

MANAGING SAFETY AND THE ENVIRONMENT

To continue its emphasis on optimizing the safety of its operations, VIA began work on a comprehensive safety management system last March that it plans to have in place before the end of 1999.

Such programs may soon become a legal requirement for all railways, likely by the fall of 2001, following proposed amendments to the Railway Safety Act tabled by the federal government in 1998.

VIA is also developing a corporate environmental management system that it expects to launch in 1999.

Focus

As always, we will maintain safety as our corporate priority.

Following the Biggar, Saskatchewan, derailment in September 1997, VIA contracted two of the world's foremost rail safety experts to conduct a full review of safety at VIA. Their report in March 1998, along with interim recommendations from the Transportation Safety Board and the Board's final report in September, provided confirmation of our safety values in all aspects of our operations.

To sustain our emphasis on safety, we have created a new senior-level Director of Safety, Health and Environment position reporting to the President, to ensure that safety issues continue to be identified and addressed as a corporate priority. We have also established an Executive Safety Council and, in partnership with our unions, a National Safety Council which allows employees to take part in guaranteeing safety for our customers and for the people who work for VIA Rail.

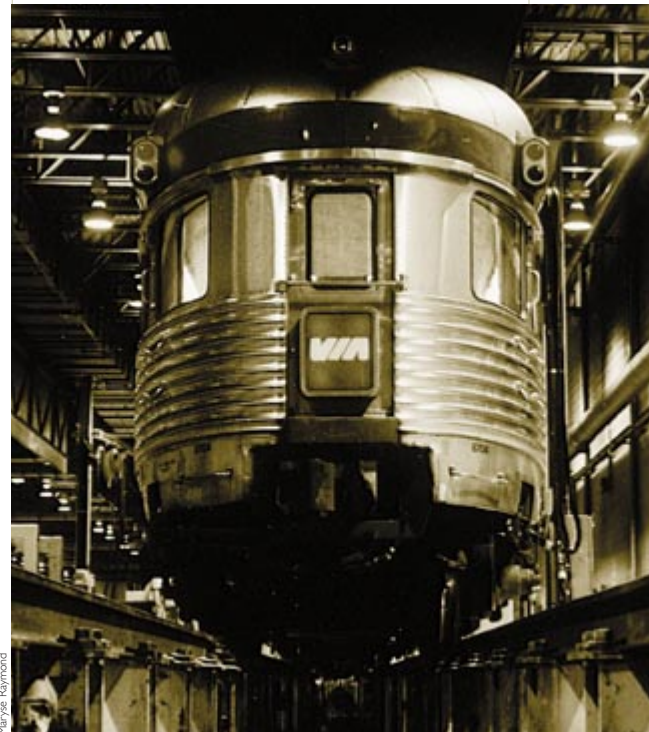
A review of emergency handling procedures and equipment has been completed. Most train cars are fitted with multi-trauma kits. Emergency lighting systems that meet a very high safety standard and safety and emergency signs are in place on our trains.

In addition, axle bearing temperature detection and cab warning systems are installed on over 90 percent of VIA locomotives with the remainder to be completed in 1999. An air-only

braking system has also been installed on all LRC cars, providing an above-standard margin of safety for higher-speed operations in the Quebec City-Windsor corridor.

Training for Safety

All on-board staff have continued emergency response training, included as part of the NEPO training program. In addition, Qualified Technical Trainer positions to support classroom training for all locomotive engineers are in place. This training includes a comprehensive core syllabus covering safety procedures, technical and mechanical features of VIA's equipment, and operating rules and radio communications. Certification procedures ensure that all engineers are qualified and familiar with all aspects of their operations.



Mayse Raymond



Marjorie Raymond



VIA AND Y2K

VIA, like every corporation, depends on computers in every aspect of operations. We launched our Year 2000 compliance project in the spring of 1996, and we are on track to ensure compliance on time.

It is a major undertaking, involving 90 mainframe, desktop and communication software applications, 570 desktop computers, 46 servers, telephone switches and a host of embedded systems.

Ensuring Y2K compliance also gives us an opportunity to upgrade and standardize our technology throughout the corporation. We expect to have completed testing and guaranteed compliance by the end of the third quarter of 1999.

These procedures include recurring 10-day retraining courses every three years.

VIA is also preparing to meet a number of certifications from the International Standards Organization (ISO). Beginning with the Equipment Maintenance department, we will seek ISO 9000 certification by developing quality standards, principles of process management and control, and regular compliance testing. The application of ISO quality standards is a continuing independent measure against which VIA's safety policies and standards can be

evaluated, showing through objective, unbiased means that VIA remains among the safest passenger railways in the world. As part of our corporate environmental program, we are also applying ISO 14000 standards to all environmental management activities within Equipment Maintenance. By applying these standards to such activities as recycling materials and handling toxic substances, we are committed to ensuring that passenger rail remains the most environmentally responsible transportation option for travellers in Canada.

on Safety