



## TRANSPORT ACTION CANADA

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To: Linda Savory-Gordon, Coalition for Algoma Passenger Trains (CAPT)

Subject: Review of Transportation Act suggests de-funding Northern Ontario VIA passenger train

The report of the *Canada Transportation Act* review chaired by the Honourable David Emerson contains a number of recommendations, for Passenger Rail including:

that the Government of Canada increase the use of private sector approaches for federally-operated passenger rail services including by: [a. considering the elimination of subsidies for the Toronto–Vancouver service](#); b. supporting the on-going feasibility of a dedicated corridor from Montréal to Toronto; c. continuing the federal subsidy for the regional and remote, and the Montréal– Halifax services, in partnership with, and with contributions from, the provinces and communities concerned; et c. ...

Transport Action Canada has met with Ministry of Transport staff in Ottawa and discussed the Review, and will comment to the Ministry on a number of recommendations after analysing the report in depth. Meanwhile, a letter to the Minister following the meeting contained the following remarks:

"Although we haven't yet had opportunity to examine the document in detail, it would appear at first glance that the CTA review contains some ... valid reflections on the true cost of highway transportation which have traditionally not been clearly identified at all levels of government. ...

"There is one clause in the report, however, which we immediately viewed as highly contentious and based on extremely dubious rationale. Recommendation 2(a) in Section 8.3 suggests that the Government of Canada consider the elimination of federal government support for the Toronto-Vancouver passenger rail service, currently provided by VIA's flagship train *The Canadian*.

"At the same time, the report endorses continued subsidies for remote services, while appearing to ignore the reality that the major contributor to the *Canadian's* operating deficit is that it runs through some 1500 kilometres of sparsely-populated northern Ontario, making it very much a **mandated remote service** to communities along the line – while at the same time fulfilling its flagship role as Canada's sole surviving coast-to-coast passenger train.

"There have been allegations that the *Canadian* represents unfair taxpayer-supported competition for the privately-owned tour company Rocky Mountaineer. This is not correct. The two operations are vastly different. The *Rocky Mountaineer* train is an award-winning upscale tourism product, but it does not provide a basic transportation service for Canadians. Unlike the *Canadian*, it offers only package tours; it is not possible to purchase an economy-class seat between any two points on its route. It does not operate on a year-round basis, nor does it run east of the Rockies.

"While the VIA-operated train offers its own upscale product, it is one quite different from that of Rocky Mountaineer, and furthermore is priced to achieve full cost recovery. In fact, its revenues help support the basic transportation service that this train also provides in the course of its cross-Canada run. We believe it is vitally important that these realities be kept in mind, and that any efforts to reduce public expenditures for the *Canadian* be focused on maximizing revenues and ensuring that it operates in the most cost-effective manner – without compromising the unique experience and excellent service for which it has achieved an outstanding worldwide reputation. ... "

Transport Action Canada wishes to alert the communities served by the *Canadian* between Winnipeg to Capreol to this potential threat to access and mobility in Northern Ontario. They include Minaki, Sioux Lookout, Armstrong, Nakina, Longlac, Hornepayne, Oba, Gogama, and Sudbury Junction. The train provides through travel south to Toronto and west to Winnipeg and Vancouver.

For further information, please contact Harry Gow, President, Transport Action Canada; tel. 450-787-3719.