

retraining and relocation for railway employees affected by the passenger train cutbacks. As a further spin-off consequence, there will be, in the Committee's view, certain adverse effects on tourism and recreational travel in the absence of certain traditionally well-travelled train routes that were used for sightseeing and conveying passengers particularly during recreational seasons.

The consequences of such route abandonments will be felt more profoundly among certain groups of Canadians. Trains traditionally have been the mode of travel used for medium and long distances at relatively low cost to the travelling public. Passengers on these trains are trading time for considerable savings. This has been particularly true, and the Committee feels continues to remain true, for persons on fixed incomes such as pensioners, students, and many other groups. Furthermore, certain undoubted hardships will be placed upon other Canadians who are living in geographically disadvantaged areas of the country and who have made use of railway transport in order to provide them with a certain degree of employment mobility, recreational travel, and opportunities to maintain family contacts over long distances.

(i) The Issue of the 13th and 14th Bills

As previously mentioned, VIA receives from the two operating railroads from which it leases services, monthly statements of the charges incurred for these services. The Committee notes with concern and indeed surprise, that these statements have in the past been generally unitemized. An example of a type of charge that is in issue is that of switching. CN Rail does provide a break down of such a charge by place and time. However, there is no component data available to VIA to assist it in determining the elements that comprise the charge. Therefore, VIA cannot determine the real value of the service. VIA has confirmed that this problem has been somewhat mitigated in the most recent contract negotiations particularly with CN Rail, and that they are receiving more of the cost breakdowns. This will surely facilitate the implementation of proper management decisions given that these payments exceed more than two-thirds of VIA's entire budget.

However, the one issue that perhaps stands out more than any other in connection with financial procedures and relations between VIA and the two operating railways is the issue of the 13th and 14th bills. As one would logically expect, there are twelve monthly statements presented by the railways to VIA Rail Canada Inc. for payment. However, in addition to these invoices, the contractual arrangements sanctioned by the Canadian Transport Commission provide for the presentation of a 13th bill or yearly statement of adjustment of charges to be paid by VIA to the railways in addition to the expenses settled in the monthly statements. This 13th bill represents an opportunity for CP and CN to recoup any amounts they failed to bill in the monthly statements, either because of incorrect estimates or delays in computing various charges. It is conceivable that this might involve a refund to VIA but, not surprisingly, so far the adjustments have always meant additional charges.

In addition to the 13th bill presented after the fiscal year end, there is also provision for a so-called "14th bill". This invoice represents a final adjustment figure which the operating railways can charge to VIA after their charges have been examined and approved by the CTC. Thus VIA Rail Canada Inc. is in the unenviable position of being faced with