



Gaspésie Railway Society gets three more weeks of court protection

Gilles Gagné

NEW RICHMOND: - The Superior Court has extended the protection period granted to the Gaspésie Railway Society in December, until February 25. The transporter can now count on three additional weeks before submitting a viable restructuring plan to its creditors for approval.

Éric Dubé, president of the Gaspésie Railway Society, says that currently, it's the Quebec government that needs the additional delay in order to examine the acquisition proposal submitted on January 22 by a local business group led by Gilles Babin.

"Quebec's Department of Transport submitted two documents to the court, including one letter guaranteeing the cash flow of the Gaspésie Railway Society until Febru-

ary 25 and another confirming the analysis carried out on the acquisition project (Gilles Babin's venture). Transport-Québec has also confirmed an emergency grant of \$100,000 in order to maintain the railways operation for the next three weeks," says Mr. Dubé.

So far Transport-Québec has allocated an amount of \$350,000 in emergency support since the Gaspésie Railway Society filed for court protection on November 22. The MRCs of Avignon, Bonaventure and Côte-de-Gaspé also allotted a total of \$150,000 for the future of rail operations. Over the first week of February two MRCs added \$25,000.

The Gaspésie Railway Society's restructuring plan depends heavily on the proposal made by Gilles Babin and other business people to buy the portion of line between



Photo: Gilles Gagné

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Matapédia and Caplan, where the freight traffic is essentially concentrated as of now. The

MRCs would remain the owners of the rest of the line, which consists of the Caplan

to Gaspé stretch. The group's plan would erase the transporter's \$3.6 million debt.