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Transport 2000 West Canada Newsletter

for

**Manitoba
Saskatchewan
Alberta and
British Columbia**

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4119 Reid Rd., P. O. Box 247,
Eagle Bay, B.C. V0E 1T0

TRANSPORT 2000 CANADA Alberta Branch.

P.O. Box 583, Main Post Office, Edmonton AB T5J 2K8

Editorial

Unfortunately I was not able to produce a Newsletter in September. Although I get a lot of material sent to me, particularly Ken Moir for B.C. news, I just could not find the time to sit down and do the work.

You may have noticed that the last number of issues did not have the same print quality. The reason was that from November 1 1994 to July 8, 1995 my wife and I travelled in a motorhome through the United States and Canada. The newsletters were written on a laptop and the originals printed on a bubble printer (not the same as a laser printer). All correspondence and submissions were forwarded to me by courier every 2 weeks, so that I could stay in touch. We had decided to move to British Columbia effective last September, however I was asked to help in the preparation of the Master Transportation Plan for the Ottawa-Carleton region. So we packed up again and drove by car to Ottawa and stayed there until December 1, 1995. Work, instead editing in retirement, stopped me finishing the September newsletter.

So this issue is a double number to catch up. Our move to B.C. is now to take place in January 1996, although please start using my B.C. address now, since the mail is slow.

While in Ottawa I joined the steering committee for a while, observed the goings on with the Quebec referendum and became VP West for Transport 2000 Canada. The thinking was that "West" was more appropriate to designate my approximate whereabouts.

We can now start looking ahead to 1996. From a transportation point of view it does not look good. We have a Minister of Transport who wants to get rid of most of his responsibilities. I suppose it is in keeping that Fisheries has caused no fish, health makes us sick, Employment, National Unity etc. all seem to have the opposite effect of why the departments were created. We can expect the death warrant of VIA, unless voters make sure their MP's know that transport links matter.

Jean Charest gave leadership in the referendum campaign. Yet he could not persuade his own riding. Only a year ago his riding lost the Atlantic rail service. The moral is: **If you eliminate the links, you destroy the country.**

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VIA Rail Performance and Future West Pays Future (if any)?

On pages 6 to 9 inclusive more VIA results are shown. Comparing the various parts of the country, it is clear that the West suffered the greatest cuts with the elimination of the Canadian on the southern route. Not only that the fares went up since 1989 by 151%. Notwithstanding that trains remained full in 1994. This shows that in the relationship of Economics 100, supply-demand-price; that supply is inadequate.

There are indications however that there is a drop in use because of the high prices. Individual use is down.

If we compare the fare increases with the rest of the country, the east went up by 24%, the corridor by 41% and remote services by 14%.

VIA CHANGES 1989 - 1994

Service	Train.km	Fares
Corridor	-25%	+ 41%
East	-40%	+ 24%
West	-75%	+151%
Remote	-35%	+ 14%

And still Ottawa cannot understand the resentment in the west.

Now it should be noted that VIA has not received **new** equipment.

The future should be new equipment for transcontinental services, with daily service in the east and restoration of service on The Atlantic line as well as to Sidney NS. Further more the railway infrastructure should be guaranteed (Levis cut-off, Gaspé, both CN lines).

Have you recruited a new member lately. Transport 2000 Canada and its regional affiliates relies for its work on membership fees .

TRANSPORT 2000 CANADA. Alberta Branch.

P.O. Box 583, Main Post Office, Edmonton AB T5J 2K8

Editor: J. J. Bakker, Vice-President West Transport 2000 Canada,
Note new home address from January 2, 1996: 4119 Reid Rd., P. O. Box 247, Eagle Bay, BC. VOE 1T0 Phone: (604) 675-4779 Fax (604) 675-4129.

TRANSPORT 2000 CANADA is a national federation of consumers devoted to advancing the public interest in transportation of all modes. A registered charity, it is involved with research, public education and advocacy of public transport issues. It publishes a newsletter "Transport Action".

TRANSPORT 2000 CANADA [Alberta Branch] is a separate organization in the Province of Alberta. Half the membership fee goes to the Federal Organization.

This newsletter was edited by John Bakker

The West

In the west daily service should also be provided (4X south route 3X north route per week), with supplemental service in the summer through the Rockies. Nevertheless trans-continental service cannot be sustained as a pure passenger train. Some kind of mixed train, whether with postal cars, flat cars with trucks or containers and/or car carrying cars will be necessary to get a more economic operation.

The Corridor

In the corridor with high speed trains a dead issue (except for useless studies by consultants), the need is now for tilted trains providing frequent service. Quebec-Montreal should have a train every 2 hours, Montreal - Toronto every hour, Montreal-Ottawa-Toronto every 2 hours, Toronto-Windsor, Toronto-Sarnia, Toronto Niagara every 2 hours. The best type of equipment would be multiple unit diesel (like the IC-3 in Denmark, Sweden or Israel) but tilting, with a few non-stop express trains between Montreal and Toronto.

Remote Services

The Remote Services should be removed from the regular budget of VIA. Remote services should be a separate contract for specified services. In any case are full service trains needed for these runs?

Reality?

The real future seems to be, no investment, neglect and a slow death of all passenger rail services. And that from the government that disagreed with the Royal Commission on Passenger Transportation. No other western country makes this error.

Why Subsidize Passenger Rail?

Privatisation or Shut Down?

The Minister of Transport was reported that he was considering privatizing VIA. Privatizing VIA is the code word for shutting it down, as recommended in the Royal Commission Report on Passenger Transportation.

The agenda in Transport Canada is to get rid of all costs in every form of transportation. In other words there will be no more subsidies. It is probably unique to have a minister who does not want to accept any responsibility for transportation, but only thinks in terms of transferring costs to other jurisdictions.

Why No Subsidies?

The argument against subsidies are: It promotes inefficiency
In a time of deficits, we cannot afford it.
The User should pay.
Nobody uses the train anyway.

Why Subsidies?

The question then is what are the arguments in favour of a subsidy. The main reason is equity. The Royal Commission on Passenger Transportation, the Task Force on the Privatization of CN and the government all have missed the opportunity to create an infrastructure utility and put railways on the same basis as other forms of transport.

So for passenger rail the situation is now that they have to pay fuel taxes to the federal and provincial governments. The tax to the provinces is used to improve and maintain roads and none of it is used for railways. However bus companies have to pay federal and provincial fuel taxes, but they do not pay an access charge or a weight specific rate. The passenger rail company (VIA, Go Transit and other Commuter rail) then have to pay the railways for the use of the track. In other words they pay twice. A just subsidy would be for government to pay the access charges.

Besides it being equitable, the government also is in a better negotiating position, than VIA, GO Transit or Commuter operations. VIA for example has no rights as regards track use, and the railways can charge whatever they wish. Some have calculated that the access charge is about five times what it should be, if various forms of transport are compared. For the railways, passenger services of any kind are just a cash cow, useful until they close the line. JJB

Diesel Light Rail and Possible Impacts of Changes in Technology

Light Rail Transit is considered the answer to expensive grade separated heavy rail transit (like BART, Toronto, Montreal etc.). The problem has been that LRT itself is becoming more expensive. High costs are due to vehicles, electrification, signalling and track infrastructure. The same problem of high costs exists in Europe in respect of branch line passenger services.

Siemens-Duewag has developed a diesel light rail vehicle, powered by 2 diesel engines, which reaches the cost of a bus (per m length). The vehicle shown below costs DM 1.7 million or Cdn \$ 1.7 to \$ 2.1 million.

Siemens-Duewag is bringing one of these vehicles to Canada. Calgary will have a demonstration project from April through August in 1996. The Diesel LRV will run every 20 minutes as a peak hour feeder to the south LRT line, a distance of 6 km.

Other applications in Canada could be Edmonton from the Government Centre to the International Airport, or as a preliminary to either commuter rail or LRT on existing railway lines. One possibility could be Gatineau - Hull - Ottawa, or within Ottawa between Lebreton Flats and Billings Bridge via Carleton University. The developments of the low floor technology with a choice of power packages can have a great future.

Buffing Strength

The new light weight, low floor equipment being developed in Europe does not meet the high buffing strengths required on the N. American continent. The requirement is to be able to resist an impact of 2g at low speed. The Editor's guess is that some of the trucks and stationwagons with rail wheels one sees on the railway line and used by maintenance, do not meet this buffing strength either. Separation in time will be necessary on Canadian railways. In Germany the ICE (Inter City Express) trains share tracks with LRT at Karlsruhe, showing that it can be done.

Why This Vehicle

The new diesel light rail vehicle was developed for the Regional Railways in Germany. Hence the width is 2.9 m, which is too wide for Light Rail Transit or street operation. There the width should be 2.65 m. The manufacturers suggest a range of 50 km. Basically these trains are used as feeders to the

Federal Railway System in Germany.

Commuter Rail and LRT

The development of low floor technology combined with using different power sources will give many new kinds of opportunities in passenger transportation. Commuter Rail is envisaged as a big diesel engine and a number of coaches together with full railway crews. With commuter rail both the stations at the outer end and at the destination are often not where people want to be. The activities have moved away from the stations (except in Ottawa and Saska-

toon where the stations moved away from the activities). Using a Light Rail vehicle (with 2.65 m width) would make it possible to serve both origin and destination better and yet use for the line haul existing railway lines.

Other Power Sources?

The power source could later change to fuel cells or hybrid motors, giving even greater flexibility. The concerted effort in Europe to reduce costs in Light Rail Transit can only be commended. Now it is up to potential users. JJB

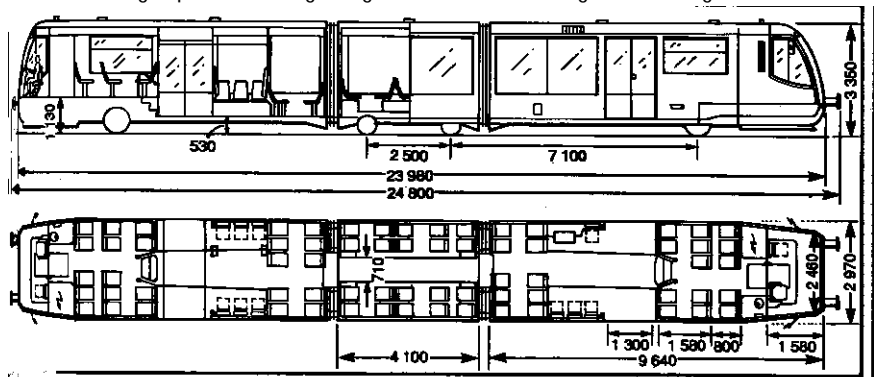
Low Floor Light Rail Vehicles.

Type 2 vehicles have conventional motors and trucks at each end

Manufacturer	Electric Bombardier	Electric Duewag-ABB	Electric Siemens-Duewag	Diesel Siemens-Duewag
Percent Low Floor	60	61	66	70
Length in m	26.8	28.82	28.04	24.8
Width in m	2.65	2.65	2.65	2.97
Low Floor Height in mm	440	390	355	530
Seats	58	91	72	74
Standees @ 4 pass./m ²	136	100	116	100
Weight in Tonnes	34.7	34.5	44	30
Minimum Radius in m	20	NA	25	80
Maximum Speed km/h	80	80	88	100
Acceleration m/s/s	1.4	1.4	1.4	1.1
Service Braking m/s/s	1.2	1.2	1.2	1.15
Emergency Braking m/s/s	3.0	3.0	3.0	2.73
Propulsion	Volts 750AC	750AC	750AC	5 cyl diesel
Propulsion	Motors 4x100kW	4x125kW	4x140kW	2x228kW
City that uses equipment	Cologne (D)	Karlsruhe (D) Vienna (A)	Portland OR USA	Suburban German Railways
Price	US\$ NA	NA	2,400,000	1,700,000

Type 3 vehicles are 100% low floor. European designs are for narrow cars (2.4 m), wider cars (2.65m) are possible. European Design is based on standard components, allowing smaller quantities of vehicles to be produced economically. There are many other designs on the market

Source: TCRP Report 2, Applicability of Low Floor Light Rail Vehicles in North America, Transportation Research Board, Washington DC (1995) and Brochure from Siemens, RegioSprinter, New Lightweight Diesel Railcar for Regional Passenger Service.



New Diesel Light Rail Vehicle developed by Siemens-Duewag

CP and The ~~National~~ Western Dream East to Shut Down?

CP Avoids Quebec

For a number of years CP Rail has periodically reorganized in order to avoid Quebec. Based on the assumption that Quebec will eventually separate, CP first reorganized in the Atlantic region. The Atlantic Railway became a subsidiary, which was last year sold to short line operators and the Atlantic container traffic was moved south into the United States. Container traffic is now all routed through the US in particular Chicago.

After the close referendum vote, it did not take CP very long (3 weeks) to announce a further reorganization. **CP Rail** will move to Calgary, and a small eastern division will stay in Montreal. However this eastern division will have its own accounting and balance sheets (same procedure as with Atlantic Railways). The expectation is that besides a few main lines CP will withdraw from eastern Canada and turn all traffic over to new short lines. CP Management has denied that the move has anything to do with politics.

Reorganisation, 1450 jobs lost

A total of 1450 jobs will be eliminated. In Montreal 484 out of 1400 will be cut and 226 will be moved. As part of the reorganization 11 layers of management will be squeezed into 6. The annual savings are estimated at \$ 100 million. Few of the people who lost their job involve people who interact with customers.

Separating CP Rail

Canadian Pacific Ltd will become a holding company and then have the following subsidiaries:

	1994 Operating Profit \$million
CP Rail Systems	277
CP Ships	86
PanCanadian Petroleum	407
Fording Coal	99
Marathon Realty Holdings	143
CP Hotels & Resorts	73
CP Rail Systems Land Sales	29

Under this reorganization CP Rail will be on its own, will have to raise its own capital, can internally restructure, can merge, sell off to employees or enter joint ventures. CP Rail may become a separately traded public company. CP Rail will also get its own debt rating. CP may also later sell its holdings in Laidlaw.

The Eastern division, according to Mr. Robert Ritchie and as quoted in The Globe and Mail, will focus on such problems as higher property taxes, as well as the lack of a strong base in bulk freight.

One would have thought, that one objective of a railway company would be to get a greater share of the market. Why is trucking more attractive? But railways always think in terms of long trains and dispatch when they have a long train. Trucking on the other hand thinks in terms of small units and dispatch often. If CP Rail or CN for that matter want to attract business, they better start thinking for the corridor in terms of frequent service for piggy back, or the rolling highways concept (complete trucks on flat cars and a passenger coach for drivers).

However it is clear that if bulk that is not there, cannot be moved, CP wants tax relief and looks forward to rip up the tracks. The amazing aspect is that the Federal Government cheers them on.

CP Rail Total Employees

Year	Employees	+ or - since '90
1990	27,051	0
1991	27,531	+480
1992	26,172	-879
1993	24,820	-2,231
1994	24,079	-2,972
1996	22,650	-4,451

CN is cutting 12,000 jobs.

The CP Rail Executive offices will move to Calgary along with 730 employees, which come from Montreal (226), Toronto (287), Vancouver and Minneapolis. None are expected to move by passenger train.

Why Calgary?

The housing market in Calgary is a lot better for a company relocating its employees than Vancouver. Besides Alberta does not have a sales tax and has lower corporate and personal income taxes. CP does 80% of its business in the west. Calgary has quite a few empty office buildings. CP is locating in Gulf Canada Square. JJB
Sources: Globe&Mail, Ottawa Citizen

An Amendment

The CN Privatization Bill did not get much discussion in the house. One amendment was to change that the HQ of CN had to be in Montreal, Quebec to Montreal, Quebec, **Canada**.

Ferry Safety

Europe is adopting more stringent rules on ferry safety. A year ago 852 people were killed when the ferry Estonia went down in the Baltic Sea. The requirement is going to be that ferries must remain stable even if their vehicle decks take on as much as 48 cm of water. Now about 5 cm can be enough to sink a ferry. Ferries will probably be fitted with bulkheads on their vehicle decks. Source: Vanc.Sun Oct.21.1995

Injury in North Delta

An Amtrak train hit a pedestrian in North Delta. The pedestrian suffered leg and arm fractures, while walking along the railway track.

The incident is being classified as a trespass. Railways are considered private property, and should not be used by pedestrians.

The Amtrak train was going 100 km/h when the accident occurred. Surrey Council would like to see a safety blitz, but want Amtrak to pay for it.

Air Canada is Expanding

Since October Air Canada has 14 non-stop services between Calgary and Vancouver. Both Canadian and Air Canada appear to use Calgary as a hub. Air Canada also introduced bargain fares on numerous routes (all matched by Canadian) so as to corner the market. It was our understanding that destructive competition was illegal.

One Airport in Edmonton

The October civic election finally caused the demise of the municipal airport as far as commercial flights is concerned. All flights will after April 1996 go to/from Edmonton International. All that is needed, is fast ground transportation to Edmonton (20 km).

When the International Airport was opened in the early sixties, it was on the understanding that the municipal airport would have no commercial function. However PWA (now Canadian) started an airbus-shuttle service to Calgary from the Municipal Airport. Later the shuttle planes would continue from Calgary to other destinations, like Vancouver or Ottawa. Calgary became a hub, while Edmonton municipal fed that hub. Edmonton Int. had a few planes now and then.

It is hoped that the consolidation of flights at the International Airport will make Edmonton a second hub in Alberta, with connections from the north to other parts of Canada and the world.

Railways Find Joint Subsidiary Unprofitable

Both CN and CP are getting rid of their only joint subsidiary. The prime reason is that the subsidiary is no longer making a profit for them. In fact the subsidiary has shown indications of a remarkable independence lately, particularly in regard to money matters.

Until recently the subsidiary paid regularly money to both CP and CN. However the management of the subsidiary now does no longer want to hand over money when requested. CN was given its last payment in late August and told no more.

However there is one more task the subsidiary has to perform before it is allowed to close down. It must make it

easy to get rid of infrastructure assets, preferably without the hassle of public input, objections by users or consumers, or even provincial and municipal governments.

The objective now is to create a few main lines and a series of branch lines into the U.S.A. rail network. Once all that is accomplished there will be no further need for the subsidiary. The subsidiary is of course the Federal Government.

Consumers or for that matter provincial governments may come to the same conclusion.

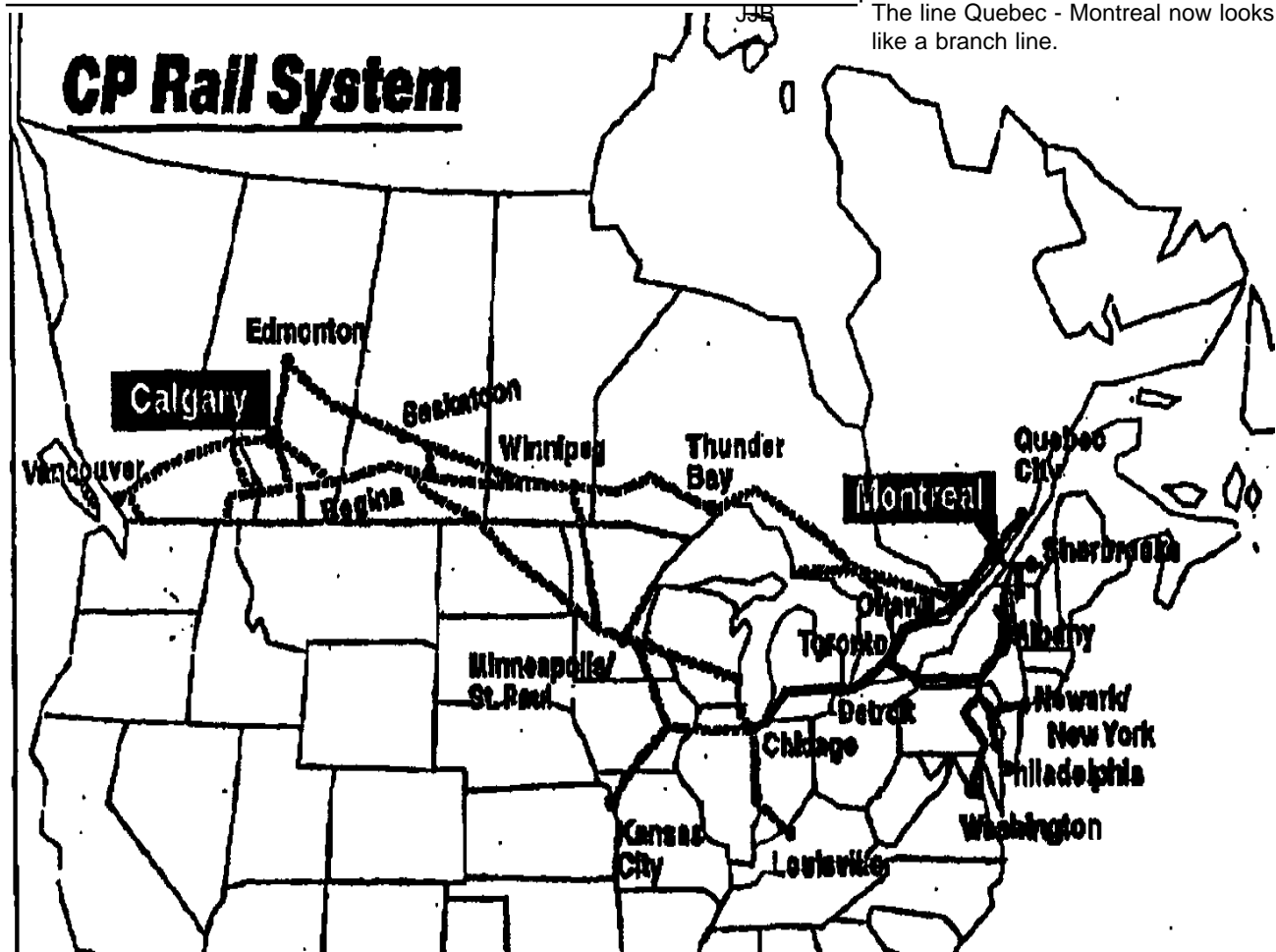
Government by Railways maybe alright, however how do we get a vote?

Help us in bringing in more new members.
Join or Renew your Membership in Transport 2000 Canada.
Transport Action from the National Office
Newsletter from the Region.
See form on last page for rates.

The CP Rail System

The map below shows both the Eastern and Western CP Rail Systems. The division points are Toronto and Chicago. The CP main line Toronto-Sudbury-Winnipeg is part of the western region, as is the line Ottawa to Sudbury.

The map clearly shows how CP has over time reorganized around Quebec. The line Quebec - Montreal now looks like a branch line.



West Coast Express, the New Commuter Line for Vancouver

Since November 1, 1995 the new commuter line "West Coast Express" has operated between Mission and Vancouver. 5 Trains in the morning peak in and 5 trains in the evening peak out. The first three days were free, but when payment was required, the number of passengers remained the same. About 3000 passengers rode the trains which

have seats for 3600. At present the train pulls 5 cars, which can be increased to 10 if required. Cost one-way is \$7.00, and with a 28 day pass it drops to \$ 5.25. The bus fare is \$ 3.00.

Commuters praised the new service. Politicians claimed credit if NDP and criticized if Liberal. The first day caused a breakdown of one train, which

gave the necessary ammunition for Doug Symons, the Liberal Transport critic. MK Rail had bid \$ 11.2 million for 6 reconditioned engines. GM bid 5 new engines for \$16.5 million. A spare engine would not have been at the location of the breakdown, so the delays would still have occurred. In case of major maintenance, VIA will supply an engine.

Trans-Continental Summary for the West.

Trains: The Canadian (via Calgary until 1991, via Edmonton since 1991), The Super-Continental (via Edmonton until 1991)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Train.km (000)	4,690	5,486	5,376	5,566	5,546	1,469	1,478	1,395	1,390	1,397
Passengers(000)	675	688	624	723	864	166	153	183	152	154
Passenger.km(000)	699,365	718,544	601,848	684,519	843,563	223,091	214,718	239,642	226,723	234,434
Seat.km (000)	1,085,462	1,085,214	951,243	1,027,170	1,060,667	278,881	283,978	288,450	288,445	304,518
Average Trip Length in km.	1,036	1,044	964	947	977	1,344	1,406	1,310	1,492	1,522
Revenue (000)	\$51,771	\$59,776	\$52,312	\$62,900	\$67,582	\$22,627	\$22,115	\$23,548	\$26,788	\$30,226
Avoidable Cost.(000)	\$130,150	\$137,592	\$125,442	\$136,107	\$142,592	\$58,877	\$46,405	\$48,036	\$45,381	\$46,488
Pass.km/train.km	149	131	112	123	152	152	145	172	163	168
Seat.km/Train.km	231	198	177	185	191	190	192	207	207	218
Passenger.km/Seat.km	0.64	0.66	0.63	0.67	0.80	0.80	0.76	0.83	0.79	0.77
Avoidable Cost/train.km	\$27.75	\$25.08	\$23.33	\$24.45	\$25.71	\$40.08	\$31.39	\$34.43	\$32.64	\$33.28
Avoidable cost per seat.km	\$0.12	\$0.13	\$0.13	\$0.13	\$0.13	\$0.21	\$0.16	\$0.17	\$0.16	\$0.15
Rev./Passenger (Ave.Fare)	\$76.70	\$86.88	\$83.83	\$87.00	\$78.26	\$136.29	\$144.82	\$128.68	\$176.24	\$196.27
Revenue per pass.km.	\$0.70	\$0.80	\$0.90	\$0.90	\$0.80	\$0.10	\$0.10	\$0.10	\$0.12	\$0.13
Revenue per train.km	\$11.04	\$10.90	\$9.73	\$11.30	\$12.19	\$15.40	\$14.96	\$16.88	\$19.27	\$21.64
Revenue/Cost ratio	0.40	0.43	0.42	0.46	0.47	0.38	0.48	0.49	0.59	0.65
% Reduction in train.km vs 1989						-74	-73	-75	-75	-75
% Reduction in Passengers vs. 1989						-81	-82	-79	-82	-82
% Reduction in Passenger.km vs. 1989						-74	-75	-72	-73	-72
% Increase in Ave.Fare vs.1989						74	85	64	125	151
% increase in cost per train.km vs. 1989						56	22	34	27	29

Trans-Continental Summary for the East.

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Train:Atlantic (daily until 1990, 3Xper week until Dec.1994), Ocean (daily until 1990, 3Xper week until Dec.1994) and Chaleur (daily until 1986, daily1987 to 1990 but combined with the Ocean between Montreal and Metapedia, 3Xper week1990 until Dec.1994)										
Train.km	1,838,400	1,864,000	1,832,000	1,883,200	1,870,015	1,152,835	1,129,008	1,132,800	1,128,000	1,118,400
Passengers	603,000	573,000	543,000	559,000	557,767	276,265	278,053	274,000	255,000	263,000
Passenger.km(000)	321,595	286,102	275,870	289,1260	307,010	188,579	195,411	194,795	181,515	187,032
Average Trip Length	533	499	508	517	550	683	703	711	712	711
Seat.km(000)	575,181	518,613	495,042	500,997	493,052	287,888	312,335	305,366	272,723	278,291
Revenue (000)	\$23,743	\$23,703	\$23,007	\$23,956	\$29,558	\$16,604	\$17,291	\$17,037	\$16,710	\$17,327
Avoidable Cost.9000)	\$53,817	\$54,440	\$50,831	\$52,345	\$51,125	\$45,206	\$38,589	\$38,449	\$37,113	\$35,468
Seat.km / Train.km	313	278	270	266	264	250	277	270	242	249
Passenger.km/Train.km	175	153	151	154	164	164	173	172	161	167
Passenger.km / Seat.km	0.56	0.55	0.56	0.58	0.62	0.66	0.63	0.64	0.67	0.67
Avoidable Cost / train.km	\$29.27	\$29.21	\$27.75	\$27.80	\$27.34	\$39.21	\$34.18	\$33.94	\$32.90	\$31.71
Avoidable cost / seat.km	\$0.90	\$0.10	\$0.10	\$0.10	\$0.10	\$0.16	\$0.12	\$0.13	\$0.14	\$0.13
Rev./ Pass. (=Ave.Fare)	\$39.37	\$41.37	\$42.37	\$42.86	\$52.99	\$60.10	\$62.19	\$62.18	\$65.53	\$65.88
Revenue per pass.km.	\$0.70	\$0.80	\$0.80	\$0.80	\$0.10	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90
Revenue per train.km	\$12.92	\$12.72	\$12.56	\$12.72	\$15.81	\$14.40	\$15.32	\$15.04	\$14.81	\$15.49
Revenue/Cost ratio	0.44	0.44	0.45	0.46	0.58	0.37	0.45	0.44	0.45	0.49
% Reduction in train.km vs 1989.						-38	-40	-39	-40	-40
% Reduction in passengers vs 1989						-50	-50	-51	-54	-53
% Reduction in passenger.km vs. 1989						-39	-36	-37	-41	-39
% Increase in Ave.Fare vs 1989.						13	17	17	24	24
% Increase in cost/train.km vs. 1989						43	25	24	20	16

Corridor Summary

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Train.km	8,686,400	8,595,200	7,526,400	7,688,000	8,250,404	5,708,992	5,683,372	6,067,200	6,156,800	6,156,800
Passengers	4,839,000	4,245,000	4,024,000	4,428,000	4,361,765	2,967,940	3,043,866	2,971,000	2,935,000	2,933,000
Passenger.km(000)	1,206,054	1,058,326	1,034,419	1,158,978	1,121,034	805,026	862,884	847,782	845,400	854,426
Seat.km(000)	2,434,982	2,231,816	2,027,694	2,272,150	2,053,991	1,425,611	1,451,673	1,497,522	1,448,413	1,427,846
Revenue(000)	\$104,320	\$101,285	\$100,710	\$112,737	\$116,205	\$90,717	\$96,603	\$95,429	\$103,494	\$110,280
Avoidable Cost(000)	\$168,798	\$166,030	\$163,915	\$174,594	\$182,848	\$138,560	\$136,501	\$144,444	\$143,542	\$138,565
Seat.km / Train.km	280	260	269	296	249	250	255	247	235	232
Passenger.km / Seat.km	0.50	0.47	0.51	0.51	0.55	0.56	0.59	0.57	0.58	0.60
Avoidable Cost / train.km	\$19.43	\$19.32	\$21.78	\$22.71	\$22.16	\$24.27	\$24.02	\$23.81	\$23.31	\$22.51
Avoidable cost / seat.km	\$0.70	\$0.70	\$0.80	\$0.80	\$0.90	\$0.10	\$0.90	\$0.10	\$0.10	\$0.10
Rev. / Pass. (= Ave.Fare)	\$21.56	\$23.86	\$25.03	\$25.46	\$26.64	\$30.57	\$31.74	\$32.12	\$35.26	\$37.60
Revenue per pass.km.	\$0.90	\$0.10	\$0.10	\$0.10	\$0.10	\$0.11	\$0.11	\$0.11	\$0.12	\$0.13
Revenue per train.km	\$12.01	\$11.78	\$13.38	\$14.66	\$14.08	\$15.89	\$17.00	\$15.73	\$16.81	\$17.91
Revenue/Cost ratio	0.62	0.61	0.61	0.65	0.64	0.65	0.71	0.66	0.72	0.80
% Reduction in train.km vs. 1989						-31	-31	-26	-25	-25
% Reduction in Passengers vs. 1989						-32	-30	-32	-33	-33
% Reduction in Passenger.km vs 1989						-28	-23	-24	-25	-24
% Increase in Ave. Fare vs. 1989						15	19	21	32	41
% Increase in Cost per train.km vs. 1989						10	8	7	5	2

Regional and Remote Summary, except for Atlantic Feeders

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Train.km	2,583,400	2,937,600	2,859,200	2,905,600	2,488,960	1,613,926	1,623,088	1,649,600	1,627,200	1,643,200
Passengers	440,000	430,000	396,000	407,000	327,835	110,797	114,941	132,000	145,000	153,500
Passenger.km (000)	121,905	119,035	110,136	112,608	95,544	39,138	42,317	41,281	45,464	46,432
Seat.km (000)	379,296	387,936	365,970	373,363	303,315	190,460	191,906	189,216	186,477	185,843
Revenue (000)	\$10,060	\$10,908,000	\$11,078,000	\$11,197,000	\$9,013,973	\$4,210,157	\$4,241,353	\$4,320,000	\$4,695,000	\$4,815,000
Avoidable Cost.(000)	\$38,022,000	\$46,987,000	\$45,306,000	\$49,226,000	\$41,571,000	\$32,365,000	\$32,026,000	\$31,695,000	\$31,071,000	\$29,469,000
Seat.km / Train.km	147	132	128	128	122	118	118	115	115	113
Pass.km / Train.km	47	41	39	39	38	24	26	25	28	28
Passenger.km / Seat.km	0.32	0.31	0.30	0.30	0.31	0.21	0.22	0.22	0.24	0.25
Avoidable Cost / train.km	\$14.72	\$16.00	\$15.85	\$16.94	\$16.70	\$20.05	\$19.73	\$19.21	\$19.09	\$17.93
Avoidable cost / seat.km	\$0.10	\$0.12	\$0.12	\$0.13	\$0.14	\$0.17	\$0.17	\$0.17	\$0.17	\$0.16
Revenue / Passenger (= Ave.Fare)	\$22.86	\$25.37	\$27.97	\$27.51	\$27.50	\$38.00	\$36.90	\$32.73	\$32.38	\$31.37
Revenue per pass.km.	\$0.80	\$0.90	\$0.10	\$0.10	\$0.90	\$0.11	\$0.10	\$0.10	\$0.10	\$0.10
Revenue per train.km	\$3.89	\$3.71	\$3.87	\$3.85	\$3.62	\$2.61	\$2.61	\$2.62	\$2.89	\$2.93
Revenue/Cost ratio	0.26	0.23	0.24	0.23	0.22	0.13	0.13	0.14	0.15	0.16
% Reduction in train.km vs. 1989						-35	-35	-34	-35	-34
% Reduction in Passengers vs. 1989						-66	-65	-60	-56	-53
% Reduction in Passenger.km vs 1989						-59	-56	-57	-52	-51
% Increase in Ave. Fare vs. 1989						38	34	19	18	14
% Increase in Cost per train.km vs. 1989						20	18	15	14	7

As can be seen from the above figures, the remote services remain a problem for VIA. These services should be separated entirely from the VIA accounts and become a separate contract with the federal government. VIA still is clumsy enough (is there no political

savvy anywhere?) not to separate out remote services from its regular services in its annual report, there by making VIA look worse than it really is.

Remote services can also be contracted to other railways like CP or CN. Transport Canada should call for bids.

Next Issue March 1996
Send letters or copy to Editor:
(NOTE CHANGED ADDRESS)
J. J. Bakker,
4119 Reid Road, P. O. Box 247,
Eagle Bay, B.C. V0E 1T0

Regional and Remote: Vancouver Island

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Train.km	161,600	161,600	158,400	161,600	160,366	158,034	160,194	161,600	155,200	160,000
Passengers	50,000	51,000	47,000	45,000	50,341	31,913	29,899	35,000	39,000	45,000
Passenger.km(000)	7,402	7,379	6,720	6,456	7,264	4,835	4,450	4,579	5,880	6,638
Average Trip Length in km.	148	145	143	143	144	152	149	131	151	148
Seat.km(000)	18,645	19,395	17,901	16,190	14,334	15,583	15,942	16,979	15,616	16,570
Revenue(000)	\$552	\$692	\$686	\$666	\$604	\$551	\$495	\$564	\$613	\$650
Avoidable Cost(000).	\$1,205	\$1,205	\$1,424	\$1,421	\$1,440	\$2,403	\$2,288	\$2,379	\$2,467	\$2,285
Seat.km / Train.km	115	120	113	100	89	99	100	105	101	104
Passenger.km / Seat.km	0.40	0.38	0.38	0.40	0.51	0.31	0.28	0.27	0.38	0.40
Avoidable Cost / train.km	\$7.46	\$7.46	\$8.99	\$8.79	\$8.98	\$15.21	\$14.28	\$14.72	\$15.90	\$14.28
Avoidable cost / seat.km	\$0.60	\$0.60	\$0.80	\$0.90	\$0.10	\$0.15	\$0.14	\$0.14	\$0.16	\$0.14
Revenue / Passenger (= Ave. Fare)\$11.04	\$13.57	\$14.60	\$14.80	\$12.00	\$17.28	\$16.56	\$16.11	\$15.72	\$14.44	
Revenue per pass.km.	\$0.70	\$0.90	\$0.10	\$0.10	\$0.80	\$0.11	\$0.11	\$0.12	\$0.10	\$0.10
Revenue per train.km	\$3.42	\$4.28	\$4.33	\$4.12	\$3.77	\$3.49	\$3.09	\$3.49	\$3.95	\$4.06
Revenue/Cost ratio	0.46	0.57	0.48	0.47	0.42	0.23	0.22	0.24	0.25	0.28
% Reduction in train.km vs. 1989						-1	-0	1	-3	-0
% Reduction in Passengers vs. 1989						-37	-41	-30	-23	-11
% Reduction in Passenger.km vs 1989						-33	-39	-37	-19	-9
% Increase in Ave. Fare vs. 1989						44	38	34	31	20
% Increase in Cost per train.km vs. 1989						69	59	64	77	59

Slowly the Vancouver Island service is recovering its passengers. This year (1995) VIA has placed three RDC's in Victoria to provide both back-up and additional capacity when needed. For the first time in many years VIA has also advertised the service. The track charges by CP are still too high, since they were doubled in 1990.

Regional and Remote: Skeena

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Train:	Edmonton - Jasper - Prince George - Prince Rupert 3X week until 1990, Jasper - Prince George - Prince Rupert 3X per week since 1990.									
Train.km	211,200	361,600	347,200	361,600	351,682	354,582	359,578	348,800	352,000	358,400
Passengers	21,000	28,000	26,000	26,000	7,170	14,717	14,103	13,000	14,000	16,000
Passenger.km	17,984,000	22,081,600	20,781,000	21,248,000	19,617,330	10,051,728	10,278,456	9,491,200	8,824,000	9,924,800
Average Trip Length in km.	856	789	799	817	2,736	683	729	730	630	620
Seat.km	39,110,400	47,233,600	45,966,400	51,672,000	40,297,205	28,033,837	30,687,965	28,262,400	27,625,600	28,427,200
Revenue	\$1,323,000	\$1,724,000	\$1,884,000	\$1,916,000	\$1,687,223	\$997,538	\$922,727	\$785,000	\$872,000	\$974,000
Avoidable Cost.	\$4,757,000	\$8,250,000	\$8,030,000	\$8,553,000	\$7,387,000	\$7,294,000	\$7,884,000	\$6,639,000	\$6,337,000	\$5,755,000
Seat.km / Train.km	185	131	132	143	115	79	85	81	78	79
Passenger.km / Seat.km	0.46	0.47	0.45	0.41	0.49	0.36	0.33	0.34	0.32	0.35
Avoidable Cost / train.km	\$22.52	\$22.82	\$23.13	\$23.65	\$21.00	\$20.57	\$21.93	\$19.03	\$18.00	\$16.06
Avoidable cost / seat.km	\$0.12	\$0.17	\$0.17	\$0.17	\$0.18	\$0.26	\$0.26	\$0.23	\$0.23	\$0.20
Revenue / Passenger (= Ave. Fare)\$63.00	\$61.57	\$72.46	\$73.69	\$235.32	\$67.78	\$65.43	\$60.38	\$62.29	\$60.88	
Revenue per pass.km.	\$0.70	\$0.80	\$0.90	\$0.90	\$0.90	\$0.10	\$0.90	\$0.80	\$0.10	\$0.10
Revenue per train.km	\$6.26	\$4.77	\$5.43	\$5.30	\$4.80	\$2.81	\$2.57	\$2.25	\$2.48	\$2.72
Revenue/Cost ratio	0.28	0.21	0.23	0.22	0.23	0.14	0.12	0.12	0.14	0.17
% Reduction in train.km vs. 1988						-2	-1	-4	-3	-1
% Reduction in Passengers vs. 1988						-43	-46	-50	-46	-38
% Reduction in Passenger.km vs 1988						-53	-52	-55	-58	-53
% Increase in Ave. Fare vs. 1988						-8	-11	-18	-15	-17
% Increase in Cost per train.km vs. 1988						-13	-7	-20	-24	-32

The performance of the Skeena remains bad. The schedule is such that connections in Prince George are terrible. The Westbound train should run about 4 hours earlier, and the Eastbound train about 2 hours earlier. The alternative is to split into day trains with an overnight in Pr. George.

Regional and Remote: Hudson Bay.

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Train:	Wnpg-Chrch	Wnpg-Chrch	Wnpg-Chrch	Wnpg-Chrch	Wnpg-TPas	Wnpg-Chrch	Wnpg-Chrch	Wnpg-Chrch	Wnpg-Chrch	Wnpg-Chrch
via	The Pas	The Pas	The Pas	The Pas		The Pas	The Pas	The Pas	The Pas	The Pas
Train.km	528,000	523,200	516,800	529,600	238,901	526,096	529,731	526,400	521,600	528,000
Passengers	54,000	47,000	50,000	48,000	11,680	28,441	30,675	32,000	35,000	36,000
Passenger.km (000)	22,042	19,574	18,805	18,946	7,133	15,297	17,621	16,283	17,222	16,389
Average Trip Length in km.	408	416	376	395	611	538	574	509	492	455
Seat.km (000)	73,208	58,800	58,670	62,466	21,340	74,141	74,395	71,936	70,198	65,766
Revenue (000)	\$1,789	\$2,137	\$2,513	\$2,361	\$726	\$1,638	\$1,728	\$1,703	\$1,824	\$1,825
Avoidable Cost.(000)	\$8,521	\$11,084	\$10,811	\$12,008	\$5,398	\$11,227	\$11,944	\$12,501	\$12,225	\$11,732
Seat.km / Train.km	139	112	114	118	89	141	140	137	135	125
Passenger.km / Seat.km	0.30	0.33	0.32	0.30	0.33	0.21	0.24	0.23	0.25	0.25
Avoidable Cost / train.km	\$16.14	\$21.19	\$20.92	\$22.67	\$22.60	\$21.34	\$22.55	\$23.75	\$23.44	\$22.22
Avoidable cost / seat.km	\$0.12	\$0.19	\$0.18	\$0.19	\$0.25	\$0.15	\$0.16	\$0.17	\$0.17	\$0.18
Rev. / Passenger (=Ave.Fare)	\$33.13	\$45.47	\$50.26	\$49.19	\$62.13	\$57.59	\$56.32	\$53.22	\$52.11	\$50.69
Revenue per pass.km.	\$0.80	\$0.11	\$0.13	\$0.12	\$0.10	\$0.11	\$0.10	\$0.10	\$0.11	\$0.11
Revenue per train.km	\$3.39	\$4.08	\$4.86	\$4.46	\$3.04	\$3.11	\$3.26	\$3.24	\$3.50	\$3.46
Revenue/Cost ratio	0.21	0.19	0.23	0.20	0.13	0.15	0.14	0.14	0.15	0.16
% Reduction in train.km vs. 1988						-1	0	-1	-2	-0
% Reduction in Passengers vs. 1988						-41	-36	-33	-27	-25
% Reduction in Passenger.km vs 1988						-19	-7	-14	-9	-13
% Increase in Ave. Fare vs. 1988						17	14	8	6	3
% Increase in Cost per train.km vs. 1988						-6	-1	5	3	-2

The Hudson Bay has tourist potential. Between The Pas and Churchill the train is operated by CN. Flat cars with truck trailers are attached to the train. VIA gets no revenue from these freight additions. The Harper Task Force about the future of the Hudson Bay Line has not yet reported.

Other VIA News

A new VIA Corporate plan is expected soon. Noticeable is a very small capital budget, which is in line with the financial mood of the government, as well as to ultimately kill VIA.

The following quote comes from the Railway Gazette International, November 1995 issue. Under the title UP-HEAVAL MAY NOT CURE ILLS, it says about VIA: *"With the current legislation (C 101), Federal Minister Doug Young intends to take 'a good look at VIA' in 1996, warning that 'the future of passenger rail in this country is certainly in doubt.' While he said privatisation remained 'one of the options', it is hard to see what serious interest there could be in a business that for years has rarely covered a third of costs from revenues. The threat that the government will simply pull the plug has seldom be greater in VIA's troubled life of 18 years.*

Bus Companies like Orleans and Voyageur are putting pressure on the Minister of Transport, as a result VIA has been told to hold off on any more pricing initiatives. Yet ridership is drop-

ping because of the pricing initiatives of the airlines. Because of deregulation the minister cannot tell the airlines to stop or more accurately to tell Air Canada to stop their destructive competition.

VIA would like to increase the service on the Montreal - Toronto and Ottawa - Toronto legs, but would have to use low prices as a marketing tool. It is now cheaper for one person to rent a car

The threat that the government will simply pull the plug has seldom be greater in VIA's troubled life of 18 years.

for the weekend, than to buy a return ticket on VIA on the weekend (Fares are higher on Friday and Sunday!).

The competition for both bus and rail is the car, the car, the car and the airlines.

VIA still has not addressed the timing of the Eastbound Canadian. It should run 6 hours earlier and would give better connections.

Although VIA is threatened, VIA management is tongue tied. The federal bureaucracy is calling the shots. And the bureaucracy will tell VIA what to do and take the blame. And where is the minister. Well in mid-November he was riding passenger trains in China. He is using the train to tour Chinese airports, shipyards and other transport facilities. Only in China, pity.

JJB Ontario to Deregulate

As part of its philosophy do first and think about the consequences later, the Ontario Government is proposing to deregulate the bus industry. This policy was of course recommended by the Royal Commission on Passenger Transportation. The result will be that unprofitable lines, which under the regulation process are cross-subsidized by the profitable lines, will disappear. Rural Ontario will lose its bus services.

The bus industry already faces competition from unlicensed jitney services. The bus industry is going to have a tough time, and would do better to join forces with VIA in attracting passengers away from cars.

B.C. New Items.

Multi-Year L.R.T. Plan for Vancouver Region.

Broadway - Lougheed is Phase 1

Premier Harcourt announced on September 14, 1995 a multi-year plan for LRT and Buslanes in the Vancouver Region. Several components, besides an election within a year, are of interest:

1. The Government commits itself to Light Rail Transit.
2. It will use existing streets and LRT will use separate lanes.
3. The first line goes east from Vancouver along Broadway to Lougheed Mall and not south to Richmond.

Lougheed - Coquitlam #2

The second phase will extend the LRT line to Coquitlam by 2005.

The mayor of Coquitlam wants the first line to be starting on Coquitlam and go to New Westminster. He argues only 12% of Coquitlam commuters go to downtown Vancouver. *(Ed.note: Maybe a few will join the LRT along the way!)*

Lougheed - New Westminster is phase 3

The third phase will link Lougheed Mall and New Westminster (and the SkyTrain).

Other Proposals

In addition Three Rapid Bus Corridors will be established by 2000.

1. Richmond - Vancouver
 2. Broadway - Lougheed
 3. Coquitlam - New Westminster
- Presumably the last 2 will be replaced with LRT. Stops will be every 1 km, and headways every 10 minutes. Buses will be low floor articulated, tickets are to be purchased from machines at the stops.

The total bus and trolleybus fleet will be increased by 250 buses from 950. All buses will be low floor by 2006.

SkyTrain to 3 Cars.

60 Additional SkyTrain cars will be purchased allowing trains to operate with 3 cars, instead of 2.

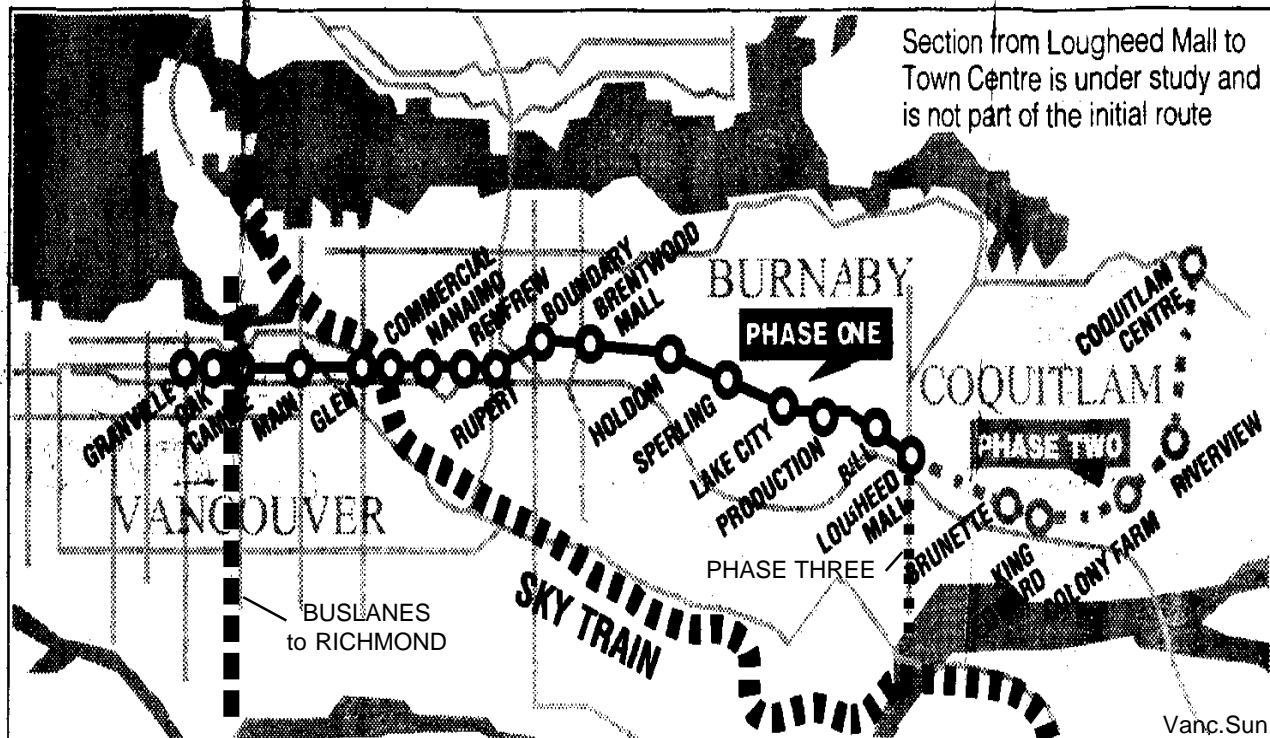
Coquitlam Mayor Unhappy

Mayor Lou Sekora, a known Social Creditor, the party responsible for the Skytrain boondoggle, is now criticizing the West Coast Express. 3000 passengers now use the trains daily and he claims subsidies will rise to \$30 to \$50 per passenger.

Although it is too early to say what effect the commuter train has, 3000 passengers means 3000 cars less on the road, and 3000 less parking spaces needed in downtown Vancouver. The BC Department of Highways and Transportation has started a study to look at the traffic impact of commuter rail in Coquitlam, Port Coquitlam and Maple Ridge areas.

It should be remembered that GO Transit was started to avoid having to build another freeway that would only be needed in the peak hours. The amortization and annual maintenance costs, not to speak of pollution etc. also have their costs. Mayor Lou Sekora wants a Skytrain, another boondoggle.

PROPOSED STATIONS FOR BROADWAY-LOUGHEED LIGHT RAPID TRANSIT LINE



For Victoria Region: Studies

For Victoria the ten year plan calls for 180 regular low-floor buses, up to 40 high capacity buses and 30 smaller community buses. A new garage will be built to handle the larger number of vehicles. Park-and-Ride facilities will be added, three in the Saanich Penin-

sula and four in the western communities. The transit exchanges at Royal Oak, the University of Victoria, Esquimalt Dockyard, Downtown, CanWest and Western will be upgraded.

As far as LRT is concerned, there will be studies. The first part of this

study will be a corridor evaluation between Victoria and Colwood. Both the Galloping Goose Corridor and the E&N Railway corridor will be examined.

Victoria region had a population growth of 22% between 1976 and 1991. Automobiles increased by 44%.

The Passenger Train Unit Concept Some Comments by Correspondents.

You may remember, this newsletter proposed The Passenger Train Unit Concept in our last issue. The idea was that this unit consisting of a VIA engine, 1 or 2 coaches, dome car and 1 or 2 sleepers would be placed in front of a fast freight train. The intent was to reduce costs. Before printing the article, a copy was sent to VIA for comment. Below is an extract of the response. The remainder of the letter dealt with other issues. We would welcome further comments.

For example The Dominion carried Piggy-back cars in its last year of operation. How did that work? Anybody remember, and how many flat cars were added?

Dale Wilson from Sudbury, ON writes: " Do passenger rail cars presently in service have the structural strength to bear the weight of 50 to 100 container and/or piggyback cars behind them?

I would be the last person to oppose reviving passenger rail service, and certainly favour having sleeping and other first class accommodation available to true intercity travellers (such as, Winnipeg - Regina or Calgary - Vancouver), but have we not reached the point where we must deal with the whole concept of the transcontinental train passenger train as presented to the Canadian traveller since circa 1930? Since then apart from massive taxpayer subsidies for alternate (passenger) transportation by air and road, such trains have attempted to be all things to all people - long distance travel for Canadians, "Love Boat on Rails" for well heeled tourists, intercity passenger transportation, remote passenger service and even commuter trains. The result has been a poor to indifferent job being done in all categories, culminating in the joke now being operated Toronto - Vancouver by VIA. At least some of the loss in passenger numbers and revenues have been due to operating practices. Perhaps the time has come to sell off the sleeping, dining and dome cars to a private operator so that he can make his fortune in the luxury tourist trade. Then, and only then, can the issue be dealt with of how to fulfill the real needs of Canadian rail passenger service.

Further, the concept that a daily train somehow fills "intercity needs" must be challenged. Anything short of three per day in each direction between city pairs, scheduled to properly serve those pairs is not really doing it, is it? A close look at the busiest sections of the Windsor-Quebec City shows that such levels of service are just barely there and just barely adequate.

I'll leave this with you. Comments?
Signed: Dave Wilson.

From a Correspondent within VIA: "I realize you are exploring joint operation of the "Canadian" with fast trains as an alternative to discontinuation of the service. Therefore, it will not surprise you that we view such an operation as most unattractive from a customer service perspective. Switching in major centres such as Toronto, Winnipeg, Edmonton and Vancouver would be disruptive and time consuming. CN would be reluctant to develop schedules for its freights based on passenger concerns or to guarantee a level of on-time performance appropriate for passenger trains. This is especially relevant since fast freights do not stop at any of the intermediate locations served by the "Canadian". On the other hand where they do stop, they stop for longer periods of servicing. Consequently, if freight and passenger were combined, the schedules of both would have to be lengthened. Also, as the handling characteristics of an intermodal train are different from a passenger train, the ride quality would not meet passenger expectations of comfort. While mixed trains of relatively short length may be appropriate in areas of the country where other basic transportation options do not exist and where passenger expectations are not high, it is unlikely they would find a sufficient market in other areas of the country.

For that matter, it is by no means clear there would be significant economies achieved through the operation of mixed train services in place of the "Canadian". Aside from the inevitable loss of revenues, greatly increased switching costs would detract from the savings on the "train path" which, by the way, is substantially less expensive than you surmise.

I did not ask CN or CP for comments, but I expect there would be no enthusiasm on their part either. No organization wants to share and accommodate, it is inconvenient. The answer would be that VIA attaches flat cars.

Update

Last year the editor made a submission to the Government Task Force on Privatisation of CN, no reply. In May I wrote to the Prime Minister, no reply. When appearing before the Transport Committee on Bill C101, I mentioned that I never got a reply. Bernie Colling MP said he would look into it.

In a letter dated Dec.6.1995, Mr. Robert Nault MP writes: "My colleague Bernie Collins has forwarded me a copy of your letter to him of November 1, 1995.

I would like to extend my sincerest apologies that your submission to the CN task force did not receive an official acknowledgement. I made a great effort to personally reply to each one; unfortunately, this did not happen with yours. I can assure you, though, that all submissions, including yours, were distributed and considered by all members of the task force before any recommendations were made.

Thank you for bringing this to my attention through Mr. Collins.

Sincerely: Robert Nault. MP."

Comment: Why was the submission not listed as having been received in the report of the Task Force?

Comments by J. J. Bakker.

There are a couple of interesting points raised by Dale Wilson. The Passenger Unit Train Concept was only intended for long distance. However he brings up the aspect of frequency of service. A rule of thumb that I use in transit, is that the headway should be equal to the travel time. This implies in intercity traffic that service should be the most frequent for city pairs that are close together. For example Montreal - Ottawa is 2 hour travel, so there should be a train every 2 hours.

However for longer trips there is another factor. An overnight trip can be longer. So for city pairs 12 hours away, a daily trip overnight would be the answer, but a daytime trip depends on intermediate cities. In other words Sudbury-Winnipeg is different than Winnipeg-Edmonton, where Saskatoon is in between.

The other aspect is, should we mix functions. I have the Scottish philosophy: Keep the sabbath and anything else I can lay my hands on. So I do not ask passengers whether they are tourists or intercity passengers, both are welcome. Segregation of markets has been taken too far and we should make multiple use of our resources.

The aspect of ride comfort is better left for another issue of the Newsletter. JJB

Amtrak has Legislative Support

Problems, Different Approach

The United States legislative system is different than ours. Amtrak for example has bi-partisan support, even though the budget cutters will target Amtrak every year.

Amtrak did run into trouble financially last year. It took action by cutting some services, but was able to reinstate some because states support Amtrak with real money.

The problems of Amtrak are similar to VIA. Cheap fuel and competitive air fares offer travellers low cost alternative means of travel. Amtrak was not helped when congress introduced a 4.3 cent gasoline tax to reduce the deficit two years ago, but then exempted the airlines. This exemption expired in October 1995, but the airline lobby wants to see the exemption continued.

Lesson for Canada?

The argument now is that either air, rail and bus are exempted, or none are exempted. On the next page is our table of fuel taxation. It is quite noticeable how aviation is being favoured. The provincial governments tax aviation far less than automobile gasoline or diesel fuel. Canada and the provinces do not dare tax aviation fuel the same way.

St. Lawrence Seaway Obsolete?

In an article "Seaway to nowhere" in Invention and Technology, Mr. Daniel McConville says that the St. Lawrence Seaway is on a fast track to obsolescence. Mr. McConville is now a journalist, but was a contractor that helped build the seaway.

"The world is running out of ocean going, bulk-handling ships small enough to fit the seaway locks. These ocean going ships with seaway tonnage are not being replaced after their useful lives have expired."

The railways of New York applied great pressure at the time the seaway was built to limit the depth of the locks. As a result the tonnage is limited.

A consortium of shipping, grain and steel companies recently began talks with Transport Canada to eventually run the waterway.

After all politicians fly all the time.

However the same politicians will advocate removal of subsidies. The rule should be: **"The same applies to all. Either everybody gets the benefit or everybody pays"**. It is called equity.

Bipartisan Support

The U.S. congress is working towards making the transition to self sufficiency partly possible. Congress wants to remove most of the labour protection provisions that Amtrak finds onerous, such as reducing the maximum severance pay to 6 months and allowing unrestricted contracting out. It also wants to use the half cent gasoline tax (which is 2.6 Canadian cents per litre) which now goes to deficit reduction to a capital trust fund for new equipment. The half cent was later shifted to the Highway Trust Fund, which in turn caused opposition from the highway and transit lobbies. In addition Congress wants to see the full amount provided for improving the northeast corridor. Electrification of the entire line from Washington DC to Boston is the objective here, since Amtrak could then double its revenue on that line.

Amtrak funding, although not adequate, will not be eliminated on the basis of a fundamental philosophy but on the basis of realism.

Contrast with Canada

The Canadian parliamentary system does not allow a bipartisan approach to solve problems or for members of the Government party to disagree with ministers in parliament. The policies for VIA are being devised in secret at Transport Canada and then implemented. Parliament allows itself to have become irrelevant. Any government member that wants to analyse or opposes legislation knows he will be punished by the leader.

No wonder Canada is in trouble.

Is Oil Supply Safe?

At the moment there is an impression that there will be peace in the Middle East and that oil supplies are secure. Think again. Not long ago there was a car bomb explosion in Riyadh, Saudi Arabia. The king is ill. And the Iranians have for years tried to overthrow the regime in Saudi Arabia.

Canada and the United States are very dependent on Mid-East oil, either directly or indirectly. Oil reserves in the United States and Canada are not what they used to be. The only big supply source is the tar sands near Fort McMurray in Alberta. However it will take years to increase production significantly.

Notwithstanding that our transport policies remain one of thinking that oil is plentiful and will always be available. Government policies (possibly by default rather than design) do not provide for alternative more efficient forms of transport. So watch the press reports, it can be disaster sooner than you think.

U.S. Mergers

During 1995 Burlington Northern Inc. of Fort Worth Tx, merged with Santa Fe Pacific Corp. of Schaumberg, Ill. The deal was worth \$ 4 billion.

There is another proposed merger between Union Pacific Corp. of Bethlehem PA, and Southern Pacific Rail Corp. of San Francisco, a \$ 5.4 billion deal.

The Western United States will finish up with two major railways.

Competition is being greatly reduced with all these mergers. In the U.S. there was a chance to create an infrastructure utility when the government owned Conrail. Just as in Canada the government did not use that opportunity.

There is still a chance that a merger will be proposed between CP and CN. That would create a railway monopoly. So everything proceeds as it should, if you remember Economics 100.

The role of Governments is to protect the public (and shippers) from monopolies. Or if monopolies are allowed to have regulations to make sure that the public is not being exploited.

The Government (Canadian or USA) does not want to do anything.

Amtrak Appropriations for Fiscal 1996

Category	1995 Actual	1996		1996 Likely
		Amtrak Request	House Bill	
Operating	392.0	260.0	216.0	185.0
Transition(1)	0.0	150.0	62.0	100.0
Capital(2)	230.0	365.0	230.0	200.0
Mandatory Payments(3)	150.0	135.0	120.0	120.0
Northeast Corridor	200.0	235.0	100.0	130.0
Penn/Farley	21.5	50.0	0	25.0
Total	993.5	1195.0	728.0	750.0

Basis of Fuel Taxation in Canada.

Province	Basis of Tax	Unleaded	Diesel	Locomotive Diesel	Propane	Aviation	Marine Off-shore	Coastal
		c/l	c/l	c/l	c/l	c/l	c/l	c/l
British Columbia*	Fixed Rate (10c/l,10.5 diesel; 4/92-9/93) (22.5%, '88-'92)(20% '81-'88) * 4c/l transit tax in Vancouver region is extra * 1.5 c/l transit tax in Victoria region is extra	11.0	11.5	3.0	exempt	3.0/4.0	3.0	3.0
Alberta	Fixed Rate (7.0c/l '90-Apr.91) (5.0 '87-'90),(0 c '75-'87)	9.0	9.0	9.0	6.5	5.0	n/a	n/a
Saskatchewan	Fixed Rate (13c/l;5/92-3/93),(10c;6/87-5/92) (0 c/l '82 to June '87)	15.0	15.0	15.0	9.0	3.5	n/a	n/a
Manitoba	Fixed Rate (10.5 Jun.91-Apr.93),(9.0,'83-'91) (20% gas,18% diesel, until '83)	11.5	10.9	7.45	5.7	4.2	11.9	10.9
Ontario	Fixed Rate (11.3 till 5/'92, 13 till 12/92 (20% gas, 27% diesel until '81))	14.7	14.3	4.3	4.5	2.7	exempt	exempt
Quebec	Fixed Rate 14.5 gas&diesel,'89-'94 ('81-'83 40%, '81-'83)(20%, '83-'86) (20% gas,23% diesel, '83-'89)	15.2	13.3	3.0	8.2	3.0 +6.5 QST	exempt	exempt
New Brunswick	Fixed Rate (24.5%+2c/l reg. 31.5% 13% propane;'89-'91) (20% gas,23% diesel;'83-'89)	10.7	13.7	4.3	6.7	2.5 (=3%)	exempt	exempt
Nova Scotia	28.8%,36.2 diesel; 2/'95 (28.8%,36.2 diesel)6/'94 (24.5%,31.5% diesel;1/'91-10/'93) (22.25%,31.5% diesel;5/'90-1/'91) (20%,21% diesel;5/'82-5/90)	13.5 12.8	15.4 15.1	exempt exempt	13.5 12.8	0.9 0.8	1.1 1.1	1.1 1.1
Prince Edward Island	fixed 2/'95 24%,27% diesel('94) (23%,26% diesel;3/'90-6/'93) (20% gas,23% diesel,'85-'89) (22% gas,29% diesel;'80-'85)	12.0 (10.7)	12.5 (11.2)	exempt exempt	12.0 (10.7)	0.7 (0.7)	exempt	12.0 exempt(10.7)
Newfoundland	Fixed Rate (15.7,17.6 diesel,1/93-12/94) (13.7,15.6 diesel; 4/92-12/92) (23% + 1.5c/l unl,27% diesel'89-4/92) ('81-'89 22% gas, 26% diesel '81-'89)	16.5	16.5	exempt	7.0	0.7	12%	exempt
Federal	GST 7%, since 1/91 (13.5%,Sales Tax (FST)till 1/91) (FET(Federal Excise Tax)till 2/95) FET(Federal Excise Tax)since 2/95)	(3.63) (8.5) 10	(2.71) (4.0) 4.0					

Fuel Cell Buses for Chicago

Ballard Power Systems of North Vancouver has an agreement with the Chicago Transit authority for 3 fuel cell powered buses to be tried out in Chicago. The fuel cell powers a 275 hp engine that fits in the same compartment as the diesel engine of a 60 passenger New Flyer Industries bus. The bus will have a range of 400 km before refuelling. The emission is warm water.

Chicago Transit may consider converting its entire bus fleet to zero-emission buses if the experiment is successful. Ballard hopes to go into mass production of the fuel cell bus engines in 1998. BC Transit is also interested.

The fuel cell engine can run on natural gas, methanol or hydrogen. The fuel cells, based on proton exchange membrane technology convert the fuel to electricity without combustion.

Fox TV uses Budd Car

A BC Rail Budd car (or rather a shell of what used to be a Budd Car, all parts have been used for other cars) was blown up on November 15, 1995 at Porteau Cove.

The producers of the program X-Files are paying for the privilege of exploding this car. BC Rail said they were getting a good buck for the bang, but they did not disclose how much they are being paid.

Open Skies so far.

It is expected that by March 1996, one year after the new open-skies policy came into effect, Air Canada and its subsidiaries will have started 30 new routes adding 390 new flights per week. 20 of these routes terminate in Toronto, Montreal or Vancouver. These airports are restricted in access for American airlines during the 3 year phase in period. American airlines have not been very aggressive in expanding to outside these 3 airports.

The US Airlines appear to rely more on their Canadian partners. American Airlines relies on Canadian and Air Canada has a partnership with Continental. Canadian has been less aggressive in expanding into the US because of its financial difficulties.

Air Canada uses smaller aircraft (50 seat Canadair CL-65) to build up a market with frequent flights.

On the home front Canadian has introduced Canadian Shuttle between Vancouver, Calgary and Edmonton. The promotion is a two for one scheme, by offering a companion a free flight.

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West Canada Members note: If you find your address label here, please note that your membership has expired. We would appreciate if you could renew as soon as possible. If you have already done so then of course ignore the above. We rely of course entirely on volunteers to produce this newsletter.

No Fare Increase in Edmonton

Edmonton City Council has decided that there shall be no fare increase in 1996. One reason is that insurance paid out on the theft of over \$ 2 million from fares. With this windfall a fare increase could be avoided. What will they do next year?

TTC on Subway Crash

According to Toronto Transit (TTC) there were two main causes of the subway accident that killed 3 passengers and injured 36 others last August. One is a faulty trip arm mechanism and the second an inexperienced driver. TTC has started to replace 250 trip arms.

Trip arms are also used by London Transport. There too a trip arm failed once and caused an accident. More modern systems use magnetic and electromagnetic devices. In Edmonton for example a permanent magnet will always trigger the emergency brakes. An electro-magnet of opposite polarity neutralizes this magnet when it is safe to proceed. No mechanical arms to break, no mechanisms to fail. In fact fail safe.

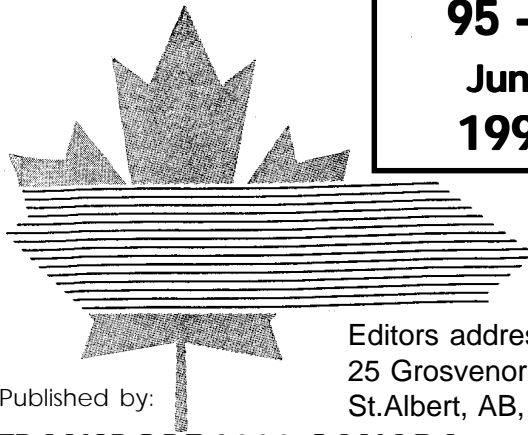
Crime and Transit.

There is a perception that there is a lot of crime related to SkyTrain. BC Transit statistics say 1 out of every 56,000 fell victim to violent crime, such as assault, robbery or threats in 1993. [*that is 2 per day, Ed.*]. About 1 in 8,000 was a victim of personal or property offences. [*about 14 per day, Ed.*].

Transit security is to be improved by hiring 11 more (+50%) security officers at a cost of \$ 750,000 per year. In addition designated waiting areas will be created near an emergency telephone monitored by surveillance. Minimum lighting standards will be set for bus stops. Better visibility will be created at transit shelters. Better information will be provided. As well BC Transit will keep better records of criminal offence patterns, so transit personnel know what kind of problems to expect.

Canadian Repair Shop back to Vancouver.

The heavy maintenance of narrow bodied jets (B-737 and A320) is moved back from Calgary to Vancouver. Two years ago the move was from Vancouver to Calgary. 441 jobs are affected.



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P.O. Box 583, Main Post Office, Edmonton AB T5J 2K8

Transport 2000 West Canada Newsletter

for

**Manitoba
Saskatchewan
Alberta and
British Columbia**

Editorial

In November 1994 I sent my Infrastructure Proposal to the Task Force on the Commercialisation of CN. I received no acknowledgement and later noticed in the report that the submission was ignored, lost or suppressed. I later sent a copy to the leader of the Alberta Liberal caucus, who sent me the detailed report and told me a copy of the submission had been sent to Mr. Nault, chairman of the Task Force. To date still no explanation or acknowledgement.

This experience shows that these task forces are a sham and that making submissions to the government is a waste of time. This is unfortunate, because arrogance is what was voted out of office.

The government is in a great hurry to sell CN. Separating Infrastructure would of course delay the process, but would be better for Canada in my view. My fear is that 10 or 20 years from now, the Government will have to bail the railways out and will be blackmailed into having to reacquire the right-of-ways.

Why do we have a fire sale? Is it, that is very urgent to show some drastic changes in the deficit situation before the effects are felt. And will this be followed by a quick election, while the Conservatives are not organized, the BQ is less popular and Reform has lost members?

In this issue we review the budget as it affects transportation. It is an accountants budget with transport bearing the brunt of cuts and taxes. But because taxes are not allocated transport will not improve. In fact the impact of all the down loading of costs to the provinces, regions and municipalities will mean higher fees and taxes (but not federal taxes).

It remains my philosophy that critique should be matched with positive alternative proposals. An Infrastructure Utility is one such proposal, the Passenger-Train-Unit is another.

In this issue I also review VIA's performance and Corporate Plan. I am not as optimistic as VIA regarding future funding. However they are reducing costs and that is progress.

J. J. Bakker

Transport 2000 Canada has moved.

The Transport 2000 Canada office has moved to 111 Sparks Street in Ottawa. The P.O. Box (858) and Postal Station (A) remain the same.

The telephone numbers also remain the same.

Office: (613) 594-3290 Hot Line (613) 594-3291

Fax: (613) 594-3271 Hours 10:00 to 16:00 ET weekdays.

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1994 Budget.

In 1994 the budget had 2 items that specifically mentioned transportation. These were:

"The air transportation tax will be re-structured. The tax will reduce tax burden on short-haul flights [from \$10 to \$6] and the maximum for long distance flights will be increased from \$40 to \$50, generating \$24 million in the 1994-95 fiscal year and \$41 million in the 1995-96 fiscal year.

Proceeds from the tax are made available to the Minister of Transport for use in the provision of facilities and services to the air industry".

Comment: Air travel makes more sense for long haul than short haul. Short Commuter Flights should be replaced with surface transport. It shows that there is no intermodal transport policy. Also note that the Air Transportation Tax, unlike the gasoline tax is an allocated tax.

"The Minister of Transport will launch an effort, in consultation with provincial governments, to improve the efficiency of Canada's surface transportation system, an important factor in the competitiveness of Canada's businesses".

Comment: Did anybody notice this effort?

The budget allowed for the following subsidies for VIA Rail

Year	92/93	93/94	94/95	95/96
\$billion	0.4	0.3	0.3	0.3

"Transport Canada will investigate the possible commercialization of some services, including the Air Navigation System".

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J. J. Bakker, Past-President,
Home: (403) 458-2225, Office (403)492-5112 Fax at home of J. J. Bakker (403) 459-9262.
Home address: 25 Grosvenor Blvd., St.Albert, AB, T8N 1P3.

TRANSPORT 2000 CANADA is a national federation of consumers devoted to advancing the public interest in transportation of all modes. A registered charity, it is involved with research, public education and advocacy of public transport issues. It publishes a newsletter "Transport Action".

TRANSPORT 2000 CANADA [Alberta Branch] is a separate organization in the Province of Alberta. Half the membership fee goes to the Federal Organization.

This newsletter was edited by John Bakker

1995 budget

Budget Speech Highlights regarding Transportation. Cost Reductions

"Transportation subsidies under the Western Grain Transportation Act, the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act will end.

Canada Coast Guard and the Department of Fisheries and Oceans fleets will be integrated;

Airports will be transferred to local authorities.

Some activities will be commercialized or privatized including:

- Remaining interest in Cameco Corporation and Petro-Canada;
- Canadian National (CN);
- Air Navigation System; and
- Canada Communication Group".

New Taxes.

"Gasoline: Federal excise tax on leaded and unleaded gasoline will be increased by 1.5 cents per litre effective immediately.

This will restore total revenues from all federal excise taxes to about their 1993-94 level". (*Emphasis by Editor*)

"That the maximum amount of the air transportation tax imposed on an amount paid or payable in Canada for the transportation of a person by air that begins in the taxation area and ends outside the taxation area be increased to \$55".

Changes

"The government intends to adopt "full accrual accounting". The principal changes will be the capitalization of physical assets and accounting of tax revenues on an accrual rather than cash basis".

Between this fiscal year and 1997-98, annual spending will go down by \$1.4 billion at Transport (50%); all government departmental spending will be cut by almost 19 per cent in just three years.

From Supporting Documents of the Budget, *comment in italics* Grain Subsidy

" The subsidies under the Western Grain Transportation Act are being eliminated effective in 1995-96, resulting in savings of \$2.6 billion over the next five years.

This subsidy evolved from the Crow Rate established in 1897. It has played a pivotal role in the development of the prairie economy, but in more recent years it has come to restrict the ability of prairie farmers and industry to adapt or compete.

The elimination of this subsidy will encourage crop diversification, the development of value-added production and a more efficient and effective transportation system, while also being consistent with our international trade obligations". (*the real reason, Ed.*)

"Effective August 1, 1995, the government will be eliminating the annual \$560 million subsidy to the railways. At the same time, to reduce the cost and improve the efficiency of the grain handling and transportation system, the shipper-oriented provisions of the National Transportation Act (NTA) will apply to the transportation of Prairie grain. There will be a transition to market-determined freight rates, with legislated maximum freight rates. Measures to facilitate the rationalization of uneconomic branch lines and to change pooling points for Canadian Wheat Board export shipments will also be introduced.

To facilitate this change:

- we will make a one-time payment of \$1.6 billion to prairie farm land owners, to be provided for in this fiscal year, 1994- 95;
- we will invest a further \$300 mln over several year to facilitate a more efficient grain handling and transportation system;
- we will provide new credit guarantees to help Canadian farmers sell to non-sovereign buyers abroad".

Because the Government does not change the taxation system for railways the net effect is going to be that grain will be shipped to New Orleans and Seattle. Terminal property taxes at Thunder Bay are 25X those at Duluth, at Vancouver 6X Seattle! This move will hurt the west.

The policy of no subsidies would be sound, if the rail taxation and infrastructure ownership had been resolved first. Vancouver, Prince Rupert, as well as Churchill and Thunder Bay will suffer.

No High Speed Trains.

"That is why we have made a clear public commitment that new funding for mega projects will not take place". (*Meaning no high speed trains in the corridor!*)

From Supporting Documents of the Budget, *comment in italics*
Transport Canada

"The federal government promotes the development and maintenance of a safe and efficient national transportation system through the programs of Transport Canada, the National Transportation Agency, and a number of Crown corporations and other agencies, all of which report to the Minister of Transport.

As a result of Program Review, the Department will shift its role from being an operator of the transportation system to focus on core roles of developing policy and legislation and enforcing standards for safety and security.

More specifically, it will:

- revise its policies and regulations to ensure a viable efficient and safe air, rail and marine transportation system;
- commercialize many of its current operations, including the transfer of airports to local authorities and the commercialization of the Air Navigation System;
 - reduce or eliminate transport subsidies" (*this means no funding for VIA, but VIA is not mentioned in the budget. Ed.*)
- "achieve greater efficiencies in activities of the Coast Guard through changes in its operating role and levels of service and through integration of its operations and fleet with the Dept. of Fisheries and Oceans;
- introduce new cost-recovery measures and increase existing fees. This will include, for example, full cost recovery of the provision of en route air navigation services to aircraft that traverse Canadian airspace Transport Canada will act as landlord in cases where commercialized assets remain federal property (*why not remain landlord of rail infrastructure? Ed.*), and continue to ensure reasonable service to Canada's remote communities and for Canadians with disabilities".

Subsidies for Roads in The Atlantic

- "The Atlantic Region Freight Assistance Act (ARFAA) and the Maritime Freight Rates Act (MFRA) will be eliminated effective in the upcoming fiscal year. Under this legislation, which originated in 1927, the National Transportation Agency of Canada compensates carriers for rate reductions on movements originating in the Gaspé and the Atlantic provinces. The subsidies are calculated on a per-shipment basis, and were designed to reduce transportation costs to shippers in the region, especially for shipments to central Canadian markets. The subsidy costs \$99 million per year. Savings of \$500 million over the next five years.

Elimination of this subsidy will con-

A Private CN.

"Today, we are announcing that the Minister of Transport will initiate steps this year to sell CN. This initiative will provide CN with the necessary freedom to make strategic operating and investment decisions quickly in the future and to seek new sources of private sector capital in order to fund these decisions." (*This gives budget relief for one year. It would be credible if first a federal rail network was established, second infrastructure was separated from operations, and third that privatization of operations was considered only. To give away in a fire sale, infrastructure acquired over centuries is folly. Ed.*). "The government will also take the necessary steps to revitalize Canada's rail industry. This will include a major reform to the National Transportation Act to lighten the regulatory burden which now prevents the industry from providing the flexible service that shippers need. These changes will make the rail industry more efficient and competitive. This will have significant benefits for all Canadians".

"When market conditions are favourable, the government will sell its remaining 70-per-cent interest in Petro-Canada". (*Why is there no provision of favourable market conditions when selling CN? Ed.*)

"We will commercialize the Air Navigation System, a step that will save taxpayers money, allow that system to be fully modernized and eventually reduce costs to carriers". (see *article on labour relations. Air Navigation will now absorb the air transportation tax. In other words the transfer of airports is paying for this privatization Ed.*)

"We will examine divesting all or parts of the Canada Communication Group".

tribute to a better transportation system. To help ensure this, the government will set up a five-year, **\$326 million transportation adjustment program that, among other things, will help modernize the highway system in Atlantic Canada and Eastern Quebec**". (*So according to the government closing railway lines, not solving the taxation issues of the railways or even guaranteeing a network and then subsidizing (sorry adjustment funding) roads is creating a better transportation system. If investments in roads are needed then properly fund them with allocated gas taxation, but do not do it in such an underhanded way. This has nothing to do with a sound transportation policy. Ed.*)

Comment on the budget by editor

What is the Priority?

Transportation or Accounting?

The budget does two things in the area of transportation. It reduces federal costs (and shifts many of these costs to others) and it enhances revenue without any of the increased revenue going to transport.

The measures are shifting costs to municipalities (airports), farmers (grain), fish (coast guard), air-passengers (air-navigation) and the like.

The revenue measures are an increased gas tax to offset a loss in excise revenue due to free trade. The tax would be far more palatable if it was an allocated tax (which could be done without impacting the present budget). Also the Air Transport tax is increased again, but at the same time the government is reducing its responsibility in air transport. It is interesting **that this tax is allocated**. Not very consistent, except of course that decision makers fly.

The government then says that its measures will put transportation on a more competitive footing. Really? Finally the government has found a way to get money to highways in New Brunswick, it is part of its bridging program in the Atlantic. So we are closing the Atlantic line as part of the Federal rail network, there are plans to close one of the two CN lines (the one VIA uses of course), and then it is spent on highways. Of course the Transport minister comes from New Brunswick and there will soon be provincial elections in that province. No doubt it is a coincidence.

Nothing is being done to place railways on the same basis as roads for example (as a rail-infrastructure utility would have done). No instead CN is being privatized, which gives a one year relief to the budget.

The 'full accrual accounting' is a good development. Currently, physical assets are treated as expenditures at the time they are acquired. Under full accrual accounting, their costs would be spread over their useful lives through annual depreciation charges. This could help VIA, if it wants to invest in new equipment, if that new equipment also improved productivity. However there are no signs that the government or VIA want to invest in passenger trains.

So it was an accounting budget, too bad because with the sale of CN this year, there will not be another chance.

Strike / Lockout

The strike/lockout of the Canadian Railways had an immediate impact on the economy, particularly in the west. Railways are very good at moving bulk commodities, such as coal, petrochemicals, pulp, forest products, fertilizers and grain. All these commodities affect exports and the ports.

The intermodal movement can be diverted to trucks, but it is never wise to divert traffic to competitors.

From Edmonton there are about 30 trains moving west and 20 trains going east each day. Similar movements take place from Calgary.

The overall cost of the strike could be \$ 3 billion. This should be compared to the revenue that the CN (*fire?*) sale will give which is between \$ 1.5 and 2 billion.

Some of the losses were:

Dow Chemical Canada \$ 1 m per day
Luscar Ltd stockpiled production, but fears future sales losses
Celanese Canada also stockpiled.

CN for Sale

The Government announced on May 5, 1995 that the CN would be sold this fall in a public offering. Conditions for the sale would include a restriction on individual ownership to 15%, maintaining headquarters in Montreal and insuring that the company's operations remain bilingual. There will be no restrictions on foreign ownership. Air Canada and Petro Canada had a 25% limitation. This is the biggest issue in Canadian History and the offering is expected to be in excess of Cdn\$ 1.5 billion and probably less than Cdn\$ 2 billion.

Strike / Lockout (cont).

Farmers had about 500,000 tonnes of grain, worth about \$ 90 m halted. If the railways cannot clear the backlog before July 31, 1995, farmers will be faced with higher freight rates as a result of the budget.

The Bloc Quebecois and the NDP refused to give unanimous consent for back to work legislation. This tactic delayed the legislation from becoming law by one week. The Government and Reform voted down 42 BQ amendments.

Proceeding so quickly may leave CN with too many regulatory and financial burdens, making investors reluctant.

CN is still carrying a debt of \$2.5 b. which should be trimmed to \$ 1.5 b. CP opposes a transfer of debt to the taxpayers.

CN's other assets (see CN Profit) could be sold to pay down debt. However the real estate market is not good enough for a favourable sale. Closing AMF Technotransport in Montreal would mean hundreds of layoffs in Quebec just before a referendum. [NY Times and Globe&Mail]

CN Profit in 1994

CN had a profit of \$ 245 million in 1994. Paul Tellier, president and CEO of CN attributed the profit to the improvements in the economy and to reductions in operating costs. CN Real Estate had an income of \$20 million, CN Tower \$5 million, AMF Technotransport lost \$ 36 million (*CN is trying to sell*) and CN International (engineering subsidiary) lost \$ 3 million. [Vanc.Sun]

Labour Relations, There must be a better way by J. J. Bakker

What happened...

The labour contracts between the railways and the unions expired in December 1993. In April 1995 it finally comes to a strike/lockout situation. Then the government steps in to legislate back to work. 70 more days of negotiation and then binding arbitration.

Now one can look around and blame whoever you like or do not like. But if a strike/lockout is going to result in back-to-work legislation, where is the incentive to settle.

Management was under pressure from the Minister of Transport to change the work rules and past agreements. By holding firm they know government will step in and force a settlement.. Normally when railway management is told to do something, their first thought is to send an invoice.

Labour has only seen cut backs, and would be reluctant to give away income security, after agreeing to productivity changes in previous contracts. Particularly when management is talking about closing lines, consolidation, takeovers etc. By holding firm they know government will step in and force a settlement. Unions however cannot send an invoice to the government.

The conciliation report blamed the railways, referring to their controversial and provocative demands. Management could have tried harder in reaching a settlement.

The Problem

Because railways are viewed as essential, a complete shutdown of the railways is not acceptable, hence back-to-work legislation.

Similar situations exist regarding police, firefighting, air traffic control and other essential services. Some of these functions have compulsory arbitration. As long as railway operations and railway infrastructure are not separated, railway back to work legislation will be necessary. A method is needed to settle labour disputes of essential services, and the number of categories that are essential services should be kept to a minimum. Any solution should be fair and not one sided. However the impact on the public and the overall economy should be minimized. In any case no country can be held to ransom by either an intransigent management or union.

Trucking and Airlines

If a trucking or bus company has a strike, then first of **all the roads are not shut down** as well. If an airline goes on strike, airports and airways remain open. Since there are alternatives available, trucking and airlines do not require back to work legislation. An air controllers strike, does require back-to-work legislation.

The question could be asked, whether the privatization of air traffic control will make strikes more likely or not.

One Possible Solution

We have advocated in these newsletters that infrastructure should be separated from operations. If that was the case, it would become a matter of keeping the infrastructure available to railway operators.

An infrastructure Utility would be responsible for safety and traffic control. Like air control, that is an essential service. Labour disputes there should be settled by some form of arbitration. The editor's preference is final position arbitration, in which each side gives the arbiter (after hearings) a final position, and the arbiter chooses one or the other, but no compromises are allowed.

Construction and maintenance of infrastructure should be done by contract (in other words no own forces). The contracts could be with CP, CN or a private contractor. In that case the contract should require a labour agreement for the length of the contract. This approach was taken by St. Albert Transit and as a result its operations are strike-proof.

If an operating railway goes on strike, the situation will be similar as with trucks. Other operating railways can continue operating.

It is time to do some rethinking. The time is however very limited, because of the rush to privatize CN.

The Passenger Train Unit [PTU] concept by J. J. Bakker

Passenger Rail Costs

Trans-Continental Passenger Rail service is being threatened. The minister of Transport indicates at every available opportunity that he does not want to subsidize VIA. VIA appears to be quite happy to be reduced to corridor service only. A way has to be found to reduce costs, yet provide passenger transportation service.

What is a PTU?

First what is a passenger-train-unit [PTU]? It is an engine with a number of passenger cars, such as baggage-coach-dome-sleeper-sleeper, forming a unit.

A PTU can be hauled by (fast) freight trains such as TOFC [Truck On Flat Car] or COFC [Container On Flat Car]. There is also the possibility of having PTU hauled by shortline operators or that PTUs operate on their own.

The limit in size of a PTU is a passenger train that can be hauled by one engine, which is about 7 cars. A PTU must have dining facilities, either in a dome-car (24 seats) or in a diner. It must also have lounge facilities of some kind.

Further in addition to coach accommodation, there should be a more deluxe seated accommodation, such as used to be provided by daynites. And there should be (a) sleeper(s).

PTU's for the West ?

What needs to be explored is the possibility of the western transcontinental services of VIA going from an exclusive passenger train to a mixed train. (The alternative may become total abandonment). The way to achieve that is *either* to allow VIA to operate flat cars for truck trailers or containers (an unlikely scenario), *or* to add passenger-train-units [PTU] to trains with TOFC or COFC of freight operating railways. In the latter case VIA would still supply one engine (power plus hotel power), but no engineer or other engine crew. The engine would be preceded by one or more operating freight engines. It would allow the passenger-unit (engine plus cars) to be moved from a terminal station to an outlying station, then add the flat cars behind it and the operating freight engines in front.

If *the Atlantic* is to be restored, then again moving a PTU with another (freight) train could be an answer. In this case the passenger-unit would be under VIA control (and federal regulation?) and the rest of the train under SHORTLINE control (and Provincial regulation). It would require changes in the railway act.

PTU in Passenger Train

Now it may be necessary to make a PTU part of a regular passenger train. For example from Toronto to Edmonton the PTU could be part of a freight train, but between Edmonton and Vancouver more cars and an engine are added forming a regular passenger train. The same could be true on the south line between Calgary and Vancouver. Rocky Mountaineer may also want to add cars to a regular passenger train, provided they are cabled for HEP.(Head End Power).

Cost Implications

It would mean VIA would not have to pay for a train path, and it would share (on a % of cars basis) the engine crew costs. It also means shorter trains but possibly more frequent (e.g. daily instead of three times per week). My guess is that the train path plus the engine crew (2) is about half the avoidable cost of running a passenger train. With a 60% recovery now (and no lack of market) on *The Canadian*, the cost recovery could be improved to perhaps 100%. Since cost breakdown figures are confidential, I cannot be sure of course. It is only by finding a way to operate at 100% recovery that VIA can counteract the lobbying of Rocky Mountaineer or the zeal of the accountants. Clearly this means operating on a different basis.

The aim is to separate personnel needed to serve passengers, such as train manager, sleeping car attendants, diner/dome personnel from operating personnel such as engineer, trainmen and conductor.

Obstacles....

The proposal looks of course simpler than it probably is. There are several concerns:

1. It would mean more switching and switching has a high cost attached.
2. Placing freight cars behind passenger cars could mean buffeting. It may be necessary to place an engine behind the passenger cars to counteract buffeting. It would require some honest experiments to evaluate the best method.
3. There would be problems with scheduling. The freight railway wanting to balance loads and perhaps leave at 3 am in the morning. On the other hand having containers or truck trailers travelling on a fixed published schedule could be a good marketing tool.
4. Jurisdiction and who is in charge, my and your responsibility, etc. type of problems.
5. The unwillingness of freight railways to be involved with any kind of passenger rail service and to change operating practices.
6. The need for CP to travel on CN track in Winnipeg.

The Future...

The future for VIA looks very grim indeed. The budget crunch places VIA and Transport Canada under extreme pressure. Everybody has an obligation to find better and less costly ways of achieving more and better passenger train service. This would also mean investment in equipment. If a PTU works, then the case can be made for a PTU to consist of bilevel cars (coach, luxury coach, diner/lounge/viewliner, sleeper and conversion car). The conversion car which is a sleeper/crew car forms the link between bi-level equipment and single level equipment. The present single level equipment can then be added to a PTU in segments where loads justify a full passenger train.

Amtrak Update

The Republican Senate and Congress propose to eliminate (again) all **subsidies** to Amtrak. They would also stop funding public transit, but continuing with their **investments** for highways (highway funds come from dedicated taxes). Clinton's budget had \$ 300 million. Clinton also wants the Highway Trust Fund to be changed to a Unified Transportation Infrastructure Investment Program that includes Amtrak.

Most of the train cuts will eliminate the use of the so-called Heritage fleet. These cars were inherited from the freight railways and converted to HEP by Amtrak. VIA calls this modern rebuilt equipment!

The overnight Montrealer has gone. There is now a Vermonter, daytime, train which terminates in St. Albans with a bus connection to Montreal. Vermont contributes financially.

California saved the 'Capitol' trains, Wisconsin saved 4 out of 7 'Hiawathas', but fares go up up 50%. Pennsylvania saved the Harrisburg trains. New Jersey Transit increases service to Atlantic City from 6 to 9, when Amtrak withdraws its service. All other cuts remain.

\$ 125 million for GO

The Ontario Government will spend \$ 125 million over the next 5 years to expand GO transit service. It will also improve links with TTC. The first stage is to reinstate the all-day trains that were cut in 1993. Mr. Rae, the premier, also would like to purchase the Toronto Terminals Railways which controls Union Station. The election is in June.

VIA RAIL System Summary

Actual [source:VIA]

Corporate Plan Forecast

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Train.km (000)	18,986	19,499	19,488	9,945	9,914	10,245	10,302	10,315	10,355	10,355	10,355	10,355	10,355
Passengers (000)	5,824	6,357	6,375	3,521	3,590	3,560	3,487	3,504	3,735	3,864	3,991	4,114	4,236
Passenger.km (000)	2,076,824	2,299,922	2,428,369	1,255,834	1,315,330	1,323,501	1,299,102	1,322,323	1,400,000	1,443,200	1,489,600	1,536,000	1,584,000
Seat.km (000)	4,001,571	4,341,853	4,056,865	2,182,841	2,239,891	2,280,554	2,196,058	2,196,499	2,226,739	2,226,739	2,226,739	2,296,112	2,367,856
Revenue (000)	\$191,167	\$214,885	\$227,160	\$134,158	\$140,251	\$140,334	\$151,687	\$162,648	\$174,300	\$185,900	\$198,100	\$211,200	\$224,900
Avoidable Cost (000)	\$398,892	\$426,519	\$432,929	\$275,008	\$253,521	\$262,624	\$257,107	\$249,990	\$240,306	\$238,986	\$234,498	\$232,980	\$238,260
Seat.km / Train.km	211	223	208	219	226	223	213	213	215	215	215	222	229
Pass.km / Train.km	109	118	125	126	133	129	126	128	135	139	144	148	153
Passenger.km / Seat.km	0.52	0.53	0.60	0.58	0.59	0.58	0.59	0.60	0.61	0.63	0.65	0.65	0.65
Avoidable Cost / train.km	\$21.01	\$21.87	\$22.21	\$27.65	\$25.57	\$25.63	\$24.96	\$24.24	\$23.21	\$23.08	\$22.65	\$22.50	\$23.01
Avoidable cost / seat.km	\$0.10	\$0.10	\$0.11	\$0.13	\$0.11	\$0.12	\$0.12	\$0.11	\$0.11	\$0.11	\$0.11	\$0.10	\$0.10
Rev. / Pass (= Ave.Fare)	\$32.82	\$33.80	\$35.63	\$38.10	\$39.07	\$39.42	\$43.50	\$46.42	\$47.00	\$48.00	\$50.00	\$51.00	\$53.00
Revenue per pass.km.	\$0.09	\$0.09	\$0.09	\$0.11	\$0.11	\$0.11	\$0.12	\$0.12	\$0.12	\$0.13	\$0.13	\$0.14	\$0.14
Revenue per train.km	\$10.07	\$11.02	\$11.66	\$13.49	\$14.15	\$13.70	\$14.72	\$15.77	\$16.83	\$17.95	\$19.13	\$20.40	\$21.72
Revenue/Cost ratio	0.48	0.50	0.52	0.49	0.55	0.53	0.59	0.65	0.73	0.78	0.84	0.91	0.94
% Reduction in train.km vs 1989				-49	-49	-47	-47	-47	-47	-47	-47	-47	-47
% Reduction in Passengers vs 1989				-45	-44	-44	-45	-45	-41	-39	-37	-35	-34
% Reduction in Passenger.km vs 1989				-48	-46	-45	-47	-46	-42	-41	-39	-37	-35
% Increase in Ave. Fare vs 1989				7	10	11	22	30	31	35	39	44	49
% Increase in Cost per train.km vs 1989				24	15	15	12	9	4	4	2	1	4
% Increase in Cost of Living vs 1989				5	10	12	14	15	17	19	21	23	25

Comparison with Annual Reports

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Train Revenue (000)#	\$191,167	\$214,885	\$227,160	\$134,159	\$140,251	\$140,334	\$151,687	\$162,648	\$174,300	\$185,900	\$198,100	\$211,200	\$224,900
Other Revenue (000)	\$6,435	\$8,623	\$21,489	\$8,603	\$9,900	\$15,446	\$12,484	\$13,780	\$9,800	\$10,300	\$12,000	\$12,900	\$14,100
Total *Revenue (000)#	\$197,602	\$223,508	\$248,649	\$142,762	\$150,151	\$155,780	\$164,171	\$176,428	\$184,100	\$196,200	\$210,000	\$224,100	\$239,000
Avoidable Costs (000)	\$398,892	\$426,519	\$432,929	\$275,008	\$253,521	\$262,624	\$257,107	\$249,990	\$240,306	\$238,986	\$234,498	\$232,980	\$238,260
Other Costs (000)##	\$297,234	\$363,547	\$342,391	\$251,378	\$287,912	\$270,398	\$290,892	\$258,607	\$203,294	\$211,014	\$201,502	\$198,820	\$201,740
Total *Expenses (000)#	\$696,126	\$790,066	\$775,320	\$526,386	\$541,433	\$533,022	\$547,999	\$508,597	\$443,600	\$450,000	\$436,000	\$431,800	\$440,000
Capital Expenditures#	\$81,322	\$60,569	\$127,399	\$31,483	\$40,103	\$44,711	\$11,779	\$25,302	\$44,700	\$38,200	\$31,800	\$40,700	\$44,700
Total Costs (000)#	\$777,448	\$850,635	\$902,719	\$557,869	\$581,536	\$577,733	\$559,778	\$533,899	\$488,300	\$488,200	\$467,800	\$472,500	\$484,700
Shortfall**(000)	\$579,846	\$627,127	\$654,070	\$415,107	\$431,385	\$421,953	\$395,607	\$357,471	\$304,200	\$292,000	\$257,700	\$248,400	\$245,700
Total Govt. Funding#	\$536,438	\$636,600	\$598,334	\$441,483	\$392,803	\$388,911	\$348,079	\$318,202	\$288,000	\$248,500	\$203,500	\$233,500	\$233,500
Difference													
Govt. - Shortfall (000)	(\$43,408)	\$9,473	(\$55,736)	\$26,376	(\$38,582)	(\$33,042)	(\$47,528)	(\$39,269)	(\$16,200)	(\$43,500)	(\$54,200)	(\$14,900)	(\$12,200)
Additional Funding Required (VIA Corporate Plan)								(14.2)	14.4	31.5	43.2	12.3	12.2
Total employees (Ave.)	5726	6873	6594	4,663	4,477	4,494	4,368	4,032(-)	3394	3229	3184	3176	3176
Other Cost as %##	43	46	44	48	53	51	53	51	46	47	46	46	46
Support depts/Total Exp. (VIA Corporate Plan)								10	8	8	8	8	8
Equipment in use:													
Locomotives								95	75	71	71	71	77
Cars								351	330	323	323	336	346

NB. VIA continues to make changes in financial results. Its annual report of 1993 states that data for years prior to 1990 is not comparable due to network restructuring ~ 1994 Year end 3,523 employees

* Operating Revenues & Costs #Source VIA Annual Report or Corporate Plan

** (Costs-Revenues) ## Other Costs are total expenditures minus avoidable costs

Data for 1985 and 1986 were given in 1994-3. ## VIA calculates % using support department costs compared to total costs.

An analysis of the individual train performances will be given in our September 1995 issue.

In general the recovery ratio (revenue/avoidable costs) for were as follows:

Long Haul Trains: Canadian 65%, Ocean 54.2%, Atlantic 46.1%, Chaleur 41.8%

Corridor: Mtl-Que 56.7%; Mtl-Otw 58%; Mtl-Tor 89.2%; Tor-Otw 97.8%;
Tor-Lon 60.8%; Tor-Wind 72.3%; Tor-Sarn 76.9%; Tor-Niag 59.9%.

Mandatory: Montr-Jonq 18.8%; Montr-Cochr 14.2%; Sudb-WhR 7.3%;
Wpg-Chur 15.6%; The Pas-LynL 21%; Jsp-PrR 16.9%; Vict.-Cou.28.5%

In long haul from 52.7 to 58; corridor from 72.4 to 79.2 and mandatory from 14.5 to 15.5

**Join or Renew your Membership in
Transport 2000 Canada.
Transport Action from the National
Office
Newsletter from the Region.
See form on Page 10 for rates.
Help us in bringing in more
new members.**

VIA hopes to do More with Less

by J. J. Bakker

with comments in italics

(based on Annual Report of VIA 1994 and VIA Corporate Plan 1995-1999)

VIA Rail tabled its 1995-1999 Corporate Plan in the House of Commons at the end of April 1995. The estimated performance for the years 1995 through 1999 are shown in *italics* in the table on page 6.

First VIA's assumptions:

1. Certain labour productivity savings will be realized, including a pay freeze over three years through 1996.
2. A 1994 capital funding surplus of \$20 mln will be reprofiled to 1995 and 1996.
3. \$ 15 million of VIA's accumulated proceeds from the sale and lease of surplus assets will be available to help fund the capital program.
4. Inflation will average 2% per year.
5. During the next 5 years the annual growth in the domestic travel market and foreign travel into Canada will be 4.2% and 2% per year respectively.

Risks and Issues

1. There is some risk that not all the productivity improvements will be realized.
2. The Plan assumes that cost reduction measures will have no adverse effect on revenues. In fact the Plan assumes passenger revenue growth of 38% over 5 years.
3. The planned Capital expenditures of \$200 million are a bare minimum and do not allow additional growth beyond what is in the plan. VIA requires a higher level of investment.
4. Future line abandonments by CN and CP could pose a risk to VIA's operations and finances and they have not been factored into the plan.
5. The Corporate plan has a funding gap of \$ 113.8 million over 5 years. This gap can only be closed if there are further changes in agreements and productivity over and above those assumed in the plan. Otherwise train service reductions are necessary.
6. *The plan assumes that the cut in the budget of \$30 million in 1997/98 announced by the government does not apply in 1998 and 1999. [Editor]*
7. *The plan assumes that the \$15 mln cut in funding remote services for 1995 and 1996 does not apply after 1997. [Ed]*
8. *The assumption is that rebuilt equipment from the fifties will remain reliable as if they were new equipment. It is also assumed that LRC cars will remain reliable and serviceable. [Ed.]*

Equipment

By the end of 1996, a refurbished and modernized fleet of 214 stainless steel cars will be in service. This fleet, combined with the 100 LRC cars, 5 railiners, 4 combination cars plus 23 stainless steel cars in storage will be sufficient to serve the whole network. VIA will retire all remaining obsolete steam heated blue and yellow cars and replace the 4 combination cars used on remote mixed trains with rebuilt stainless steel equipment. The equipment reduction is from 544 cars in 1992 to 394 in 1996.

VIA's Performance.

VIA has succeeded in reducing costs compared to the cost of living, however the costs are still 9% higher per train.km than in 1989. VIA hopes to almost equal the 1989 cost in 1998, when cost of living would be 16% higher.

There is a slow growth in passengers. However most of the financial improvements of VIA are due to fare increases and staff reductions at Headquarters.

The Mandatory Remote services have a shortfall of \$ 34 million (down from \$39 million in 1993). However the government reduced its contribution by \$15 million! In other words the government expects the rest of the VIA network to finance the Mandatory services. VIA should revamp its Annual Report to clearly separate Mandatory and the other 2 type of services (Longhaul and Corridor).

VIA is operating summer consists in April 1995 on The Canadian between Jasper and Toronto, due to demand!

Comparisons on p.6

In the table on page 6 there appears to be a discrepancy between the line "Difference Govt. and Shortfall and the VIA Additional Funding Requirement as stated in the Corporate Plan. This difference is probably due to reserve funds, reorganization charges, network restructuring recovery, amortization and losses on property and similar accounting aspects, that usually complicate Annual Reports.

Congratulations

VIA should be congratulated though with their objective of not cutting their network, but to concentrate on reducing costs. Time will tell, whether VIA will succeed with their corporate plan, particularly after reading the fine print. We all hope they will. The fact remains though that there is a limit in using old equipment and continuing with a lack of investment.

Light Rail Vehicles on Swiss/French Railways

The Swiss Railways have taken delivery of 5 articulated light rail vehicles for operation on a suburban railway line into France from Geneva. Each end truck is powered with a 930 kW motor. The Light Rail Vehicle (LRV) can operate at 100 km/h, provides 79 seats and has space for 156 standees.

In France the vehicle operates on 1500 VDC. However the Swiss Railway Station in Geneva has 15 kVAC 2/3 Hz. So the vehicle has been equipped with an 88 kW turbo diesel engine to provide power. This is yet another example of operating a light rail vehicle on a regular railway line. Other examples are Karlsruhe, Bonn-Cologne Railway and San Diego.

Denver LRT

Denver's LRT started operating on October 10, 1994. Bus routes were diverted to its terminal. The system owns 11 cars of which 10 are in service during the peak hours. The line was carrying 12-13,000 on weekdays in January 1995. Since Park and Ride lots were full, management wants to construct a 200 car lot at Alamada Station. The new anti-rail board members may block this project, claiming that ridership figures are inflated.

During the test period and the first 2 weeks of operation, there were 11 automobile-train collisions and 1 pedestrian fatality. The prime cause of these accidents was the willingness of motorists and intoxicated pedestrians to ignore signals, train whistles & bells and headlights [LRT News].

Dutch Help Cuba.

The Dutch are selling some of their older diesel-electric multiple units [DEII and plan U] to Cuba. Apparently Dutch Engineers have been helping the Cubans to upgrade their railway. Cuba has 4,807 km standard gauge railway line of which 147 km is electrified [1200 VDC] The present, worn out equipment comes from S. America and the former east block.

Avoidable Costs

In the Table on page 6, Avoidable Costs means costs that would not occur if the train did not operate. These costs exclude contributions to the administrative and overhead expenses.

VIA also uses fully allocated costs which includes overhead and maintenance, marketing, stations and customer service.

In the line Support depts/Total Exp. fully allocated costs are used.

Alberta News

Stop the Sprawl !

A group of environmentalists and community planners will hold a conference in June 9-11, 1995 in Edmonton. Prof. Chuck Chamberlain (Education) heads a group of 12 community planners and environmentalists who question sprawl and the reliance on the automobile. They think the brakes should be put on single family urban sprawl and emphasize multi-family housing clustered around work sites.

They also would like to infill areas such as the Gainers site, the University Farm and the Municipal Airport.

The conference will be held 2 weeks after Calgary City Council debates a new transportation plan which includes restrictions on downtown parking and a hefty gasoline tax to pay for the expansion of public transit. [Edm.Journal]

\$1 Bridge Costs Money

The most expensive to maintain bridge in the CP system was the High Level Bridge in Edmonton. The city bought it for \$1. Now there are a few costs due to deferred maintenance. The CP contributed \$ 3 million.

Renovations were approved under the federal infrastructure program for \$ 13.6 million. Costs have escalated to \$ 16.2 million and could go to \$21 million. The cause is the cost of replacing badly corroded beams and strip lead-based paint. The bridge must be enclosed to keep at least 90% of the old paint falling into the river. While at it, the sidewalks will be expanded. Contractors would also like to replace corroded cross-members under the vehicle deck (another \$ 1.7 million).

CP wanted \$ 16 million from the City, when it was looking for an LRT crossing in the eighties. It built its own bridge for just over \$ 10 million. VIA was also asked to buy it for \$ 16 million.

The bridge will be closed to traffic from April 16 to November 12 (or later). Traffic on the Walterdale (105St) bridge has been made two-way again. [Ed.Jrn]

Drunken Driving on LRT

No, the train was not weaving down the track, but it did exceed preset speed limits. When an LRT car passes over a speed detector, it will trigger the emergency brakes. And that is what happened, when Edmonton's LRT driver James Reid took an LRT train 7 min. late from the University station.

Control alerted the police, the police took a breath analysis (almost 3 times the legal limit), Reid was fired, pleaded guilty,

B.C. News Items.

Coquitlam Density

Controversy is developing about higher density plans in Coquitlam. One problem is the population increases in the lower mainland. It is expected that the population will double in the next 30 years. One aspect is certain, the additional population is not going to be accommodated in single family houses.

The moment any planner starts talking or even is suspected of thinking higher density, the NIMBY (not in my back yard) syndrome appears.

Coquitlam would like to be included in the rail transit plans of the region. To be included it needs passengers. To get passengers there is a need for population and increased density helps. The North Road - Clarke Road corridor is one of the corridors being studied.

Coquitlam planners are being accused of using the western corridor as high density bait to attract transportation dollars from the provincial government. However planners say that is not so. The transportation/land use study is being done to protect existing neighbourhoods and that any new developments will provide for green space, pedestrian space and relief from overwhelming auto congestion.

The controversy is part of old vs. new town friction. In older areas schools are being closed, pools no longer open and park space is reduced. At the same time in new areas amenities are being created.

North Shore Unhappy

The BC Transit report which basically said use buses for the North Shore, is not very well received. In a letter to the North Shore News Councillor Crist thinks that the BC Transit recommendations are a disaster for the North Shore. He says that residents should have access to rail transit without having to change buses several times. Buses should be a second tier to supplement rail transit.

In related news, engineers reported that the Lions Bridge was designed for 2 lanes and cannot carry more than 3 maximum.

lost his driving license for 18 months and will be back in court June 1 for another impaired charge.

What is of real interest is, that the system detected that there was something wrong. None of the 21 passengers noticed anything. Buses do not have such a fail-safe feature.

Let us Develop to NW?

David Varty views the present planning effort as unworkable. He says people do not want to live in higher density areas, abandon the dependence on the car and use public transport.

His answer is build a road from Powell River to near Knights Inlet (Port Neville). From Port Neville, there would be a road crossing to the Island (once considered as a rail crossing by van Horne), and then a new road to Comox, Port Alberni and Victoria. Other major roads would go to Bella Bella and Williams Lake from Port Neville. Doing that (no cost given of course) it would be easy to develop a string of communities along the Georgia Straight and maybe another city which can accommodate the projected growth of the lower mainland from 1.8 million to 3 million using low density and the car.

Now David Varty is a lawyer, who specializes in transport law and is a former counsel for Transport Canada and the Canadian Transport Commission (predecessor of the NTA). The \$ 80 publication describing all this development potential is called: The Johnstone-Georgia Basin Transportation Corridor Transportation Discussion Paper. It is published by The World Transportation Institute, a non-profit federal corporation of which Mr. Varty is a member.

BC Rail to pay Property Taxes?

As a Crown Corp. BCR is exempted from paying property taxes to municipalities. Unlike other crown corporations (BC Ferries, BC Hydro) BCR does not pay grants in lieu. The BC Government is now wanting to change that and make BCR also to pay grants in lieu. It is the Union of BC Municipalities (of course) that is pressing for payments. [Source North Shore News].

Since roads do not pay taxes, why should railways. Property taxes or grants in lieu should only be paid on buildings associated with railways, but not on right-of-way, track or other infrastructure. Why would the BC Government take such a backward step? The opposition wants to privatize BCR and say BCR should pay taxes on a commercial basis. Just apply the same logic to roads please [Ed.]

BC Ferries

BC Ferries carried 21 million passengers in 1994. It had record traffic over the Christmas Holiday with 61,000 passengers and 19,000 vehicles on Dec.27.1994. [Vanc.Sun].

Transit Plans in Vancouver

Three transit corridors were examined by consultants (N.D.Lea and Delcan) for B.C. Transit. They were:

Vancouver - Coquitlam
 Vancouver - Richmond
 New Westminster - Coquitlam.

Glen Clark, the minister responsible for BC Transit wants input from the municipalities before making a decision.

LRT is Best

An LRT route from Vancouver via Broadway and Lougheed Highway to Coquitlam would give the most value for money. Cost \$ 562 million. It would attract four times the riders a Vancouver - Richmond line would attract.

The study clearly shows that SkyTrain is not an alternative. In fact BC Transit Board Chairman Derek Corrigan said that SkyTrain has sucked too much money out of transit, 75 cents of every dollar on capital projects went to SkyTrain.

Transport 2000 BC

Transport 2000 BC does not believe that buses can solve the transit needs of Vancouver, but they do endorse measures to expedite the flow of buses. For transit to work all the modes must be integrated around a backbone of high quality, cost effective transit. Rapid Bus would have 25% development pull compared to rail.

Transport 2000 BC questions whether bus transit can be as attractive as rail transit to the commuter.

Transport 2000 BC will make a detailed analysis of the reports and the results we hope will be in our September issue. It is unlikely any line will be built soon.

More Seabus?

The North Shore News in an editorial advocates more Seabus routes. Three routes are suggested, to Ambleside, Capilano Road and to Seymour Road. They say that rail and ferry will reduce traffic congestion.

A Suggestion for B.C. Rail

In our March 1995 issue we invited comments about the suggestion to limit RDC operations to Williams Lake and to add a new overnight train the **Cariboo Sprint**

The Cariboo Sprint would be comprised of 2 locomotives, one or more conventional unpowered passenger cars directly behind the engine and 20 to 30 Trailer on Flat Car or Container on Flat Car units. (TOFC/COFC).

We had one reaction endorsing the idea, stating that the advantage is that one can sleep and travel, which means no loss in time. [The letter was too long to reproduce in full. Ed.].

Our own reaction is that it would be a good idea. However BCR cannot keep relying on RDC's for future passenger transportation. The Cariboo line is ideally suited for a tilted train, like the proposed IC3-tilted that ABB is developing. This would mean investing in passenger rail.

A Private BCRail?

A secret cabinet document suggests that BCRail be privatized in the face of "major threats to its commercial viability". Now BCR has been profitable, but there is a danger that there will be declining revenues from forest products and coal.

The document estimates that a share offering could raise about \$360 m. in equity as well as pay down \$ 320 m in government guaranteed debt.

The document cautions that the proposal should be seen as expansion rather than a narrow financial initiative to reduce government debt and an abandonment of the Interior and the North.

BCRail has been cost cutting recently. Cabooes have been eliminated. Early retirement packages have been offered to a number of employees.

Daily Service Please

The Cariboo Tourist Association wants daily RDC service from N. Vancouver rather than 3X per week as BCRail is implementing this summer. The cuts came as a result of Victoria pulling its passenger rail subsidy.

BCRail had instituted daily summer service several years ago. It facilitated tour groups in easier scheduling.

The cut in subsidy and the proposal for privatization should be seen together. As well the cut in subsidy means no investment in new equipment. Ed.

[Vanc.Sun, Williams Lake Tribune].

Have you recruited a new member yet?

Corridor & Mode	Riders (millions)	Cost million	Length km	LRT Travel Time (min.)	Number of Stations	Cost per Rider (m)
Vancouver-Broadway-Lougheed-Coquitlam						
Rapid Bus	17.3	\$ 82	18.5			4.7
LRT	21.0	\$ 562	18.5	35	18	26.8
SkyTrain	29	\$ 945				32.6
New Westminster-Coquitlam						
Rapid Bus	4.3	\$ 62	15.8			14.4
LRT	12.2	\$ 559	15.8	25	14	45.8
SkyTrain	16.5	\$ 813				49.3
Vancouver - Richmond on Cambie						
Rapid Bus	9.0	\$ 103	18.6			11.4
LRT	17.0	\$ 1,000	18.6	24	13	58.8
SkyTrain	20.0	\$ 1,000				50.0
Vancouver - Richmond on Arbutus the length is 1.1 km and 6 min. longer.						

High Costs to Richmond

The high costs to Richmond are due to land prices and the need for some tunneling and bridges to cross the north arm of the Fraser River. That LRT and SkyTrain would have the same costs is not likely.

BC Transit wants Rapid Bus

BC Transit now says Rapid Bus is the answer: low-floor articulated buses, buslanes, computer control techniques to control traffic signals and some widening here and there.

In promoting that decision, they make comparisons with Ottawa. Ottawa uses busways, mostly exclusive right-of-way which is quite different from bus lanes. Lanes that will be taken away from regular traffic. In Ottawa ridership on buses is high as a result of a government decision to limit parking for civil servants. Ottawa has not solved its problems downtown, where bus lanes are used. Noise and smell are a major problem.

BC Government wants better E&N Service

Employment and Investment Minister Clark has asked Transport Minister Doug Young to revitalize and modernize passenger train service on Vancouver Island. He wants a meeting with Mr. Young, VIA, CP, E&N Steering Committee, a lobby group, and community representatives. VIA Rail says no decisions can be made until there is a new labour agreement.

In 1994 there was an increase in ridership from 35,000 to 39,000. Prior to the 1990 cuts the E&N carried over 50,000 per day. Mr. Clark did not offer any money, he feels the feds have an historical and moral obligation to continue to support passenger rail service.

The E&N like BCRail needs new tilting multiple unit diesel trains, like the IC3 of ABB. Unfortunately nobody wants to invest in new passenger rail equipment. Editor.

New Air Canada and Canadian Routes

On March 11, 1995 the government gave Air Canada the right to fly to Hong Kong. The government now says that the airlines can compete on routes with over 30,000 passengers per year. Air Canada started on March 6, 1995 with 2 daily flights to Atlanta (so Harris can get home).

Canadian now has been given access to Chicago O'Hara and New York, La Guardia with 16 slots. Air Canada got an additional 8. Canadian also gets the right to fly to Germany and in the future Malaysia, Vietnam and the Philippines.

No Canadian Airline is going to serve Schiphol (voted the best airport for the second year running). KLM has that market to itself, using jumbo jets.

Air Cargo Jammed

One of the results of the economic recovery has been a shortage of cargo space, particularly from Europe and to/from Asia. Backlogs are developing. Air Canada sold its last 5 cargo planes a year ago, and now moves all its freight on passenger planes. Canadian Airlines has the greatest shortage in space to South America.

[Sources: Vanc.Sun, LA Times, KM]

Regional Airports in the West

The 1994 Budget indicated that \$10 was too large a fee (air transportation tax) for a commuter at a small airport. The new Regional Airport policy would mean the following fees per passenger in the west [source Wings Magazine]:

For the Prairies: Grande Prairie \$10.55; Lethbridge \$ 9.29; Ft.McMurray \$8.91; Peace River \$15.81; Pr.Albert \$42.58; Thompson \$2.96; The Pas \$47.95; Brandon \$1,057.00; Flin Flon \$22.81; Dauphin \$53.33; Lyne Lake \$120.54; Gilam \$ 28.95. Average for the Prairies \$13.85.

For B.C.: Quesnell \$31.09; Prince Rupert \$7.82; Kamloops \$8.34; Cranbrook \$10.51; Castlegar \$5.99; Terrace \$9.72; FortSt.John \$ 12.51; Penticton \$14.48; Campbell River \$11.52; Smithers \$10.70; Abbotsford \$76.86; Dawson Creek \$ 13.13; Williams Lake \$ 19.88; Fort Nelson \$ 48.46; Fort Hardy \$27.60. Average \$ 12.00.

The great disparity in charges is due to the expenses and revenues of each airport, which in turn is dependent on the amount of service provided.

Once again it shows the folly of considering airports on a link by link or airport by airport basis rather than on a network basis.

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West Canada Members note: If you find your address label here, please note that your membership has expired. We would appreciate if you could renew as soon as possible. If you have already done so then of course ignore the above. We rely of course entirely on volunteers to produce this newsletter.

Next Issue September 1995
Send letters or copy to Editor J. J. Bakker
25 Grosvenor Blvd., St.Albert AB T8N 1P3

A Negative Vote in Seattle

The vote in the Seattle region (Central Puget Sound Regional Transit) was close, but did not pass [47% yes, 53% No]. King County which contains Seattle, passed the transit proposals; but Pierce and Snohomish did not, the vote required 2 counties including King to pass the proposals.

The proposals contained a commuter rail from Everett to Lakewood; LRT and an improved interconnected bus system at a total cost of \$ 6.7 billion.

The Regional Transit Authority is now going back to the drawing board to scale back the plans.

The Puget Sound suffers from the old problem of the suburbs blocking needed transportation solutions for the region. The same problem exists in the SF Bay Area and the Greater Vancouver Region.

[Source: Vanc.Sun] *Comment: Editor*

Northwest Airlines

After the signing of the new air agreement Northwest Airlines with hubs in Minneapolis, Detroit and Memphis has added additional services.

Minneapolis is now served from Vancouver, Edmonton, Calgary, Regina, Saskatoon and Winnipeg. Detroit is connected with Toronto, Montreal, Ottawa, Moncton**, Halifax, Thunder Bay*, London ON*, and Quebec City**.

*NW Airlin, **NW Business Express.

More Autonomy for VPC

The Vancouver Port Corp. wants to separate from Canada Ports Corp. Vancouver officials hope to get more local control. Vancouver Port Corp. claims that autonomy would free up \$ 1.8 million a year. VPC wants to prepare a business plan and report directly to the minister, rather than airport style independence.