



*PARTNERSHIP MARKETING  
VIA continued its success in  
partnership marketing  
throughout 1998.*

- In partnership with Amtrak in the U.S., VIA now markets the first North American rail pass, valid for travel throughout Canada and the United States.*
- The Rediscover Canada with VIA Rail Sweepstakes, in partnership with Home Hardware and the Canadian Tourism Commission, helped us attract new customers through the hardware chain's 950 retail stores across Canada.*
- Our third year of partnerships with some 60 Chambers of Commerce and Boards of Trade throughout the Corridor helped stimulate ridership from local small businesses and developed a greater awareness of VIA's role in local communities.*

# Innovative

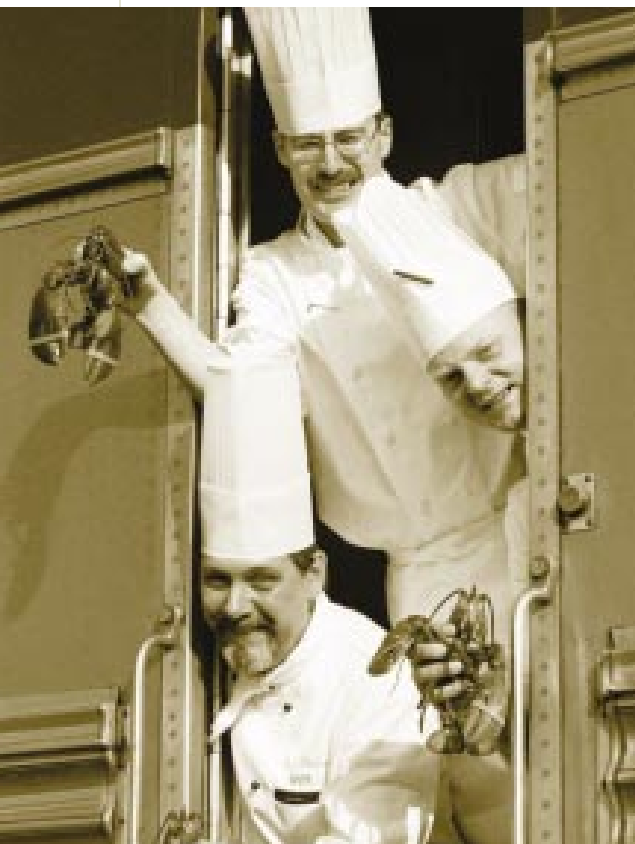
The people of VIA Rail are the key to our success in revitalizing passenger rail. Efforts to reduce costs, increase revenues, and provide customers with the highest quality of service would be futile without the committed effort of a dedicated, highly professional team determined to make VIA Rail the best in the business.

As a team, we strive to create an environment where that commitment can flourish, where innovation is rewarded, and every employee is given the support, training and encouragement needed to help VIA achieve its goals.

Dedicated, professional, passionate. VIA's people know the business of passenger rail.



John Sherlock



John Shenck

Since 1993, VIA has worked with its unions to modernize outdated collective agreements. Significant cost savings have been achieved through the merger of shopcraft unions, changing the method of pay for running trade employees from a mileage to an hourly basis, rationalizing customer service staff and reducing the number of employees eligible to receive employment security. Further progress was made in 1998, with the year's round of negotiations being completed in record time. Agreements in 1998 ensured greater flexibility when introducing operational changes by including, for the first time, a cap on employment security payments.

### New Era Passenger Operations

The main focus of negotiations, however, was the implementation of the *New Era Passenger Operations* initiative (*NEPO*). This project

represents a milestone in the history of Canadian passenger rail, fundamentally changing the way trains have been crewed for more than 100 years.

Under *NEPO*, we have merged the conductor and assistant conductor positions with the locomotive engineer position. All customer-contact responsibilities are now assigned to on-train services staff, who are under the supervision of a single customer service manager for each train. Our trains are now staffed by fully integrated teams, dedicated solely to giving our customers high quality service from start to finish.

An additional 81 Service Manager positions provide the focus for new team-building efforts to improve service planning and delivery.

VIA will realize savings of \$15 million annually as a result of *NEPO*.

### Building New Skills

Training was a major focus for VIA throughout 1998. As a result of major initiatives during the year, 2,000 front-line employees received training to ensure that they had the right skills to take on new tasks.

All on-train staff received training to prepare for their new responsibilities under *NEPO*. With the introduction of the new VIAnet reservation system, 643 customer contact personnel were trained to take advantage of the new system's capabilities. Five weeks of entry-level training was offered to 160 new recruits, while 200 car inspectors and locomotive engineers received technical certification training.

Training focused on improving customer service continues to be a priority. VIA's *Achieving Excellence in Customer Service (AECS)* program, a two-day workshop, was reinforced in 1998 by a follow up program called *Keeping the Skills Alive (KSA)*. As part of the *NEPO* transition, all train operating and on-train employees completed between two and eleven days of training on their new duties and emergency response procedures.



### FORMULA 6 FUELING OUR FINANCIAL SUCCESS

*In March, Equipment Maintenance staff launched Formula 6, a two-year program aimed at reducing costs and increasing revenue. The program has generated a wide range of initiatives such as recycling of materials, measures to reduce energy consumption, more efficient inspection and maintenance scheduling, and streamlining maintenance and service practices. In addition, Formula 6 has identified new revenue-generating opportunities to maximize the return on labour and plant facilities.*

*By the end of the year, Formula 6 had surpassed its 1998 target of \$3 million, delivering a remarkable \$3.2 million in cost savings and increased revenues.*