



Upgrade/Revitalization of Via Rail's Passenger Rail Service

November, 2007 – Toronto, Canada

Summary: On October 11, 2007, the government of Canada announced its plans to offer Via Rail \$691.9 million, beginning in 2007. This announcement marks the largest capital program for Via Rail since its establishment in 1977. Over the next five years these funds will be used primarily to help Via Rail meet the growing transport needs of Canadians in Southern Ontario and Southern Quebec. More specifically, \$516 million is being allocated towards investment in Via Rail's infrastructure, while the remaining \$175.9 million will be used for the transport costs. End Summary.

In 2003, former Prime Minister Paul Martin retracted a commitment made by the previous Liberal government to offer \$700 million to Via Rail. Since then, Via Rail has received approximately \$170 million annually from the Canadian government in subsidies, hardly enough to prevent the aging of its stock and its rising capital costs. Despite this, Via Rail services across Canada continue to expand from 3.8 million passengers last year to 4.1 million passengers this year.

Focus of Via Rail's Investment

In the next five years, Via Rail plans to invest in:

- The refurbishment of the F40 locomotives that will ensure another 15-20 years of service
- Light, Rapid, and Comfortable (LRC) passenger cars that will have their operating systems and interiors rebuilt
- Station refurbishments
- Improve the infrastructure in the Quebec City-Windsor corridor to create safer, more reliable, and reduced trip time

This includes the purchasing of products that satisfy the emission standards of the U.S. [Environmental Protection Agency](#) and to follow the guidelines set by the [Memorandum of Understanding](#) between the Railway Association of Canada, Environment Canada, and Transport Canada. Also, the Supreme Court of Canada requested in March 2007 that Via Rail must purchase equipment that will service passengers with disabilities.

U.S. Business Opportunities

The influx of funding from the Canadian federal government to Via Rail is the largest capital program it has ever received. After the completion of its five-year investment, Via Rail will be able to operate without any subsequent government funding. Via Rail's five-year investment to improve their services may present exciting opportunities for businesses in the United States. Those specializing in emission reduction technology,

manufacturers of locomotives, manufacturing of LRC passenger cars, locomotive parts and accessories, and devices to assist transportation of the disabled, should all pay close attention to new opportunities as they become available on Via Rail's website. Via Rail's Internet address is as follows: <http://www.viarail.ca>.

The United States Commercial Service (USCS) will monitor any new information on Via Rail upgrades and will report any findings on its website at <http://www.buyusa.gov/home/>.

For information and assistance on this report, please contact Madellon C. Lopes, Sr., Trade Specialist at (416) 595 5412, ext. 227; fax (416) 595 5419 or e-mail Madellon.Lopes@mail.doc.gov

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