



IDEAS IN MOTION

TRANSPORT ACTION ATLANTIC

Cape Breton needs rail service

The potential for restoration of rail freight service to Cape Breton Island remains strong – and the Government of Canada has an obligation to shoulder its share of responsibility. Nearly five years after the last freight train ran over the 96-mile section of the former CN Sydney Subdivision, the Province of Nova Scotia continues to pay the current owner of the line, US-based Genesee and Wyoming Corporation, a monthly allowance of up to \$60,000. This covers such expenses as salaries, insurance, security and building maintenance directly attributed to the line between St. Peter's Junction and Sydney, in return for which G&W will not apply to remove the track.

Recent indications are that the provincial government is not planning to renew this arrangement beyond the current fiscal year – unless there's substantial progress toward a proposed marine container terminal in the Sydney area. But there's so much more to consider than just the international shipping business.

Originally built at taxpayer expense, this rail line was a public asset for over 100 years, and when Crown-owned CN turned it over to the initial private operator in 1993, its then-CEO gave assurance in writing to the premier of Nova Scotia assuring continuing rail service in the event the new arrangement didn't work out. The subsequent privatization of CN did not simply make that commitment go away. If it's no longer an obligation of the railway company, then the Government of Canada must accept responsibility for a commitment made by the Crown corporation's CEO on its behalf.

The traffic that previously moved on the railway has been forced to use an inadequate highway system, with serious environmental and safety implications, not to mention the maintenance burden placed on the Province as a result of damage to infrastructure caused by heavy transport trucks. The Nova Scotia government also faces growing pressure for extremely expensive highway twinning – at far greater cost than the modest investment required to place the rail line back in service.

It is Transport Action Atlantic's position that the federal government should begin by reacquiring the line for net salvage value, and turn it over to the Province with a commitment from the New Canada Building Fund sufficient to restore it to Class 3 condition. Nova Scotia would then engage a willing and competent operator. A further infrastructure investment in several small intermodal facilities at strategic locations would enable traffic to both Cape Breton and western Newfoundland to be transported by rail in a more environmentally sustainable manner, while substantially reducing the maintenance burden on highway infrastructure and enhancing road safety.

Preserving the rail line could also allow the possibility of re-establishing passenger rail to Cape Breton at some point in the future. The Halifax-Sydney route operated by VIA Rail prior to 1990 was a well-patronized service, and could be a part of a policy to expand passenger rail across the country. Such an initiative would be fundamentally limited to areas where tracks still exist.

Governments do not need to be in the business of operating railways, but they should be establishing policies and making financial commitments that encourage more – not less – of Canada's commercial traffic to move by rail.

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