



TRANSPORT ACTION ATLANTIC

52 Croasdale Street
Moncton NB E1E 0A8

(506) 386-3615

29 February 2016

The Honourable Marc Garneau, PC, MP
Minister of Transport
Tower C, Place de Ville
330 Sparks Street
Ottawa ON K1A 0N5

Dear Minister:

Thank you very much for facilitating a meeting with your departmental staff to discuss *The VIA 1-4-10 Plan*, released in November 2015 by Transport Action Canada. Our national president Harry Gow and I met for an hour with Deputy Minister Jean-François Tremblay and two of his senior officials last Friday morning, for what we believe to have been a very positive and productive discussion. Quite coincidentally, this meeting was held one day after you had released the report of the *Canada Transportation Act* review chaired by the Honourable David Emerson.

During the course of the discussion we touched on a number of transportation issues apart from VIA Rail, including Marine Atlantic ferry rates, the endangered railway line in Cape Breton, and, of course, the report of Mr. Emerson's panel.

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 very positive thinking, including some valid reflections on the true cost of highway transportation which have traditionally not been clearly identified at all levels of government. We were pleased to have been invited by your officials to offer further comment after we have reviewed the document in full.

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*.

.../2

(2)

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 service to remote communities along the line – while at the same time fulfilling its flagship role as Canada's only 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 quite different from that of Rocky Mountaineer, and 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.

Once again, we at Transport Action very much appreciate the opportunity for dialogue with you and your officials, and look forward to continuing discussion in the months ahead as we seek practical and affordable solutions to provide better transportation for all Canadians.

Sincerely yours,

Ted Bartlett

encl.

cc Jean-François Tremblay, Deputy Minister, Transport Canada
 Harry Gow, President, Transport Action Canada
 Peter Miasek, President, Transport Action Ontario
 Louis-François Garceau, président, Le Groupe TRAQ
 Ron Haskell, President Transport Action Prairie
 Matthew Buchanan, President, Transport Action BC