

Speaking Notes

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SOMMET QUALITÉ DE VIE**

Hello everyone and thank you for the welcome!

I am pleased to be standing before such a distinguished crowd, especially among so many members from the various Québec Real Estate Boards, to speak to you about the relationships between the train and sustainable development.

Before I begin, I would like to congratulate the organizers of this inaugural Quality of Life Summit, for having the vision to create such an event. This demonstrates that members of the Québec Federation of Real Estate Boards take the improvement of quality of life seriously, not only with respect to housing, but as an overall concept, as indicated by the five principles at the core of this summit.

In my opinion, these types of events are essential given that social, economic or environmental threats seem to be more prevalent and powerful than ever. Within this context, individuals belonging to any organized group, be it a company, association, or gathering of residents or citizens, etc., need to reflect as a whole, just as we are doing today, on ways in which we can improve quality of life on a large scale, and act accordingly.

At VIA Rail Canada, we have taken initiatives such as these, which I will relay to you very shortly. First, allow me to remind you about the message I would like to convey and, before addressing this issue, provide a brief introduction on VIA.

I will actually be defending a hypothesis while, at the same time, presenting you with its win-win consequences. The hypothesis is as follows: over time, the passenger train will take its place at the forefront among means of transport, as environmental concerns become increasingly important.

And here are the positive effects: aside from being ecologically responsible, this increased popularity in passenger rail will have a positive impact on the quality of life of communities served by train.

At this point, I feel it is useful to provide you with a few figures and issues that are specific to VIA, in order for you to be able to apply my remarks within a concrete framework for passenger rail transport.

Created in 1977, VIA Rail Canada is an independent Crown corporation whose mission is to provide our country with safe, efficient and environmentally friendly national passenger rail transportation services. The company operates up to 503 trains per week, covering 12,500 kilometres of track, to link 450 communities in Canada, from coast to coast as well as up North.

The fleet is comprised of 396 passenger cars and 78 locomotives. In addition to our 159 stations, we also operate 4 modern maintenance facilities and employ close to 3,000 people. Finally, the largest portion of the rail lines that we use are owned and managed by rail freight transportation companies, namely 10 different operators, including CN.

Year after year, VIA ranks among those transportation companies that inspire the most confidence in Canada. In the 2008 edition of an annual survey conducted by Léger Marketing, our corporation climbed 8 spots to occupy the 35th position among the top 100 most revered companies in Canada.

Hence, given these facts and figures, VIA understandably distinguishes itself primarily by the following:

- its status as a public corporation;
- services that strive to be efficient, safe and green;
- the scope of its operations and equipment;
- its numerous partners, especially with respect to access to rail lines, purchasing various materials, maintaining good relations with the communities it serves, etc.; and
- emphasizing excellent customer services.

We will have an opportunity to come back to these points later, in combination with future rail development and its positive advantages on the quality of life of communities, in a context where environmental concerns are increasing in number and scope. But first, is

there truth in the fact that these are always the highest concerns among Quebecers and the rest of Canadians? Definitely, as several studies have indicated, and it's also true during a recession – which might surprise those of you who expect that the economy is the priority to surpass all others.

Thus, last August, during the height of the economic downturn, a survey conducted by *The Canadian Press – Harris/Decima* revealed that Canadians do not want governments to use the recession as an excuse to reduce their efforts to protect the environment and to offset global warming.

On this key question, 67% of individuals surveyed estimated that both the environment and economic problems are equally important. And only 26% of the respondents leaned in the other direction, stating that the environment should take a back seat to the economy. In fact, the sampling study used in the survey in question indicates that these opinions are very prevalent overall among the general population in Canada, regardless of the respondents' gender, annual income, political affiliation or place of residence.

But did we actually need such a survey to convince ourselves that global warming and environmental decay generally cause concerns that will continue to worsen? Let's be candid. We have reached a stage where every human being in the world is either accountable for, or affected by, these changes. Persistent droughts, floods or catastrophic forest fires, numerous violent storms, price increases in fossil energy and basic goods, pollution, water shortages, accelerated extinction of animal and plant species . . .

Who can ignore – or who can allow themselves to ignore – such facts? Who among us today, as a result of ignoring these facts, has not paid a price either out of their pocket or with their health? Who can claim: I have not lost, and will not lose, anything? No one, virtually no one. And the concern in this area can only get worse.

This is why solutions must be found, and fast. And, given the fact that most means of transport, for freight as well as people, produce more than 30% of greenhouse gases in Canada, it is essential that we carefully reconsider national and regional strategies in this sector in order to reduce these emissions. Too often in past years, such strategies have leaned in favour of road transport.

However, we now know that motor vehicles are responsible for almost half of the greenhouse gases emitted from all means of transport combined. And this is even before we take into consideration other problems that arise from traffic: sprawling infrastructure, congestion and delays, contribution to smog, numerous motor vehicle accidents, etc.

As we are now about to see, when you weigh the train against automobiles and other types of vehicles with respect to environmental performance for transporting people, there is no comparison. Rail wins hands down. You could even venture to say that the train is far more than just an ally, it is the environment's best friend among all means of transport! And it is not VIA who claims this, but several independent studies.

In fact, we can summarize this advantageous environmental performance by three major sets of “pluses” for the environment:

- **First of all**, reduced greenhouse gas (GHG) emissions.
- **Secondly**, more train passengers means fewer vehicles in operation, hence less energy consumption and less pollution.
- **Thirdly**, there is more space for the environment since the infrastructure required for trains occupies less ground and carries more passengers than highways.

These three points can be summed up as follows: the more people travel by train, the better off our environment and all of our communities will be! They benefit from less crowded routes, improved breathable air quality, and will have more energy at their disposal.

Let us be realistic though. We will not assist in eliminating the means of transport that cause the most pollution for two main reasons. First, each type of vehicle has its strengths and weaknesses compared to others and, within these strengths exist influential advantages. Next, each means of transport has been subject to major developments aimed at improving its environmental performance. And these results are being achieved.

Hence, science has designed more fuel efficient airplanes and ships, hybrid cars, and we continue to expect car models that run solely on electricity. The train is not being upstaged, and in a few minutes, I will share with you some improvements that VIA has introduced to its equipment in recent years.

Comparing the train with other means of transport should not be done purely on the basis of environmental performance; there are many other reasons why people opt for passenger rail. And these reasons are often overlooked within the scope of rational comparative studies, since these motives are simply not rational.

And they are no less real simply because they involve fun, or what we refer to at VIA, as the human way to travel . . .

It is also a matter of diverse types of fun: reducing stress by not having to do the driving yourself; an opportunity to walk around in an environment that is more stable than an airplane compartment; a chance to admire the beautiful scenery – all of which render the train the best recreational vehicle by far – or even to read, work, send e-mails, or enjoy a good meal, etc.

We can also recognize these types of fun by pointing out all of their negative opponents that are avoided by taking the train: gas price increases, clearing multiple levels of security or long waiting lines in airports, several additional costs on air travel, traffic congestion, the stress of car trips, parking restrictions, and problems associated with driving on icy or snowy roads, etc.

Judging by the enjoyment it produces, the train is not just a means of transport to reach a destination: it is an attraction in itself, as evidenced by the increasing popularity of tourist trains.

Of course, there is the *Canadian* which crosses the Rockies, or the Montréal-Gaspé train, in eastern Quebec, to name just two VIA routes, but also on the regional level, there is the Orford Express or the famous Hull-Chelsea-Wakefield steam train. Last year, these last two achieved record passenger volume.

Another reason for the interest in trains is that this vehicle offers exceptional intermodality opportunities. You will often find railway tracks near ports, airports and bus terminals. Not to mention the fact that passenger rail takes you from downtown to downtown, without the inconvenience of delays.

Companies operating other means of transport have realized this advantage of the train and some have conceded to the concept: “If you can’t beat them, join them”, by forming partnerships with railway companies to maximize the benefit to the public. Hence, VIA Rail has set up package tours with companies offering cruises and collaborates with bus companies on a regular basis. In Europe, Lufthansa and Deutsche Bahn have developed the AIRail concept which allows travellers to transfer from airplane to train using only one ticket.

Moreover, as you know, rail transportation is not just limited to intercity travel. There are also commuter and subway trains. It goes without saying that interest in these means of inner-city transport no longer needs to be demonstrated, since we have witnessed, for

example, commitments for building rail infrastructure in the East, in the Montreal region, as well as the expansion of Montreal's subway station.

Such projects represent major improvements to the quality of life of the citizens who will benefit from them, whether they be to free up roads, to arrive at the office faster, to eliminate pollution, or to avoid traffic accidents . . . We must confess, however, that a great deal remains to be done to improve urban transit, and it is our duty to foster political will on this front.

By the same token, railways also contribute to a country's economic well-being. In a small country such as Switzerland, imagine if you estimated that approximately 30 million productive hours were lost by motorists due to traffic jams; how many additional tens of millions of hours would be wasted in the same manner in a vast country such as ours?

Transporting heavy goods is also more economically beneficial by train – which, incidentally, is the central viewpoint adopted by the European Union. Just think of the vast investment required to repair or repave roads that have deteriorated from wear and tear caused by tractor-trailer trucks. Not to mention the fact that convoys, in large part, contribute to traffic jams.

The Railway Association of Canada actually reports that for freight and passenger rail services combined, our railways:

- inject 10 billion dollars per year into the economy,
- employ over 35,000 people, and
- carry 65% of the country's ground transportation volume (in tonne-kilometres).

In addition, railway suppliers comprised of 500 businesses employing 60,000 people constitute an extremely vital national resource. To top things off, passenger rail services in Canada transport some **63 million travellers a year**.

Finally, in terms of safety, the number of accidents and deaths caused by transport accidents simply cannot be compared when you examine the track record of roads vs. railways. It is quite simple: every year, on one hand you have a six-figure number and, on the other hand, a great big zero . . . or close to it! Hence, the train not only symbolizes quality of life, but also the preservation of life and health.

Given all these reasons, passenger rail popularity is growing in our country, just as it is around the globe.

And it can only continue along this vein.

Between September 2007 and 2008 in the United States, Amtrak, the national carrier, saw a ridership increase of 10%, carrying 28 million passengers, and the US Congress doubled the company's envelope, thereby according it 13 billion dollars over 5 years.

- In Europe, the passenger rail culture is firmly entrenched. It is simple: there you cannot avoid travelling by train!

With respect to departures from Montreal or Quebec City alone in 2008, we saw a record ridership increase of 15% compared to 2007, a year in which we had already noted a 7% gain when compared to 2006.

According to the Fonds mondial du patrimoine ferroviaire [the world railway heritage fund], the increase in VIA customers is a general trend that is here to stay. Denis Allard, President of this group, stated, and I quote:

“VIA’s growth (...) is not just a flash in the pan. Rather, it represents an adjustment to its market share corresponding to a current 5% increase over three years.” End quote.

In order to foster this progression, however, we must be in a position to respond to this increase in demand, and we will do so while modernizing rail services and renewing infrastructures and equipment.

This must be done from a sustainable development perspective, so that all Canadians are aware that among all means of transport, the train is the green alternative.

The renewal and expansion of passenger rail is a process that is well underway at VIA, thanks to unprecedented federal funding of 923 million dollars allotted to the company, 407 million dollars of which stem from Canada’s Economic Action Plan.

For several years, these funds have been allowing VIA to continually improve the environmental performance of its rolling stock. And since 1990, modernizing this equipment has allowed us to reduce fuel consumption by 30%, and greenhouse gas emissions by 15.5%.

That being said, during this period, the company operated more trains and carried 14% more passengers. To achieve these results, VIA undertook the following:

- **first of all, the commissioning of 21 new, higher-performance locomotives that cause less pollution, and the ongoing refurbishment of 54 locomotives**, for an additional 9% reduction in fuel and greenhouse gas emissions;
- **secondly, rebuilding our older locomotives and railway passenger cars**, including upgrades with a view to reducing energy consumption for heating and lighting cars, cooling the systems, as well as during driving, braking and train layovers;
- **and thirdly, upgrading or expanding several stations and improving services on board trains.**

However, there are also other steps which go hand in hand with this progress – and I have now come to a crucial point in my speech. You see, VIA cannot be satisfied by just asserting that it offers the greenest means of mass transit and by striving to make it even more green. In the same vein as all businesses, all levels of government, all organized groups and all citizens, our Crown corporation is also expected to respect the environment in all of its operational aspects. And that is precisely what we do.

In fact, according to our environmental policy, which forms an integral component of our business plan, we encourage each and every individual to apply the three Rs of sustainable

development: reduce, reuse and recycle everything you can, in as many areas as possible, just as we do in all aspects of our operations.

This approach is based on various means: frequent communications, volunteer awareness-raising work carried out by 11 employee green teams across the country, our *Green Purchasing Guide*, and recycling programs, etc. Each year, objectives are set so that sustainable development is a priority in all decisions made by VIA. As demonstrated by the following initiatives, some of which have won awards, the results are many and diverse.

- A reduction in chemical products used for water treatment and cleaning trains, i.e. 50% less in the last few years, and using less energy for lighting, detergent, etc.
- The use of 100% recycled material in trains (napkins, toilet paper, cups, etc.) and in our offices, and the recycling or reuse of a growing number of materials or products: batteries, computer equipment, plastic, uniforms, linens, cellular phones, metal, wood, grease, paint, etc.
- ISO 14001 Certification of our Montreal, Winnipeg, Vancouver and Mission maintenance centres.

Moreover, at VIA, sustainable development also means supporting the communities that it serves. In this manner, several of our recycling and reuse programs are carried out to benefit community or charitable organizations.

Lastly, VIA participates in numerous environmental events such as Car Free Day and Earth Day, as well as other initiatives launched on its own such as EnviroExpo, a program

encouraging high school students in Canada to develop original solutions to important environmental problems.

All these belong to the eco-responsible aspect and positive environmental impact of train transportation on the quality of life of the communities it serves. It is not enough to claim you are green or that you should be. You must prove it, you must act, both on a corporate and personal level.

As leaders in the real estate industry listening here today, you are in the same boat. Along another line of thinking, there is another factor which can contribute to making passenger rail even more attractive, especially for business passengers and tourists: trains are faster.

From this perspective, we often speak of the up-and-coming high-speed train, or HST, in the Quebec City-Windsor corridor. Admittedly, it is exciting to envision such a project, but it is also very complex and costly. It is important to know that existing infrastructure would not be able to support an HST: in addition to new locomotives and cars, we require new tracks with a different type of alignment and new equipment.

All of this requires heavy investment and we cannot lose sight of the fact that one or even several HSTs will not replace all classic trains which, incidentally, also require investment. We cannot commit extremely significant amounts of funds to HSTs at the expense of other trains that will remain more numerous and essential.

Secondly, the HST is not the only alternative. There are a wide range of possibilities such as what we refer to as express trains. As you know, dramatic innovations are being

carried out in the railway industry. For example, state-of-the-art locomotives are far more powerful than those travelling the tracks barely 15 years ago.

In this context, we must exercise caution when it comes to implementing the HST. Various levels of government have expressed interest in such a project. For instance, last summer the ministère des Transports du Québec launched a survey among 60,000 motorists in Quebec and Ontario, to learn about their transportation habits and find out whether they could become HST clientele in the Quebec City-Windsor corridor. In addition, a consortium was mandated to evaluate an alignment to be designated for this train, as well as the costs and environmental impact. The results should be released by the end of the year.

In any event, regardless of the decisions that are made, they do not fall under the jurisdiction of VIA Rail Canada who, while waiting, must continue to focus on its mission using the means at its disposal.

In my opinion, these are the many reasons why the train is becoming increasingly important in Quebec as well as the rest of Canada. Whether it be due to environmental protection or sustainable development plans, the comfort and possibilities it offers passengers, intermodality and urban transportation advantages, savings, or safety – the train is truly the choice of the future. However, corporations such as VIA must remain vigilant and proactive, while continually striving for ways in which to improve.

In closing, I only hope that you will personally take part in the expansion of the train, by either using it or making a commitment to promote the railway. On behalf of VIA and myself, I invite you to all ride together on two paths in our future: responsible development

and improving our collective quality of life thanks to the train, and green, intelligent transportation at its best.

You will soon realize that time is on the train's side. Moreover, as the great French poet, Jacques Prévert once wrote: "Le temps nous est gare, le temps nous est train* . . ." [Time slips away from us, time anchors us.] [Time makes us wander yet seizes us.] [It's time to get back on track, it's time to change our train of thought.] [The time has come to change our train of thought and get back on track.]

Thank you!

* These two verses of the poem in question are preceded by two others: *Le temps nous égare, le temps nous étireint...*