

CN 'here to stay': executive

By Cole Hobson, Times & Transcript Staff

A Canadian National Railway executive disputes a recent claim that a committee studying the future of the railway in this province is “doing nothing” and said their company is “here to stay in New Brunswick,” despite the murky future of the line that connects Moncton and Bathurst.

Sean Finn, chief legal officer, executive VP of corporate services and corporate secretary for CN, was the guest speaker at a joint luncheon of the Greater Moncton Chamber of Commerce and the Rotary Club Moncton West & Riverview on Friday.

A hot topic of discussion was the future of the 224-kilometre stretch of rail that runs from Moncton to northern New Brunswick, which CN moved last August to close unless it found between \$25 to \$50 million for repairs and additional rail traffic to salvage it.

“We at CN do not celebrate tearing up track. That’s the backbone of our economy, it’s how we operate the railway,” Finn said. “But we have to make sure we invest in the line (in a way) that is profitable and done in a way to make sure it’s viable in the long term.”

In addition to needing funding to save the rail line, more traffic is needed. Finn said since the line was reacquired by CN in 2008, they have dropped from 25,000 carloads of traffic to only 13,000 in 2012 and an estimated 11,000 in 2013.

CN is part of the Strategic Rail Asset Committee, which also includes members from Via Rail and all levels of government, who are trying to come up with solutions to the issues facing the New Brunswick track.

Finn said CN has been very active on that committee and they have recently completed an inspection of what capital costs are required for the line and discussions are set to continue in upcoming days.

Deputy premier Paul Robichaud, who is also minister of Economic Development and member of the rail committee, had previously set a rough timeline of spring 2013 for action to be taken on the file.

Despite those assurances, the committee has recently come under criticism from Greg Gormick of transportation advocacy group Transport Action, who said on Thursday that the committee is “doing nothing.” Gormick has also stated he believes both CN and Via Rail don’t have a long-term interest in properly servicing Atlantic Canada.

Finn was insistent that is not the case.

“We still have our line that goes from Moncton through Edmundston to Rivière-du-Loup as being an important main line,” he said, noting its connections to hubs such as Montreal, Toronto and Chicago. “We’re a strong presence in New Brunswick, no matter what happens with the Newcastle line, we’re here to stay. Moncton is an important town for us, as well as the region as a whole.”

Finn also highlighted that CN employs 360 people in the province, in the operation of 602 route miles (968.8 kilometres), with \$2 million in cash taxes paid, \$41 million in local spending and \$25 million in annual capital investments.

Despite the Strategic Rail Asset Committee attempting to work towards a solution to save the line serving northern New Brunswick, Gormick and Transport Action are trying to push forward with their own study to examine the impacts of the possible rail abandonment, as well as Via Rail’s cutbacks on the Ocean service and the collapse of Industrial Rail Services.

The study is contingent on \$10,000 in funding being raised by councils in Moncton (\$5,000), Dieppe (\$2,000), Riverview (\$1,500), as well as \$1,500 from Enterprise Greater Moncton (EGM). Moncton and Dieppe councils, as well as EGM, have already agreed to pay their share, while Riverview is set to discuss the item again during Monday’s council meeting.

Finn said it’s up to those municipalities to make the decision they want, but he doesn’t see the value in the extra work.

“I’m not too sure what the (Transport Action) study will give rise to that’s not already been discussed at that table (of the Strategic Rail Asset Committee) and we’re focused there, that’s where the focus should be, that’s where the expertise is,” he said.

Both Transport Action and CN have mandates that include a healthy and vibrant railway, but the two sides have seemed to have opposing viewpoints about the future, with Finn noting there’s no easy answer to this problem.

“I’m not sure it’s a disconnect, it might be a lack of information on their part,” Finn said of Transport Action. “On a couple of occasions I’ve reached out to them to say ‘here’s the information that you might want to take into consideration.’ If there was a silver bullet here, somebody would have pulled it out before. ... It’s not by doing studies you are going to find traffic for the rail line, it’s by going out there and finding where the goods are coming from, where they are going and how to build a sustainable long-term business plan for new traffic on that line.”

While Finn said their main line that goes from Halifax to Montreal right through New Brunswick “isn’t going anywhere,” he wouldn’t speculate prior to the committee completing its work what the likelihood of the Newcastle line being saved is. He did note, however, that the rail line being put through the abandonment process doesn’t necessarily mean a doom and gloom ending.

“Until you put that line on the list for abandonment, it’s very hard to get the province, the government, business people, even ourself focused on what has to be done for this line,” he said. “It’s not just CN’s job, it’s not just the province’s job. Together we must find a way to rebuild the track.”

The CN executive noted that the company invests 20 per cent of their gross revenues — almost \$2 billion — back into their network of almost 19,000 miles (30,577 kilometres) of track across North America. About half of that goes towards maintenance costs, while the other half is spent on new initiatives. That being said, Finn noted it wouldn’t be a wise investment for anyone in New Brunswick if they put millions of dollars into the track only to have traffic numbers on the line continue to dip.

Finn’s speech also focused on the current state of affairs of CN, which he noted moves \$250 billion in goods in a given year. He said that since 1995 the railway has spent \$7 billion on acquisitions, in an effort to reach their goal of becoming a true gateway for North America.

Moncton Mayor George LeBlanc was in attendance for Friday’s speech and said he is glad CN is having a serious look at the issues plaguing the rail line. He hoped their work in addition to the Transport Action study would lead to some constructive solutions coming forward.

Carol O’Reilly, chief executive officer of Greater Moncton Chamber of Commerce, said she had a “sense of optimism” following the speech, but recognized there will certainly be challenges. She noted a vested interest in this development, as a “strong New Brunswick leads to a stronger Greater Moncton area.”