



Backgrounder

NEW FUNDING FOR VIA RAIL CANADA

Canada's New Government recognizes that investments are required to ensure the long-term viability of passenger rail services and to improve VIA Rail's financial performance.

This new funding, totalling \$691.9 million, will improve the sustainability and reliability of passenger rail services in Canada and provide more frequent, faster, cleaner and safer services along the Quebec City — Windsor Corridor. The proposed equipment and facilities investments, combined with strategic infrastructure improvements, will address VIA Rail's capital needs and improve its operational performance. The funding will allow VIA Rail to rebuild its aging fleet of locomotives and cars, upgrade stations, and improve strategic infrastructure to eliminate bottlenecks and enhance capacity for faster, more frequent and reliable service.

These investments will benefit Canadians across the country. For example:

- The F40 locomotive rebuilding program will improve the reliability of VIA services, lower maintenance costs and help to improve the company's environmental performance through increased fuel efficiency and reduced emissions. The rebuilt locomotives will ensure another 15 to 20 years of service on the eastern and western transcontinental trains, on the regional service to Gaspé (Quebec) and on remote services to such points as Parent (Quebec), Churchill (Manitoba) and Prince Rupert (British Columbia). They will meet the new emission standards for railway locomotives set by the recent Memorandum of Understanding between the Railway Association of Canada, Environment Canada and Transport Canada.
- Light, Rapid and Comfortable (LRC) cars will have their operating systems and interiors rebuilt. Travellers will enjoy new seats, better lighting, computer outlets and washrooms, while VIA will lower its maintenance costs and energy requirements, thereby saving fuel and reducing emissions.
- Several stations across the country will be refurbished.
- Strategic infrastructure improvements, which will be spread throughout the Quebec City — Windsor corridor, will:
 - increase track capacity and alleviate bottlenecks;
 - improve on-time performance;
 - reduce trip times through increased speed;
 - allow for more trips; and
 - improve safety and reliability of service.

With a total investment of \$516 million in capital planned over the next five years, VIA Rail's passenger services will continue to bring modern, affordable, safe and efficient travel options to Canadians.

The government will also provide VIA with \$175.9 million in additional operating funding over the next five years. While VIA Rail's annual funding level was frozen in 1998, the effects of inflation over the past decade have had an impact on the purchasing power of this Crown corporation and its ability to maintain its aging fleet of locomotives and cars. Once the capital investment program is completed, VIA will be able to operate without this additional funding.

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