High Frequency Rail: Realizing the Promise

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Thank you for that kind introduction. I'm grateful for the invitation to be here. I am a huge fan of the Board of Trade and its exceptional leader, Jan da Silva. The Board does important work in making Toronto one of the great cities of the world. This is my first time speaking publicly about VIA HFR and I can't imagine a better place.

I speak today as second choice. We would all prefer to hear more from Minister Alghabra. He would very much like to have been here today to speak of his passionate commitment to high frequency rail. Thank you for accepting his video message instead. He is an eloquent champion of this project and has skillfully navigated the Ottawa processes to gain the government's full support for it.

I was honoured when Minister Alghabra invited me to serve as the inaugural chair of VIA HFR. It is an important opportunity to advance the public interest and I am delighted to serve.

I have been here before. In 2009 Premier McGuinty invited me to be the first CEO of the new Metrolinx, as the planning agency known as Metrolinx and GO Transit were merged to become the regional transportation agency for the Greater Toronto Area. After effecting the merger, I served for eight years as chair of Metrolinx. It was a fabulous experience and I am very proud of what Metrolinx has accomplished since.

We have seen the remarkable difference that government vision and resolve, strong funding and determined work can make. Transit in Toronto is being transformed with GO's Regional Express Rail, the Eglinton Crosstown, the Finch LRT, the Hurontario LRT, the Hamilton LRT, the Scarborough subway and most recently, the Ontario Line. We will look back on all of this as transformational, building a far stronger and more successful GTA as a result.

As Minister Alghabra outlined his vision for high frequency rail, I was struck by the implications of linking Toronto, Ottawa, Montreal and Quebec City in a first phase, then—subject to further study—eventually adding London and Windsor. It is also a transformational vision.

High frequency rail means frequent, reliable and fast rail service on dedicated tracks, creating a powerful alternative to cars and airplanes, and making possible accessible, clean and comfortable transportation throughout the region. The Minister's vision is bold, and it is big. It is challenging, but it is also compelling. It is what we need, and it is what we will deliver.

When my appointment was announced, I received a lot of feedback. There were two themes. First, it is about time: about time that Canada committed to catching up to the quality of rail service so many Canadians have enjoyed in other countries and wondered why we could not have the same at home. These responses were enthusiastic and supportive, urging that we get on with the job and deliver the goods.

The second theme reflected skepticism: we've heard about this idea for a long time. Will it really happen this time?

The case for VIA HFR is compelling from every perspective. Everyone understands that. It is good for the climate. It is good for the passengers. It broadens opportunities for population growth and housing alternatives. It is good for the communities that will be served. It is good for business. It offers prompt, reliable transportation options between communities allowing greater degrees of freedom to citizens about where they live and where they work. This is why the instinctive reactions are enthusiastic support. It is a project whose time has come. It must be done.

It is also a big challenge. It is a large and complex project requiring major investment and intersecting with many communities and interests. Big infrastructure projects are tough, and HFR will be no exception. The previous visions for high-speed rail linking these communities remained just dreams. Thus the skepticism we will deliver this time. I am confident we will. This plan has been developed carefully, thoughtfully and skillfully.

It originated with VIA. VIA has long faced a problem of sharing rail corridors with freight trains and being the second priority in these corridors. This has led to inadequate and unreliable service. To remedy this situation VIA developed its vision for high frequency rail using tracks dedicated for passenger rail travel, thereby providing travellers a reliable and convenient alternative to cars and airplanes.

VIA did an excellent job advancing this vision and got it on the policy agenda. Ottawa then gave it careful study before committing the financial resources to make it a reality. In a partnership between Transport Canada, the Canada Infrastructure Bank and VIA Rail, Ottawa refined the plan, and moved forward. VIA HFR has inherited the outstanding work done by these government officials, who deserve great credit. In particular, I want to single out Michael Keenan who served as deputy minister and Vincent Robitaille who as assistant deputy minister led the project. Vincent is here today, and I would be grateful if he would stand up to be recognized.

The vision for high frequency rail is to provide frequent, reliable and reasonably fast rail service linking the major communities between Toronto and Quebec City, and, in a possible second phase, between Toronto and Windsor. The thesis is that passengers will use a high-quality service that offers many trips a day in comfort and with reasonable journey times and arrives on time virtually every time. This will offer a superior alternative to cars and airplanes. It will be better for the environment, and better for the communities we serve. Our challenge is to deliver exactly this.

Our team has a rigorous plan and the technical skills to achieve our vision. The plan will proceed in stages and harness the innovation and expertise of a private sector partner to co-develop the project, build, and operate it. It embraces the best current thinking on P3 projects: don't try to shift all the risks at the outset, but co-develop the project while creating strong incentives for innovation and efficiency. The first step is well underway. An RFQ has been launched and responses are due by April 24. The Canadian and international industry have demonstrated strong interest with over 400 participants at the information session last week in Montreal. The goal is to choose up to three qualified consortia to move forward this year into the RFP. Next year Ottawa will choose the private partner to Co-develop the project with VIA HFR. That consortium will contract with VIA HFR to deliver and then operate the service. The entire process will take about a decade. The cost estimates and budget will be refined through the co-development process and the government will make a final go/no go decision with that information in hand.

The RFQ and RFP processes invite innovation. The goals of the project are clear. Proponents are being invited to bring forward the most creative and innovative ways to achieve these goals. We want to draw on the best thinking available in the private sector, and combine it with the best of the public sector. We will also collaborate with VIA to draw on its decades of experience delivering passenger rail service.

What is the role of VIA HFR in all of this? We have been incorporated as a subsidiary of VIA Rail but as a Crown corporation we will report directly to Parliament through the Minister of Transport. We will be responsible for entering the contract with the private developer and delivering the project. We are expected to be a skilled, commercially effective and expert counterparty to the private developer working in a synergistic partnership to deliver the project. Prior to entering the contract, we will serve as an expert advisor to Transport Canada and Public Services and Procurement Canada as they lead the procurement process leading to the choice of the private developer. By the time we enter the contract, we need to have developed a strong team able to lead the corporation, advance the public interest and work well with the private developer.

We are setting up VIA HFR. We have three initial board members – myself, our vice chair Marie-José Nadeau and Rob Fonberg. Both Marie-José and Rob are formidable talents, and I am thrilled they are on the board. Marie José is a globally respected corporate director with deep experience in linear infrastructure borne of her more than 20 years as second in command at Hydro Quebec – Canada's largest utility – and as a director of Trans Mountain Pipeline. Rob has a remarkable record of public service as a long-time deputy minister in Ottawa followed by a successful career in entrepreneurial activities. We are seeking four more directors to complete the board of seven, at least one of whom will be Indigenous.

We are also searching for a CEO and using Korn Ferry to assist us. The search is advancing well. In the meantime, we have appointed an exceptional interim CEO, Marc-Olivier Ranger. Marc-Olivier is seconded from Transport Canada where he is a superstar. He's doing a terrific job setting up the corporation. I invite Marc-O to stand up and be recognized.

We are also moving the technical team previously reporting to Transport Canada and the Canada Infrastructure Bank into VIA HFR to give us an initial core team of expertise. Once we have the permanent CEO in place, we will grow the full team to make us a worthy counterparty to the private developer once selected. As a subsidiary, we have the flexibility to recruit

nationally and internationally to assemble the expertise to deliver this project. We welcome hearing from individuals who would like to be considered for any of the roles on the board or in management.

Our head office will be in Montreal where we have already taken space in the same building as VIA. We will also have a second office in Toronto, ideally located close to VIA and Metrolinx. We will locate talent in both offices giving us the flexibility to recruit to both cities.

One of the biggest challenges we face is gaining the social license to build this 1,000-kilometre railway. We will touch many communities, and we need the support of all of them. Most significantly, we will travel through many Indigenous communities. We will engage with these Indigenous People: we will seek their advice, we will seek to involve them, and we will seek their partnership. This process of engagement is already underway and will continue throughout the impact assessment process. We will build a team to guide all the stakeholder engagement activities knowing that doing this well and authentically is a prerequisite for success.

We also need to work well with the freight railways as we determine the best route for our service. It is clear that strong passenger rail service cannot be subordinate to freight rail service. We need to develop an approach that meets the needs of both.

This project links the two great provinces of Quebec and Ontario, both of which are making major commitments to transportation and transit. We will work closely with them to deliver this new service that complements their investments. We also need to work well with Toronto, Ottawa, Montreal and Quebec City and their transit agencies to sort out the best ways to enter and exit the cities and to provide a seamless experience for passengers.

In the meantime, VIA is not standing still. It has new rolling stock on order and it is working hard to improve both the quality and reliability of its service. Eventually VIA and VIA HFR will become one, so VIA's success is our success, and our success is VIA's. This is an important collaboration for both of us.

Ideally, we will also identify enabling works that can proceed even as the procurement process is unfolding. The more we can get done now, the sooner service will improve, and the sooner the whole project will be finished.

One question I am repeatedly asked is why this is called high frequency rail and not high-speed rail? Of course, everyone would like the highest possible speed delivering the lowest possible journey time. However high-speed rail carries unique and costly infrastructure requirements.

We will explore opportunities to save travellers as much time as possible. As the minister noted when he launched the procurement, we want to leverage the private sector's world-class knowledge and expertise to improve intercity passenger train service. We want ideas to

improve the service, including higher opportunities for higher speed segments where these make financial and operational sense. But the objective is to save time, not to achieve speed for the sake of speed.

Perhaps our biggest challenge in delivering HFR is building and maintaining public and government support for project given it costs a lot and will take a decade to deliver. To achieve this, we need to build momentum and then keep it up. We need to build support in every community we touch. We need to tell our story frequently and we need to build excitement about the possibilities that lie ahead. We need to explain the advantages of vastly improved passenger rail transportation, and we need to be seen as an important part of Canada's strategy for addressing the climate crisis. We need to be expert, credible and transparent. And we need to select an outstanding private partner to realize all this promise with us.

Building our national railway in the 19th century was one of Canada's great acts of building a nation. It was critical to realizing the full promise of Canada. This new project has similar promise, connecting our largest provinces with a 21st century passenger rail service worthy of our nation. Moreover, it offers an opportunity to advance reconciliation in a way that eluded Canada generation ago.

I hope all of you will join with us in this endeavour. We need your support, your ideas and your expertise. Working together we can accomplish something very special.

Thank you for your attention. Time permitting, I welcome your comments and questions.