

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 suggests municipalities should encourage the Federation of Canadian Municipalities to intensify its 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 cell 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.

Report recommendations

The following are the conclusions/recommendations made in “Revitalizing New Brunswick’s Rail Sector.”

CN’s Newcastle Subdivision

- › All ownership and operational alternatives must be carefully examined, including the possibility of ownership by the federal and/ or provincial governments, with operation contracted out to an experienced short line company.
- › 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.
- › The creation of a freight car pool for forest products shippers must be explored, with attention paid to solutions that have been successful elsewhere.
- › Consideration should be given to redirection of federal funds earmarked for the delayed Shining Waters rail project between Peterborough, Ont., and Toronto. Timelines are such that these funds cannot now be used in Ontario before they expire, and they could and should be used for rehabilitation of the Newcastle Subdivision instead.
- › 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.

Via Rail Canada Passenger Service

- › The Ocean should be returned to daily frequency as quickly as possible. This represents much more than simply better meeting the public need; as referenced previously, it would also deliver much better value for each dollar of expenditure.
- › Via should consider using its presently idle and recently rebuilt Budd rail diesel cars (RDCs) between Moncton and Campbellton to augment service until such time as the Ocean can be returned to daily operation.
- › Via should make maximum use of its most durable, reliable, and flexible equipment – the rebuilt Budd stainless steel passenger cars, many of which are now idle for six months of the year – while reducing or eliminating use of the unsatisfactory Renaissance equipment presently employed on the Ocean.
- › Investigate transfer of lower-revenue rail stations to municipal ownership, as is the case in large numbers of smaller towns and cities throughout the U.S.
- › Promote better integrated and co-ordinated operation between Via and Maritime Bus services.

› Introduce the long-delayed act of Parliament to properly establish Via Rail as a full Crown corporation with a clearly defined mandate, rights and obligations, supported by stable year-to-year funding, and reconstitute its board of directors to include expertise in rail operations and passenger transportation.

› Develop a long-term plan to re-equip Via with modern, functional, comfortable, and cost-efficient rolling stock.

Reviving Industrial Rail Services

› The minister of transport should initiate a process to restore a productive business relationship between Via and the owners of Industrial Rail.

› Recognizing that the bankruptcy of Industrial Rail absorbed a large amount of public money but failed to achieve the desired results for Via – as a result of missteps by both parties – a thorough investigation be undertaken to identify what went wrong, and implement safeguards to prevent any recurrence of this type of unfortunate situation.