

Notes for Remarks by Marc-Olivier Ranger

Chief Executive Officer

VIA HFR – VIA TGF Inc.

To the

Senate Standing Committee on National Finance

April 25, 2023

Ottawa, Ontario

Introduction

- Thank you Mr. Chair for inviting us this morning and providing us with the opportunity to discuss VIA HFR's – VIA TGF request within the Main Estimates.
- Honourable Senators, my name is Marc-Olivier Ranger and I am the Corporate Secretary and interim Chief Executive Officer of the new crown corporation that was established nearly five months ago under the Canada Business Corporation Act to develop and implement the High Frequency Rail project in the Québec and Ontario provinces.
- I am joined today by the corporation's Chief Financial Officer, Tom Roberts, to provide you with an overview of VIA HFR proposed funding and how it will support the corporation in fulfilling its mandate.

VIA HFR's Mandate

- On December 15, the Honourable Omar Alghabra, Minister of Transport announced the establishment of VIA HFR – VIA TGF Inc. VIA HFR's mandate is to develop and implement the High Frequency Rail project for passenger rail services in the Ontario-Quebec Corridor, in collaboration with the private sector and in cooperation with the Minister of Transport.
- VIA HFR was incorporated as a new, wholly owned subsidiary of VIA Rail to act as a dedicated project office for the High Frequency Rail project.
- VIA HFR was designated as a Parent Crown corporation. Similar to VIA Rail, the corporation reports directly to Parliament through the Minister of Transport.
- The head office for VIA HFR is located in Montréal.

The HFR Project

- The HFR Project is focused on improving intercity travel from Toronto to Quebec City, using mostly dedicated tracks that will pass through Peterborough, Ottawa, Montreal and Trois-Rivieres.
- The overarching goals of the High Frequency Rail project are to move passengers to their destinations faster, reliably and with reduced delays, using green technologies.

- VIA HFR will offer convenient departure schedules and provide enough seats so that Canadians can simply jump on the train to a different city, just like they do to board urban transit.
- It will achieve this by building more than 1,000-kilometres of railroad dedicated completely to passenger rail.
- This will be very different from today's railway experience.
- VIA Rail operates almost entirely on tracks owned by freight railroads. Thus, cargo rules the rails, and passenger trains must pull over and stop to let freight trains through.
- By building a network of dedicated passenger rail tracks, VIA-HFR will achieve reliable on-time performance in the range of 95%. VIA Rail achieves that now on the track that it owns in Eastern Ontario and Western Quebec.
- By having dedicated passenger track, the Government will also have the flexibility to consider options for faster travel time where it is safe and affordable to do so.

Procurement Process

- In the near term, the Government of Canada is leading a procurement process to select a private-sector developer partner for the project. Once this partner is selected, VIA HFR will work with the partner to design and develop the new High Frequency Rail. This will be done in what is called a co-development model.
- VIA HFR is preparing itself to work in close collaboration with a world-leading private-sector partner.
- The government completed the second step in the procurement process yesterday with the closure of the Request for Qualifications. The third step will follow this summer when the government invites up to three qualified teams to propose their solutions to our challenge.
- It is expected that the government will select one team next summer to operate as our private-sector partner.

- That partner will design, finance, build, operate and maintain intercity passenger rail. VIA HFR will oversee all the private-sector partner's work, on behalf of government.
- Together we will develop a comprehensive proposal for the government's consideration.
- Our goal is to meet Canadians' needs while protecting the public's interest and public finances. This includes amongst other things insuring that the project scope is clearly defined, and that there is rigorous oversight of all costs, schedules and risks.

Establishing VIA HFR in FY2023/24

- VIA HFR has already established a strong Board of Directors, including the Chair, Robert Prichard, the Vice-Chair Marie-José Nadeau, and our first Director, Rob Fonberg.
- Our search for a permanent CEO is well underway.
- Our executive team is taking shape, as evidenced by the presence today of our Chief Financial Officer, Tom Roberts and myself.
- Since incorporation, we have secured Treasury Board approval of our inaugural corporate plan and budget. The Minister will table a summary of that plan in Parliament by June 1.
- You will see in detail in that document how we are strengthening the corporation to become the project Contract Authority and Project Authority.

Corporate Plan and Budget

- This fiscal year, VIA HFR seeks \$43.7 million in spending authorities. Our spending is entirely operational. We have no borrowing plans. We plan no capital expenses.
- Our funding will enable us to achieve three main outcomes:
 - One, establishing and operationalizing VIA HFR so we can deliver effective project management

- Two, providing expert advice and technological leadership to the procurement process led by Government. The corporation will provide strategic advice to the Minister of Transport
 - Three, leading on stakeholder engagement and fulfilling the Crown's duty to consult in advance of the Impact Assessment that will be conducted for this project.
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- Right now, we are staffing up, developing corporate governance policies, completing the recruitment of Board Directors, and pursuing the recruitment of a CEO.
 - We are establishing performance management frameworks for the organization and seeking the appointment of the Auditor General as the corporation's external auditor.
 - I hope this gives you a good overview of our progress to date. As you can see, we are achieving momentum.
 - I thank you for your attention and would be happy to answer your questions.