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Letter to the Minister of Transport

The Honourable Tony Valeri, P.C., M.P.
Minister of Transport, Ottawa

Dear Minister:

In accordance with the provisions of the *Financial Administration Act*, I am pleased to submit VIA Rail Canada Inc.'s annual report for the year ended December 31, 2003.



Paul Côté
Interim President and
Chief Executive Officer

Corporate Overview

VIA operates Canada's national passenger rail service on behalf of the Government of Canada. An independent Crown Corporation established in 1977, our mission is to provide Canadians with a safe, efficient and environmentally responsible passenger service. We fulfill this mission by delivering quality service to our customers; by maximizing revenues and by controlling costs; and by building on the market strengths of passenger rail — one of the safest, most reliable and environmentally sustainable modes of transportation available.

Committed to Excellence — Our vision is to be the Canadian leader in passenger service excellence. We are committed to reshaping passenger rail to meet the needs of a modern, growing nation, to deliver faster services, operate more trains and carry more Canadians than ever before.

Serving Canadians Coast to Coast — We operate more than 480 trains weekly on 14,000 kilometres of track, connecting over 450 Canadian communities. With approximately 3,000 employees, VIA carried almost 3.8 million passengers over 857 million miles in 2003.

In **Western Canada**, VIA provides year-round, all-weather intercity transportation including service to remote communities. The legendary transcontinental *Canadian*®, a train running thrice-weekly between Toronto and Vancouver, has won international recognition over the years — including being voted one of the “Best Rail Experiences of the World” by the *International Railway Traveler* in 1999. In 2003, it also received the highest possible rating from Saga Holidaymakers, a highly-respected European holiday operator, for its dining car service.

In the **Quebec City - Windsor Corridor**, VIA's trains provide intercity passengers with fast, convenient, comfortable and affordable service, downtown-to-downtown between Canada's largest business centres. *VIA 1™* service offers first-class amenities, as well as a roomy, hassle-free environment allowing business travellers to work or relax en route.

In **Atlantic Canada**, the *Ocean™* runs six times a week between Montreal and Halifax, offering its friendly *Easterly™* service. The *Chaleur™* makes three trips each week from Montreal through the Gaspé Peninsula.

In **rural and remote areas**, VIA operates services designated by the government to meet regional transportation needs.