

Staying

VIA entered 1998 knowing that it would be one of the most challenging years in our drive to become the best passenger transportation company in Canada.

- ▶ We had to reduce our total funding requirement by another \$50 million, in order to bring our funding down to \$178 million. This was one of the biggest single-year reductions yet since 1990.
- ▶ We started the year in the midst of critical labour negotiations to modernize collective agreements and working arrangements, including the implementation of our *New Era Passenger Operations* project. This initiative would fundamentally change the way trains had been staffed and operated for the past one hundred years.



Lyle Durocher

Operating passenger rail as a business.

- ▶ As a comprehensive review of train safety neared completion, we prepared to make changes in equipment, safety procedures and training to ensure that passenger rail continues to be the safest mode of transport available.

We were also looking beyond 1998 to the future. Achieving the funding reduction targets set in 1990 and establishing VIA Rail as a viable, competitive player in the marketplace was just the first step towards revitalizing passenger rail in Canada. Early in the year, the Minister of Transport asked the Parliamentary Standing Committee on Transport to help map out the next step: developing a long-term strategic plan to take passenger rail into the next century.

VIA participated in the Committee's consultations, and worked with the government following the Committee's report to articulate a practical vision for the future of passenger rail. At the same time, we stayed focused on the immediate challenges of 1998. We met those challenges by doing what we do best: managing the fundamentals of passenger rail as a business; giving our people the tools and resources they need to do their job well; making sure that every single customer can count on the safety, reliability and quality of service on our trains.



WEATHERING

THE UNEXPECTED

The year started out with a challenge no one anticipated – the worst ice storm in Canada's history, shutting down all train operations east of Toronto in January.

The disruption to train services had a negative impact on VIA's revenues. The loss was partly offset by increased ridership in September due to the Air Canada strike but we were unable to fully recover.

This, coupled with a delay in the implementation of productivity initiatives, made it difficult for VIA to stay within its initial 1998 funding requirements without reallocating internal funds.

Even at that, government funding was \$50 million less than in 1997 while VIA's total budget requirements were lower by \$16.8 million.

Focused