



## Speaking Notes

**Montreal, May 28, 2014**

### **YVES DESJARDINS-SICILIANO, PRESIDENT AND CEO, VIA RAIL CANADA 2014 ANNUAL PUBLIC MEETING CHECK AGAINST DELIVERY**

Good afternoon. As VIA Rail's new President and CEO, it is with pride and humility that I address you at this, my first Annual Public Meeting webcast. VIA Rail is a corporation that prides itself on the exceptional passenger rail service it offers to Canadians. Customer service is consistently ranked #1 by passengers among their favorite attributes of VIA Rail. I am pleased to talk to you about the changes that VIA Rail underwent in 2013, in order to improve our overall service.

But before I begin talking about 2013, I would like to mention a recent exciting announcement about VIA Rail's future. On May 12th, the Minister of Transport, the Honourable Lisa Raitt confirmed that the segment of the Newcastle subdivision slated to be abandoned by CN will remain open, thanks to a \$10.2 million investment. This will allow our Ocean service to continue its operation this summer.

Finally, as I speak, one of the first prototypes of our newly renovated Park car and one renovated Château class car is on display at the *Rendez-vous Canada* event in Vancouver. These cars offer a new level of elegance and comfort to our *Canadian* train passengers. These cars will be put into service and available to our passengers in 2015.

Now back to 2013. Over the past few years, VIA Rail has updated its network, overhauled its entire locomotive fleet, introduced new technology, renovated its trains and updated or built new stations. These improvements have increased safety and security and made VIA Rail a more reliable and environmentally friendly corporation. Most of these projects were long-term efforts, and we are proud that

many of them came to fruition in 2013, and that the work put into the corporation could be seen and appreciated by passengers.

In November, we saw the new \$10 banknote, featuring our iconic train the Canadian, go into circulation. Having VIA Rail officially recognized as a part of Canadian heritage, alongside other national icons like the Vimy Memorial is a great honour. I have a feeling that the thrill of seeing our train on the banknote will not fade, no matter how many times I see it.

Our Annual Report refers to 2013 as “A Year of Adjustments”, mainly because many of our projects were completed and launched. The adjustments we refer to were positive changes. Employees and passengers alike were getting used to new equipment, new services and new technology.

Many newly renovated cars, now more comfortable and efficient, were put into circulation. We are happy to report that the feedback has been very positive. At this time, there are 18 renovated LRC Economy class cars and 13 renovated Business Class cars on the rails. By year-end 2014, there will be 24 renovated Economy Class cars and 26 renovated Business class cars servicing our passengers.

During the year, VIA Rail also changed the face of its Business class by pairing the release of new Business class cars with a new Business class service. The new service is all about productivity and “me” time. The changes we implemented were based on customer feedback. I’d like to pause and reflect on that statement for a minute because it is at the heart of everything we do and how we intend to run the business of passenger rail. I’ll reiterate: the changes we implemented were based on customer feedback. VIA Rail has worked hard to become the responsive and fiscally responsible corporation that it is. To be financially viable, to be successful, we must act as all other companies accountable to their shareholders do. In our case, our shareholders are Canadian taxpayers represented by the Government of Canada. We are therefore extremely motivated to be as efficient and careful as

possible with our budget. Ideally, we would like to minimize our dependency on taxpayer dollars.

In order to do so, decisions such as basing train schedules on market demand are a must. Listening to what our customers want is also a must for maintaining loyalty and increasing the number of people who choose to travel by train.

So now I come back to the original topic, before my digression, of our new Business class service. This new offering is based on what our passengers want, and what they asked for: more productivity, and more personal time. What that translates into, in real terms, are things like re-designed meals with meal selection priority for VIA Préférence members, and quick tray removal for optimal personal productivity.

Most upgrades over the past few years have taken into account both our customers and the long-term benefits for our corporation. What may seem like a small change, like VIA Rail on-train personnel now having new uniforms, both modernize the face of the company, and saves money. The new uniforms were designed using off-the-rack models, which means a significant annual cost savings.

Technological upgrades offer similar benefits. The on-train entertainment system, launched on all our trains in the Quebec City – Windsor corridor is another win-win. Passengers now have free access to an all-Canadian entertainment system with current news, TV shows, films and animation from the CBC, the NFB and Historica Canada. The introduction of the on-train entertainment system has resulted in added benefits to our passengers while reducing wireless costs for the corporation.

Other technology projects have made train travel easier for our passengers. You can now book your train on your smartphone or tablet and make changes to your own reservation online, if you are travelling in the corridor. If your train schedule changes, we now have an automated outbound calling tool that will keep you informed.

Wi-Fi on our trains has opened up the possibility for other efficiency and safety tools like telemetry. Through our new telemetry system, now installed on 61 of our 73 locomotives, VIA Rail gathers operational data which we use to help optimize performance. By collecting information about train idling time and train handling, we are able to optimize locomotive performance, and save about \$1.5 Million a year in fuel. The numbers for this past February are even more encouraging. We saved \$280,000 of fuel compared to the same month in 2013.

Telemetry is also a safety tool. The information gathered also improve the safety of our operations. In fact, I cannot talk about 2013 without mentioning the amazing safety projects that took place. At VIA Rail, safety and security is at the core of everything we do and are, above all else, our top priorities. Over the past few years, we have become an industry leader in safety and security. We are active participants in events like the International Railway Safety Conference, where we present and share ideas with stakeholders from across the globe. VIA Rail also does ongoing grassroots-level work with partners like Operation Lifesaver, to keep Canadians informed about safety around railways. Internally, we constantly review and update own safety practices, and ongoing work to our equipment also improves safety and security for our employees, our passengers and the public.

We are happy to report that our ongoing efforts are working. The number of train incidents has decreased steadily over the past 5 years. In 2013, there were 1.3 incidents per million passenger miles, compared to 3.6 in 2009, a decrease of 64%. But we know that even one incident is one too many. Despite the fact that we are already one of the safest ways to travel in Canada, we strive to improve the safety and security of our operations every day.

VIA Rail is a company with integrity, and with heart. As the new President and CEO, my intention is to build on the projects and improvements made over the past few years and turn the national pride for VIA Rail into increased ridership. For that is our

key challenge: transforming the love Canadians have for trains and train travel into a ticket purchase decision.

In closing, allow me to share with you how I believe VIA Rail can be successful:

VIA Rail can be successful if it provides quality service that customers recognize as its true value; VIA Rail can be successful if safety is everyone's first and foremost concern in everything we do, especially when it relates to the operation of our trains. VIA Rail can be successful if it uses public funding strictly to cover the cost of providing mandated services to remote areas and, for building and maintaining its infrastructure; VIA Rail can be successful if it is a transportation service that, in the Corridor, is top-of-mind for individual and family travellers, as an alternative to their cars, and that provides for Canadian and foreign tourists, a unique way to experience Canada.

I believe that the train is not only the more human way to travel in Canada, it is also a large part of the future of inter-city travel in Canada. All of us at VIA look forward to building that future together.

Thank you