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*essage from
the Chairman*

The last year of the 20th century was the best year in the history of VIA Rail. In terms of revenue growth, ridership, on-time performance, and cost management - in fact, virtually every measure of performance - VIA met or exceeded its targets.

This is an extraordinary accomplishment.

When I came to VIA as Chairman of the Board in 1993, the corporation faced many difficult questions - questions about the place of passenger rail in the Canadian transportation sector, about the ability of VIA Rail to respond to a changing marketplace, and - above all - about VIA's ability to maintain a viable service with dramatically lower funding levels from the federal government.

Every year since then, the people of VIA have worked hard at answering those questions. In the process, they have transformed VIA into one of the finest, best managed corporations in Canada.

VIA's management team has developed an operational, financial management and marketing expertise second to none. Every single employee has brought an astonishing level of energy and professionalism to the job, every day. VIA's Board of Directors has consistently supported and guided VIA's efforts to be not just a viable player, but an industry leader in the Canadian transportation marketplace.

It is both an honour and a pleasure to be part of this effort. VIA Rail has eliminated an impressive \$271 million from its annual funding level and it has done this while improving and adding new products and services across the country. Most importantly, it has shown that a modern, efficient, well-managed passenger rail service is capable of responding to the future needs of Canadians, in a way that no other passenger service can do.

There is no question that passenger rail has a place in a national transportation system for the 21st century. Such a system must be increasingly sensitive to the need for safety, environmental responsibility, value for money, and to the problems of traffic congestion on the roads and in the air. VIA's shareholder, the Government of Canada, has recognized that passenger rail can address these concerns. The Minister of Transport, the Honourable David Collenette, in particular, has demonstrated an unequivocal commitment to good public transportation, and to a long-term policy for passenger rail that reflects the needs of Canadian travellers.

Developing such a long-term strategy is a very difficult task, and VIA Rail continues to work closely with the Minister of Transport to resolve the complex issues involved in financing a modern passenger rail service.

I am confident that these issues will be resolved soon. And I am confident that VIA Rail is ready to serve Canadians well and to earn its place in the future - competing for investment, for customers, and for a growing share of the market, as the best passenger transportation service in Canada.

MARC LEFRANÇOIS
Chairman of the Board