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VIA RAIL CANADA NOTICE TO INTERCITY PASSENGER RAIL SUPPLY INDUSTRY FOR THE RENEWAL OF ROLLING STOCK

For nearly forty years, VIA Rail Canada Inc. (“**VIA Rail**”) has operated Canada’s national passenger rail service on behalf of the Government of Canada. An independent Crown corporation, VIA Rail carried 3.8 million passengers in 2015 across a 12,500 kilometer rail network, serving 400 cities and towns across Canada. Over 90% of passengers served by VIA Rail travelled within the high density Windsor – Quebec City rail corridor (the “Corridor”).

VIA Rail operates rolling stock in the Corridor which is nearing the end of its commercial and useful life. The average age of the equipment in VIA Rail’s Corridor fleet is 40 years old (over 23 years for the locomotives and over 43 years for the cars) and requires extensive maintenance. VIA Rail has identified to its shareholder, the Government of Canada, that it must proceed with the replacement of its Corridor fleet.

It is in this context that the 2016-2017 Budget of the Government of Canada proposes to provide funding to VIA Rail to support technical studies and other pre-procurement activities related to the renewal of VIA Rail’s Corridor fleet. It is further to such proposal that VIA Rail issues this notice.

Time is of the essence. Accordingly, VIA Rail hereby gives notice to potential suppliers that it intends to invite industry to submit credentials, current product pipeline information, and relevant financial information over the coming weeks. VIA Rail’s review of supplier information will be very important to the basis of its recommendations to the Government of Canada, no later than September 9, 2016, for contracting authority and funding to VIA Rail to proceed with a formal procurement process. If such authority and funding are granted to VIA Rail to proceed with the renewal of its Corridor fleet, the target date for deliveries of the new fleet is expected to begin as early as 2019.

Over the 30 year life cycle of the new rolling stock, VIA Rail intends to reduce its use of fossil fuels. Accordingly, the new rolling stock must be capable of both diesel and electric operation, with seamless transition. In addition, it will be specified as trainsets.

VIA Rail intends to hold a one day “Market Day” on July 21, 2016 in Montreal to meet with interested suppliers. More details on the information to be provided will be included in the invitation to the Market Day.

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VIA Rail has contracted SNC Lavalin to manage this process on its behalf, therefore for details, please contact:

SNCL Contact by Phone: Jessica Myronuk @ 1-905-315-9800 extension 207

SNCL Contact by e-mail: viacorridorfleetrenewal@snclavalin.com

The invitation to industry will reflect the basic information provided in the attached fact sheet.

VIA RAIL CANADA ROLLING STOCK CORRIDOR FLEET RENEWAL

FACT SHEET

The following is a brief summary of the characteristics related to VIA Rail's rolling stock renewal program.

Characteristics

- Accessibility and Safety

Trainsets must meet current Transport Canada, Canadian Transportation Agency (CTA), American Public Transportation Association (APTA), Federal Railway Administration (FRA), and Americans with Disabilities Act (ADA) standards, notably for people with disabilities and safety requirements.

- Flexibility to Operate

- The intent is to specify trainsets for bi-directional operation (Push-Pull).
- VIA Rail intends to contract with one supplier. Bidders who only offer motive power or seated vehicles must partner to offer a complete trainset solution.

- Performance

- Trainsets must be able to operate at speeds of up to 100 mph or 161 km/h on shared Class 5 non-electrified infrastructure, non-grade separated, using diesel power.
- Trainsets must also be able to operate at a maximum of 125 mph or 201 km/h on new dedicated Class 7 infrastructure, non-grade separated, using in diesel mode and electric mode where electrified.
- Transition between modes of power must be seamless with minimum impact on the passenger experience.

- Reliability

The trainsets must be reliable in varying temperatures and climates found across Canada (weather tested).

- Delivery

The trainsets must be proven in service or made up of proven elements, and either be in production or quickly be ready for production in order to minimize lead time.

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Fleet Size

Final quantities remain to be confirmed; however the intent is to replace the current fleet of 40 locomotives and 160 cars with bi-directional trainsets providing equivalent seat capacity currently totalling 2200 Business seats and 7800 Economy seats. An option for additional trainsets could be required, depending on the timing of other initiatives planned by VIA Rail.

Maintenance

VIA Rail will be asking for a Technical Support and Spare Parts Supply Agreement for a period of up to 30 years.