

Reflecting on VIA Rail Co *at*

Four decades of turning points continue
to shape Canada's passenger system

by Bob Johnston



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The Brule Range reflects on the glassy-smooth surface of Brule Lake as VIA's *Canadian* rolls east through Robertson's Curve at Swan Landing, Alberta, on July 7, 2014.
Mike Danneman



The Canadian, with a mix of former CN and CP equipment, runs on its original Canadian Pacific route through Gull Lake, Saskatchewan, on Aug. 25, 1980. John Uckley

Wave a magic wand and create the perfect intercity passenger rail system — one that pleases politicians, taxpayers, and host railroads while meeting the traveling public's needs. If only it were so simple.

As it celebrates its 40th year as Canada's passenger railroad, VIA Rail Canada's history is one of challenges inflicted by the whims of changing governments in a country that, like the United States, lacks a cohesive surface transportation policy. Politically driven retrenchment and expansion of the past shapes VIA's options for the future. Early missteps have implications for some of the corridor-only thinking of current Amtrak management.

■ 1978: hopeful launch

Canada's 1970s leaders under Prime Minister Pierre Trudeau hoped a sensible, government-sponsored consolidation of trains would begin to reverse declining ridership and increasing costs. Since 1971, the Canadian Transport Commission had been paying 80 percent of incremental passenger losses of the country's two major passenger railroads, Canadian National and Canadian Pacific. But these payments soared through the decade with wage increases, waning ticket revenue, and higher maintenance

costs on aging steam-heated equipment.

As the government would not consider terminating the trains, Transport Canada (similar to the U.S. Department of Transportation) decided the subsidy payments could be reduced by using new rolling stock on higher speed routes under 400 miles. The improvements would be funded by eliminating CN and CP long-distance and corridor-route duplication. As envisioned, annual operating and capital support for a new passenger operator would be dictated by Transport Canada and the Department of Finance. This preordained a hand-to-mouth existence similar to Amtrak's.

Created in 1977 as a Crown Corporation, VIA Rail Canada was expected to compete and manage resources in the commercial arena like any private business. Unlike its U.S. counterpart, however, VIA was never given statutory advantages, such as preference over freight trains. With CN also state-owned and the operator of by far the largest portion of the existing network, what could possibly go wrong?

"Transport Canada didn't see large subsidy reductions, because the commission refused to knuckle under to a 1976 directive to eliminate perceived duplication and

little-used services," explains Canadian author and historian Doug Smith. A commission analyst at the time, and beginning in 1982, a Transport Canada rail expert with oversight on VIA's operating and capital budgets, he notes, "After conducting new public hearings the commission found most of the existing trains were needed in the public interest, so they weren't cut."

He adds, "The money saved was supposed to fund the acquisition of the Light Rapid Comfortable (LRC) fleet of cars and locomotives from Canada's Bombardier for fast point-to-point daytime service in the Quebec-Windsor and Calgary-Edmonton corridors and pay the railways 100 percent of their costs."

VIA took over the slimmed-down CN and CP transcons and officially became an operating railway on Oct. 29, 1978, when the former CN flagship, the *Super Continental*, departed Montreal for Vancouver.

■ 1981: The first axe falls

The transport commission's decisions approved only minor cuts — far better than



**Historian
Doug Smith**

the hand U.S. passengers were dealt when Amtrak was launched in 1971. That changed Nov. 15, 1981, after the Trudeau government slashed the operations budget to a number it wanted and passed orders eliminating almost half of VIA services, setting a

precedent for coercive bureaucratic behavior toward VIA. The most significant discontinuances were two overnight trains: the ex-CP Montreal-Saint John, New Brunswick, *Atlantic Limited*, and CN's former flagship, the *Super Continental*, operating as a separate train west of Winnipeg to Vancouver.

While many branch-line services were lost in areas with transportation alternatives, trains where rural residents had no other surface options survived. Service through otherwise inaccessible communities — across northern Ontario and Quebec, and outposts like Prince Rupert, British Columbia, and Churchill, Manitoba — was not only retained, but warranted a “remote” financial carve-out in the budget. [See “Passenger Trains Where Roads Don’t Go,” February 2013.] This thinking would later effectively protect trains like the *Canadian*, and dictate its shift to CN’s northern Ontario route.

■ 1985: expansion again

Newly arriving LRC equipment began replacing some of the oldest and most expensive to maintain relics from the CN and CP era, and enabled VIA to ramp up frequencies on the Quebec-Windsor, Ont., corridor. Meanwhile, as part of an attempt to unseat Pierre Trudeau, the Conservative Party campaigned to reverse many of the 1981 cuts. That’s exactly what happened on Prime Minister Brian Mulroney’s watch in 1985, when the *Super Continental*, *Atlantic*, and other trains rolled again. Decisions to revive the long-distance trains were driven,



A Canadian-built LRC trainset kicks up snow in corridor service in 1985. Scott A. Hartley



A late-running eastbound *Atlantic Limited* arrives in Saint John, New Brunswick, on Sept. 25, 1981. Discontinued two months later, the train was revived in 1985. Ronald N. Johnson

Smith says, by research which showed daytime-only, point-to-point service on the prairies and in eastern Canada was a failure. “We actually mapped the passenger flows,” he says, “and it was very telling to see all the different markets that the transcons played to.”

Reinstatements happened because the new government wanted them. “The cabinet said ‘yes, these are going back’ because we promised the voters,” recalls Smith. He also worked on a report commissioned by the new government which recommended replacing all remaining long-haul equipment with Amtrak-style Superliners, after VIA tested a train in winter between Winnipeg, Man., and Edmonton, Alberta.

By then the Pullman Co. was out of business, but Bombardier had acquired Pullman’s patents and would put Canadians to work building the cars. The document was pigeonholed by the Conserva-

tives and never acted upon. Smith says this was out of concern with adding to VIA’s financial obligations at a time when Mulroney was pushing a privatization agenda that had already flipped Air Canada.

Without any possibility of new overnight equipment anytime soon, VIA began its initial head-end power program, converting 1954-vintage ex-*Canadian* stainless steel cars from steam heat to electric power. Bombardier eventually built Superliner IIs for Amtrak.

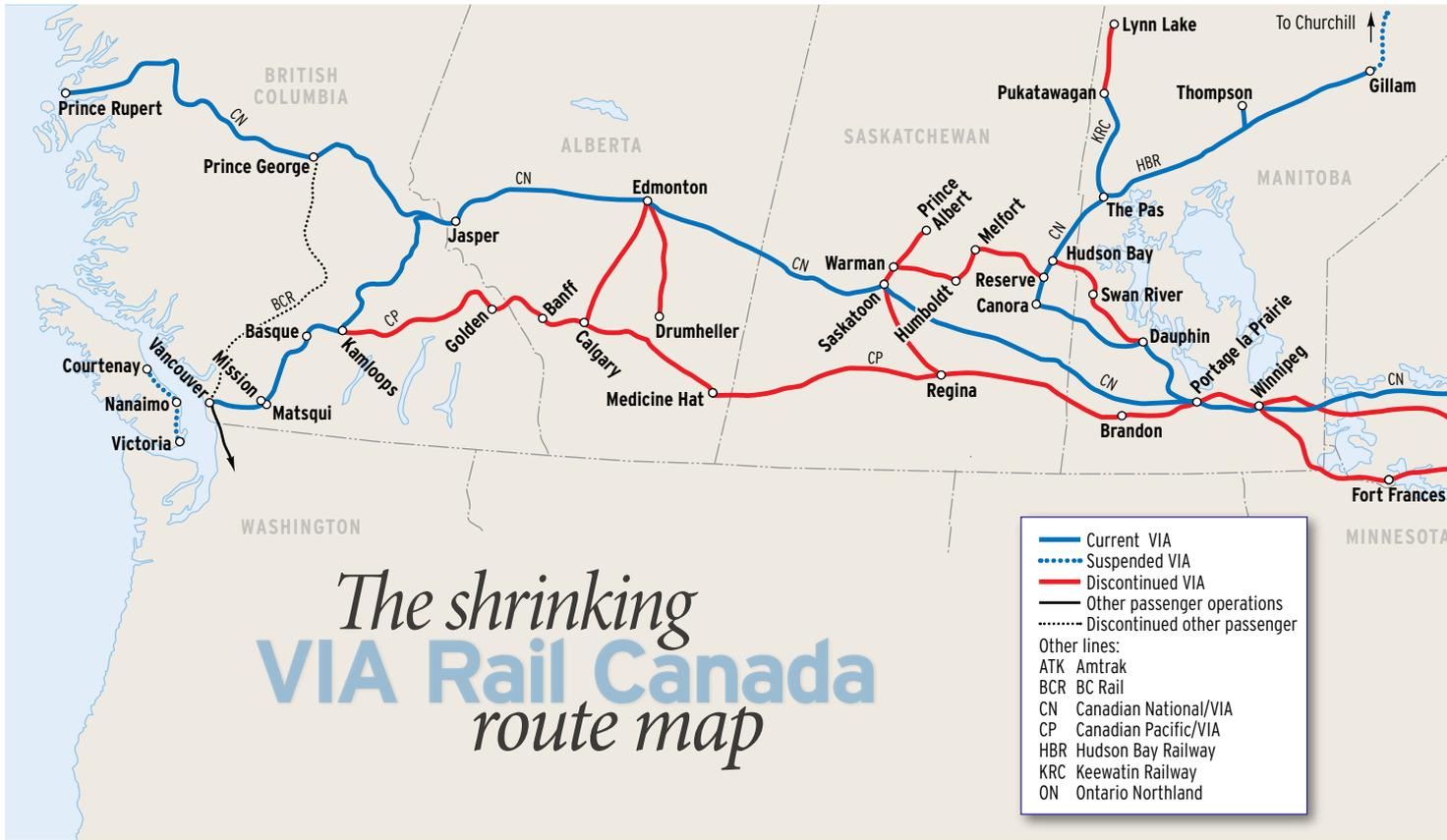
■ 1990-93: retrenchment

Mulroney and his political partners figured Canadians had forgotten past promises when they came up with a plan, according to VIA’s 1989 Annual Report, “representing a five-year total of \$1 billion in savings for taxpayers.” This time, VIA had to figure out how to run a national network with a \$350 million annual stipend instead of the \$600 million the government had been supplying in the late 1980s.

With cuts set to take place on Jan. 15, 1990, a mad behind-the-scenes scramble determined what stayed and what had to go. Again, Doug Smith was there.

“We were working 16-hour days,” he says. “Though Transport Canada’s bureaucracy pushed for maximum cuts, the phone would ring at 9 o’clock at night, and it might be the prime minister wanting to know how much putting a particular route back would cost. The decisions were made at the highest levels, and we wound up saving more than [the plan] we started out with.”

One factor driving the decision to move the *Canadian* over to the *Super Continental*’s route was lobbying by Vancouver entrepreneur Peter Armstrong to privatize



Revived in 1985, the *Super Continental* crosses the flooded Anderson Creek near Boston Bar, British Columbia, in June 1986. The train was eliminated for good in 1990. Alex Mayes

VIA's summer excursions to Banff, Alta., introduced in 1988. This came with the understanding his fledgling operation would get route exclusivity and some initial financial assistance from VIA to ensure the venture's success. After a few shaky early years, Armstrong invested heavily in specialty dome cars to make Rocky Mountaineer a financial and creative success in a way the publicly funded operator never could.

Another round of Mulroney cuts were

dictated for 1993. Rather than eliminate trains, VIA management instituted sweeping work-rule changes that put operating crew pay on an hourly basis and reduced crew size.

■ 1995: CN privatization

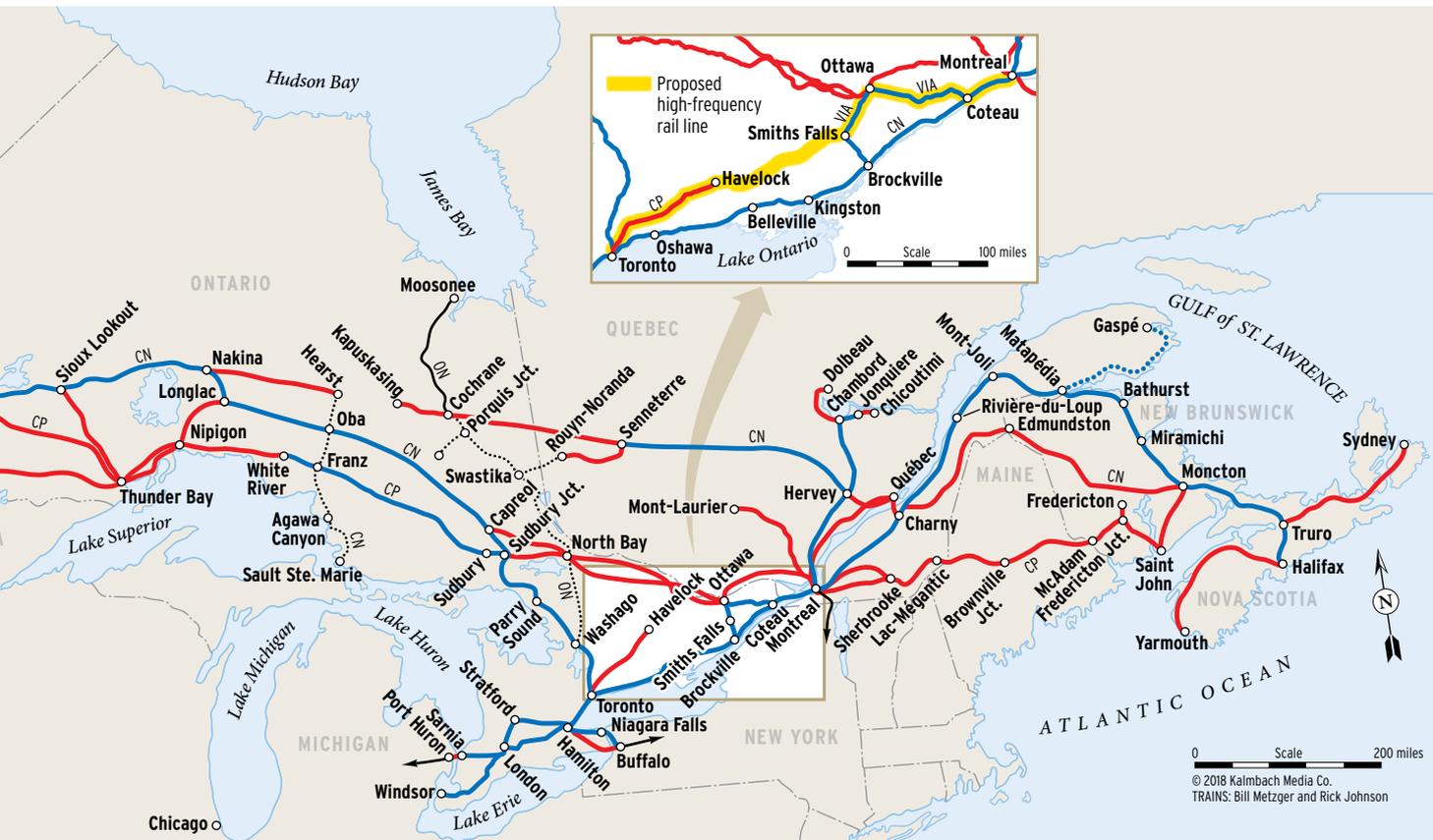
Although the Liberal Party government of Jean Chrétien took over from Mulroney in late 1993, the government's privatization push continued. The biggest target was

A behind-the-scenes scramble determined what stayed and what had to go.

publicly owned Canadian National. Unloading it became a priority, and the seller wanted no hidden land mines, such as statutes compelling new owners to run VIA trains on time, to jeopardize the sale. The result left VIA without leverage to negotiate with CN as a business equal. It also saddled the passenger operator with annual cost obligations, which escalated every year. VIA and CN consider their contracts to be proprietary and therefore shielded from public scrutiny. This makes it impossible to analyze the kind of burden CN places on VIA today, but it certainly must influence the passenger operator's reticence to challenge the host railroad.

■ 2012: cutting to the bone

VIA enjoyed a short-lived funding infusion flowing from Economic Action Plan of Stephen Harper's Conservative government, which led to Montreal-Toronto



'The Saskatoon Train'

My first trip on VIA after moving to Winnipeg, Manitoba, from the United Kingdom was a 55-mile round trip west to Portage la Prairie on two transcons: out on the *Super Continental* over Canadian National, returning via the *Canadian* on the Canadian Pacific. But a few days after that journey on Nov. 11, 1981, the federal government ordered cuts, which reduced VIA service by 20 percent and axed the *Super Continental*. The silver lining for some prairie communities, though, was daytime trains Nos. 109 and 110, which used the *Canadian's* CP route to Regina, Saskatchewan, then went up to Saskatoon, Sask., on CN.

I referred to the new service simply as "The Saskatoon Train." Exploring VIA for the first time, it was "my" train and took me on many trips to Brandon, Man., and Saskatoon. With two trains a day in each direction as far as Regina (Nos. 109-110 plus the *Canadian*), day trips became feasible.

Two enduring memories: The first was sitting in the delightful ex-CN combination coach/snack car and enjoying lunch as the nimble little train sped along CP's Carberry Subdivision closing in on Brandon, Manitoba's second-largest city. I had never seen such a car, with half given over to regular seating and the other half divided into the dining area, a food prep section and a take-out counter. I loved the intimate atmosphere of that car — although the brown decor seemed drab and dated. All too soon we were rolling into the city limits and it was time to vacate my seat.

At Brandon, there was a 10-minute stop scheduled for Nos. 109 and 110, lots of time to photograph the usual FP9. Once on a bitterly cold day in January 1984, the locomotive was shrouded in steam and bathed in weak winter sunshine as it sat in the station — one of those images forever etched into your memory. Looking back, steam heating for the harsh



Short-lived train 109, daytime service between Winnipeg and Saskatoon, pauses at Brandon, Manitoba, in 1983. Steve Hobson

prairie winters was probably not ideal, but it certainly made for some great railway photography.

If the Saskatoon train had been successful, abolishing the *Super Continental* could have been the start of a renaissance for VIA. Transcontinentals tend to be jacks of all trades, masters of none — not necessarily making small town stops at a time convenient for the intermediate traveler. Surely it's better to serve all those communities with a local service. VIA tried promoting trains

109-110 locally; I have a leaflet entitled "Brandon Getaway 1982," inviting would-be riders to "participate in Brandon's 100th birthday celebrations," and offering package tours. In the UK, I was used to frequent local service addressing local needs. No wonder I was so excited about my little train on the prairie. It's a real shame that it all amounted to nothing. [The train was replaced in 1984 by the Winnipeg-Edmonton-Prince Rupert *Panorama*.] — Steve Hobson



capacity improvements, part of a \$923 million stimulus Capital Investment Program. It also provided seed money for the eventual launch of the high-end Prestige Class [see “Luxury Re-imagined,” May 2015], LRC refurbishment, and court-mandated Renaissance car accessibility.

Alas, the fixed-price stimulus contracts were poorly conceived and managed, resulting in substantial delays and the bankruptcy of one winning bidder, Industrial Rail Services of Moncton, New Brunswick.

A budget reduction in 2012, however, was perhaps one of the most debilitating

and far-reaching in limiting VIA’s relevance to rural Canadians. The *Ocean* was cut from six days per week to three, and the *Canadian* dropped to twice weekly from mid-October through late April.

At roughly the same time, the Matapédia-Gaspé, Quebec, and Vancouver Island, B.C., services were lost. (Officially, both were suspended because of infrastructure deterioration; they remain dormant to this day.) A similar fate has befallen trains to Churchill, Man.; because of flood damage, the line to that community is closed beyond Gillam, Man.

A Park observation car trails Renaissance sleepers on the *Ocean* on 25-mph track near Moncton, New Brunswick. The train’s triweekly schedule made it less useful for rural residents. Three photos, Bob Johnston

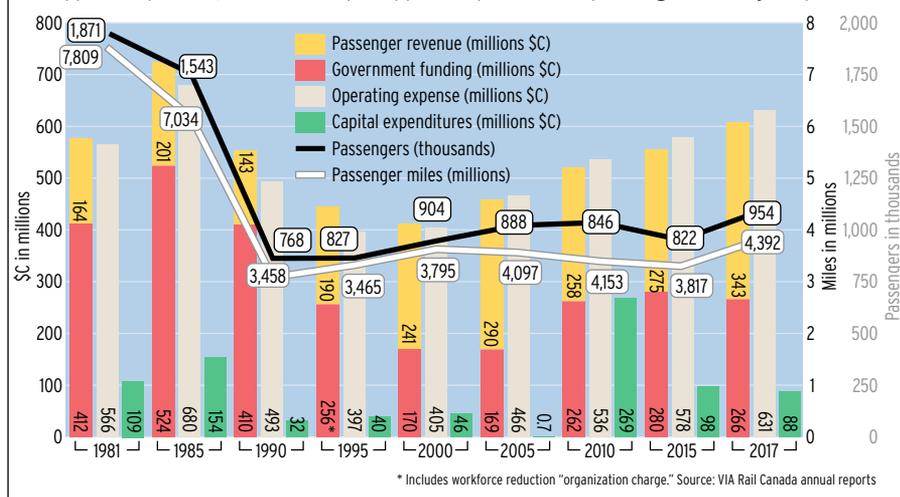
■ **Today: hope and HEP**

On June 18, 2018, VIA announced the four manufacturers it deems qualified to bid on new trainsets for its Quebec-Windsor Corridor: Bombardier, Siemens, Stadler, and Talgo. After years of the government’s dismissive attitude toward capital investment, except following the 2009 global economic downturn, Minister of Transport Marc Garneau announced his department is prepared to provide funding to replace the corridor trains. He declined to disclose how much money is really on the table. VIA’s “ask” is substantial: 32 bi-directional, fully accessible trainsets containing a total of 9,100 seats, powered by Tier 4-compliant diesel engines, “with the option to operate on electrified rail infrastructure as it becomes available.” Proposals are due Oct. 5, the award is set for this December, and the fleet is supposed to be in service by 2022.

In the meantime, VIA management is renewing a resource that provided valuable stopgap capacity following the budget-driven decision to discard its ex-CN steam-heated passenger cars. These are the 33 stainless steel, Budd-built “HEP-2” coaches acquired, gutted, and refurbished from 1993 to 1996. Virtually all were steam-line-equipped rejects from U.S. roads that Amtrak never converted to head-end power. VIA plucked them from scrap lines relatively cheaply and saved money by using

VIA’s funding roller coaster

VIA’s funding and ridership tend to move in parallel. The bars show, in Canadian dollars, revenue/funding and operating costs, and separate capital expenditures. The lines show ridership and passenger miles. So, from 1985 to 1990, for example, revenue/funding dropped 24 percent, while ridership dropped 50 percent and passenger miles by 51 percent.



End of steam (heat)

We forget the strange

sounds passenger trains used to make when steam from a boiler provided heat. Generations of equipment relied on those hot vapors piped through the train, but by the early 1990s, head-end power conduits was replacing steam pipes. Though VIA Rail had vestiges of its legacy equipment still running west of Toronto and north of Montreal, the final round trip of the last long-distance holdouts was worth experiencing.

What was that whistling noise on the evening of Jan. 21, 1993, as VIA's Halifax-bound *Atlantic* prepared to depart from Montreal's Central Station? It came from the steam pipe at the rear of dome-observation *Algonquin Park*, as if to say, "I'm here."

Walking through the snow up to the head end during a servicing stop at Mégantic, Quebec, that night revealed a massive swath of steam from a leak between a cab unit and the steam generator car, affectionately known as a "steam

box" by the crew. "Steam leaks set off hot box detectors, but we won't have dat no more," quipped conductor Andre Gascon. The heavyweight ex-CN diner would be gone, too, replaced by an ex-CP stainless steel beauty converted to head-end power as a part of VIA's "HEP-1" initiative. *Chateau Dollard*, one of the train's three sleepers, would also be converted. I would ride it on the return over Canadian Pacific rails through Brownville, Maine, and Sherbrooke, Que., but tonight I was in a lower berth in the blue-and-yellow Everett.

Tick-tick-tick, sputter, tick-tick-tick sounds emanated from under the car — no noisy whirring of fans powered by 480-volt electricity from the head end. The temperature at Mégantic was 0 degrees Fahrenheit, and walking past one of the soon-to-be-scraped coaches you could hear their pipes' loud complaints.

My notebook contains other memorable moments from that trip: watching a girl named Raney



The eastbound *Atlantic* pauses at St. John, N.B. Stainless steel sleeper *Chateau Dollard* will be converted to head-end power; the former Canadian National sleepers will be scrapped.

from Toronto and her boyfriend slip into the duplex roomette. Conductor Gascon had just sold them; the bittersweet employee send-off at Halifax when the last steam-heated *Atlantic* departed on Jan. 23; and climbing into engineer Jim Clohosie's F40 at Mégantic, early the next morning, for a dazzling journey to Sherbrooke, through snow-covered pine trees, starkly illuminated by the headlight.

Unfortunately, the event marked a point of no return for VIA. No longer would it have reserve capacity to meet demand or start future services without negatively impacting trains it was already running. Amtrak was similarly short-sighted during its conversion to head-end power in 1979. As for the *Atlantic*, it succumbed to another capricious budget cut in December 1994.

— Bob Johnston

trucks salvaged from ex-CN lightweights.

"It's time!" says Alphonse Doucet, VIA's car and major maintenance senior manager, on the company's Montreal Maintenance Centre shop floor, where top-to-bottom overhauls are in progress. Tradesmen, who have performed maintenance on these million-mile veterans for years, are replacing everything from worn equalizers on the trucks and battle-scarred wiring, air reservoirs, water pipes and tanks underneath to obsolete toilets, electrical lockers, battery chargers, and air-conditioning systems.

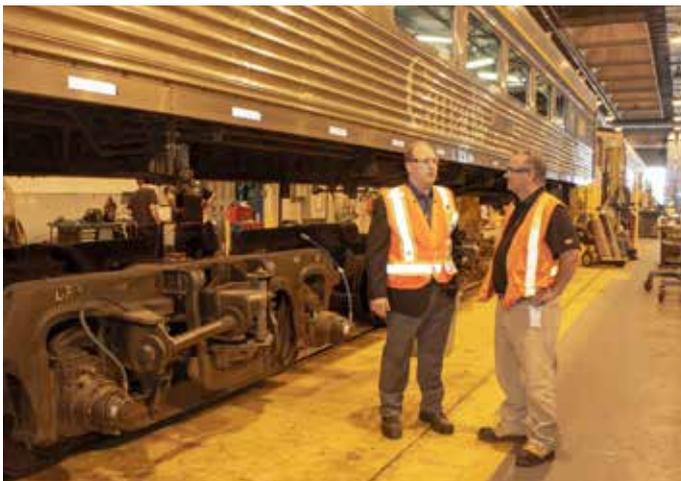
With Doucet and VIA's new chief mechanical officer, Mario Bergeron, TRAINS toured the facility in June, observing work being done on car 4112, a former Southern Railway dinette-coach built in 1949 that now serves as the program's prototype.

"Our goal is to reconfigure HEP-2 interiors to match with the [refurbished] LRC fleet so they present a consistent interior for customers and service employees alike," says Doucet. "That means new wainscoting, carpeting, curtains, and all-LED lighting." He and Bergeron also mention new heating elements inside the water tanks; this replaces easy-to-damage heat tape and should avoid the freeze-ups in harsh winter weather that have previously plagued equipment.

"We're building on the experience we



The *Mahalat*, bound for Courtenay, B.C., from Victoria, prepares to stop at Parkville, B.C., on July 5, 2006. The service on Vancouver Island, which ended in 2012, was one of several in VIA's system meant to provide transportation to those in remote locations.



VIA Chief Mechanical Officer Mario Bergeron, left, and Alphonse Doucet, senior manager of car and major maintenance, discuss work on coach 4112. Inside, the car will have new carpeting and wainscoting, along with electrical and plumbing upgrades. Four photos, Bob Johnston

gained on the LRC project,” explains Bergeron, who returned to VIA late last year after a long stint as Amtrak’s chief mechanical officer. “We expect all these cars will be rebuilt by March 2020. We also have 25 (former *Canadian*) HEP-1 coaches being renovated by Cad Railway Industries, and another 17 HEP-1s receiving accessibility modifications at Bombardier.”

Bergeron says there is a request for proposal for renovating four dining cars, while rehabs of nine additional diners, *Chateau* sleepers, and *Park* dome observations await funding. He expects the Budd coaches will be repurposed for long-haul service once the new corridor fleet arrives. But he says the British-built Renaissance cars, now used on many Quebec-Montreal-Ottawa trains and the *Ocean*, “are not in VIA Rail’s plan for the longer term because the cars are challenged in cold weather.” [See “Rough Ride for VIA’s

Renaissance Fleet,” November 2004.] Since the Renaissance cars must operate in permanently coupled sets, any failure sidelines the entire train.

■ **Next: shedding straightjackets**

Without new trainsets and the ability to add frequencies, it’s difficult for VIA to hit the sweet spot of competitive fares and optimal capacity to satisfy demand. The government’s laissez-faire approach, combined with management’s acquiescence to it without any broad-based political support, has thus boxed in VIA’s path forward. The company’s quandary is typified by transport minister Garneau’s pledge to spend \$8 million over the next three years on studies to see if president Yves Desjardins-Siciliano’s “high frequency” rail proposal is worth the estimated \$4-6 billion investment. This plan to build a separate 110-mph right-of-way, just to escape Canadian National-

owned infrastructure running through population centers that could use more frequencies, effectively turns VIA’s back on intermediate city-pair combinations that make passenger rail valuable. Besides, Canada taxpayers already paid for stations and more capacity along the CN route.

“In 1967, the fastest Montreal-Toronto trip on this corridor was just under 5 hours [on CN’s Rapido schedule]; today we average 5 hours, 18 minutes. How do you explain that?” Desjardins-Siciliano asks rhetorically during an interview with TRAINS.

Deteriorating *Canadian* on-time performance underscores VIA’s dependence on a good-faith effort by CN dispatchers and management to improve passenger punctuality and reliability [see “VIA, CN Stretch *Canadian* Schedule,” “News,” September 2018]. Trackwork, long freight trains, and unexpected traffic growth have caused the transcontinental’s passengers extended on-board aggravation when the train averages delays of 12 to 14 hours, arrives at an endpoint over two days late as it did in May, or is cancelled altogether for lack of arriving equipment.

Desjardins-Siciliano says the extra expense this year will be \$5 to \$10 million (Canadian). “CN’s long freight trains are no more on time than our passenger trains.



The *Ocean*’s “Easterly Class” was one of VIA’s many attempts to enhance the onboard experience. Among its features were “learning coordinators” such as Gary Frenette, informing passengers in the *Park* dome with a wooden model of a dike system in 2005.



VIA is the last vestige of the upper and lower berth, as prepared by attendant Eva Kuhn on *Chateau Laval* in August 2015.



So we'll see if [the new schedule] works, then come up with a plan for the whole year and long term for this service."

If the new schedule isn't achievable or Quebec-Windsor corridor tardiness gets worse, VIA's president could file a formal complaint under section 152.1 of the Canada Transportation Act. That specifies a dispute resolution framework, with possible penalties and damages to railroads that consistently inflict repetitive and preventable delays to passenger trains. It was added in 1996 to offer VIA relief from perceived mistreatment by CN following the railroad's privatization.

Desjardins-Siciliano claims his company has never invoked the section 152 remedy against CN because "one has to accept that VIA has a pocket knife in a gunfight with CN." He opted for a relatively quick fix with the new *Canadian* schedule to avoid protracted negotiations. But an impartial adjudication on behalf of taxpayers and travelers is warranted if the host railroad continues to stab VIA's trains when better handling and a more equitable use of available infrastructure reasonably could have prevented delays.

Fortunately, all VIA presidents have stayed the course on a common goal over the past 40 years despite budget slashes, equipment shortages, and indifference from CN dispatchers.

"We're not in the 'running trains' business," he says, "we're in the hospitality business. We make people feel welcome and well treated. We put that pride in the work we do, whether here in the maintenance center, getting trains ready, on-board, in our call centers, or in our stations. If we live that emotion, we see results; that's what makes us different, and the key piece is focusing on our people."

'One has to accept that VIA has a pocket knife in a gunfight with CN.'

Sunset is approaching as westbound train No. 67 to Toronto leaves Montreal on Jan. 2, 2017. VIA is studying the concept of building its own "high frequency" line for Montreal-Toronto service. Michael Berry

The concept and clear mission influences friendly and energetic employees, the quality of the meals they serve, and even the thickness of blankets and smoothness of sheets and towels in the sleeping cars. This unwavering commitment has helped counteract delays, often-cramped space, few departures, and the lack of lower fares that would make VIA more relevant in the intercity passenger market. If you can't achieve speed and punctuality, at least dial up the comfort and attention.

Although rejected at Amtrak by current top management's limited "what's possible," perspective and unwillingness to break out of the comfort zone with which it is familiar, the value of good customer service for a transportation organization facing so many constraints cannot be understated. VIA Rail Canada has consistently played that card well in the past, and the future remains bright if it continues to do so. **I**

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