 2026, Alto will conduct public consultations through a series of round table discussions, open houses, virtual information sessions, and online feedback opportunities.

Farmers may also meet representatives from the Cadence group of companies (CPDQ Infra, AtkinsRéalis, SYSTRA Canada, Keolis Canada, SNCF Voyageurs, Air Canada). Alto has contracted with Cadence to help design, build, operate, and maintain the rail project.

Alto's strategies for handling drainage, crossings, fencing, and land acquisitions are not finalized. OFA has consulted with both representatives of Alto and with the government to ensure these issues remain a priority as the rail project moves forward.

- [Alto Rail, Public Consultation](#)
- [Cadence, About Us](#)

OFA Positions

OFA firmly believes all railways must honour their existing obligations related to private railway crossings and drainage. It is unacceptable for railways to unilaterally revise the terms of existing arrangements to the detriment of farmers. Railway companies must

respect the rights and obligations enshrined in the *Canada Transportation Act*, the *Railway Safety Act*, and in all other enactments.

OFA recommends the *Canada Transportation Act* be amended to ensure that railways adhere to the drainage laws of the provinces. OFA further recommends that a regulation be issued under the *Railway Safety Act* to require boundary fencing to be constructed and maintained at the railway company's sole expense upon the request of an abutting farm property owner.

Railway companies proposing new lines must engage early and often with farming communities. The division of farm lots and certain railway maintenance activities, such as herbicide use, can be highly disruptive to farming operations.

The construction of new railways must avoid the division of farm lots whenever possible. Where division cannot be avoided, farmers must receive appropriate compensation for injurious affection, expropriation, and lost investments. Should lands be purchased or expropriated, and then subsequently deemed no longer necessary for the intended project, the original owner should have the first option to purchase the land back for the original sale/expropriated amount.

OFA Actions and Timeline

October 23, 2023 – OFA sent a letter to Minister of Transportation Canada regarding existing private railway crossings.

February 27, 2024 – OFA submitted a resolution to CFA's Annual General meeting requesting that they lobby Transport Canada to advise the Federal Railway company that they should not require a new agreement from landowners.

August 6, 2024 – OFA sent a letter to CN Rail regarding the upcoming requirements for upgrades to existing private railway crossings.

August 13, 2024 – OFA Board heard a presentation from the Municipality of Chatham-Kent regarding their drainage dispute with CP Rail.

August 13, 2024 – OFA Board passed a motion to pursue with due diligence intervener status at the Ontario Superior Court of Justice – Court of the Drainage Referee in the case of Chatham Kent vs Canadian Pacific Railroad (apportionment of the municipal; drainage costs); and raise the profile of the apportionment of municipal drainage costs

and the opposition by railways to pay their assessed share with both staff and elected at the Canadian Federation of Agriculture.

September 6, 2024 – OFA has engaged with CFA on rail crossings. CFA has sent a letter to the Minister of Transportation and the Minister of Agriculture on the issue.

October 2024 – OFA submitted a resolution the CFA Board of Directors regarding the need for federal legislative amendments for clarity. The CFA Board supported OFA's request that CFA advocate for needed legislative amendments.

October 15, 2024 – OFA ViewPoint on Farmers in urgent need of action: 'Unacceptable' for railways to download costs onto farmers, rural landowners

October 15, 2024 – OFA Board of Directors directed staff to proceed with hiring legal counsel to apply for intervener status in this case.

October 21, 2024 – OFA staff met with Transit Canada, CFA, l'Union des producteurs agricoles (Québec), Agricultural Produces Association of Saskatchewan, and Keystone Agricultural Produces (Manitoba) to discuss the last round of Rail Safety Improvements Program grants and whether it would receive new funding in the next budget.

October 21, 2024 – OFA staff met with CN Railway to discuss the new Grade Crossing Regulations and the Rail Safety Improvement Program.

November 1, 2024 – OFA submitted our Memorandum of Appearance to the Superior Court of Justice – Court of the Drainage Referee requesting intervenor status to the court case.

November 7, 2024 – OFA attended the Agriculture Standing Committee at the Parliament of Canada to present on railway issues and observations related to railway crossings.

November 20, 2024 – OFA facilitated a member-to-MP meeting on railway crossings hosted by the Eastern Ontario federations

June 11, 2025 – OFA restated the importance of private crossings for farmers at the provincial level of government during the consultation of Bill 17 through ERO # 025-0504, ERO # 025-0450, and ORR # 25-MTO005.

August 14, 2025 – OFA observed the Ontario Chamber of Commerce's Infrastructure Policy Council (IPC) discussion of the Alto Toronto-Québec City high speed rail project.

September 9, 2025 – OFA met with Alto Rail to discuss farmers’ priorities.

November 25-26, 2025 – Alto Rail attended the 2025 OFA AGM, presenting material to meeting attendees and answering questions.

December 10, 2025 – OFA attended the Transport and Communications Standing Committee at the Senate of Canada to present on railway issues and observations related to the proposed Alto Rail project.

January 7, 2026 – OFA and Alto Rail staff met to clarify upcoming consultation opportunities and the scheduling thereof.

January 28-29, 2026 – Alto Rail invited to present to the OFA Board of Directors and discuss high-speed rail in Ontario.

Next Steps: OFA continues to engage with our members, local Federations, municipalities, and government departments on this important issue.