

## Editorial section



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### Commentary

## A long battle will come to a conclusion at a heavy cost

By finally announcing on June 26 a deadline for the completion of the Matapedia-Gaspé railroad rehabilitation, the Coalition avenir Québec government fulfilled a longtime commitment. This commitment, which was first made six years ago on May 5, 2017, by former Premier Philippe Couillard of the Liberal Party, indicated that the Quebec government believed that the refurbishment of the Gaspé Peninsula railway was a must.

The humongous amount of \$872 million needed to carry out the job derives from many factors, and some of those factors could have been avoided with a bit of common sense, a connection with today's world and financial responsibility.

A bit of historical background is needed to fully understand the intricacies of the file.

When the former owner of the Matapedia-Gaspé line, Canadian National Railways (CN), started taking steps towards selling it in 1993-1994, the transporter was still a public corporation. The line was in acceptable shape but not as good as the conditions of the 1970s and the beginning of the 1980s. The reasons behind this situation would be long to explain but let's say that a seller is not always taking perfect care of the infrastructure it intends to get rid of, especially some seemingly invisible aspects, like the state of some bridges.

CN finally sold the railway to two entities, a private one, the Quebec Railway Society, in November 1996, for the Matapedia to Chandler stretch, and a newly formed public one, the Corporation du chemin de fer de la Gaspésie, founded by the municipalities of Gaspé, Percé and Grande-Rivière, for the Chandler-Gaspé section that CN had neglected and wanted to abandon since 1985. CN alleged at the time that freight traffic was going down. It must be said that CN had voluntarily gotten rid of some clients in Gaspé. It's management thought that there was not enough potential there.

In 1996, the "Big Three" (the region's three major industries), which included the Gaspesia mill, the liner board mill in New Richmond and Murdochville's mine and copper smelter, were still in operation. A concerted effort made by the Corporation du chemin de fer de la Gaspésie and Chemin de fer Baie-des-Chaleurs, a subsidiary of the Québec Railway Society, relaunched in July 1998 copper anode rail traffic between Gaspé and Montreal.

However, by August 2005, the Big Three had all closed and the future of our railway looked bleak because we had lost its main customers. At that time, however, the wind energy sector was starting to boom in the Gaspé Peninsula and both levels of government intervened in June 2007 to allow the Corporation du chemin de fer de la Gaspésie to acquire the Matapedia to Chandler portion of the railroad.

It was then unwanted by the Quebec Railway Society because only one important customer, the Nouvelle sawmill, was left. The property transfer also allowed Gaspésians to keep their passenger train, the most popular VIA Rail regional train in Canada.

Between 2007 and the beginning of 2014, the Quebec government, either run by the Liberal Party or the Parti Québécois, came up with reasonable

support to maintain the freight and passenger services.

### The impact of austerity measures

The Liberal Party government of Philippe Couillard entered and was obsessed with austerity measures. Then Transport Minister Robert Poëti took his budget-slashing task seriously and failed to properly support the regional entity now called Société du chemin de fer de la Gaspésie. The former management of that regional transporter also failed on a couple of points, notably through putting too much emphasis on the Amiral tourist train and not enough on freight traffic, which brings in more money, and because of a decision to use saltwater as a defoliant.

Transports Québec and VIA Rail were waiting for such a mistake to either limit their support or suspend the passenger train service, and they did. VIA Rail stopped its trains in Matapedia between the beginning of August and the end of September 2013, while Transports Québec did not extend funding to the Société du chemin de fer de la Gaspésie (SCFG) once Philippe Couillard was elected in April 2014.

Stranded by financial obligations, the SCFG filed for the protection of the court in November 2014. In March 2015, Minister Poëti presented himself as a saviour by announcing the acquisition by Transports Québec of the Matapedia-Gaspé railway, however, following the recommendations of his civil servants, he also announced that the Caplan to Percé stretch and later the same year, that the Percé to Gaspé line portion would be mothballed.

It has to rank amongst the most visionless decisions made by Transports Québec in history, since a \$1.5 billion cement plant was under construction in Port Daniel since May 2014. Huge cement plants all need the railway. Truth be told, the former management of McInnis Cement, which was mostly fired in 2016, didn't help the railway file by never affirming they would use trains to deliver some of the plant's production.

By the fall of 2016, the McInnis Cement brass was scrambling to get railway services, months from its production start. It was too late to get it at the plant though, courtesy of bad management of the company and Mr. Poëti's team. Cement has been loaded at a terminal built in New Richmond since July 2017, where a fraction of the potential traffic is handled because transshipment always comes with a cost.

At about the same time, in December 2016, windmill blades were also being sent to New Richmond by truck, at a heavy cost, and transferred to railcars for their delivery to Texas. There again, the SCFG lost tens of millions of dollars in revenues be-

cause the blades were not loaded at the point of origin.

No wonder Philippe Couillard changed his mind in May 2017. The management of General Electric, a firm that had acquired LM Wind Power in 2016, had repeatedly asked the Quebec government officials questions, wondering why they couldn't use the track in Gaspé to ship out their blades! That greatly explains why the railway is upgraded now.

### The impact of the Lac-Mégantic tragedy

The May 2017 decision announced by Philippe Couillard in New Carlisle followed almost four years after the July 2013 Lac-Mégantic tragedy, where 47 people died because a delinquent company managed a railway after the federal regulatory authorities had abandoned it.

How did Transports Québec management staff react to Lac-Mégantic? They tried to close a large part of the railway acquired by the ministry in 2010-2011 in Beauce. They succeeded.

In 2015, they tried the same manoeuvre in the Gaspé Peninsula, by offering \$36 million to the mayors east of Caplan in order to turn the railway into a bicycle trail. It failed because, here, the regional solidarity was stronger than in Beauce. People from all different backgrounds understand the value of a railway as an economic and social tool.

Some Transports Québec civil servants and decision makers are not happy with the decision to repair the Gaspé Peninsula railway. We can bet that it explains why the repairs have been so slow between 2017 and now. Until recently, the investment pace was \$20 million yearly, compared to \$2.6 billion annually over the last three years for the Réseau express métropolitain (REM) in Montreal. It is not true that Montreal, a city already richly endowed in urban transit, deserves 130 times more money yearly on a single project than our region. The population standard doesn't justify it either, as there are not 130 times more people in Montreal than here.

This frustration from Transports Québec decision makers might also explain why the cost of upgrading the Gaspé Peninsula railway has skyrocketed from \$100 million in 2017 to \$872 million in 2023. Public decision makers are protecting their back through overregulating repair norms, and hold grudges because their initial choice, a Matapedia to Caplan railroad refurbishment, was refused.

By doing so, they affect the delivery time of the project. It is not the only railway file characterized by ill decision making. The REM in Montreal, the recent Lac-Mégantic railway detour and the way VIA Rail is managed come to mind as evidence of poor management. It is sad to see the land transportation means of the future get such poor consideration.