

Slight decrease in traffic for the Gaspésie Railway Society

CN strike was an important factor

Gilles Gagné

NEW RICHMOND: – In 2019, for the first time in five years, the Gaspésie Railway Society experienced a decrease in traffic. It was a slight one, at 2%, and it stems from several conjunctural factors, including the CN strike, says Luc Lévesque, director general of the transporter.

The total carloads that circulated between Matapédia and New Richmond went from 4,323 in 2018 to 4,236, a drop of 87 carloads.

The preceding years had been characterized by traffic increases. From 1,546 carloads in 2014, the number rose to 1,632 in 2015, 1,728 in 2016, 2,844 in 2017 and 4,323 in 2018. (See chart).

Windmill blades produced by LM Wind Power in Gaspé represented the most significant source of traffic last year with 1,734 cars, compared to 1,791 in 2018. It is a slight fall of 3% attributable to a delayed windmill blade train, a consequence of the CN strike at the end of November. That delayed train's loading operation was postponed for three weeks and it departed at the beginning of January instead of the end of December.

The second source of traffic in 2019 was cement, as 1,267 cars were loaded in New Richmond and Nouvelle. It is a 20% increase from the 2018 shipments. That commodity is produced by McInnis Cement in Port Daniel but the line between Caplan and Port Daniel was shut down in 2015 by Quebec's Department of Transport and will be under repair in 2020 ad 2021.

Cement is followed by woodchips, and the Temrex sawmill in Nouvelle loaded 909 woodchip cars in 2019, a 13% fall compared to the 1,048 cars of the previous year. Temrex also loaded 321 lumber cars last year, a 20% decrease compared to the 404 cars of 2018.

Four VIA Rail passenger



Photo: G. Gagné

Windmill blades produced by LM Wind Power in Gaspé would generate more money if they were loaded near the Gaspé plant. It costs millions per year to have the blades trucked to New Richmond.

cars were sent to the Rail GD shops in New Richmond and a flat car loaded with rails was delivered to Hamel Construction, the contractor currently building the two Cascapédia-Saint-Jules railway bridges.

“The significant woodchip loss is essentially tied to the production shutdowns of the White Birch Paper mill in Rivière-du-Loup during the last year. Totalling close to two months, the five shutdowns were called to reduce the inventory of newsprint. The reduction in the number of lumber cars is a consequence of the weak American market, the tax imposed on imported lumber and also of the CN strike in November,” explains Luc Lévesque, director general of the Gaspésie Railway Society.

The cement traffic increase was attenuated by two factors. “The increase remains significant, at 20%, but it should have been higher. McInnis Cement experienced unexpected production stops during the winter and the beginning of the summer that slowed down the rise of shipments. The CN strike also paralyzed shipments during two weeks and it took additional weeks before it regained a normal pace. Overall, without the CN strike, I think we would have experienced a traffic increase,” ana-

lyzes Mr. Lévesque.

“We must say that we cannot maintain traffic increases like we saw in 2017 and 2018 (more than 50% per year). Year 2019 was a year of consolidation after two years of big growth. We can now earmark more time and energy for growth,” he adds.

The fact that no physical repair work was carried out between Caplan and Port Daniel from 2014 to 2018 inclusively

represents the other big factor of potential growth that was delayed in time.

If cement was loaded at the McInnis Cement plant instead of being loaded in trucks going to the Gaspésie Railway Society transshipment terminals of New Richmond and Nouvelle, or going to some other terminals located in the Maritimes or Matane, the number of cement cars would be higher, and so would the revenues of the transporter. Those revenues are depending heavily on the distance covered by rail and on the tonnage loaded.

“We don't know how many additional cars we would get if cement was loaded in Port Daniel. It is certain that we lose cement carloads when it is sent over moderate distances because there is a cost associated with transshipment from a truck to a railcar. We lose volumes going to the Maritimes, among others. We also lose input volumes, and dry bulk products that are used in the cement recipe in Port Daniel. It is a volume of hundreds of carloads if we add the two factors up,” explains Luc Lévesque.

A comparison between the current situation and a context of cement loaded in Port Daniel will only be known once the railway is functional between Caplan and Port Daniel, in 2022.

The Gaspésie Railway Society employs 34 people and serves companies employing between 900 and 1,000 people. Its revenues reached \$9 million last year, including a \$2.5 million annual grant coming from Transport Québec to support various initiatives and equipment acquisition. Transportation revenues would be nearly tripled if the line was functional between Caplan and Gaspé because windmill blades and cement would then be hauled on a much longer stretch of railway.

Transports Québec acquired the line in 2015 and the Gaspésie Railway Society, the former owner that had experienced financial problems in 2014, was retained as the freight train operator. That transporter is owned by the four MRCs of Avignon, Bonaventure, Rocher-Percé and Côte-de-Gaspé.

Evolution of freight traffic between 2014 and 2019

Year	Number of carloads	Difference
2014	1546	-
2015	1632	6%
2016	1729	6%
2017	2844	64%
2018	4323	52%
2019	4236	-2%

Note: Between 2006 and 2016 inclusively, almost all the traffic was generated by the Temrex sawmill in Nouvelle. The first windmill blade train circulated on the line on December 3, 2016. The blades explain most of the 2017 traffic increase. Cement hauling became significant in 2018.

Type of traffic

Type of freight	Number of carloads 2019	Number of carloads 2018
Woodchips (Temrex)	909	1048
Lumber (Temrex)	321	404
Cement (McInnis)	1267	1057
Windmill blades (LM)	1734	1791
Passenger cars (repairs by Rail GD)	4	10
Rails (Construction Hamel)	1	
Steel (Fabrication Delta)		1
Rails (Glidden Investco)		12