

# Jacques Côté chosen to stimulate SCFG

*He will meet VIA Rail president soon but remains cautious*

Gilles Gagné

CARLETON – The Gaspésie Railway Society board of directors has recently appointed Jacques Côté, a railway consultant, as interim president and director general. Mr. Côté, who has acted as a part-time consultant for the transporter since 2007, is expected to stimulate the company's revenues and its ability to obtain grants.

He replaces Director General Olivier Demers, who is staying with the company. Mr. Côté spent most of his professional career with Canadian Pacific Railway, where he managed the St. Lawrence and Hudson Railway subsidiary, a money-losing division he transformed into a profitable one between 1995 and 2001.

The first thing Jacques Côté intends to do is to convince the Quebec government that the development plan submitted by the Gaspésie Railway Society over the summer months makes good business sense and will allow the company to increase its revenue significantly.

"It's a plan which takes into account several steps, and we need between \$35 and \$45 million to complete a substantial part of the work. Over the next few weeks, I will meet with the current customers and not long after that, with potential users," he points out.

Getting grants or any type of revenue that will improve the Gaspésie Railway Society cash flow is one condition imposed by VIA Rail before resuming its service in the region. The national transporter doesn't want to suspend service because of small repairs the Gaspésie Railway So-

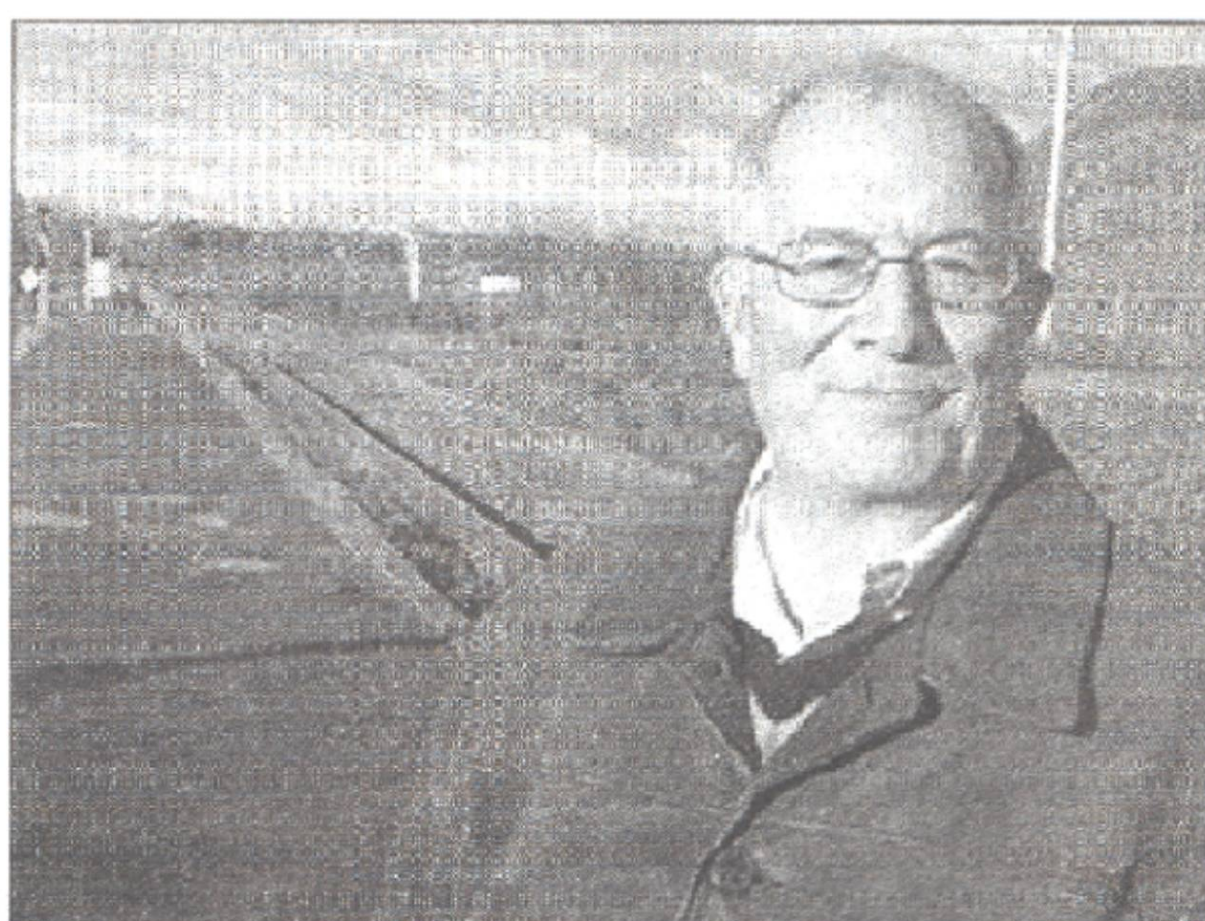


Photo: Gilles Gagné

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ciety couldn't afford to do.

VIA Rail also wants proof that the line is safe. The service between Matapédia and New Carlisle has been suspended since August 2013 as far as the train is concerned, and October 2013 for its bus service.

"The first important project consists of replacing the two bridges over the Cascapédia River in Cascapédia-St. Jules. We could repair it in the short term and convince VIA Rail that it's safe but it has to be replaced and it's preferable to do it as soon as possible. Repairing the bridge wouldn't be enough to haul the traffic that will be generated by the Port Daniel Cement Plant in 2016. The two bridges represent an investment of several million dollars," explains Jacques Côté.

Approximately \$13 to \$14 million would be needed to replace the two bridges.

"Our line is safe between Matapédia and New Carlisle," he summarizes, nevertheless

assuming that VIA Rail would probably prefer that we replace the two Cascapédia River bridges before resuming its service between Matapédia and New Carlisle.

"We are planning to replace the two bridges for the first part of 2015 but we need to get some financial support from the Quebec government first," states Jacques Côté.

In the interim he also wants to undertake a few minor repairs that have to be done on the Matapédia - Nouvelle stretch. "We're talking about small things, a very short wooden bridge we could replace with a large pipe, and things like that. We are talking about a few hundred thousand dollars," says Mr. Côté.

"Overall, the rail bed is in very good shape between Matapédia and New Carlisle, and on some stretches between New Carlisle and Gaspé.

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Our bridges need to be upgraded. That is the major point. They were neglected for 30 years by the previous owners of the line, Canadian National and the Quebec Railway Society," he points out.

Two bridges located in the east end of Caplan, the Ruiselet and Ruiseau Leblanc structures, must also undergo major repairs but they are still sturdy enough to handle some freight traffic, says Jacques Côté.

"That will happen after we complete work on the Cascapédia River bridges, if we have the money. After that, two Port Daniel bridges will need repairs. Our goal is to fix them in time for the production start of the cement plant in the fall of 2016. It means being able to carry freight cars weighing 263,000 pounds. Then, we will try to get to Chandler with the same capacity. As for Gaspé, we will be limited to 220,000 pounds, which is enough to carry windmill blades, the type of traffic we can likely generate out of that area," Mr. Côté points out.

Since August 2013 the Gaspésie Railway Society lost revenues of up to \$500,000 because a saline solution was used as a defoliant to get rid of vegetation growing along the line.

"The main loss of revenue stems from VIA Rail's decision to suspend its operations between Matapédia and New Carlisle. We also lost some revenue from the Temrex sawmill but in that case, traffic resumed pretty quickly. Actually, the problems created by the saline solution were promptly resolved but it affected the companies reputation. We have to restore confidence," explains Jacques Côté.

He was not at the board meeting when the decision to use that saline solution was made. He was recovering from surgery. He admits that it was a mistake but he

quickly pointed out that all transporters make mistakes at some point.

He emphasizes that the Gaspésie Railway Society has also made some good decisions since acquiring the Chandler to Matapédia line in 2007.

"We bought some locomotives instead of renting them, a major source of savings. By moving our operational base to Nouvelle, by renegotiating our revenue sharing with Canadian National, by adding the woodchip freight in 2009, we made huge strides forward," he explains.

He intends to use his experience, credibility and contacts in the railway world to convince VIA Rail to resume its service in the Gaspé. "I want to meet soon with the new president of the passenger transporter in Montreal," he says.

The Gaspésie Railway Society is currently negotiating with Canadian National and Temrex for the renewal of the woodchip transportation contract between the Nouvelle sawmill and the White Birch papermill in Rivière-du-Loup.

"The possibility that CN could use its woodchip cars on another line has been consid-

ered. We have an alternative solution if they do that. We have found rail cars for sale in the United States. They could be modified to increase their capacity to 7,000 cubic feet, compared to 6,500 for CN's current woodchip cars. We could have them modified at Raid GD in New Richmond. For now, the biggest challenge is to find a way to finance the acquisition of these cars," says Mr. Côté.

Temrex generates traffic ranging between 1,600 and 2,000 carloads annually, which is currently about 95% of the Gaspésie Railway Society traf-

fic.

Two grain shippers, the Caplan Cooperative and farmer Sébastien Brière, Rail GD and Fabrication Delta, also use the railway to get freight in or out. Rail GD refurbishes rail cars and locomotives.

The *Association coopérative forestière de Saint-Elzéar* project to use the New Carlisle freight yard as a base to ship its lumber by rail is far from forgotten, states Jacques Côté. The Cooperative Director General, Sébastien Roy, wants to send lumber to the United States as soon as possible in 2015.