

Creditors unanimously accept Gaspésie Railway Society's restructuring plan

— Gilles Gagné

NEW RICHMOND: — Gaspésie Railway Society creditors have unanimously accepted the restructuring plan proposed by the transporter. The plan was officially accepted on April 9 at the New Richmond Town Hall, but almost every creditor had already sent a proxy confirming their acceptance of the proposal.

Creditors were owed \$3.9 million by the Gaspésie Railway Society. The total bill amounted to \$4.1 million because of the costs related to the trustee and lawyers. The bills were paid because of a \$3.9 million grant received by Transport-Quebec and \$200,000 contributed by the four MRCs located between Matapédia and Gaspé.

When the restructuring plan is made official by the Superior Court, probably around the beginning of May, Transport-Quebec will become the owner of the Matapédia-Gaspé line. All the creditors will be paid before the end of May, according to Martin Poirier, of the Lemieux Nolet trustee firm.

The Gaspésie Railway Society will remain owner of most of the stations, several pieces of land, as well as remaining the operator of the freight train.

"Over the next two weeks, I will submit a plan for the board's new governance and improve our operations," says Éric Dubé, president of the Gaspésie Railway Society. He wants a greater input from the private sector in order to avoid the mistakes that contributed to the transporter's filing for court protection in November.

In March Transport Minister Robert Poëti announced the fact that Transport-Quebec would soon own the Gaspesian line as a guarantee for the long term protection of the infrastructure.

However, another line owned by Quebec's department of Transport, the Quebec Central Railway, serving the Beauce and part of the Eastern Townships, faces dismantling on a sizeable portion of it, with the blessing of the government, which paid \$18.3 million in 2007 and 2008 to acquire it.

On April 9 mayors of the Robert-Cliché MRC announced that they will install a cycling trail on parts of the 19 miles of track linking Vallée Junction and Notre-Dame-des-

Pins, near Saint-Georges. That would leave only 30 miles of track available to Sartigan Railroad, a private regional railway currently operating between the Charny yard and Scott's Junction, roughly 20 miles of track.

That company will extend its service south as soon as Transport-Quebec makes the repairs on a bridge located between Scott's Junction and Vallée Junction.

Unfortunately, further development towards the south and east, as the line goes up to Daaquam and Lac-Frontière, near the border of Maine, will

become impossible if tracks are dismantled between Vallée Junction and Notre-Dame-des-Pins. The railway was in a dormant state except for the 20 miles between Charny and Scott's Junction but there is considerable potential in the Daaquam area, with at least 3,000 carloads of forest products up for grabs if the line is refurbished.

Quebec City rail consultant Michel Lambert, who has 44 years of experience in the field, states that in seven years the Quebec government did very little to upgrade the

Beauce line.

"The big problem is that we don't understand why the Transport department bought the line and didn't exploit it. If I were the minister, I would work with the Economic Development department and try to develop the corridor on each side of the tracks. That exercise was never carried out though," criticized Mr. Lambert.

The mayor of Gaspé, Daniel Côté, is somewhat worried about the effects of putting the portion of line between Caplan and Percé in a

dormant state. Minister Poëti promptly decided to put the Caplan to Percé stretch in a dormant state after announcing the acquisition of the line.

"Our case is different because the Gaspesian mayors are unanimous in their desire to protect the integrity of the Matapédia to Gaspé line (...) It is always worrisome to have a dormant line but it is up to us to develop our territory and create enough traffic on our line to financially justify the investment required to get it out of its dormant state," says Mr. Côté.