

# **Riding the *Ocean's* Next Wave**



## **A Proposal for VIA Rail Canada's Maritime Services**

**By**

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**For**

**Save Our Trains in Northern New Brunswick**

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Re: Riding the *Ocean's* Next Wave

It is my pleasure to endorse the report prepared for the Save Our Trains in Northern New Brunswick advocacy group by our own All Aboard St. Marys citizens' committee regarding the revival of VIA Rail's *Ocean* passenger train.

Whether in Atlantic Canada or Southwestern Ontario, the need for improved rail service is real and it is growing more urgent. The economic, social and environmental benefits of any plan to improve our rail service are large, and they have been documented far and wide. What is required now is action by the upper levels of government.

*Riding the Ocean's Next Wave* can definitely assist the campaign to make this happen in Atlantic Canada, just as the documentation and lucid arguments produced by All Aboard St. Marys have played a role in stimulating the public and political discussion of the subject here in Southwestern Ontario.

All of us in St. Marys wish our Atlantic Canadian friends and colleagues well in their admirable campaign for cost-effective improvements to our national rail passenger system. Some may ask, "Can we afford to do it?" My response is, "Can we afford not to?" Other regions around the world with which we compete have answered that question by investing in rail passenger service because they know that they don't cost, they pay.

It is our fondest hope here in St. Marys that Canada will soon recognize the enormous benefits that flow to those who invest wisely in modernized rail passenger service. Let us make an improved VIA Rail *Ocean* and better service here in Southwestern Ontario strong components of such a visionary national strategy.

Yours Truly,

Al Strathdee,

Mayor

Town of St. Marys

**TOWN OF ST. MARYS**

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**COVER PHOTO:** VIA #14, the eastbound *Ocean*, viewed from the observation lounge of the Park car on the tail end of its westbound running mate, VIA #15, at Belmont, Nova Scotia, north of Truro, on August 13, 2005. Photo by Alan Macek via Wikipedia

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## Executive Summary

- VIA's *Ocean* is dying – and it will die if it doesn't receive urgent attention by Ottawa
- Four-pronged problem:
  - Deep-discount air competition for travel between the major end points;
  - VIA's high fares compared with the air services to Halifax and Moncton;
  - Deteriorating desirability and reliability of the *Ocean's* Renaissance cars; and
  - Reduction in frequency from six days per week to tri-weekly in October 2012
- Primary challenge is the deteriorating Renaissance rolling stock, which needs to be replaced with modern, service-proven North American equipment
- Opportunity to piggyback on Amtrak's current order with Construcciones y Auxiliar de Ferrocarriles (CAF) in Elmira, NY, for 130 stainless steel Viewliner cars of various types
- Restoration of daily service would require four 10-car Viewliner trains at an estimated cost of \$203 million, which would have a commercial life of at least 30 years
- CN Newcastle Subdivision between Rogersville and Bathurst requires major upgrading at a cost of up to \$63 million, which would deliver at least 15 years of high quality service
- Relaunching the *Ocean's* Montreal-Matapedia-Gaspe running mate, the *Chaleur*, would require an additional six to eight Viewliners at an estimated cost of \$30-40 million
- Other Maritime service improvements proposed by VIA can add to this modernization
- Promotion should be combined with other government/tourism sector campaigns, such as the \$24-million program recently announced by Ottawa and the provinces
- New Viewliners to modernize the *Ocean*, upgrading the 60 miles of CN infrastructure and relaunching the *Chaleur* will cost an estimated \$300 million, to be recouped within seven years through decreased costs and increased ridership and revenue
- Capital cost compares favourably with federally-supported, \$5-billion Windsor-Detroit bridge and transit projects in several central and western Canadian cities
- Failure to act on the current opportunities will doom the *Ocean* and the *Chaleur*

## Foreword

VIA Rail Canada's *Ocean* is dying.

For 113 years, this legendary train has plied the rails linking Halifax, Montreal and all the communities along the route of the Intercolonial Railway, the construction of which was one of the articles of Confederation in 1867. But federal policies, inadequate funding, deterioration of the equipment and, above all, a lack of interest in Ottawa are now threatening the *Ocean's* survival.

In 2012, rail consultant and government policy advisor Greg Gormick toured the route of the *Ocean* to present Transport Action's National Dream Renewed town hall sessions on the future of VIA nationwide. During that tour, he promised the attendees in New Brunswick and Nova Scotia that he would do what he could to see that they didn't lose what is now the only rail passenger service in Atlantic Canada. This report honours that promise.

Like their colleagues in the Save Our Trains in Northern New Brunswick citizens' committee, All Aboard St. Marys has been waging a campaign similar to theirs in Southwestern Ontario. The regions are different, but the challenges and the needs are the same. Both require modern, safe and efficient rail passenger service if they are to realize their full economic, social and environmental potential.

The following proposal has been prepared by All Aboard St. Marys for our many friends at Save Our Trains in Northern New Brunswick and throughout Atlantic Canada. It is our fondest hope that it will assist in convincing the federal government to restore and fully modernize the *Ocean* and the rest of the coast-to-coast-to-coast VIA Rail system. Many Canadians are still waiting for the current government to finally honour the promises of so many of its predecessors and deliver the kind of service that is now in place in competing regions in the U.S.

It will be to our mutual benefit if Ottawa and our provincial governments heed the calls that advocates across Canada are making for improved rail passenger service. The opportunities are many, but the time is growing short.

All aboard! En voiture!

*Chris West  
Founding Member  
All Aboard St. Marys  
St. Marys, Ontario*

## 1.0 The *Ocean's* Challenges

- Ridership has been declining for several years due to a combination of factors, including:
  - Deep-discount air competition for travel between the major end points;
  - VIA's high fares compared with the air services out of Halifax and Moncton to major Central Canadian points;
  - Deteriorating desirability and reliability of the British-built Renaissance equipment currently used on the *Ocean*; and
  - Reduction in frequency from six days per week to tri-weekly in October 2012
- All of these challenges can be overcome within a three-year period if there is a comprehensive plan by VIA, the federal government and the governments of New Brunswick and Nova Scotia, and the required capital investment is provided
- Fixing the *Ocean* this time, unlike the Band-Aid improvements of the recent past, must be undertaken with a long-term outlook and an adequate budget, so these problems don't arise cyclically to threaten the train's future repeatedly
- "Do it once, do it right" must be the philosophy today

## 2.0 Re-Equipping the *Ocean*

- The single largest problem is the Renaissance equipment, which is nearing the end of its short life and is contributing to the erosion of the train's attractiveness and increasing its operating and maintenance costs
- VIA has an insufficient number of Budd HEP-1 stainless steel cars to operate the *Ocean* with this superior equipment, which was used on the train from the early 1990s until the arrival of the smaller and less appealing Renaissance cars in 2003-2004
- VIA's shortage of Budd HEP-1 equipment during the peak travel seasons is due to the CN-induced lengthening of the schedule of the Toronto-Vancouver *Canadian* in 2009; this consumes the bulk of VIA's Budd HEP-1 equipment
- The solution is a new off-the-shelf fleet that could be applied to the *Ocean* and certain other VIA long-haul and remote trains throughout Canada
- The opportunity to buy modern, service-proven equipment to replace the expiring Renaissance fleet at a reasonable cost is here



VIA's British-built Renaissance cars have proven to be expensive to operate, mechanically unreliable and ill-suited to Canadian conditions. The photo below, showing a Renaissance car (left) coupled to one of the larger Budd Park-series dome-sleeper-lounge-observation cars on the Halifax-Montreal *Ocean* (right), demonstrates the pint-sized dimensions of this rolling stock. Photos by Steve Boyko (above) and Henry Kisor (below)





- Amtrak is now receiving 130 stainless steel Viewliner cars for long-haul service at speeds up to 125 mph from Construcciones y Auxiliar de Ferrocarriles (CAF) in Elmira, NY
- Amtrak's 130-car order, placed in 2010, came at a cost of \$2.3 million (US) per car; the cost today would be approximately \$4 million (US) per car due to CAF admittedly under-bidding to secure this order and enter the intercity passenger car market
- Piggybacking on the current Amtrak order will keep the cost reasonable, while placing an order after Amtrak's production run is completed will create additional costs
- Re-equipping the *Ocean* with Viewliners would require the following equipment for each trainset, which would be hauled by VIA's current remanufactured F40 locomotives:

<u>Car Type and Number</u>	<u>Capacity</u>
1 Viewliner Baggage-Dormitory Car	9 (crew)
2 Viewliner Coaches (2 x 68 passengers)	136
1 Viewliner Dayniter Deluxe Coach	52
1 Viewliner Diner-Lounge Car	45 (non-revenue)
4 Viewliner Sleeping Cars (4 x 30 passengers)	120
<u>1 Budd HEP-1 Park-series Dome-Sleeper-Lounge</u>	<u>9</u>
<b>Total Revenue Capacity</b>	<b>317</b>

- Returning the *Ocean* to daily service would require four complete trainsets, with three regularly assigned and one spare for programmed maintenance and to provide surge capacity during peak travel periods
- Acquiring the 40 Viewliners to fully re-equip the *Ocean* and return it to daily service would cost an estimated \$160 million (US) or \$203 million (CDN)
- New equipment of this type will have a commercial life expectancy of at least 30 years
- Compared with the current Renaissance cars, new Viewliner equipment will pay for itself within seven years through operating cost savings and increased revenue generation
- Viewliner equipment is fully compatible with VIA's Budd fleet, allowing for the use of the latter to augment the *Ocean's* consist during peak travel periods
- Unlike the semi-permanently coupled Renaissance rolling stock, an *Ocean* Viewliner consist could be quickly expanded or reduced to meet daily travel demand





Four types of Viewliners are currently being delivered to Amtrak by CAF in Elmira, NY. These include dining cars (above), sleeping cars (below), baggage-dormitory cars with space for onboard employees and full baggage cars, which have provisions for safely handling bicycles and other awkwardly-shaped passenger belongings. The basic design is adaptable for the creation of coaches, coach-café and other car types. Photos by John Sesonske







The Viewliners include a row of upper windows to create a more spacious, airy ambience than is provided by VIA's Renaissance cars, which are used on the *Ocean*. Many travellers find the Renaissance cars to be cramped, which is a result of their construction to the more restrictive clearances of the British railway system.



### 3.0 Infrastructure Improvements

- CN's Newcastle Subdivision from just north of Rogersville (Mile 48) to just south of Bathurst (Mile 108) requires major upgrading
- Currently equipped with jointed 100-lb rail more than 60 years old, this 60-mile track segment requires extensive remediation to eliminate its 30-mph speed restriction and bring the entire line up to a competitive passenger speed
- Two sections (Mile 0-48 and Mile 108-131) have been upgraded recently with funding provided by the governments of Canada and New Brunswick and a CN contribution
- These track segments will be good for 15 years of service supporting adequate freight and passenger speeds, if properly maintained
- Upgrading the Mile 48-108 track segment to FRA Class 4 standards for 80-mph passenger service requires replacement of the 100-lb jointed rail with 115-lb welded rail, plus other major work, at an estimated cost of \$63 million based on similar projects
- Less intensive upgrading could improve this track segment and extend its life at lower cost, but this will only push the problem off into the not-so-distant future

### 4.0 Restoring VIA's *Chaleur*

- Thanks to investment by the Government of Quebec, the deteriorated Matapedia-Gaspe line is being restored on a phased basis
- This infrastructure upgrading is expected to allow for the restoration of VIA's *Chaleur*, which experienced service disruptions beginning in 2013 and was eventually suspended
- Restoration of the tri-weekly *Chaleur* – which ran coupled to the *Ocean* from Montreal to Matapedia – would require additional Viewliner rolling stock to take advantage of fleet and operating economies of scale, reducing costs and increasing its marketability
- A single *Chaleur* consist of six to eight Viewliners, plus additional Budd HEP-1 rolling stock during peak travel periods, would be required
- The one-time capital cost would be \$30.5 to \$40.7 million (CDN)





Much of CN's Newcastle Subdivision has been upgraded through a joint federal/provincial/CN project, including major civil works such as the bridges over the two branches of the Miramichi River (above). The 60-mile section from Rogersville to Bathurst requires upgrading to eliminate deterioration that has reduced it to 30-mph operation (below). Photos by Jeff MacTavish (above) and Ted Bartlett (below)



## 5.0 VIA's Additional Service Proposals

- In lieu of restoring the *Ocean* to daily operation, VIA has proposed daytime trains five days per week on the Campbellton-Moncton and Moncton-Halifax portions of the route
- VIA has been unable to implement these services due to the combination of a lack of adequate equipment and an inability to reach an agreement with CN
- Restoration of the *Ocean* to daily service would eliminate the need for a daytime coach train making a Campbellton-Moncton trip in the morning and returning in the afternoon
- An additional Moncton-Halifax coach train running ahead of the *Ocean* eastbound and returning after its westbound departure would attract additional ridership and revenue
- The Moncton-Halifax service could also be operated in conjunction with the proposed Halifax commuter rail service on the eastern portion of the line
- An additional Moncton-Campbellton roundtrip operated westbound in the morning and eastbound in the afternoon or early evening would also generate additional ridership and revenue, if implemented in conjunction with the proposed upgrading of the *Ocean*

## 6.0 Promoting Rail Travel in Atlantic Canada

- VIA has previously demonstrated it can effectively promote travel on the *Ocean*
- As part of the launch of the Renaissance equipment in 2003, VIA conducted a media and public promotional tour throughout Southern Ontario using one set of the new equipment and providing visitors with Maritime food, beverages and entertainment
- The 2003 campaign generated extensive travel and general media coverage
- Re-launching the *Ocean* with new Viewliner equipment will require the same innovative and aggressive promotion by VIA
- An *Ocean* renewal campaign should be coupled to government/tourism sector efforts to boost regional tourist travel, such as the \$24-million program announced in July 2017
- Comprehensive renewal of the *Ocean*/Chaleur will tap the burgeoning international rail touring market, enabling VIA to offer a true coast-to-coast Canadian travel experience





With CAF's Viewliner production line now in full swing on the 130-car Amtrak order, VIA can quickly "piggyback" on this contract to obtain the maximum economies of scale and keep the cost of an *Ocean* equipment renewal project affordable. Photos by Amtrak



## 7.0 Conclusions and Recommendations

- If action is not soon taken, the *Ocean* is likely to face a continuing ridership decline, cost increases and further deterioration of its rolling stock, leading to a frequency cut
- VIA's corporate plans have already suggested that such a negative and self-defeating course of action should be considered
- An investment of approximately \$260 million can alter this gloomy forecast and reap major economic, social and environmental benefits for all the communities along the *Ocean's* Montreal-Halifax route
- Investing in the new equipment required to completely refresh the *Ocean* and increase its frequency will secure its future for the next 30 years
- A \$63-million investment in the deficient portion of the infrastructure required by the *Ocean* will improve its performance and public attractiveness, reduce its running time and assist the struggling CN freight service on the New Brunswick portion of the route
- Including the *Chaleur* in this program would add \$30-40 million to the project's cost and generate considerable benefits for the Gaspé Region
- The required investment compares favourably with such recent projects as the \$5-billion Gordie Howe International Bridge at Windsor/Detroit and multi-billion-dollar rail transit expansion projects in Montreal, Ottawa, Toronto, Calgary, Edmonton and Vancouver, all of which received federal funding
- With CAF's Viewliner production line in full swing and a lead time of approximately three years for the delivery of this equipment, the time to act is now if service reductions are to be avoided
- Leadership needs to be supplied by the MPs of the current government and the opposition parties along the entire route of the *Ocean* and the *Chaleur*
- Direction and funding from Ottawa will enable VIA to begin the process of restoring the *Ocean* and the *Chaleur* as effective providers of local and long-distance public transportation, and as major contributors to regional tourism development
- Failure to act soon will doom the *Ocean* quickly and ensure the *Chaleur* never returns





As the initial 130-car Viewliner order draws to a close, VIA's ability to acquire this modern equipment without bearing the costs of restarting the CAF production line will decrease. The opportunity to benefit from Amtrak's order should be viewed as a reason to act and not engage in long-range studies of the issue, as has too often been the case with VIA. Photos by Amtrak (above) and John Sesonske (below)

