

MEDIA COVERAGE: REVITALIZING NEW BRUNSWICK'S RAIL SECTOR

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Rail report to be released

By COLE HOBSON



Transport Action Atlantic presented an advance copy their report, *Revitalizing New Brunswick's Rail Sector*, to Premier David Alward, centre, last Friday. At left is Howard Easton, a member of Transport Action Atlantic who is a retired CN executive and acted as a peer reviewer for the report. At right is Ted Bartlett, vice president of Transport Action Atlantic. (PHOTO SUBMITTED)

Transport Action Atlantic's long-awaited report on the rail sector is set to be released to the public Tuesday. Transportation consultant Greg Gormick was hired by Transport Action Atlantic last spring to do a report that looks at the implications of the Canadian National (CN) Railway's plan to abandon the track between Moncton and New Brunswick's north shore, Via Rail's reduced frequency of the Ocean passenger service and the collapse of Industrial Rail Services. The report, titled *Revitalizing New Brunswick's Rail Sector*, submits recommendations for municipal, provincial and federal government.

“We are very pleased with the job that Greg has done. He’s arguably one of Canada’s leading authorities on everything rail,” said Ted Bartlett, vice president of Transport Action Atlantic. “He’s spent really a lifetime in writing and consultation on railway matters, so we feel that we have a very good report, quite well done. It took a little longer than we expected, but we’re pleased to have it and it’s something that we certainly endorse.”

The report was funded back in May 2013 at a total cost of \$13,000, including \$5,000 from the City of Moncton, \$2,000 from the City of Dieppe, and \$1,500 each from the Town of Riverview, the City of Miramichi, the City of Bathurst, and Enterprise Greater Moncton.

“We’ve shared it with stakeholders and actually we had an opportunity on Friday to present a copy to the premier as well,” Bartlett said. “We haven’t heard any formal feedback yet except that they are glad to see it ... I believe it does everything that we expected it to and it addresses all three of the issues.

“As we mentioned to the premier in our brief meeting on Friday, we hope it will be of value to them in guiding future transportation policy for the province.”

Gormick, who was previously aligned with Transport Action, but now works as an independent consultant, has past clients that include Canadian Pacific, Canadian National Railway, Via Rail and numerous elected officials and public agencies.

He said in a November interview that the report puts forward a set of recommendations that can be acted on by all levels of government.

“I’ve worked in municipal government, that’s where action can occur because that’s the level of government that’s close to the people,” he said. “The railway issues are close to the people, they want action. This is people in places like Moncton and Rogersville and Campbellton ... that are feeling the effects of the government no rail policy.”

Gormick said in November that the primary thing is “don’t trust CN to make a deal,” surrounding saving the Newcastle subdivision line that traverses northern New Brunswick, which the railway company has moved to abandon unless they can find additional funding for repairs and increased business.

Gormick said he believes municipalities need a long-term guarantee that there is a commitment to that rail.

“We need to look at what’s been done in other jurisdictions, particularly in the cases where the public has taken back ownership of the infrastructure,” he said. “I’m saying take the railway back, work it out, figure out what it’s worth, how you can get it, what it’s going to cost, then set it up as a publicly owned railway and bring in a private company to handle the maintenance and operation of the freight service and maintain the level necessary for proper passenger service.”

On the topic of “proper passenger service,” Gormick said one of his other suggestions is a “no-brainer” concerning restoring levels of service to the Ocean train, which currently serves stops between Halifax and Montreal three times a week.

Gormick said his report will point to resources that Via Rail has available to be able to operate the Ocean not just the six days a week it had previously run, but instead with daily service.

The third major point the report covers is concerning the collapse of Industrial Rail Services.

Gormick said during research for his report, Industrial Rail opened up all their books and files to him and he thinks Via Rail is more to blame for the company’s closure.

He said Industrial Rail fully admits that they made mistakes, but he believes Via Rail should also be pressured from all levels of government to open their books and provide more detail on what happened in this situation.

Bartlett added that Gormick’s report deals with the issue in an “almost forensic examination” and it has “a note of optimism that even though the company was forced into bankruptcy, all is not lost.”

Gormick has also noted that it’s Via Rail’s year to get a full audit from the office of the auditor general and he’d like to see that happen in order to get the full viewpoint on Via’s operations.

“We need to be looking at how Via is managed and as people in the Maritimes will appreciate, it was an audit just like this that got Marine Atlantic turned around from being a sorry example of a crown corporation into one that the people of Canada can now take some pride in,” he said.

Bartlett said one thing they are very heartened with is the fact that there is a new CEO at Via Rail.

“We have been highly critical of management decisions made at the senior levels of Via Rail over the past several years,” Bartlett said, in reference to former CEO Marc Laliberte. “The person who is now the interim CEO (Steve Del Bosco) is a man who has been involved in passenger rail for virtually all his working life, unlike his predecessor ... The interim CEO has worked his way up through the ranks and he has had a particular focus on customer service during his career.

“We’re encouraged at Mr. Del Bosco’s background and we hope that we’re certainly going to draw his attention to the report. We hope he will read it thoroughly and be guided by some of our recommendations. We’d also be delighted with an opportunity to discuss our recommendations with him.”

With CN noting that the earliest any part of the main line of the Newcastle subdivision could be discontinued is April or May 2014, Bartlett said there’s a “considerable urgency” to some parts of the report.

“Unless something is done it could see an embargo, which is probably the next step, on freight to and from Miramichi and Bathurst and actual abandonment of the line taking place before the summer of 2014,” he said. “It’s an urgent matter and that’s got to be the number one priority because if that line is abandoned, the track on which the train passenger service operates is gone, it’s closed.”

The full Transport Action Atlantic report will be released to the public Tuesday morning at Moncton City Hall.

Action urged in N.B. rail crisis

Report gives suggestions for all levels of government for problems with CN, Via Rail and Industrial Rail Services

By COLE HOBSON, Times & Transcript

Advocacy group Transport Action Atlantic has released a report that says all three levels of government need to address the "rail industry crisis" in New Brunswick, noting in particular that the municipal governments that funded the document now need to play a more active role in ensuring change happens.

"The railway is traditionally viewed as federal responsibility in Canada, but we believe the time has now come for all three levels of government to work together, because we do have some serious problems that need to be addressed," said Ted Bartlett, acting president of Transport Action Atlantic. "There's also a role here for the municipalities. Not only do they need to become more assertive and to I think make their collective voices heard through the Federation of Canadian Municipalities, but in some cases they need to be prepared to accept a modest amount of responsibility."

"Revitalizing New Brunswick's Rail Sector" was released to the public yesterday. It's a 177-page document that was completed by transportation consultant **Greg Gormick**, who was hired by Transport Action Atlantic last spring, with funding provided by local municipalities.

The report looks at the implications of the Canadian National (CN) Railway's plan to abandon the track between Moncton and New Brunswick's north shore, Via Rail's reduced frequency of the Ocean passenger service and the collapse of Industrial Rail Services.

CN had proposed the abandonment of the Newcastle Subdivision, the 224-kilometre stretch of rail line that runs from Moncton through Miramichi to the province's north, if additional funding couldn't be found to upgrade the line and in the form of additional freight traffic. The report recommends that the municipalities join with existing shippers and potential customers to seek an immediate meeting with the province's Strategic Rail Asset Committee, "for an update on their progress, and to insist that they be included and consulted on an ongoing basis in the development of a solution that will retain and upgrade this vital asset."

The "imminent threat confronting the Newcastle Subdivision makes this issue one of immediate priority," the report reads.

Suggesting that the business model employed by CN "may not be the most effective delivery method, either from a cost or customer service perspective," the report suggests that all ownership alternatives be considered. Suggested alternatives include the possibility of federal and/or provincial government ownership, with operation contracted out to an experienced short line company, similar to the approaches that have been taken in Gaspé, Maine and other jurisdictions.

It also suggests the rehabilitation cost estimates offered by CN should be verified by a qualified third party, and the net salvage value of the property should also be established, with the municipalities requesting studies to ensure this work is done.

"If public funds are to be used for the necessary rehabilitation of this line - as Transport Action Atlantic believes they should be - the taxpayers' investment must be protected by a public ownership stake in the property," Bartlett said.

On the topic of Via Rail, the report calls for the Ocean - which runs between Halifax and Montreal - to be returned to daily frequency as quickly as possible, with Bartlett saying this provides the "best bang for the buck" and actually creates a train system that is convenient enough to be used by the general public, instead of one that is slowly being killed off due to cutbacks.

Transport Action Atlantic is suggesting that it's important that the municipalities become more assertive on this issue and they should begin by immediately passing resolutions calling on the federal government to prepare a plan to restore the Ocean to daily service and, in the interim, provide daily service over the Moncton-Campbellton route segment.

The report also suggests municipalities should encourage the Federation of Canadian Municipalities to intensify efforts to make Via Rail an issue of major concern with the appropriate federal cabinet ministers.

The report also goes into detail about the equipment Via Rail uses on various lines and how improvements need to be made to develop a long-term plan to re-equip the railway with "modern, functional, comfortable, and cost-efficient rolling stock."

The report notes that this goal ties in well with the recommendation of attempting to re-establish Industrial Rail Services.

"The tri-communities of Greater Moncton should also ask the minister to initiate a process to bring the owners of Industrial Rail Services and Via back to the table for a full and frank discussion of the situation that led to the company's collapse, with a view to reconstructing the fractured business relationship and resuming the remanufacturing of rolling stock in Moncton," the report said.

Bartlett added that Via is in dire need of help to maintain its fleet and bringing IRS back would return a valuable economic contribution to Moncton.

The report also calls for a thorough investigation to be undertaken to identify what went wrong in this situation and to implement safeguards to prevent it from happening in the future.

The report was funded back in May 2013 at a total cost of \$13,000, including \$5,000 from the City of Moncton, \$2,000 from the City of Dieppe, and \$1,500 each from the Town of Riverview, the City of Miramichi, the City of Bathurst, and Enterprise Greater Moncton.

Moncton Mayor George LeBlanc, Riverview Mayor Ann Seamans and Bathurst Mayor Stephen Brunet were all in attendance for yesterday's launch of the report, as well as Dieppe Coun. Paul Belliveau, Miramichi Coun. Joan Cripps and Denis Melanson of Enterprise Greater Moncton.

Brunet noted that he drove to Moncton - unable to take the train - "over our single-lane highways with a lot of potholes."

"That's where all our traffic has to go ... if the train does not become better, it's going to get worse," he said.

"It's a shame the train system has been allowed to deteriorate the way it has been."

Brunet noted that the train system is crucial for their region, especially for industries that are operational in the area and others looking to reopen.

"We're not dead in the water up north. We are still a great place and a great place to live and we need that train service we've had for ever and ever," he said. "We have to start investing in our infrastructure so the people will have a future in this province and our young people will stay and create the jobs we so direly need."

Howard Easton was a peer reviewer on the report and also is a retired assistant vice-president for the Atlantic Region with CN.

He told the assembled crowd yesterday that he fears there will be a "domino effect" of fallouts should the CN rail line be abandoned. He said those negative impacts could include Via deciding to pull out of having a passenger train between Montreal and Halifax as opposed to using the alternate track in New Brunswick, which serves less dense populations and wouldn't have as much traffic.

He believes passenger rail service for the province would be the "first casualty" if the line is abandoned and he also thinks the Via Rail call centre and the roughly 50 jobs that go with it, could also be impacted should passenger rail service no longer be in this region.

The full report is available online at atlantic.transport-action.ca.

Off the rails?

EDITORIAL

It is in the best interest of all New Brunswickers that people like Greg Gormick and organizations like Transport Action Atlantic (TAA) succeed. Mr. Gormick, an experienced rail services consultant and TAA executives such as Vice President Ted Bartlett want regular rail passenger service restored to this entire province; a noble ambition.

However despite Mr. Gormick's extensive report some pressing questions remain. Via Rail might be a Crown corporation but it has a mandate to turn a profit and it has chosen, in stages, to look elsewhere other than the Maritime provinces. Naturally we don't like it and we welcome Mr. Gormick's evidence questioning the wisdom of the move, but the fact is Via Rail appears unconvinced.

That means those powers that would 'save the railway' must either come entirely from the private sector, entirely from government or from the private sector with considerable government subsidy. We certainly support the idea of a subsidized railway and invite our elected leaders to convince Ottawa and Fredericton of the wisdom of this, bearing in mind that as far as New Brunswick's share is concerned, we can barely afford to keep the roads repaired, never mind a railway.

If it is to be a subsidized service operated by a private company, we suspect the size of the subsidy would have a lot to do with whether or not it could really be a fully 'trans-New Brunswick' service. A more viable option would likely be a link for the three southern cities. The northern population is shrinking and that is driven by a lack of jobs, not public transportation.

As for the idea of an entirely government-operated service, aside from the massive outlay of public funds that might be required to take over the infrastructure, government has proven time and again that its ventures into the private sector produce disastrous results.

The slow suffocation of Canada's 'iron horse'

COMMENTARY: GREG GORMICK

Canada's once proud and efficient rail system is one sick iron horse. It will get sicker without serious intervention.

While the railways and the politicians who oversee parts of the system will no doubt hotly deny the beast is ailing, there are at least three visible wounds that prove it is.

First, there are the safety breaches, stretching from the tragic July 6 derailment and explosion at Lac-Mégantic, Quebec, to CN's Jan. 7 accident near Plaster Rock. Both trains carried dangerous commodities and passed through Toronto and one of Canada's most densely populated regions heading east. Other derailments have only heightened public safety concerns.

While rail is statistically the safest means of moving freight, these accidents exposed long-simmering problems made worse by increasing traffic, such as the gusher of volatile western crude oil. Past band-aid solutions haven't brought our railways to an achievable level of technological sophistication that would prevent these accidents.

The second rail malady is line abandonment, which has raged like a fever since the 1970s. CP will soon finish ripping up 300 kilometres of its former Ottawa Valley main line. One result is that CP now sends all the western Canadian crude oil bound for eastern refineries through Toronto, where it meets the flow of crude and ethanol coming from the U.S. via Windsor. This makes the trip 250 km longer, strains CP's busy southern Ontario network and increases the safety risks.

As for CN, the former Crown corporation abandoned its Ottawa Valley line back in 1995 and has sent traffic for Montreal and points east through Toronto ever since. CN's Toronto-Montreal line is even busier than CP's, handling numerous VIA passenger trains and all manner of freight, including U.S. crude oil that enters Canada at Sarnia.

Today, another 975 km of track is slated for scrapping. This includes 225 km of the original CN Maritime main line, which hosts the Montreal-Halifax Ocean passenger train. Due to the Plaster Rock derailment on its primary Maritime freight artery, CN sent all Atlantic Canadian traffic, including crude oil, over this alternate route, proving its strategic value.

Finally, there is the accelerating deterioration of perpetually-hobbled VIA. In 2012, the publicly-owned passenger carrier obtained government permission to trim the frequency of several routes nationwide and de-staff many stations - the third major cut since it was spawned in Parliament in 1977 with no clear legislative mandate or stable funding.

At the same time, VIA fumbled a \$923 million, five-year capital renewal program, which was inadequate for the full rebuilding the system has always needed.

VIA's recently-departed president described the train cuts and botched capital projects as "right-sizing" and proof that his team "continued to develop a train culture in Canada." Rising costs, declining revenue and stagnant ridership prove otherwise. VIA is being slowly suffocated.

The causes of these three rail-borne diseases are complex. So are the solutions. But Canada is not alone in having to come to terms with a railway system past its "best before" date and requiring urgent attention. For decades, the U.S. faced even worse.

By the mid-1970s, a quarter of the U.S. rail system was in bankruptcy due to corporate greed, publicly-funded road, marine and air competition, and government indifference. Safety was in the ditch, lines were being abandoned furiously and the government-owned passenger carrier, Amtrak, was struggling under inadequate investment and congressional indifference or hostility.

The U.S. turnaround was slow, difficult and expensive, and it isn't really complete. But solid progress has been made, much of it involving public investment and oversight, as well as more industry accountability than in Canada.

The key was the combined will of a handful of enlightened railroaders and politicians, who realized the system must be nurtured back to health if the U.S. was to compete economically, environmentally and socially with western Europe, Japan and other nations that continually invest in their rail systems.

That penny hasn't dropped in Canada. Rail executives and politicians have issued soothing statements, but taken little action. There hasn't even been an admission that fundamental questions about our rail system's future need to be answered.

If Canada fails to deal with this illness, we will pay a steep price. No industrialized nation can compete globally without an efficient rail system. Even in their present state, the railways handle 70 per cent of Canada's surface freight tonnage and 73 million passengers annually. Their economic impact is massive.

Without a blueprint balancing public and private interests, the Canadian rail system won't become the thoroughbred we require. The first step must be the long overdue public debate that will lead to the production of a national rail policy, which Canada hasn't had for decades - if ever. With our railways traditionally regulated by Ottawa, that puts the ball in Minister of Transport Lisa Raitt's court.

So, dear minister, let the debate - and the rail recovery - begin.

Greg Gormick is a Toronto transportation writer, policy adviser and the author of *Revitalizing New Brunswick's Rail Sector*. His clients have included CP, CN, VIA and numerous public entities.

N.B. rail deal hailed

By **Cole Hobson** Times & Transcript

MIRAMICHI - From more jobs and investment to better business opportunities and increased tax revenue, Premier David Alward said the new funding pact between New Brunswick and Canadian National Railway worth as much as \$55 million will have widespread impacts.

"We all know this rail line is critical to our economy here in northern New Brunswick and throughout our province. The leaders of Bathurst, Campbellton, Dalhousie, Moncton and Miramichi and all municipalities recognize that this railway is central to growing the economy in their communities," Alward said yesterday during an announcement at the Rodd Miramichi River Hotel. "Our government is focused on creating jobs and growing communities and our investment in this project is expected to generate 274 direct and indirect jobs and an increased tax revenue of \$3.1 million."

The province of New Brunswick and CN yesterday announced a joint commitment to fund improvements to the rail line in northern New Brunswick, which will save the rail freight industry in the region.

However, the future of rail passenger service in northern New Brunswick remains in doubt due to the planned decommissioning of another section of the rail unless another interested buyer steps forward.

Under the agreement, the province of New Brunswick will invest up to \$25 million in rail infrastructure improvements to two sections of the Newcastle subdivision, which runs between Moncton and New Brunswick's North Shore.

CN will in turn spend between \$25 and \$30 million to maintain and operate the line. It is a 15-year agreement to ensure continued rail freight service on the northern and southern sections of the rail line, between Irvco, in the Chaleur and Restigouche area, and Nepisiguit Junction; and between Catamount, just outside Moncton, and Nelson Junction, near Miramichi in the south, where there are active rail freight customers.

The work on the rail will commence in the spring of 2014.

"Our investment in the rehabilitation of two sections of railway line ensures companies in northern New Brunswick can continue to ship their goods to market efficiently and explore new opportunities for growth," Alward said, noting the province's contribution will be made over five years and is supported in part by funds from the Regional Development Corporation.

However, in addition to the spending to keep two sections of the rail line open, CN will seek to discontinue rail operations on the 64-kilometre middle section of the Newcastle subdivision that runs roughly between Miramichi and Bathurst - specifically between Nelson Junction and Nepisiguit Junction. The decision was made due to the significant investments required to maintain the line and the absence of freight traffic on that section.

Before this part of the line can be discontinued, it will be offered for sale in early February to private interests and then to municipal, provincial and federal levels of government, as per the provisions of the Canada Transportation Act. They will have a five-month window to submit offers to purchase the middle section, should there be a desire to maintain rail service on the segment.

Sean Finn, CN executive vice-president, corporate services, and chief legal officer, said the earliest that parts of the track could be removed is July 2014 and he estimated roughly \$10 million in spending would be needed to keep it operational.

While the proposed discontinuation isn't anticipated to have a big impact on freight transport in the region, it would effectively end passenger rail service provided by Via Rail anywhere north of Miramichi, and throughout the entire province should Via Rail decide to stop operations completely along the Montreal to Halifax line.

But Alward has said they aren't giving up on passenger rail service in the region and will continue discussions.

Meanwhile, both CN and the government will continue to work together to attempt to find new freight business for the line, to make the significant investment pay off.

"It is our genuine desire that this (investment) will result in increased rail traffic along the line and give access in northern New Brunswick to a great rail network throughout North America," Finn said.

Finn noted that since the talks have been ongoing regarding reviving the rail, freight business on the Newcastle subdivision has increased by 12 per cent. CN had previously stated that freight levels had dropped by 60 per cent, to near 2006 levels.

"I think (the recent freight increase) is an indication where if you put focus on making sure the line is well maintained and safe, you can attract new business to the line and that's what we're going to do," Finn said. "We have to grow the business to make sure the line is sustainable long term."

When asked how a line that they previously were moving to abandon is now one they believe in enough to invest significant money, Finn said it's a two-fold issue and having a partner in the province makes a big difference.

"One was the requirement of major capital investment and infrastructure and that will be financed by the contract of the province of New Brunswick and secondly is attracting new business on the line," he said. "We have to double for sure the business there today to make it long-term viable."

New Brunswick will have a vested interest in helping ensure new business comes to the line, as there is an agreement in place for the province itself to benefit from new business, although the specifics were sparse yesterday.

"In the agreement, there are provisions that provide for the fact that if the traffic levels arrive at a certain level, we will be sharing with the province of New Brunswick part of the revenue that we earn on the line," Finn said. "It's hard to say (how much it will earn for the province), it depends how much traffic we get on the line, but it's tied to the increase in business over time."

Deputy premier Paul Robichaud said the deal is beneficial also in the fact that CN has agreed to source New Brunswick-based supplies and construction work wherever possible in their work to upgrade and maintain the track.

"It's excellent news for New Brunswick," he said.

Alward also noted that if at the end of 15 years if the deal with CN isn't renewed, the investments the province has made in terms of repairs to the track will become property of New Brunswick.

The announcement was welcome news for northern New Brunswick mayors like Stephen Brunet of Bathurst, who said it's a great first step, but there is more work to be done.

"It is excellent news. That study (from Transport Action Atlantic) that we commissioned that came out, recommended a lot of the things that we hear today," he said. "CN contributed, the province contributed, the only disappointment is the federal government did not contribute."

"We have to work on that, the mayors have to get together with the federal politicians and say 'come on now, look at what the province has put in, look at what CN has put in.' Let's bring that rail line, a short little rail line, up to speed."

Ted Bartlett, a rail advocate, called it a "good news, bad news" type announcement. He was pleased that funding has been secured, but worried about the future of passenger rail service in the region if a solution isn't found for that middle stretch of rail.

"The province has certainly gone a long way (financially) and they feel they can't go any further," he said. "The federal government doesn't seem to have been a part of this announcement in any way and of course, Via is a creature of the federal government."

Rail crisis still looms, N.B. advocate warns

Times & Transcript (Moncton), Sat Jan 25 2014
Page: A1, Section: Main

Byline: **COLE HOBSON** Times & Transcript

A local transportation advocate is calling yesterday's railway funding announcement made by the provincial government and Canadian National Railway a significant step forward, but he warns that a "looming rail crisis" still exists.

"The important thing is there's a commitment there for 15 years and we're very pleased to see that," said Ted Bartlett, acting president of Transport Action Atlantic.

The province and CN yesterday announced a 15-year commitment to provide shared funding of upwards of \$55 million to repair and maintain two sections of the Newcastle subdivision rail line that runs between Moncton and the province's North Shore.

However, it was also announced that the discontinuance process would move forward on a middle section of the track that runs between Miramichi and Bathurst, due to the significant investments required to maintain it and since it's an area that doesn't have any freight customers.

It is, however, used as part of Via Rail's Ocean, which serves points between Montreal and Halifax.

"The bad news is of course that CN really has no use for a very important section of track between Miramichi and Bathurst," Bartlett said. "There's no freight customers on it, but it's used by Via Rail and Via Rail has not come to the party and there's an investment and infusion of capital necessary to maintain that line as well.

"Without that section of track, rail passenger service east of Quebec City is dead in the water."

Sean Finn, CN's executive vice-president of corporate services and chief legal officer, said the earliest that parts of the track could be removed is July 2014 and he estimated roughly \$10 million in investment would be needed to keep it operational.

"There seems to be a little optimism on the part of provincial ministers and officials (that the line will be saved), but it's a very short time frame," Bartlett said. "CN could start removing track as early as July of this year, so there's no time to be lost and we really have got to keep the pressure on to save that section of track. It's worth emphasizing that CN is putting in a substantial investment and the province is putting in a substantial investment and that will be pretty good track over the rest of that line for Via to run its train on."

Before part of the line can be discontinued, it will be offered for sale in early February to private interests and then to municipal, provincial and federal levels of government, as per the provisions of the Canada Transportation Act. They will have a five-month window to submit offers to purchase the middle section, should there be a desire to maintain rail service on the segment.

Via Rail spokeswoman Mylene Belanger told the Times & Transcript yesterday in a statement that the company will "continue to operate its trains over this route as long as it is in safe operating condition. We want to continue to use the Newcastle line as long as it is open. Concerning the acquisition and maintenance of the part that CN intends to abandon, Via Rail will continue to use it if someone acquires and maintains this section of track."

It doesn't appear, however, that a financial contribution will be coming from Via Rail. "Via Rail does not have the financial resources to acquire or maintain this section of track. If this section is abandoned, we will look into the commercial viability of all other alternatives for connecting between Halifax and Montreal, before adopting another route," the statement reads.

Bathurst Mayor Stephen Brunet said there's no way that municipalities would be able to foot the bill on acquiring that part of the track, so the onus would likely fall on private investment, or the federal government.

Many in attendance at yesterday's announcement at the Rodd Miramichi River Hotel were upset with the lack of federal government involvement in this file, even though Premier David Alward noted they were active in the discussions on the Strategic Rail Asset Committee.

"There's one thing missing here today and that's the federal government," said Bill Fraser, the MLA for Miramichi-Bay du Vin and the Opposition critic for transportation and infrastructure. "Everybody was expecting this was going to be a partnership between CN, the federal government and the province and it's very clear the federal government has written Atlantic Canada off, written the rail off, because otherwise they would have been here."

Miramichi Mayor Gerry Cormier said while the passenger service aspect is up to Via and the federal government, "all of the mayors of the north are prepared to work with the province and speak to some of the MPs around here and put the pressure on."

Campbellton Mayor Bruce MacIntosh said he expected the federal government would have played a much larger role in the process and was surprised when he heard they didn't contribute financially.

MacIntosh intended to address the matter with Restigouche MP Bernard Valcourt in the near future to see if the Canadian government had any plans to provide funding, or if it was content to let passenger rail service disappear.

"As it stands right now this destroys our Via Rail service, which is very important to our seniors, our students and those who are looking for health-care in Quebec City, Montreal, Halifax or Moncton for that matter," he said. "This is positive for some aspects of the rail line, but I would have hoped this would have been one big project - Via Rail should be there as an investing organization and I guess we have a lot of work left to be done."

For his part, Alward said they will continue to work toward a solution for the passenger rail situation.

"We're not giving up on the work, in no way. We need to remember that Via is a federal Crown corporation, Via needs to make decisions whether they see long-term opportunities in rail service to the north, there's been a reduction down to approximately 60 per cent of its use, but again, we haven't given up on it," he said. "We're at the table, we believe the next six months will provide an opportunity for Via and the federal government to look to see what can be done."

Bartlett's association just this week released a report entitled Revitalizing New Brunswick's Rail Sector. It's a 177-page document that was completed by transportation consultant Greg Gormick, who was hired by Transport Action Atlantic last spring, with funding provided by local municipalities.

The report offers recommendations in regards to the CN plan to abandon the track between Moncton and New Brunswick's North Shore, Via Rail's reduced frequency of the Ocean passenger service and the collapse of Industrial Rail Services.

Alward noted that some of what was covered in that report was in fact announced yesterday, such as government having an ownership stake in the rail line, as the province will get a part of the revenues if additional freight traffic is found for the line.

Bartlett said while yesterday's announcement was positive, there's still much more to be done.

"It only knocks off a portion of it. But the freight issue is pretty well addressed I think, but the passenger issue is still a looming crisis," Bartlett said. "It needs to be dealt with and dealt with quickly, because time is slipping away, we have a very small window here."

With files from Kris McDavid

N.B. rail line to be saved: expert

Byline: **COLE HOBSON** Times & Transcript

The author of a recently released report on rail industry issues in the region doesn't believe Canadian National (CN) will end up abandoning part of their track through northern New Brunswick.

"I don't think the 44 miles (71 kilometres) between Miramichi and Bathurst will be abandoned. I think the feds will come forward and put the money down, because we are getting up for a federal election campaign. That will motivate it and it's important that happens," said transportation consultant Greg Gormick, and author of the 177-page document "Revitalizing New Brunswick's Rail Sector," which was released last week.

"The cities of Miramichi and Bathurst are not pleased. They are happy the freight service is being retained, but they already realize, those mayors and economic development officers in Miramichi and Bathurst both realize they need that line complete."

The province and CN announced a 15-year commitment to provide shared funding of upwards of \$55 million to repair and maintain two sections of the Newcastle subdivision rail line that runs between Moncton and the province's North Shore last week. The province will provide up to \$25 million in infrastructure costs to repair the line, while CN will provide up to \$30 million to maintain and operate the line.

However, it was also announced that the discontinuation process would move forward on a middle section of the track that runs between Miramichi and Bathurst, due to the significant investments required to maintain it and since it's an area that doesn't have any freight customers.

It is, however, used as part of Via Rail's Ocean, which serves points between Montreal and Halifax.

Sean Finn, CN's executive vice-president of corporate services and chief legal officer, said the earliest that parts of the track could be removed is July 2014 and he estimated roughly \$10 million in investment would be needed to keep it operational.

Before part of the line can be discontinued, it will be offered for sale in early February to private interests and then to municipal, provincial and federal levels of government, as per the provisions of the Canada Transportation Act. They will have a five-month window to submit offers to purchase the middle section, should there be a desire to maintain rail service on the segment.

Gormick's report looked at the implications of the Canadian National (CN) Railway's plan to abandon the track between Moncton and New Brunswick's north shore, Via Rail's reduced frequency of the Ocean passenger service and the collapse of Industrial Rail Services.

In the CN discussion was the suggestion of possibly having an experienced short-line operator come in to run the Newcastle subdivision if CN wasn't willing to invest in it. However, Gormick said that suggestion pertained to the entire line and it's not feasible for a private operator to maintain that small section of the track as there isn't enough traffic to make it worthwhile.

Likewise, the estimated \$10-million price tag would be too high for municipalities to cover, he said.

"It all falls to the feds through Via I would say at this point....It is now in the federal government's court," he said, noting the timing of this project is good, due to the upcoming federal election. "Because it's unfortunate that decisions like this don't get made on the basis of sound planning, they get made on the basis of four-year election cycles."

Via Rail, through spokeswoman Mylene Belanger, has already told the Times & Transcript in a statement that the company "does not have the financial resources to acquire or maintain this section of track. If this section is abandoned, we will look into the commercial viability of all other alternatives for connecting between Halifax and Montreal, before adopting another route."

The company has also stated it will continue to operate its trains over the route as long as it's open and in safe working condition.

Gormick said recent train derailments in New Brunswick have proven the value of the line for not only passenger service, but also as an alternative route for freight. He also said there is benefit in the whole line being operational in terms of not forcing some shippers to have to "take a long route" to have their products arrive in some destinations, such as a shipment leaving from Bathurst and heading for Saint John.

He also believes that the 71 kilometres of track and \$10 million is not an awful lot especially when the federal government already owns other section of track throughout the country.

"I feel like I've become an honorary or adopted Maritimer and I look at it and my feeling is well jeez, if you'll spend money down here to take care of us in Central Canada, doesn't fairness call for you to do the same thing in the west or in the east or in the north?" said the Ontario-based consultant.

"You're all taxpayers and voters, you're all Canadians, shouldn't you have access to that kind of government assistance, using our own money? The people wanted it, so do it. And I have a feeling in the end (the federal government) will."

Gormick added that he thinks it's now time for MP's like Moncton-Riverview-Dieppe's Robert Goguen to "get very busy" on the file, although he questions how much they will ultimately be able to do.

He said this issue is on the radar of the Atlantic caucus, but progress can be difficult.

"I can tell you that MP's such as Robert go up to Ottawa with these concerns and this is a very lock-down, top-down government and the (prime minister's office) tells them to get lost. Go back to your constituents and tell them you're concerned and looking into it, but mind your own business. I've heard this from many MP's," he said. "As I often say the unfortunate thing today with this government is that MP's don't represent their constituents in Ottawa, they represent Ottawa to their constituents."

Gormick said he's in the past had great co-operation with the Atlantic caucus and Goguen, such as specific meetings where they asked him to deliver briefing notes.

"The only answer they got from the transportation minister was 'I'll do my best,'" Gormick said. "So I would say there is interest within the Atlantic caucus. Points to Robert Goguen, points to the Atlantic caucus. Now it's an Ottawa matter."

Ted Bartlett, the acting president of advocacy group Transport Action Atlantic, which hired Gormick to write his report, said he also believes Goguen represents "our best hope for getting some action on the file" in terms of the federal government.

"We're not talking about a big commitment of dollars here. When you consider that it costs about \$3 million to twin a single kilometre of highway, \$10 million over 10 years to keep a rail route open, it's not big bucks," he said. "Understandably I guess the cash-strapped province of New Brunswick has gone as far as it can, but I think it's time for somebody else to step up to the plate."

Bartlett said in CN's past mandate as a Crown corporation it's more likely they would have paid to have the whole rail line maintained in the interest of the public, but as an investor-owned corporation he said their priorities are different.

"It's understandable that CN wouldn't want to put any money into a stretch of track upon which there isn't a single solitary freight customer," he said. "The only use is Via Rail, so I guess (CN's) position is let Via pay. And Via say we don't have the money, so who ultimately pays? I guess the Government of Canada. I guess that's the direction in which the finger points at the moment."