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VIA Rail Canada Inc. and the Future of Passenger Rail in Canada

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*VIA Rail Canada Inc. and the Future of
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(Background Paper)

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VIA RAIL CANADA INC. AND THE FUTURE OF PASSENGER RAIL IN CANADA

1 INTRODUCTION

In Canada, demand for passenger rail service has declined throughout most of the last 70 years as other more competitive forms of transportation have increased their market share.¹

The decline was most marked during the 1940s and 1950s. In 1945, Canadian railways carried 55.4 million passengers, accounting for about 20% of railway revenues. By 1955, passenger traffic had dropped to 27.2 million, accounting for less than 10% of revenues.²

By the beginning of the 1960s, intercity passenger rail service was provided primarily by the two national rail carriers, Canadian National Railway (CNR) and Canadian Pacific Railway (CPR). In 1977, in an attempt to avoid the complete disappearance of intercity passenger rail service, the federal government established a Crown corporation – VIA Rail Canada Inc. – whose main goal was to provide a basic level of passenger rail service across Canada. Since its founding, VIA Rail has struggled to maintain ridership volume and service quality. It has never managed to achieve financial self-sufficiency and depends on federal subsidies to continue operations.

Passenger rail in Canada is currently at a crossroads: to continue with “business as usual” ensures the continued decline of an industry whose current business model and institutional constraints offer few options for further expansion or development. Any future for intercity passenger rail service in Canada will likely require new thinking and a new business model or policy to realize it.

This paper provides some background and analysis on VIA Rail, describes the current context in which VIA Rail resides, and outlines future challenges and options for passenger rail in Canada.

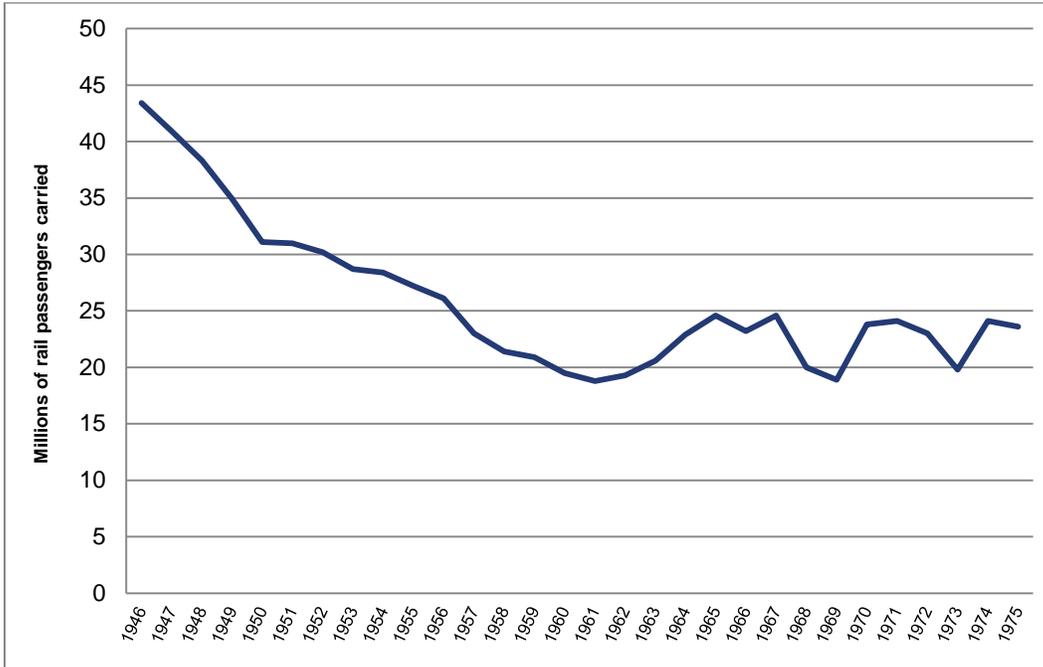
2 A SHORT HISTORY OF PASSENGER RAIL IN CANADA³

2.1 DECLINE OF PASSENGER RAIL SERVICE

From the mid-19th century to the early decades of the 20th century, railroads were the dominant form of overland transportation for passengers and freight in North America. Rail carriers faced little competition in either short-haul or long-distance transit, as trains alone had the capacity to transport both people and goods using an infrastructure network that linked towns, cities, regions and countries.

However, with the rise of motor vehicle ownership in the early 20th century and the expansion of roads and highway networks, rail carriers began losing their dominance in the short-haul intercity markets (see Figure 1). Demand for passenger rail service contracted further with the development of commercial air travel in the 1940s and 1950s, and airplanes became a competitive alternative for long-distance travel.

Figure 1 – Passenger Rail Volumes in Canada, 1946–1975



Source: Statistics Canada, Table T39-46, "Railways, freight tonnage and mileage, passenger traffic and passenger mileage, 1946 to 1975," in ["Section T: Transportation and Communication,"](#) *Historical Statistics of Canada*, Catalogue no. 11-516-X, Ottawa, 29 July 1999.

Under continuous pressure from road transportation on short-haul routes and from air carriers at the long-distance end of the market, the Canadian passenger rail industry progressively lost market share and saw its traffic volumes and profitability decline. As a result, the industry underwent successive phases of consolidation and downsizing.

Table 1 breaks down market share among principal modes of passenger transportation (motor vehicles, airplanes and trains) in Canada since 1986. The data confirms the dominance of motor vehicles, followed by air travel and, lastly, rail travel.

**Table 1 – Passenger Travel by Motor Vehicle, Air and Rail in Canada, 1986–2008
(in billions of passenger-kilometres)**

Year	Motor Vehicles	%	Planes	%	Trains	%	Total
1986	295.9	85.2	49.1	14.1	2.4	0.7	347.4
1988	322.8	85.1	54.3	14.3	2.4	0.6	379.5
1990	334.4	86.7	50.1	13.0	1.3	0.3	385.8
1992	348.8	88.2	45.4	11.5	1.3	0.3	395.5
1994	379.5	89.1	45.3	10.6	1.4	0.3	426.1
1996	–	–	57.0	–	1.5	–	–
1998	–	–	64.4	–	1.4	–	–
2000	475.1	87.1	68.5	12.6	1.5	0.3	545.1
2002	470.6	86.9	69.3	12.8	1.6	0.3	541.4
2004	469.5	85.8	76.1	13.9	1.4	0.3	547.0
2006	488.4	84.5	88.3	15.3	1.5	0.3	578.2
2008	476.8	82.9	96.7	16.8	1.6	0.3	575.0

Notes: Percentages and totals are not provided for 1996 and 1998 because data for motor vehicle travel – which represents by far the largest mode of passenger travel in Canada – are unavailable.

Sources: Statistics Canada, Table 405-0005, “Canadian Vehicle Survey, passenger-kilometres, billions,” Table 401-0001, “Operating and financial statistics of major Canadian airlines, passenger-kilometres, billions” and Table 404-0016, “Railway transport survey, passenger-kilometres, billions,” CANSIM (database); and Urban Renaissance Institute, [“Passenger Travel by Motorized Modes, Canada, 1970–1995,”](#) 30 January 1996.

2.2 ROYAL COMMISSION ON TRANSPORTATION

In 1959, noting the postwar transformations occurring within the rail industry, the federal government appointed a royal commission to formulate a new national transportation policy and to propose recommendations on how best to restructure the regulatory framework that governed Canadian transportation, particularly for the rail industry. The report of the Royal Commission on Transportation (MacPherson Commission, 1959–1961) acknowledged that transportation in Canada had changed considerably over the years and that many railway companies were no longer profitable. It recommended that transportation policy rely more on market forces to encourage the development of the most efficient forms of transportation, which would in turn better enable the Canadian economy to reach its full potential. Among its recommendations, the commission proposed that railways be allowed more freedom to eliminate uneconomical railway routes.

The federal government responded in 1967 with the adoption of the *National Transportation Act* (NTA). The NTA heeded the MacPherson Commission recommendations only partially: railway operators still had to obtain regulatory approval to abandon uneconomical routes. Moreover, in the interest of maintaining some level of passenger rail service in Canada, the NTA contained provisions that enabled the federal government to compensate rail carriers for losses incurred in operating money-losing passenger rail service or running on uneconomical branch lines.

During the 1960s and 1970s, passenger rail service in Canada continued to lose market share to motor vehicles and planes, and CNR and CPR focused increasingly on the more lucrative business line of freight haulage. Intercity passenger rail traffic volumes declined from 4.91 million passenger-kilometres in 1967 to 2.57 million passenger-kilometres in 1976.⁴ Under the NTA, the federal government paid subsidies to CNR and CPR to offset their losses from operating money-losing rail services (up to 80% of operating costs for passenger rail service and full operating cost recovery for running on uneconomical branch lines). From 1967 to 1976, those subsidies increased from \$110.0 million to \$181.7 million.

2.3 CREATION OF VIA RAIL CANADA INC.

In 1976, facing growing subsidy costs and reduced passenger traffic, the federal government revised its policy on passenger rail and ordered the Canadian Transport Commission (CTC) and both national rail carriers to develop a passenger rail plan based on the new policy. The two carriers began negotiations to determine the best way of coordinating their passenger rail services in order to eliminate unnecessary duplication, reduce operational losses and improve service delivery. However, instead of joint management of passenger rail service, CNR and CPR agreed to form a passenger rail company that would operate as a subsidiary of CNR.⁵ As a result, VIA Rail was incorporated in January 1977, under the *Canada Business Corporations Act*, and became a CNR subsidiary in February 1977.

Later in 1977, the CTC held public hearings on passenger rail transportation in Canada. The main finding was a consensus that passenger rail service should be reduced no further. In response, the federal government, through an order in council, paid \$100,000 to acquire all of VIA Rail's issued and outstanding common shares and converted it into a federal Crown corporation. In April 1978, VIA Rail Canada Inc. assumed responsibility for the provision of intercity passenger rail service in Canada.

Initially, VIA Rail did not possess any rolling stock, train stations, or associated equipment and facilities. These assets effectively still belonged to the two national rail carriers. For a time, even VIA Rail's operational personnel remained in the employ of CNR or CPR. VIA Rail therefore had to negotiate operating agreements with CNR and CPR. Under these agreements, VIA Rail paid subsidies to both carriers for use of their railroad tracks, equipment and personnel, and for other costs incurred in providing passenger rail service. Over the next several years, ownership of some railroad equipment and infrastructure was gradually transferred to VIA Rail. As a result, VIA Rail secured access to a number of rail corridors and routes across Canada, but also ownership of a variety of outdated and obsolete equipment.

Although VIA Rail was responsible for most passenger rail service across Canada, its operations remained subject to Cabinet decision-making and federal government spending priorities. From time to time, budgetary constraints obliged the government to order VIA Rail to restructure its operations in order to reduce subsidy requirements. In 1989–1990, VIA Rail underwent a major restructuring that entailed abandoning a number of uneconomical routes. This considerably reduced its operating expenditures, but at the cost of losing 45% of its annual ridership volume.

Federal operational subsidies to VIA declined throughout the 1990s and bottomed out in the mid-2000s at about \$155 million in constant (2002) dollars. Since then, annual subsidies have increased modestly. According to VIA Rail's latest annual report, operating subsidies in 2014 amounted to a little over \$253 million in constant (2002) dollars. Federal capital subsidies have risen sharply over the last five years, coinciding with federal government announcements of new capital spending to refurbish aging stationary infrastructure and rolling stock.

3 A FINANCIAL PORTRAIT OF VIA RAIL CANADA INC.

VIA Rail was set up by executive fiat and, despite federal government pledges, still has no enabling legislation that would provide it with an explicit mandate or with a legal framework outlining its governance powers and responsibilities.

The corporation is designated as a parent Crown corporation in Schedule III, Part I, of the *Financial Administration Act*. Under this legislation, VIA Rail has limited operating autonomy and borrowing authority;⁶ it depends on parliamentary appropriations to offset any operating deficit incurred while providing federally mandated passenger rail service. Currently, no specific provisions or commitments assure stable and predictable annual government funding for VIA Rail.

Despite the lack of a legislative mandate, VIA Rail has an implicit obligation to provide Canadians with year-round passenger rail service to both large and small communities. VIA Rail offers three main services:⁷

- intercity rail service that is concentrated in the Québec City–Windsor corridor (representing 85% of all passenger rail traffic volume);
- year-round coast-to-coast transcontinental services in eastern and western Canada (largely targeted to the tourism industry); and
- year-round service to a number of remote communities that are otherwise accessible only by air (where road construction is not feasible).

VIA Rail's income is derived principally from two sources: passenger rail revenues and federal government subsidies. Because of VIA Rail's dependence on federal appropriations, its operations are influenced by political decisions in addition to commercial considerations.

VIA Rail does not own most of the rail networks it uses on a daily basis, so it must negotiate contracts known as Train Service Agreements (TSAs) with the networks' owners (CNR, CPR, and other short-line carriers) for access to and use of the rail infrastructure. VIA Rail's operational performance hinges, in large part, on the terms of those contracts. VIA Rail's passenger rail service must compete for the use of the same tracks with freight trains owned by CNR, CPR and other short-line operators. Thus, VIA Rail has only limited ability to establish the service schedules that would best serve its own commercial interests. In recent years, VIA Rail has struggled to improve the punctuality of its passenger rail operations. Following the negotiation with CNR and CPR of more realistic arrival and departures times for VIA Rail's trains, the corporation's 2009 annual report announced a significant year-to-year

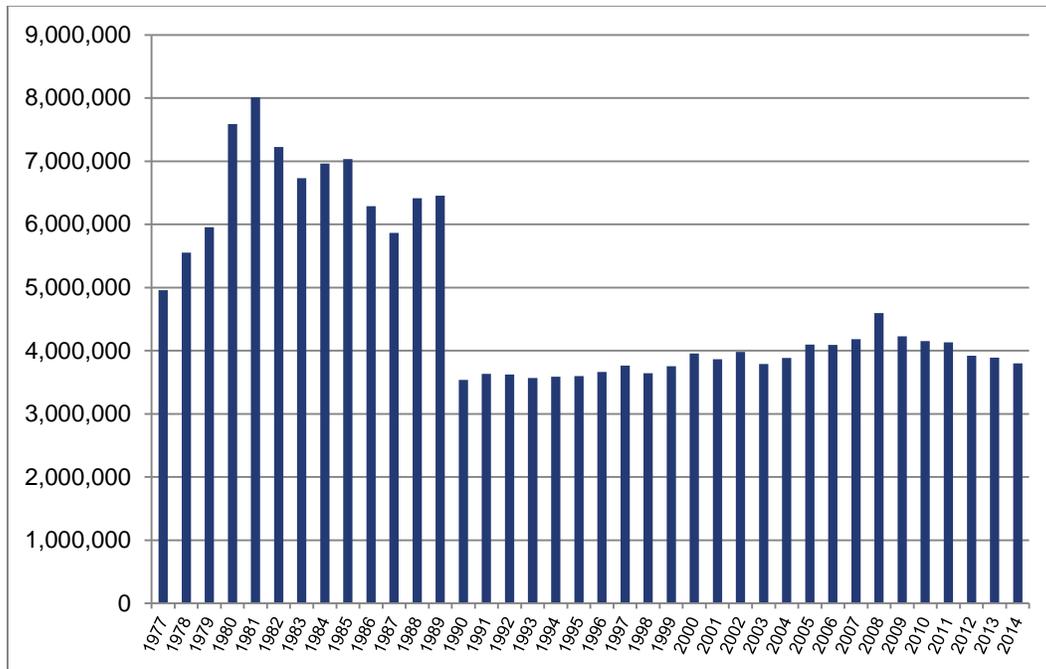
improvement in its “on-time performance (OTP),” stating that 83% of its trains ran on time in 2009, compared to only 75% in 2008.⁸ In 2014, VIA Rail reported a drop in its OTP to 76%, owing to rising traffic in oil, grain and freight haulage and increasing commuter rail traffic volumes in Toronto and Montréal.⁹

4 ANALYSIS OF VIA RAIL’S PERFORMANCE

4.1 ANNUAL RIDERSHIP

Ridership on VIA Rail peaked at around 8 million passengers in 1981 and subsequently declined as VIA Rail abandoned some popular but unprofitable routes (see Figure 2). During most of the 1980s, annual ridership volumes fluctuated between approximately 6 million and 7 million passengers. In 1989, the federal government asked VIA Rail to reduce its operating costs and increase revenues so as to require lower subsidies. VIA Rail restructured its operations by reducing its workforce and cutting services on unprofitable routes. In 1989–1990, VIA Rail’s restructuring resulted in a loss of over 45% of its ridership traffic as a number of unprofitable corridors and branch lines were dropped, focusing instead on routes with better potential for growth both in terms of ridership volumes and revenue-generating capacity. Since then, ridership has slowly increased and peaked at about 4.6 million passengers in 2008. After 2008, VIA Rail’s ridership slowly declined owing to increasing competition from freight traffic volumes and rising regional commuter rail traffic.

Figure 2 – VIA’s Annual Ridership, 1977–2014

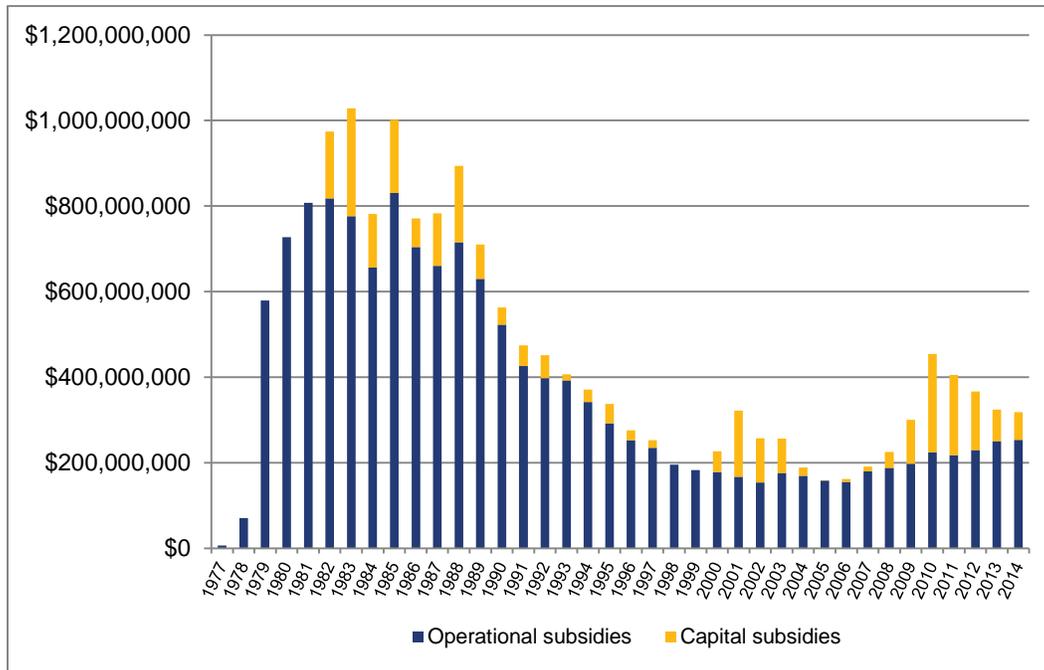


Source: VIA Rail Canada Inc., annual reports, 1977–2014.

4.2 FEDERAL FUNDING

Given the federal government's directive to VIA Rail to provide passenger rail service to the general population, and VIA Rail's current operating cost structure, the corporation requires federal subsidies to fulfill its mandate. Figure 3 illustrates VIA Rail's annual capital and operational subsidies, in constant (2002) dollars.

**Figure 3 – VIA Rail's Annual Subsidies, 1977–2014
(in constant 2002 dollars)**



Source: VIA Rail Canada Inc., annual reports, 1977–2014; and *Public Accounts of Canada*, 1977–2014.

In its first years of operation, VIA Rail's annual subsidies rose continuously until 1983, when the federal government began reducing subsidies. Beginning in 1982, capital subsidies rose as VIA Rail disposed of some aging equipment and second-hand locomotives and replaced them with new, more technologically advanced rolling stock. By the mid- to late 1980s, total subsidies fluctuated between \$700 million and \$1 billion per year; then in 1989, the federal government again directed VIA Rail to restructure its operations to reduce subsidy requirements. Many uneconomical routes were altered or simply abandoned, resulting in a 45% drop in annual ridership (see Figure 2).

Federal funding declined continuously throughout the 1990s, at the same time that VIA Rail was restructuring and downsizing its operations. By the late 1990s, operational subsidies, which constituted the bulk of federal funding, fluctuated between \$180 million and \$200 million per year. After declining in the mid-2000s, total annual subsidies started climbing again in 2006. In 2010, they peaked at almost \$445 million and then declined to about \$318 million in 2014. (All figures are in constant 2002 dollars.)

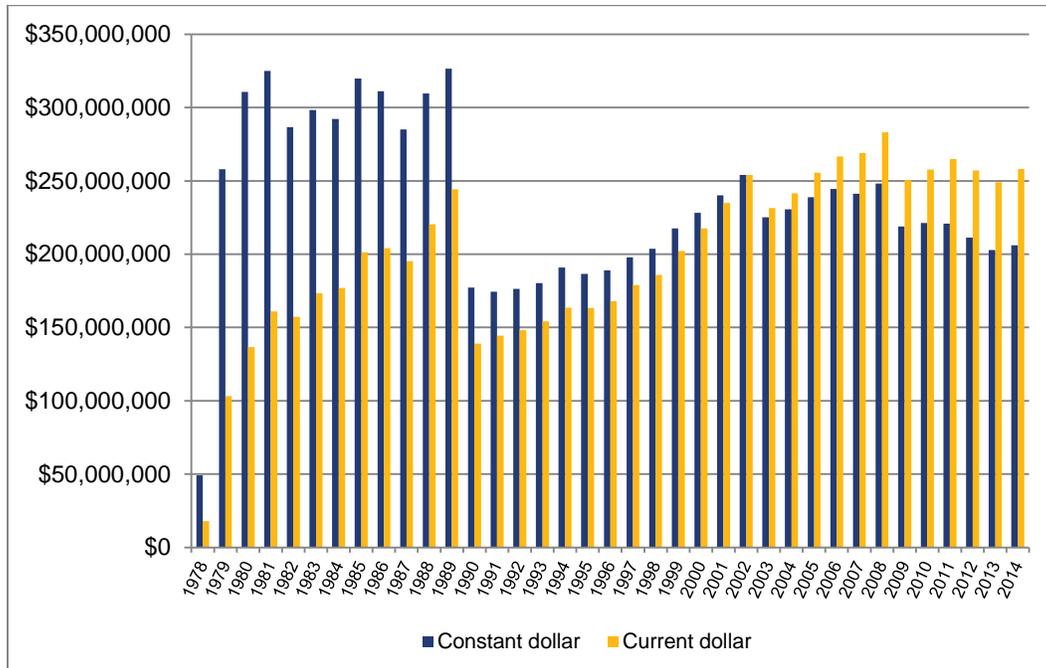
Apart from a few isolated peaks in the 1980s, capital subsidies declined over 10 years, from the late 1980s until the late 1990s, when VIA Rail received no capital

subsidies at all. Capital subsidies resumed their growth in 2000 and peaked in 2001 at almost \$155 million in constant 2002 dollars, only to decline and then surge back in 2009. The increase in capital subsidies was attributable to federal government announcements made in 2007 and 2009 of new capital subsidies to help refurbish VIA Rail’s rolling stock, upgrade fixed infrastructure and facilities such as stations and tracks, and improve passenger rail service. In 2014, capital subsidies stood at \$65 million in constant (2002) dollars.

4.3 RIDERSHIP REVENUES

VIA Rail does not depend solely on federal subsidies to cover expenses. Figure 4 shows revenues, in both current dollars and constant 2002 dollars, directly related to passenger ticket sales. The sudden drop in revenues in 1990 reflects the drop in ridership resulting from the abandonment of uneconomical railway routes. After this break, revenues resumed rising from year to year, reaching a peak of just over \$283 million in 2008 (or \$248 million in constant 2002 dollars). Since 2008, ridership revenues in current and real terms have stagnated owing to the recession and loss of ridership resulting from increasing volumes of competing commodity and regional commuter rail traffic. Ridership revenues stood at \$258 million in 2014 (or \$206 million in constant 2002 dollars). Over its 38 years of operations, VIA Rail has not yet achieved financial self-sufficiency or profitability.

**Figure 4 – VIA Rail’s Annual Ridership Revenues, 1978–2014
(in current and constant 2002 dollars)**

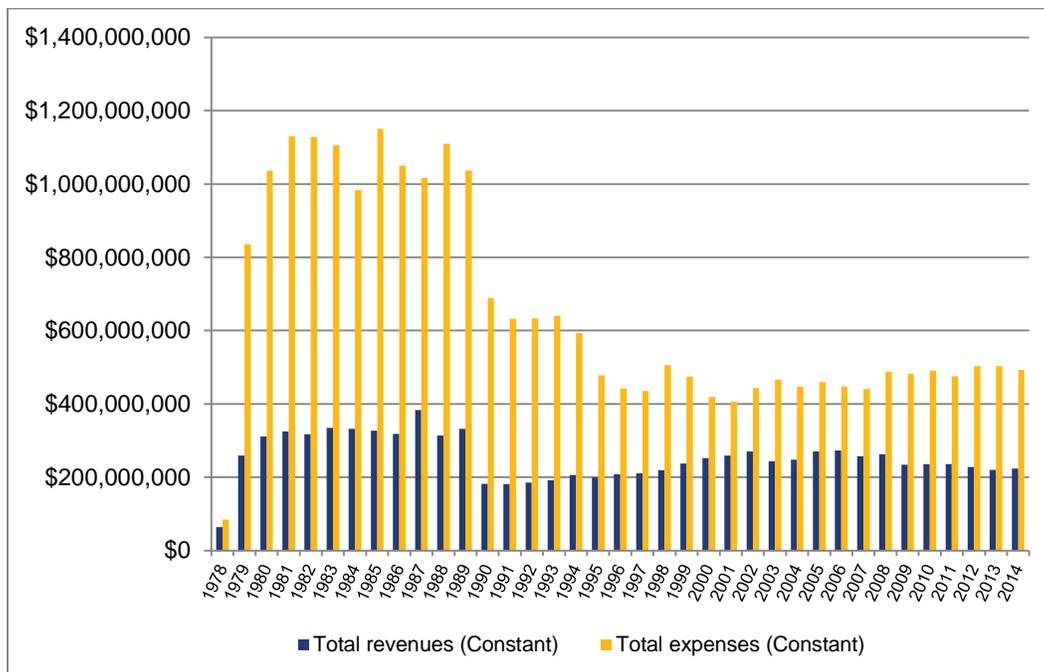


Source: VIA Rail Canada Inc., annual reports, 1978–2014.

4.4 RIDERSHIP REVENUES VERSUS EXPENSES

As shown in Figure 5, a notable disparity existed between expenses and ridership revenues in VIA Rail’s first years of operation; after 1990, when VIA Rail underwent further restructuring, expenses contracted slowly while revenues gradually rose. While expenses clearly remain well above revenues generated, VIA Rail has had some success since the mid-1990s in containing costs through improved management of contractual agreements with CNR and CPR and better cost-control of its own operations.¹⁰ Over the last 20 years, annual expenses have fluctuated towards \$500 million while passenger revenues have stabilized around \$220 million, so the gap between expenses and revenues has been expanding over time.

Figure 5 – VIA Rail’s Annual Ridership Revenues and Expenses, 1978–2014 (in constant 2002 dollars)



Source: VIA Rail Canada Inc., annual reports, 1978–2014.

5 SOME OBSERVATIONS ON VIA RAIL’S FUTURE

VIA Rail’s current level of operational subsidies is only enough to maintain the present level of passenger rail service. Capital funding is intermittent and is used largely to repair and refurbish existing rolling stock and installations, not to significantly upgrade the passenger rail system.

Despite unpredictable government subsidies, VIA Rail has managed over the years to stabilize its annual ridership volume. It has also achieved some success in improving its operational efficiency and in managing its contractual obligations with CNR and CPR. These efforts, however, have not been enough to realize profitability.¹¹ Commercial viability remains an elusive goal, and VIA Rail cannot expect to continue operations without federal government support.

VIA Rail's ability to run its business efficiently is severely constrained by the fact that it must share railroad tracks with the two national rail carriers and other regional rail carriers and does not have priority access to these tracks. Thus, VIA Rail cannot easily establish the frequency or routes that would best promote its own commercial interests. Increasing the frequency and speed of VIA Rail's passenger service on the existing rail infrastructure would also directly affect maintenance costs, track capacity and passenger safety for all the carriers using those tracks.

Even if VIA Rail could gain greater access to existing tracks or build its own separate rail network, questions still remain about the commercial potential of passenger rail service compared to alternative modes of transportation in Canada. According to a number of studies, passenger rail could potentially fit particular market niches, such as the Québec City–Windsor corridor, that have been found to have the best commercial growth potential for such services. These routes could even be competitive against short-haul regional airlines. However, the gap between potential and actual profitability remains wide and difficult to bridge.¹²

5.1 HIGH-SPEED RAIL: PANACEA OR PIPE DREAM?

Current institutional and market constraints severely limit the growth prospects for passenger rail service in Canada. Since 1989, a number of studies have examined the viability and the growth potential of this service under a range of scenarios. Although the studies differ in approach and methodology, they concur on several points:¹³

- Under prevailing market conditions, passenger rail service is uneconomical and, without continued and substantial government support, will continue to decline.
- VIA Rail must negotiate with the mainline freight carriers to secure access and right-of-use of rail tracks. This situation raises questions about the suitability of passenger rail service using a railroad network that is principally dedicated to freight haulage. Should building a separate, dedicated track network for passenger rail service be considered?
- A limited number of routes exist with some potential for growth in passenger volume and revenue, mostly within the Québec City–Windsor corridor.
- VIA Rail's existing rolling stock and fixed installations are rapidly aging and will need to be replaced and/or upgraded.

- High-speed passenger rail provides the best potential for profitability and market growth but would require substantial investment in advanced technology and new equipment.
- High-speed rail options would require a dedicated track and electrification of the entire network, with few or no level crossings.
- Most, if not all, scenarios involving the adoption of high-speed rail would require continued government financial commitment, particularly in the form of underwriting the significant capital costs of the project.
- Some scenarios involve the federal government nationalizing fixed railroad installations and allowing a single, private carrier to provide passenger rail service competing against other modes of transportation.

Studies of the feasibility of a high-speed rail network in Canada have found that, while such a network would be technically feasible and desirable on a number of fronts (e.g., it would provide some environmental and economic benefits), it would not realize a high enough return on capital outlay to attract private-sector investors to finance the entire project. For this initiative to proceed, large financial commitments would have to be secured from the federal government, including the underwriting of part of the capital costs associated with the development and building of new and advanced rolling stock and fixed facilities.¹⁴

In February 2009, the federal government, together with the governments of Ontario and Quebec, awarded a \$3-million contract to the EcoTrain consortium to update a 1995 study on the feasibility of high-speed rail in the Québec City–Windsor corridor.¹⁵ The 1995 study (which was sponsored by the same three governments) had concluded that a high-speed rail link would be possible and desirable, but not without public investment amounting to 75% of total project costs.¹⁶ Released to the public in November 2011, the report for the updated study estimated the total development costs of the high-speed rail project at between \$18.9 billion and \$21.3 billion in 2009 dollars, depending on the locomotive technology used (i.e., diesel versus electric). It also found that, while the completed project could cover all operating costs, participating governments would have to contribute significantly to the development costs and receive no financial return on their investment.¹⁷ According to press reports, the Minister of Transport has said, “In these fiscal circumstances, a new project of this scope is not a priority for our government.”¹⁸

6 RECENT DEVELOPMENTS

Given that the federal government does not consider high-speed passenger rail a practical option or as a feasible solution to improve passenger rail service, VIA Rail has recently taken the initiative to explore another approach. VIA Rail is promoting the notion of high-frequency rail (HFR) rather than high-speed rail (HSR) through the acquisition and building of a rail network dedicated to passenger rail service only. A dedicated track for passenger rail service would resolve the rail traffic congestion issues associated with sharing the network with freight rail carriers.¹⁹

A passenger rail dedicated track would also allow VIA Rail more latitude to increase frequency of service; improve the availability and convenience of rail service to all Canadians and thus add ridership volume; generate more passenger revenue; reduce reliance on government subsidies; and improve the percentage of trains running on schedule.

VIA Rail's HFR strategy would require the acquisition of existing trackage from freight railways and the rehabilitation or rebuilding of existing rights-of-way found within the Toronto–Ottawa–Montréal segment of the Québec City–Windsor corridor. Unlike the HSR option, which would require the construction of an entirely new and dedicated high-speed rail network infrastructure and necessitate substantial investment in new and untried technology and equipment, the HFR option offers merely to expand and rehabilitate the existing rail network for passenger rail service using existing technology and operating at conventional speeds. The HFR strategy proposed by VIA Rail is considerably less costly than the proposed HSR schemes, with lower execution risk and quicker implementation to market.

According to VIA Rail, the HFR project would cost \$3 billion in capital costs, two thirds of which would be for the acquisition and rehabilitation of trackage and signalling infrastructure. The Toronto–Ottawa–Montréal dedicated segment was selected for having the best potential to achieve profitability, and over the years VIA Rail would slowly expand passenger rail service to a greater number of communities across Canada. The dedicated rail network would include VIA Rail's intercity passenger rail services and regional and metropolitan commuter rail services such as MetroLinx (Greater Toronto region) and the Agence métropolitaine de transport (Greater Montréal region).

With a dedicated track, VIA Rail hopes that doubling the frequency of passenger rail service would increase ridership almost fourfold, thus increasing revenues and reducing reliance on federal government subsidies. To further reduce the burden on the Canadian taxpayer, VIA Rail is seeking to secure private financing to implement the project.²⁰

VIA Rail intends to submit its HFR proposal to federal cabinet either by the end of 2015 or early 2016. If the proposal is approved, VIA Rail would implement the initiative in four to seven years.²¹

7 CONCLUSION

Over its 38-year history, VIA Rail Canada Inc. has managed its (non-legislated) mandate of maintaining passenger rail service under considerable institutional, market and financial constraints. It has improved its operational efficiency in recent years despite ongoing limitations, including its lack of independence from federal Cabinet decision-making, its reliance on federal subsidies, the sharing of rail tracks and other fixed facilities with CNR and CPR, and the fact that it has little or no discretion in deciding whether to focus on profitable routes or discard uneconomical ones.

The prospects for intercity passenger rail service in Canada remain uncertain at best, given current economic circumstances and available transportation options. The fact that VIA Rail must share the same tracks and other facilities with other rail carriers severely limits its capacity to deliver efficient and timely passenger rail service to the fullest potential, undermining VIA Rail's ability to fulfill its mandate. VIA Rail's current efforts to develop a separate rail network dedicated to passenger rail offers perhaps the best available option for improving the growth potential of intercity passenger rail service in Canada.

NOTES

1. Canada Transportation Act Review Panel, "Chapter 11 – Ferries, Intercity Buses and Passenger Trains," in [Vision and Balance: Report of the Canada Transportation Act Review Panel](#), Ottawa, June 2001.
2. Statistics Canada, "[Section T: Transportation and Communication](#)," *Historical Statistics of Canada*, Catalogue no. 11-516-X, Ottawa, 29 July 1999; and "[Contemporary Railways](#)," *The Canadian Encyclopedia*.
3. Most of the factual material in this section is drawn from VIA Rail Canada Inc., *Review of Passenger Rail Transportation in Canada*, Montréal, July 1989.
4. Anthony Perl, *New Departures: Rethinking Rail Passenger Policy in the Twenty-First Century*, University Press of Kentucky, Lexington, KY, 2002, p. 112.
5. Paul T. Hough, *A Concise History of VIA Rail*, Research Branch, Library of Parliament, Ottawa, 11 July 1989.
6. Under the *Financial Administration Act* (s. 127(3)), "[N]o Crown corporation shall enter into any particular transaction to borrow money without the approval of the Minister of Finance with respect to the time and the terms and conditions of the transaction."
7. VIA Rail Canada Inc., "Corporate Overview," [2010 Annual Report](#), Montréal, 2010, p. 2; and House of Commons, Standing Committee on Transport, Section 1.1, "VIA Rail Services," in [The Renaissance of Passenger Rail in Canada](#), Fourth Report, 1st Session, 36th Parliament, June 1998.
8. Office of the Auditor General of Canada, "[Chapter 7 – Special Examinations of Crown Corporations – 2008](#)," in *Report of the Auditor General of Canada to the House of Commons*, Spring 2009, Ottawa, 12 May 2009.
9. VIA Rail Canada Inc., [Annual Report 2014](#), Montréal, 2014, p. 8.
10. Other revenue sources, such as investments, are not included because their overall contribution is minor.
11. VIA Rail Canada Inc. (2010), pp. 17–19; and John Christopher, *VIA Rail Canada Inc.*, Research Branch, Library of Parliament, Ottawa, 14 April 1989.
12. VIA Rail Canada Inc. (2010).
13. Richard Partridge, *Economic and Financial Analysis of the Corridor Rail Passenger System*, Canadian Transport Commission, Research Branch, Ottawa, October 1979; and Canada Transportation Act Review Panel (2001).
14. See the following reports: VIA Rail Canada Inc. (1989); Michael K. Berkowitz, *The Potential for Competition in Rail Carriage*, Report prepared for the Research Division of the Royal Commission on National Passenger Transportation, July 1991; and House of Commons, Standing Committee on Transport (1998).

15. Transport Canada, *Québec–Ontario High Speed Rail Project – Final Report*, August 1995.
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19. Josh Zeliger and Lee Greenberg, "Tories rule out funding for Windsor–Quebec rail link," *Ottawa Citizen*, 16 November 2011.
20. Yves Desjardins-Siciliano, President and CEO of VIA Rail, "[Top 5 things to know about VIA Rail's plan for dedicated tracks](#)," Excerpts from a speech at the Canadian Council for Public-Private Partnerships, 4 June 2015.
21. Eric Atkins, "[VIA Rail looks to private investment for \\$3-billion dedicated track plan](#)," *The Globe and Mail* [Toronto], 4 July 2015.