



## **RESTORING RAIL ON VANCOUVER ISLAND (2020)**

### **Opening Statement**

Transportation of freight and passengers by rail is a cost effective and economically beneficial mode of transportation worldwide. On Vancouver Island, the former Esquimalt and Nanaimo (E&N) rail corridor, now maintained by the Island Corridor Foundation, presents an opportunity for the re-introduction of this mode of transportation to one of the fastest growing sections of BC.

### **Background**

The following summary is quoted from the Island Corridor Foundation website:

*The Vancouver Island Railway, first known as the Esquimalt and Nanaimo (E&N) Railway, was incorporated on 27 September 1883 by Victoria coal baron Sir Robert Dunsmuir, to support the coal and lumber industry and the Royal Navy Base as Esquimalt. Construction began on April 30, 1884 and on the 13th August 1886 Prime Minister Sir John A. MacDonald drove the last railway spike into the ground along the section above the Malahat Highway. The initial rail extended for 115 kilometres from Esquimalt to Nanaimo; hence the original name of the company. In 1888 the line was extended to the City of Victoria. In 1905 Robert Dunsmuir's son James sold the railway to the Canadian Pacific Railway (CPR) who extended it to Lake Cowichan, Port Alberni, Parksville, Qualicum Beach and Courtenay.*

*In 1953, CPR discontinued the Port Alberni passenger service. In 1979 VIA Rail assumed operational responsibility for the passenger service but CPR retained ownership. VIA provided the rolling stock, passenger subsidy and ticket sales. Advertising was minimal so the railway was operating in isolation to the rest of Canada and North America. In 1998 CPR sold the east-west corridor between Parksville and Port Alberni to Rail America, and entered into an agreement to carry freight, which was taken to the barge facility at Nanaimo. At that time approximately 8,500 carloads of forest and paper products, minerals and chemicals were transported by rail each year.*

*More changes occurred when Norske company which owned mills in Port Alberni, discontinued the use of rail service, opting for truck freight instead. With the loss of this significant revenue stream Rail America announced its intention to cease operations and leave Vancouver Island.*

*The railway on Vancouver Island had been operating in uncertain conditions for a number of years. CPR neglected proper maintenance as rail in general declined. Only a few freight customers remained and the trend that saw a general downturn in railways in North America was reflected in this part of the Trans Canada Railway system.*

*Vancouver Island citizens were strong proponents of keeping the railway running and improving maintenance. Many groups tried to influence those who were responsible, but the decline continued. Finally, when Rail America announced that they would no longer provide freight or passenger service communities on the Island rebelled. Two conferences were held to find a way to turn the situation around before the deadline when service would be halted. A series of Roundtables on the Future of Rail on Vancouver Island brought all those involved together (some rather reluctantly) to find a solution. The*

*Roundtables also created a forum for intense networking and discussions between all parties. In the interim the passenger service and some freight service continued.*

*Through the energy and the will of Vancouver Island people led by local governments and First Nations, the Island Corridor Foundation was formed in 2003. It is a non-profit society incorporated under Part II of the Canada Corporations Act and registered as a Charity under the income tax act in December 2004. It is a partnership between First Nations and Regional Districts along the right of way who comprise the members of the Foundation. As a registered charity, the Foundation negotiated with CPR to acquire the rail lands in exchange for a tax receipt which the Foundation was then able to issue. It also negotiated with Rail America to return that section of the line and restore the railway on Vancouver Island to a single entity.*

A 2009 study of the rail line concluded the following:<sup>1</sup>

- A market for freight exists and could see up to 15,000 rail cars per year on the line.
- Improving passenger service could be done incrementally.
- While the costs per tonne of freight and per person moved are high, the use of rail services would reduce green house gas emissions.

One oversight of the report is that it compares potential costs to other rail services (per passenger or per tonne of freight) but fails to compare those costs to the public, tax-payer paid costs of private vehicles on government funded roads. This is a change in analysis that is needed in all discussions about infrastructure so that the true costs of moving freight and people is correctly quantified and reviewed.

The costs to the tax payer for vehicle kilometer traveled have been estimated at \$0.185<sup>2</sup>. Taking this into consideration and comparing it to the costs per passenger for a restored rail service, the costs to the public end up being very similar to road transportation. Table 1 below illustrates this with an analysis of costs for road transport from Courtenay to various destinations along the rail corridor (excluding the vehicle cost itself):

*Table 1 (rail costs are from the 2009 IBI study and are specific to the E&N Rail corridor)*

Destination	Distance (km)	Costs	Rail Costs (passenger)
Nanaimo	110	\$20.35	\$50.00
Duncan	160	\$29.60	to
Victoria	220	\$40.70	\$60.00

While there is an increase in costs per passenger, with increased efficiency in the rail service, these costs can be brought down. The West Coast Express that services Vancouver costs \$6 per passenger trip, far below the public costs of road infrastructure for a similar passenger trip by car.

The Malahat corridor leading into and Victoria is a major choke point for commerce on Vancouver Island. Over the past several years (and for the next several) upwards of \$150,000,000 will be spent on roadworks projects that still won't see the entire corridor (Mackenzie Interchange to Mill Bay) be 4 lanes. Investing in rail on Vancouver Island will further alleviate traffic at a lower cost per passenger than more road improvements.

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<sup>1</sup> "Evaluation of the E&N Railway Corridor: Foundation Report". BC Ministry of Transportation and Infrastructure. IBI Group. 2009

<sup>2</sup> "Where the Rubber Meets the Road: How Much Motorists Pay for Road Infrastructure". Conference Board of Canada. Accessed on March 4, 2020: <https://www.conferenceboard.ca/topics/energy-enviro/infrastructure.aspx?AspxAutoDetectCookieSupport=1>

Further, it is anticipated that peak hour travel times from Mill Bay to Victoria are set to grow from the 2020 duration of between 43 to 70 minutes to between 87 and 144 minutes by 2038. The rail travel time from Shawnigan to Victoria is currently 58 minutes including stops, with no improvements made to the corridor. Similarly, the current travel time on roads at peak hours from West Hills to Victoria is 60 to 70 minutes, and the same trip can be made on existing rail infrastructure in 18 minutes.

The environmental benefits of rail versus vehicle transportation are also worth reviewing. For example, per passenger mile commuter rail produces 0.33 pounds of CO2 per person moved, whereas a transit bus produces 0.64 pounds per person moved, and private autos produce 0.96 pounds of CO2 per person moved. Similarly, trucks transporting goods and freight produce 4.5 times the CO2 that trains moving the same materials produce.

The opportunity to improve freight movement between the ports in Nanaimo and Port Alberni would be of benefit to the entire economy of BC. This rail link would allow these ports to increase shipping capacity for the Province, decrease shipping times by avoiding the need to navigate around Vancouver Island, and increase shipping safety by taking freight out of the narrow passages around either the north or south end of the Island.

Tourism opportunities will also be served by increased rail services. A specific example is the McLean Mill National historic Park and Site. Historic locomotives had used the Port Alberni subdivision of the E&N Railway. Restoring this section of track not only opens the way for freight to be shipped between the ports, but will allow this tourist site to offer train rides again. In addition to this specific tourist attraction, increased access for tourist by rail will enhance the use of tourist amenities along the entire rail line.

Extension of the rail line to the northern communities of Vancouver Island is also worth considering. The ability to move freight and passengers the length of the Island will benefit all communities, and provide a vital transportation link that will enhance economic opportunities for the whole island.

While the corridor remains intact, the Province retains an opportunity to act.

#### THE CHAMBER RECOMMENDS

The Provincial government work with the Federal government to:

1. Ensure that the Island Corridor remains intact and is designated as a transportation corridor with priority given to rail infrastructure;
2. Fund phased improvements and upgrades to the E&N Rail Corridor to ensure it returns to operation and is capable of providing commuter and inter-city rail service, with an initial priority on commuter rail service in the greater Victoria area; and
3. Commit to ongoing operational funding the E&N Rail Service so it can function as a commuter and inter-city rail service, per the phased improvement plan.

