

## Société du chemin de fer de la Gaspésie acquies 256 wood chip cars from CN

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NEW RICHMOND – The Société du chemin de fer de la Gaspésie (SCFG) has just acquired a fleet of 256 woodchip cars from Canadian National (CN) for the transportation of wood chips. These cars join a fleet of 32 cars of the same type already owned by the SCFG.

The amount of this acquisition has not been disclosed by either party, but Luc Lévesque, director general of the SCFG, indicates that it is a transaction worth several million dollars. This transfer of ownership was signed in mid-June and, according to Mr. Lévesque, is beneficial to both companies.

"We have a fleet of cars acquired a few years ago, and it is aging. Our number of cars wasn't large enough to make modifications and extend their useful life economically. In speaking with CN, we realized that they had the same problem, but if CN decided to transfer the fleet to us, we would have reached a turning point to resolve our equipment problem, given the traffic we have," explains Luc Lévesque.

"It's a business opportunity for the railway company. It will generate millions of dollars in revenue per year. It represents half the revenue from our best years, and it diversifies our operations," he explains.

These "best years" occurred between late 2016 to May

2022, when SCFG transported 118 trains of wind turbine blades to the southern United States, in partnership with CN. This was oversized transport and very advantageous financially.

SCFG owned 32 woodchip cars before the transaction, compared to 288 now. CN's woodchip cars are also of a certain age, 50 years for the oldest, but it's fairly simple, if it hasn't already been done, to extend their lifespan by 10 to 15 years.

"We had a fleet of 32 cars, and now we have a fleet of nearly 300 cars. This gives us access to parts in greater quantities. With 288 cars, you become a major customer for suppliers, with the savings that generates," emphasizes Mr. Lévesque.

### Diversifying revenue sources

The Société du chemin de fer de la Gaspésie, a municipally controlled entity, has retained customers who used CN's woodchip cars. These sawmills and panel production plants are located in several regions of three provinces.

"There are obviously some of our cars in the Gaspé Peninsula, but we also have them in Ontario, Mauricie, New Brunswick, Abitibi, and Bas-Saint-Laurent. CN and other railway companies haul them. We are paid for their rental. It's

been our life's work, seizing business opportunities," explains Luc Lévesque.

For the past decade, the SCFG's operations have been limited to one-third of a network owned by the Quebec Ministry of Transport. This 325-kilometre network runs from Matapédia to Gaspé, but only the 115-kilometre Matapédia-New Richmond section is passable. The reopening of the Caplan-Port Daniel route, where Saint Mary's Cement is located, has been delayed half a dozen times since 2020, due to multiple factors.

The cement plant is expected to be accessible before the end of 2025. In the meantime, trucks are being loaded at Port Daniel, and some of these stop in New Richmond for cement transshipment into rail cars. This transshipment rate will increase in mid-July due to the reopening of a rail unloading line in Moncton, a major market for Saint Mary's Cement.

Since the stop of windmill blade hauling, cement traffic has been SCFG's primary source of revenue in the region, and the addition of 54 miles, or 90 kilometres, to the rail car route will boost this revenue. Not to mention that serving the cement plant directly will increase the competitiveness of rail, which is currently hampered in that regard by the truck-railway disruption in New Richmond.



Photo: G. Gagné

Woodchip cars still bearing the CN logo have reappeared in the Gaspé Peninsula in recent weeks, as seen here in Matapédia. They now belong to the Société du chemin de fer de la Gaspésie.

Better competitiveness through loading at Port Daniel should generate increased traffic.

The transportation of wind turbine blades was also impacted by the use of trucks between the LM Wind Power blade plant and the transshipment site in New Richmond due to the condition of the railway east of New Richmond and the delays in railway repairs between 2015 and now. The SCFG would have benefited from much larger revenues had windmill blades been loaded in Gaspé before being exported to Texas and the surrounding states.

The ingenuity of the SCFG team was recognized in May by Canadian National, which designated it North America's

outstanding short line railway over the past year.

CN collaborates with approximately 100 regional railways across North America. The award presented to the SCFG recognizes past and present partnerships in the transportation of blades, cement, wood chips, lumber, steel and other more occasional commodities.

"The railway sector already employs people in the region and will be a major source of employment, even more so in a few years. One day, the fleet of wood chip cars will have to be replaced. It would be beneficial to do this here. There are already companies that could do it," concludes Luc Lévesque.