

Canarail study says freight traffic potential could triple current volume

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NEW RICHMOND: – According to a strategic study carried out by Canarail, a consultant, the cost of upgrading the railway infrastructures between Nouvelle and Gaspé could be significantly lowered if managed differently. Moreover, realistic traffic opportunities could more than triple the actual level of freight volume.

The condensed version of the study was released on March 7 and was commissioned by the Gaspésie Railway Society, the entity controlled by the municipalities located between Matapédia and Gaspé through the four MRCs that represent those towns. The document highlights the line's potential and the rehabilitation cost of its infrastructures.

Three previous studies carried out between 2010 and 2014 had determined that upgrading the line would cost \$93.5 million (Hatch Mott MacDonald, 2010), \$103 million (Roche, in 2013) or \$122 million (AECOM in 2014).

The Canarail document states that at the most \$86.3 million would be required to fix the bridges, the culverts and some other infrastructure elements between Matapédia and Gaspé for the next 25 years.

Luc Lévesque, director general of the Gaspésie Railway Society, explains the cost discrepancy by the company's capacity to internally manage some of the infrastructure projects.

"In the AECOM study, the cost of repairing all the line culverts was hovering between \$21 million and \$25 million. They were expecting \$80,000 per culvert. Last fall, we proved that with our crew such a task can be done for \$10,000 to \$15,000. Some of the AECOM scenarios regarding

tie and rail replacements were also too costly, considering our capacity to do the work and its frequency. Most of the (\$36 million) savings are there. The Canarail study basically left the cost of repairing or replacing some of the line bridges untouched, although we think we can do better than those numbers," says Luc Lévesque.

The Canarail document also states that potential clients, companies that have invested, that are currently investing or that have committed to investments in the near future could propel the number of freight carloads from 1,624, the number for 2015, to 5,700 in 2020.

Luc Lévesque cannot yet disclose the name of those customers but he points out that a couple of them are already using the line while some others have had serious talks with the Gaspésie Railway Society.

"We have reached the point of discussing hauling rates and of knowing that we offer the best transport options," says Mr. Lévesque.

The McInnis Cement plant,

which will start production at the end of 2016, is not named in the condensed version of the document, but references to Port Daniel are frequent in the options assessed in the study. McInnis Cement initially stated that all its production would be sent out by ship but company officials have been open to rail transport over the last year. A share of 5 to 10% of the cement plant output would mean the addition of 1,000 to 2,000 carloads to the present volume of the Gaspésie Railway Society.

The Canarail study encompasses the possible resumption of VIA Rail's passenger train service, which would bring in significant revenues to Transport-Québec, the owner of the line since the spring of 2015, and the Gaspésie Railway Society.

Canarail expert Michel Simard, an economist specialized in transportation, points out that Transport-Québec's lack of clear orientation regarding the future of the Matapédia to Gaspé line is presenting a risk for potential users.