

## American tariff effects on freight hauling “extremely variable,” says railway transporter

GILLES GAGNÉ

NEW RICHMOND – The gradual and inconsistent implementation of American tariffs on goods imported by American companies have had “extremely variable” effects on the firms that use the railroad to send part of their production south of the border, according to Luc Lévesque, director general of the Société du chemin de fer de la Gaspésie (SCFG).

Mr. Lévesque is also not sure if the variability he has noticed over recent weeks is attributable to the American tariffs.

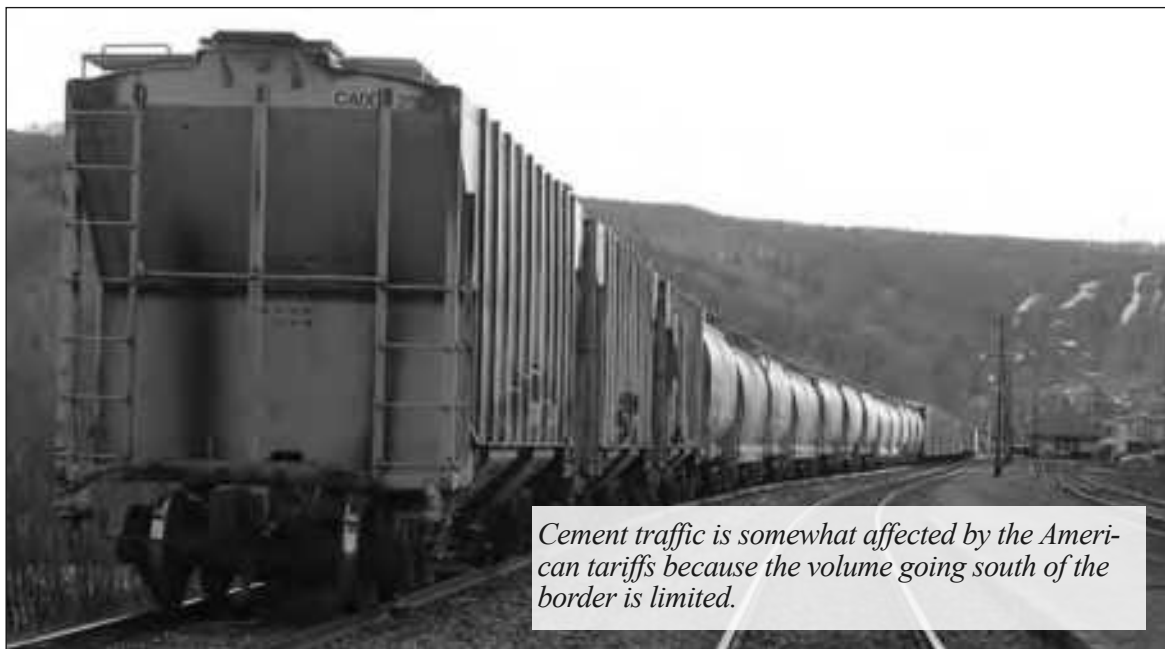
The three main sources of traffic of the Société du chemin de fer de la Gaspésie are cement from Port Daniel’s Saint Mary’s plant, as well as lumber and wood chips from the Groupe Lebel sawmill in Nouvelle.

“In lumber, it varies a lot. We have weeks without picking up a single car and weeks where we are picking up many. It is hard to say if those fluctuations are related to tariffs. What we hear is that the clients of the sawmills are ordering a lot (of lumber),” explains Luc Lévesque.

The woodchip traffic is unaffected by the tariffs because they are hauled between the Groupe Lebel sawmill and the White Birch Paper mill in Rivière-du-Loup.

However, cement traffic is affected to a certain point because the Saint Mary’s Cement plant in Port Daniel delivers a certain part of its production to a Maine customer based in Bangor.

“We don’t send a lot of cement there at the present time,” stresses Mr. Lévesque, who is paying more attention to an up-



*Cement traffic is somewhat affected by the American tariffs because the volume going south of the border is limited.*

Photos: G. Gagné

coming development in cement traffic.

### Reaching the Moncton market by rail

“We will serve the Moncton market next month. We think that we will get 90% of the shipments made to the Saint Mary’s Cement silo in Moncton. CN will soon reinstall the (railroad) switch alongside that silo,” says Luc Lévesque.

Currently, Saint Mary’s Cement serves the Moncton market with trucks. Since that company acquired the Moncton silo, talks have intensified to resume cement hauling by train. However, Canadian National had taken the switch off and the SCFG and Saint Mary’s Cement needed CN’s collaboration before supplying the silo with the Port Daniel product.

“For now, trucks will load at our silo in New Richmond. We will increase the number of trucks from three to four and over two shifts in order to cope with the increased volume going to Moncton,” points out

Luc Lévesque.

The railway will be even more competitive once the Saint Mary’s Cement silo is ready to load railcars.

On that point, Saint Mary’s Cement remains vague about the time frame of the silo delivery, although construction has begun. The company did respond to SPEC’s email, however, it was unclear who responded to the email as it was not signed.

“The construction of the rail loading station will involve several contractors, each with individual contracts. Contract award for the first phase of piling and foundation work is im-

minent. Costs for the construction of the loading station and the rail yard infrastructure are estimated at over \$12.3 million. We expect the station to be operational by the end of the year, subject to possible delays related to obtaining the required permits.”

The company ignored the question pertaining to the delay taken by its administration to deal with the construction of the Port Daniel silo earmarked for rail transport, despite the fact that it has been known for years that railway repairs were underway. It is also known since 2022 that the repairs would be completed in

2024.

### Tariffs paralyze projects

Luc Lévesque’s main worries considering the American tariffs are tied to their paralyzing effects.

“It hurts us on projects we had. Some ventures are postponed, put on hold due to tariffs. They are not dead but they are not progressing. Companies are not investing in a climate of uncertainty. The American government is also wrong, its representatives think that plants will move to the United States. Moving a plant is not easy and it never works,” analyzes Mr. Lévesque.

The SCFG has been talking for a couple of years with the management of Sayabec’s Panval plant, a manufacturer of melamine panels, which exports a fairly large proportion of its output to the United States, as wood fiber from the Gaspé Peninsula is needed at the Matapedia Valley facility. Panval, which employs 435 people, recently laid off 15 of them because of reduced sales.

“We understand here that our project to haul that wood by rail is not dead, but slowed down by the current situation. Investments are put on hold,” underlines Luc Lévesque.



*Luc Lévesque says that American tariffs block development projects because of the uncertainty they create.*