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CANADA'S NEW GOVERNMENT REVITALIZES INTER-CITY PASSENGER RAIL SERVICES IN CANADA

OTTAWA — The Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, along with the Honourable Jim Flaherty, Minister of Finance, today announced a new funding package for VIA Rail Canada Inc., a Crown corporation, to revitalize inter-city passenger rail services in Canada. The funding totals \$691.9 million over the next five years.

“Today, Canada’s New Government is acting to provide faster, cleaner, more frequent and reliable passenger rail service across Canada,” said Minister Cannon. “The corridor between Quebec City and Windsor has the largest passenger volumes and will benefit from infrastructure improvements that will make the entire passenger rail system more efficient and accessible.”

“VIA Rail has a proud legacy of serving Canadians, and our government is taking steps to make this wonderful service even better,” added Minister Flaherty. “We are launching the largest capital program in VIA Rail’s history. It will allow for the renewal of VIA Rail’s fleet, the upgrading of the existing network and it will support a stronger economy, a cleaner environment and a safer Canada.”

“I would like to thank the Government of Canada for this welcome and timely investment in VIA Rail Canada,” said Donald A. Wright, VIA’s chairman. “It is an important recognition of the entire team at VIA, whose hard work over the past decade has earned VIA solid marks for its excellent customer service and sound management. This investment is also recognition of the potential of the current passenger rail service to meet the growing transportation needs of Canadians in an environmentally responsible, efficient and cost-effective manner.”

This new investment addresses VIA’s capital needs, ensuring that its current network and service levels are sustainable into the future.

Of the total funding package, \$516 million in capital funds will be allocated over five years for infrastructure improvements and equipment refurbishments, beginning in 2007. This investment will be targeted towards:

- fleet renewal, through refurbishment of the F40 locomotives and Light, Rapid and Comfortable (LRC) passenger cars;
- strategic infrastructure improvements to eliminate bottlenecks in the Quebec City —Windsor corridor; and
- station refurbishments.

The equipment refurbishment will also help improve the company’s environmental performance through increased fuel efficiency and reduced greenhouse gas emissions per passenger.

The remainder of the funding, a total of \$175.9 million over five years, will be directed towards VIA Rail’s operating costs. This additional funding is needed to sustain VIA’s national network until the capital program is completed. VIA expects to reduce its maintenance costs after the equipment is rebuilt and to attract more passengers as it moves to provide faster, more frequent service on its trains in the Quebec City — Windsor Corridor.

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The logo for Canada, featuring the word "Canada" in a stylized serif font with a small maple leaf above the letter 'a'.

“Once the F40 locomotive rebuilding program is complete, VIA will have one of the most fuel efficient fleets of diesel locomotives of any passenger rail operator in North America. The locomotives will also meet the new emissions standards set by the recent Memorandum of Understanding between the Government of Canada and the Railway Association of Canada – which includes Via Rail,” concluded Minister Cannon.

Funding improvements to the national transportation system is one of Canada’s New Government’s priorities for investments in infrastructure. Through its unprecedented \$33-billion Building Canada infrastructure plan, the Government of Canada is making partnership investments to support a stronger economy, a cleaner environment, and a more secure Canada.

VIA Rail Canada Inc., a Crown corporation, was created in 1977 to operate Canada’s national passenger rail service.

A Backgrounder on [the new funding](#) is attached.

Contacts: Karine White
Press Secretary
Office of the Minister of Transport,
Infrastructure and Communities, Ottawa
613-991-0700

Chisholm Pothier
Press Secretary
Office of the Minister of Finance, Ottawa
613-996-9611

Media Relations
Transport Canada, Ottawa
613-993-0055

Malcolm Andrews
Senior Manager
Corporate Communications
VIA Rail Canada
514-871-6658

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