

(iv) Transfer of Additional Facilities to VIA Rail Canada

In the course of the Committee's proceedings, VIA Rail Canada Inc. expressed its desire to acquire certain other facilities associated with railway passenger services in Canada. Most specifically, the company is interested in acquiring facilities in various cities in the form of railway stations from the two major railroads. They wish in this way to cease having to pay substantial leasing charges for use of these stations. These charges, which form a global amount not broken down to show charges for individual stations, comprise part of the monthly and annual billings paid by VIA to CP Rail and CN Rail. VIA, if it were able to acquire these stations, could more easily control costs and could itself gain revenue from leasing concessions and office space in these buildings.

In addition, VIA outlined a concept which the Committee regards as most interesting: that is the development of railway stations into so-called "transportation centres" which would integrate rail service in Canada's cities with other modes of communication and transportation. The Committee believes that this type of innovative planning and use of existing facilities could constitute a major advantage in the future for railway passenger service. It is certainly an interesting idea which merits further exploration and study.

8. The Committee therefore 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.

However, a *caveat* must be registered. The acquisition of these facilities from the operating railways would undoubtedly involve large capital expenditures. The Committee notes that it has become evident in the course of its proceedings that the current owners of these stations, namely CP Rail and CN Rail are not anxious to negotiate the transfer of these presumably profitable properties. Often these railway stations are situated in prime downtown locations in Canada's major cities and the land itself can be worth a great deal.

However, the Committee hopes that the railway companies would recognize that if they are no longer in the business of providing general passenger services, they should be ready, after appropriate negotiations to determine adequate compensation, to transfer many of these facilities to the national rail passenger carrier. Such compensation should take into account any subsidies that may have been paid over the years for the support of railway stations. Clearly, railway stations are absolutely indispensable elements in providing passenger services. Logic would indicate that such facilities should be under the control of the entity charged with providing that service.

The Committee feels it relevant to draw attention to the fact that when VIA was constituted, it acquired a great deal of equipment in the form of rolling stock from the two operating railroads at that time. Much of the equipment that was acquired at that time was antiquated and continues to require a considerable amount of maintenance and modernization. A great deal of it is ready to be scrapped.

The Committee recognizes that such a program will require substantial funds which may be difficult to underwrite given VIA's present circumstances. While the Committee