

►► ***VIA Rail Is Not Servicing the Industry***

The industry in the U.S. impressed upon the Review Team its view that VIA Rail is, at the same time, one of the largest draws that Canada has as a tourism destination and a major barrier to tour operators trying to develop good products. Industry representatives stated that VIA cannot provide the number of seats required by American operators and seems to play favorites in terms of allocating available space to specific operators. In addition, the U.S. operators complained that VIA would not confirm seats within the time frame critical to these operators. In short, it was the view of the U.S.-based industry that VIA neither understands the needs of the tourism industry nor how to negotiate with it in the best interests of both parties.

The future of VIA Rail is a subject of enormous concern to American-based operators and, probably, Canadian operators as well (the latter were interviewed before the latest federal Budget). Within this atmosphere of uncertainty, VIA is perceived by the industry as being less than forthcoming as to either its corporate objectives or its yearly and long-term plans. While AMTRAK is working to develop services to meet the new U.S. demand, the industry's perception is that VIA seems to be actively engaged in turning away business.

►► ***The Industry Is Willing to Pay More***

In virtually all areas where the posts are providing service to the industry, the latter expressed its willingness to share a higher level of the real costs of those services. This was especially true of Canadian-based operators who viewed the financial support provided through the posts as far less important than the quality of the events sponsored, the quality of the participants at them and the quality of commercial intelligence being provided.

►► ***The Industry is Opposed to Tourism Program Post Closures***

Throughout the operational review, Canadian and American operators were asked about the impact on their business if the tourism operations at the posts was completely eliminated. While most respondents indicated that it would have only limited

short-term impact on their respective businesses, all decried the long-term implications.

In the eyes of the industry, the existence of a post tourism program indicates a commitment to the marketplace, provides a first-source of information and gives Canada the ability to "wave the flag" that could not be achieved through any other means. The involvement of Canadian Missions and/or Heads of Mission was seen as a very important "draw" in terms of establishing the credibility and importance of specific tourism-related events. The credibility and efficacy of Canadian efforts in the market were directly related to the existence of the program, whether or not individuals had ever set foot in one of the missions.

If there was any degree of unanimity across the board, it was that the Canadian presence established through the posts was an extremely important, even if underestimated, contribution to the Canadian tourism industry.

►► ***Too Many Players Are Confusing the Market***

Many U.S.-based operators were adamant that the job to be done is to establish a much stronger image and presence for CANADA in the marketplace. This was especially true as the distance from the Canadian border increased and the size of the market grew larger. These representatives were concerned that both consumers and the retail trade were becoming confused by the numerous and different messages (provinces, industry, airlines, etc.) being delivered in the marketplace by people all purporting to represent Canada.