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Minister of Energy, Northern Development and Mines
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Hon. Vic Fedeli
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January 14, 2019

Dear Ministers Yurek, Rickford and Fedeli:

Intercommunity Public Transportation for Northern Ontario

Transportation of goods and people is fundamental to every economy. This includes efficient public transportation options for those citizens who are unwilling, unable or reluctant to drive, including workers, tourists, students, elderly, medical patients, and many others. The economy suffers without proper/adequate modes of transportation. The challenges are particularly great in rural and Northern Ontario, due to the large distances involved.

It is well known that intercommunity public transportation options have declined dramatically in Northern Ontario in the past few years. The *Northlander* train between Toronto and Cochrane was cancelled in 2012. The Algoma Central Railway route between Sault Ste. Marie and Hearst was cancelled in 2015. Air service between major centres, as provided by Bearskin Airlines and Porter Airlines, has been declining. And motor coach service has also declined over the years, with the most notable recent example being Greyhound exiting from providing bus service west of Sudbury in 2018.

The economic case for improved intercommunity public transportation in Northern Ontario is strong. For example, reinstating the Algoma Central route at a Federal subsidy of \$2M/yr. yields economic benefits of \$48M/yr. and \$6M/yr. in additional tax revenue. And it goes without saying that labour mobility and tourism all across the region benefit from robust public transportation.

Therefore we were very pleased to see your Party's promise in the "Plan for the People" platform to "bring back passenger rail service to the North (\$45M per year)". Indeed, Transport Action Ontario sent a letter to Premier Ford and then-Minister Yakabuski congratulating them on their election victory and providing comments on this promise. We note that the Fall Economic Statement has broadened this promise, and states that "the government will continue to review other initiatives to meet Northerners' transportation needs, including passenger rail and bus services".

We greatly look forward to seeing some concrete actions on this matter. Fundamental to any review is that it be done by a competent entity. We believe it is necessary to establish a Northern-centric intercommunity public transportation planning authority. Too often, decisions affecting Northerners have been made by groups disconnected from the region, usually in Toronto. A region-wide planning authority, reporting to the Minister of Transportation, is best suited to bring together passenger rail, intercommunity bus, potential community-owned stations, linkages to public transit, short line preservation and rail freight operations and preservation. As a planning authority, responsibilities would include research, aligning with industry, aligning with Metrolinx, as well as holding appropriate planning sessions with operators to confirm a connected and seamless service across the region and connected to urban centres, including municipal, provincial, federal and private sector transportation services.

Importantly, the authority could hold planning sessions with the diverse array of private bus operators that have recently sprung up after the withdrawal of Greyhound from Northwestern Ontario, and should establish minimum levels of bus service for communities and assist in seamless ticketing.

The obvious candidate to fill such a function is Ontario Northland (ON), which has expertise in both rail and bus operations. Due to the obvious efficiencies, it might be better if ON reported to the Minister of Transportation rather than the Minister of Energy, Northern Development and Mines.

Once the planning authority has been selected, we believe the review should look beyond what was present in the past. We believe there are a number of new concepts that need to be explored in this review.

1. Adapt the successful GO Transit model (rail spine + bus feeder) to Northern Ontario, starting with a reinstated Northlander type of service. The GO Transit system is a wonderful example of an integrated rail-bus network, with schedule, marketing and fare integration. Due to the long distances and winter weather conditions across the North, rail travel is a necessity between major destinations, rather than bus-only. A *Northlander* spine between Toronto – North Bay - Cochrane with integrated bus feeders, whether they are ON buses, GO Transit buses or buses from private firms, makes a lot of sense for this corridor. The line could connect with the GO Richmond Hill line, providing connection to York Region’s VIVA Bus Rapid Transit service, Toronto’s Sheppard Subway (Line 4) and the balance of Greater Toronto’s rapid transit network including the Union Pearson Express.

Just as GO Transit has been able to achieve cooperation with CN on train frequencies, schedules, and schedule adherence, Ontario Northland needs to negotiate with CN, the rail corridor owner, to achieve acceptable schedules and schedule adherence. Prior to its cancellation in 2012, the *Northlander* had experienced two straight years of robust passenger growth, as well as improved on-time performance, due to a stronger relationship with CN. This needs to be built upon, with an appropriate schedule that aligns with passengers from throughout the north as well as ensuring the relationship with CN continues to be strong and includes a comprehensive “running rights” agreement that outlines specific on-time performance requirements. Both of these items would ensure a successful passenger experience and lead to increased ridership and customer satisfaction that would provide positive feedback to government.

2. Subsidization of Northern Ontario Bus Services. Just as public transit in southern Ontario is subsidized by government, we believe that subsidies to the private operators running intercommunity bus services in Northern Ontario may be needed to maintain minimum service levels. Although we have not studied the “mechanics” of such a subsidy, one idea is to involve Ontario Northland as an oversight body. ON would confirm, through ticket sales, the amount of subsidization, if any, required from the Ministry. ON could also oversee any financial contributions from a community, should it desire to buy service above the minimum.

The Federal Government announced on October 31, 2018 that it will be collaborating with provincial/territorial governments to provide subsidies targeted at addressing gaps in intercommunity passenger bus transportation; to financially support start-up transportation companies in Indigenous communities through existing business

development programs; and to develop longer-term options over the next two years through a federal, provincial and territorial working group. Ontario needs to actively participate in this work.

3. Study expansion to other rail corridors using existing freight short lines. Although reinstatement of the *Northlander* spine should clearly be the first step, there are other rail corridors where this same rail-bus concept should be studied. The Northeastern Ontario Rail Network (NEORN) has proposed the “NEORN Loop”, involving passenger rail service along existing freight lines to connect Sudbury, Sault Ste. Marie, Hearst and Timmins to North Bay. We note that a key component of this loop, the Huron Central Railway, is under threat of closure and needs a new, revitalized direction.

The *Northlander* spine, proceeding first, will provide good data on the impact of the spine model and provide better information on ridership and subsidy requirements, forming a more educated business case for subsequent phases of the Loop.

4. Cooperate with the Federal Government to get more benefit for Northern Ontario. There are numerous areas where closer cooperation with the Federal Government can yield economic and social benefits.

VIA Rail Canada’s *Canadian* train is suffering from federal neglect. It has been reduced to running only two trains per week, often hours late. This makes any connections to a bus feeder network impossible. In addition, the route of the *Canadian* is non-optimal, as it bypasses major population centres in Barrie, downtown Sudbury and Thunder Bay. In sum, it offers very little value to Northern Ontario travelers. The planning agency, together with Transport Canada, should review the benefits of shifting this service to the CP line along the shores of Lake Superior – serving more people and providing a huge benefit to the Northern Ontario tourism business.

The federal government is also missing in action on the Algoma Central Railway between Sault Ste Marie and Hearst. This remote service was suspended in 2014 when Ottawa removed its \$2M/yr. subsidy. A recent socioeconomic study has shown that the employment and tourism dollars from this line would result in over \$48M/yr. in regional economic benefits and \$6M/yr. in tax revenue, greatly exceeding the subsidy. Furthermore, the Missanabie Cree First Nation (MCFN) has provided Transport Canada with a detailed business plan and received a Rail Operating Certificate. They have also developed good relations with CN who has approved them to operate the passenger service. MCFN is ready to restart the passenger service which will be called Mask-wa Oo-ta-ban (Cree for “Bear Train”) once the federal subsidy of \$2M/yr. is received. But the federal government refuses to move. The planning agency should review having Ontario Northland partner with the MCFN and Transport Canada to have this service operating by summer 2019.

The *Polar Bear Express*, running between Cochrane and Moosonee clearly qualifies as a remote service and should be eligible for funding from the Federal Remote Passenger Rail Program. Ontario should seek this funding.

Lastly, the offer of the Federal Government to work with provinces to enhance intercommunity bus service, including subsidies and startup funds as discussed earlier in this letter, needs to be acted upon.

5. Work on a plan to save the Huron Central Railway line. This short line railway is an important link between Sault Ste. Marie and Sudbury serving a few large industries. The railway has been unsuccessful in attracting new business to augment its current traffic flows. Virtually no business originates locally in Sudbury and elsewhere in the northeast. This situation could be resolved somewhat if only one railway served the entire region, that being the Ontario Northland. The track does require some additional upgrades to improve operations. The current, interim funding of \$900K from the Province for 2019 will help find a solution but a long-term, strategic direction is paramount to continued operations.

The Federal Government, through its FedNor program, should also play a role in saving the HCR.

The Ontario Northland should be consulted and be part of any new directions for this line and the Ottawa Valley railway as well. Ontario Northland could provide skilled oversight to ensure public funding is used appropriately.

6. Study Barrie Bus Hub between Ontario Northland and Metrolinx. Last summer, ON ran a successful bus pilot, where its buses met GO trains in Barrie on Friday and Aurora on Sunday. The concept of a Barrie bus hub, connecting to GO Transit rail service southbound from Barrie, has strategic appeal. Traffic congestion between Toronto and Barrie is often a problem at peak times, impacting bus service. As the Barrie GO line has/will connect to both the Spadina Subway and the Eglinton Crosstown LRT, numerous passenger destinations in the northern part of Greater Toronto may be more conveniently reached by this approach.

In conclusion, Ministers, we have two key asks:

- Establish a Northern-centric intercommunity public transportation planning authority. We believe Ontario Northland is the obvious candidate to fill such a function. Once established, direct that authority to review a broad array of initiatives to meet Northerner's public transportation needs, including the ideas in this letter. Implementation of the final plan should then follow promptly.
- Establish better dialogue and cooperation with Transport Canada, as a number of issues cited above, such as passenger rail, First Nations, Huron Central and intercommunity bus, clearly involve cooperation with the Federal Government.

We would be pleased to discuss these further with you or your staff. We will be writing your counterparts in Ottawa on these matters.

Yours sincerely,

Peter Miasek

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Lucille Frith

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