

major changes in passenger rail service in this country since the creation of VIA Rail Canada Inc. The Committee feels that the Order may have to be substantially amended to reflect current conditions. The Committee recommends that avoidable cost structure for the Canadian rail passenger system be adopted through amendment to the existing order or through the issuance of new railway costing order.

7. The Committee recommends that the two major railroad companies, CP Rail and CN Rail, be responsible for an initial contribution figure of two-thirds of the value of free and reduced fare employee travel passes provided by VIA with the opportunity to reduce this contribution level down to a minimum of one-third of the value on the basis of an on-time passenger train performance incentive arrangement.

8. The Committee recommends that VIA Rail Canada Inc. present a plan for the acquisition of selected passenger railway stations in Canada to the CTC and the Department of Transport. This plan should include VIA's long range goals regarding these facilities including a detailed discussion of the possibility of converting them into integrated transportation centres.

9. The Committee further recommends that prior to the acquisition of any railway stations and associated facilities, or prior to the signing of any firm contractual commitment to purchase such properties by VIA, the terms and conditions of the acquisition, including the purchase price, be examined by independent auditors and evaluators in accordance with current accounting principles, and that their findings be presented for parliamentary scrutiny and discussion.

10. The Committee recommends that the date used as a partial basis for the decision taken in last autumn's route abandonments should be re-examined in great detail in order to determine if all the facts were available and properly interpreted. This examination should be undertaken by the Railway Transport Committee of the CTC and the results of the investigation should be made public at the earliest opportunity. Furthermore, the Committee recommends that, in future, relevant information concerning particular routes that might become the subject of possible abandonment or service reductions be the object of informed public discussion prior to a decision being taken.

11. The Committee recommends that the concerned parties, namely the railways providing the service, the municipalities served, the CTC, the provincial governments and Transport Canada undertake consultations and negotiations prior to any route cancellations to ensure that commuter services will be maintained where necessary, either by VIA, or one of the other operating railways, or another entity should that be deemed desirable. The Committee emphasizes that this should be done prior to the elimination of such routes so as to avoid wholesale inconvenience and economic dislocation as a result of relatively sudden changes in long standing commuter services.

The Committee further recommends that a firm technical definition of commuter services be put forward by Transport Canada without delay. This will aid in ensuring that only routes that are truly commuter services will be transferred to provincial jurisdiction.

12. The Committee recommends that LRC train equipment be introduced in regular service on routes in the Atlantic provinces and in Western Canada as soon as is practicable. This should take place no later than 1984, barring unforeseen technological impediments.