

## RAILWAY REFURBISHMENT:

# A whopping additional contribution of \$517.6M by Transports Québec

## Total cost to reach \$871.8M and be completed by 2026

GILLES GAGNÉ

GASPÉ – On June 27, Quebec’s Department of Transport announced that the upgrading of the Port Daniel - Gaspé portion of the regional railroad will require an investment of \$517.6 million, which will bring the total rehabilitation cost to an astounding amount of \$871.8 million.

Transports Québec indicated that the Port Daniel-Gaspé portion of the line will be fully upgraded by December 2026.

The announcement was made by Transport and Sustainable Mobility Minister Geneviève Guilbault at the Gaspé intermodal station. About 30 people, most of them advocates of a quicker upgrading of the railway, were on hand for the announcement.

Work east of Port Daniel will start this year with rockfill. Further contracts will be awarded later. The Transports Québec brass expects to launch calls for tenders that often include at least two bridges, culverts or other types of



LM Wind Power plant in Gaspé could be the most likely customer to use the freight train service regularly east of Port Daniel.

structural works, which were announced at the end of 2022.

“This is another promise kept: the Gaspé Peninsula railway will be rehabilitated up to Gaspé! Today, we are taking a crucial step with the announcement of work for the third and final section, between Port Daniel-Gascons and Gaspé. Confirmed investments show that we are taking the necessary steps to get the train back

on track as soon as possible,” said Minister Geneviève Guilbault, who is also the Quebec government deputy premier.

“In addition, we reiterate our confidence in the Société du chemin de fer de la Gaspésie to ensure the maintenance and development of the infrastructure. Together, we want to offer Gaspésians a service that meets their expectations and an additional tool to support the region’s economic growth,” she added.

Bringing the train back to Gaspé minimally means the return of freight trains, as Minister Guilbault remarked, because the Quebec government doesn’t control VIA Rail, the federal government-owned public corporation managing most of Canada’s passenger trains including, until 2013, the Montreal-Matapédia-Gaspé one, which was suspended because of the state of the railroad.

“I support the principle of saying that we wish to bring back the passenger train. We are discussing this with VIA Rail. They committed to come back once the railroad is repaired to Gaspé, which I can understand,” points out Minis-

ter Guilbault.

More than 16,000 people signed a petition between April and June to request the return of the passenger train in two phases, with the first phase having passenger trains available to New Carlisle, and the second phase to Gaspé once the Gaspé Peninsula railroad is repaired. Minister Guilbault did not comment on the petition.

“By bringing back the freight train to Gaspé, we increase our chances of bringing back the passenger train to Gaspé,” she summed up.

“Now, the portion (of the network) over which the train comes back and when are matters that will be discussed later,” she stresses.

### Details about the total repair cost

Overall, the Matapédia to Caplan portion of the railroad has experienced uninterrupted freight service, mainly the Matapédia to New Richmond stretch, although with variable frequency, since VIA Rail suspended its service in 2013.

The refurbishment of that section is complete and cost \$54.5 million. Train traffic was

never suspended for more than two-and-a-half weeks on that section, with one interruption happening in December 2020 following very heavy rain that damaged the structure of the two old Cascapédia-St. Jules bridges.

During the announcement made by Geneviève Guilbault, Transports Québec revealed that the upgrading cost of the Caplan to Port Daniel part of the railroad will cost close to \$300 million, or precisely \$299.7 million, which is roughly \$200 million more than initially budgeted, admits Minister Guilbault.

The delivery of this section’s refurbishment has been delayed twice, since traffic was initially supposed to resume there in 2020. It was first delayed to 2022 and then again for December 2024.

While all the bridges along the Caplan-Port Daniel stretch will be repaired before the end of 2023, Transports Québec published at the beginning of June a call for tenders that will necessitate an investment ranging between \$40 million and \$50 million over 1.35 miles of track between New Carlisle and Paspébiac. Fourteen months of work are required and the contract will likely not be awarded before the end of the summer which means that that section will only be completed in the fall of 2024.

Saint Mary’s Cement plant is the main customer targeted in the Caplan to Port Daniel section of the railway. The plant located in Port Daniel is already an important client of the Société du chemin de fer de la Gaspésie with a volume of slightly more than 1,500 carloads annually, but the cement is currently trucked to New Richmond and transferred to railcars there. Traffic should increase significantly once the



Transports Québec Minister Geneviève Guilbault explains that the construction costs have greatly risen due to the pandemic which explains in part the final bill of the Matapédia-Gaspé railway rehabilitation.

## REFURBISHMENT:

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track is open to Port Daniel. Some input will also likely reach the cement plant by rail.

As for the Port Daniel to Gaspé stretch of railway, the upgrading cost of \$517.6 million comes as a surprise, since an earlier estimate issued by Transports Québec referred to a total amount ranging between \$248 million and \$355 million. A detailed breakdown was not forwarded by the ministry on June 27 in Gaspé. About 20 bridges are located along that stretch, some of them long ones.

Since 2015, the Société du chemin de fer de la Gaspésie (SCFG) has also received or will receive over the next five years a sum amounting to \$58.55 million for the operation, maintenance and development of the railway. Of that amount, \$33.5 million came under the form of five-year agreements, the first one covering the 2018-2023 period for an amount of \$12.5 million and, the most recent one, which will cover between 2023 and 2028.

Another amount of \$19 million was announced over the fall of 2022 in order to allow the SCFG to carry out some repair work that is not regulated by Transports Québec's call for tenders process.

Even if LM Wind Power, the windmill blade manufacturer based in Gaspé, will ex-

port its production by ship for at least the next three years, the company's input could come in by rail, as between 1,000 and 2,000 containers reach the plant annually.

### **Why did the cost increase that much?**

When asked about the spectacular cost increase that has marked the last years of railway rehabilitation, Geneviève Guilbault explains that feasibility studies remained to be carried out for the east part of the network.

"Also, since the Covid crisis, we have had to adjust to much higher construction costs. It is the new reality of the market. Is it too much money for the Gaspé Peninsula? The answer is no. We have to take into account the importance of sustainable transportation means," she underlines.

Éric Dubé, the president of the SCFG, agrees with Minister Guilbault on the cost component.

"The total cost reflects the inflationary context. Realistically, it is the cost dictated by the market. I will not enter a semantic debate on the relevance of repairing the railway. We will now have our tool. It is up to us to put traffic on the line," says Mr. Dubé.

Mr. Dubé who is also the mayor of New Richmond and prefect of the MRC of Bonaventure states that the return of the VIA Rail's passenger train "is our next battle."