The Toronto-Québec City High-Speed Rail Network

Fast Forward: Shaping Canada's Future with a High-Speed Rail Network

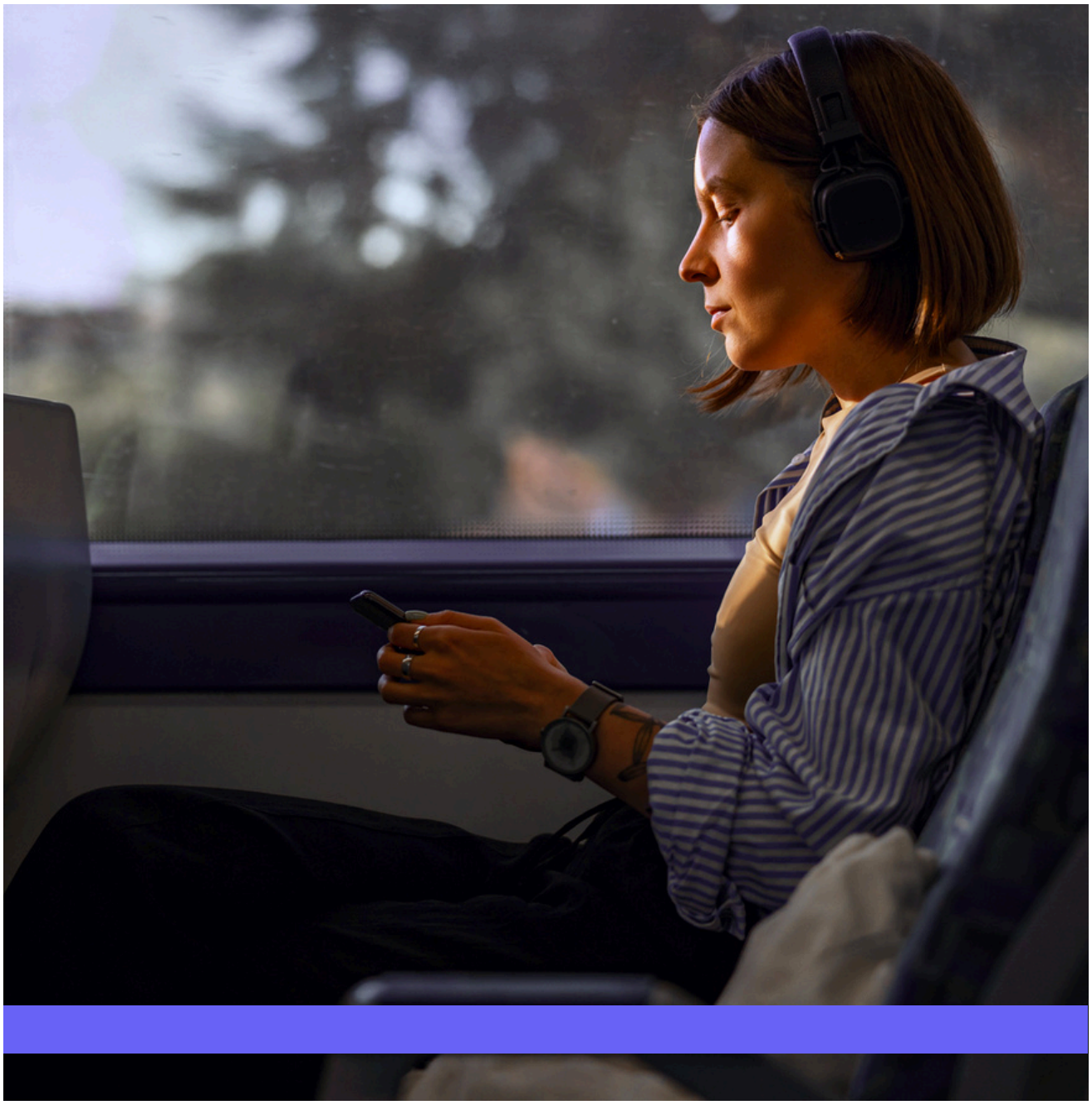

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Table of Contents

Bringing People Together and Boosting Our Economy

The Toronto-Québec City corridor (the Corridor) has always been a cornerstone of Canada's economic and social development, from the Industrial Revolution to today's technological revolution. Our ability to connect with one another has always fueled our progress, however, we have begun to take this essential connectivity for granted.

Despite its historical importance, the Corridor currently suffers from a lack of fast, frequent, and reliable intercity transportation. This deficiency hampers productivity and economic performance, as existing travel options are expensive and make it difficult for travellers, communities, and businesses to connect. The existing transportation network is also costly for the country – current rail services are expensive to operate, and automobile infrastructure is the least efficient to maintain. It is remarkable that Canada, a country that owes much of its development and economic growth to trains, is the sole G7 nation without a high-speed rail system.

We need to draw inspiration from other mega-regions around the world that have already invested in and continue to enhance modern, reliable, and efficient rail transportation. These projects have been catalysts for revitalized growth, as witnessed in many global economies. Examples include the Eurostar corridor, multiple TGV corridors in France, and the InterCity Express in Germany, to name just a few.

In the past, visionary projects such as the St. Lawrence Seaway project transformed trade between Canada and the United States, boosting economic growth and creating a lasting impact on Canada's supply chains and ability to generate income. A high-speed train would have a similar transformative impact on our economy today and for generations to come.

Building a high-speed, reliable and frequent train in the Corridor would transform the way we live and work. It would significantly reduce travel times, stimulate economic prosperity, create jobs, reduce our environmental footprint, and bring three capitals and many metropolitan areas closer together. Imagine being able to travel between Toronto, Peterborough, Ottawa, Montréal, Laval, Trois-Rivières and Québec in just a few hours, seamlessly connecting with colleagues, friends, and family.

The Toronto-Québec City High-Speed Rail Network is about creating meaningful connections between people, ideas, and opportunities. It promises a future where our cities are more accessible, our economy performs and delivers higher living standards, and our communities thrive. This is an investment that will generate important socio-economic benefits, creating a legacy for our children and grandchildren.

We have a unique opportunity to bring people closer, shrink the distances between cities, and to rethink how we use our land, ensuring we leave behind a thriving, interconnected, and prosperous nation for generations to come. By actively involving Indigenous participation, we strive to unlock new possibilities. And by integrating the private sector's innovation and efficiency to the public sector's commitment to serve Canadians, we can develop an exemplary project.

Together, we can realize a transformative infrastructure project that benefits all Canadians.

This investment, like the St-Lawrence Seaway, is required for the country's future.

It will be owned by Canada, and with 13 times more passengers annually, will generate higher ridership and revenue that will fund its operations in full.

Addressing the Key Challenges of Intercity Travel along the Corridor

The transportation network in the Corridor is disconnected, at capacity, and inefficient, resulting in high costs for travellers and an unsustainable reliance on road and air travel. These limitations impede travel between cities and contribute to economic stagnation.

Disconnected Communities

The rail transportation network in the Corridor lacks direct links between communities. This lack of connectivity hinders the efficient movement of people and goods, leading to lost time and, consequently, a stagnant economy. It also poses a barrier to meeting future housing needs and prevents the inclusion of disadvantaged residents.

The disconnection among several cities in the Corridor poses significant challenges for Canada's productivity performance, which is already way behind fellow G7 countries and the rest of Canada. Currently, congestion on highways can extend travel times by up to 30% for intercity journeys. The growing demand for air travel results in poorer on-time performance among Canadian carriers compared to their U.S. counterparts. Congestion at airports also leads to a surge in missed flights.

If the status quo persists, congestion will increase and further strain the transportation network for both passengers and freight. This congestion will worsen delays and create bottlenecks in freight transportation on both roads and rail, ultimately putting even more pressure on the fragile supply chains in Canada.

Network Capacity Constraints

The current transportation infrastructure in the Corridor is insufficient to handle the rising travel demand driven by rapid population growth and the need to connect disparate labour markets. The intercity transportation system has not seen significant upgrades since the introduction of the Trans-Canada Highway in 1962. New infrastructure is needed to adapt to the socio-economic reality of the region.

Constraints on passenger rail traffic reduce reliability and deter travellers. Passenger rail service in Canada primarily operates on tracks owned by freight companies, which prioritize freight rail carriers over passenger trains. Reduced reliability, delays, and slower overall journey times is the norm for passenger rail in Canada.

Escalating Transportation Costs

Escalating transportation costs place a burden on individuals, businesses, and governments. Individuals and firms face high auto and air travel costs through delays and out-of-pocket expenses, while provincial and local governments are pressured to increase spending to maintain and expand the road network to meet the growing demand.

Moreover, the reliance on automobile and air travel contributes significantly to GHG emissions, which pose risks to public health. Without improvements to the transportation system, these costs are likely to continue rising as a share of household budgets, undermining the accessibility of travel for individuals and businesses.

Current Network Unable to Handle Demand Surge

VIA Rail already operates in the Corridor, but its growth opportunities are severely constrained. This is not due to a lack of demand—quite the opposite—rather, it stems from third-party ownership of the tracks, which gives freight trains priority over passenger trains. This prevents VIA Rail from providing the fast, frequent, and reliable service that passengers expect.

Since the 1980s, routes that rely on tracks owned by freight railways have seen a significant slowdown in travel times. As a result, annual ridership has declined by nearly 50%, falling from 8 million to 4 million passengers. From 2018 to 2022, passenger rail punctuality in Canada ranged from 57% to 72%, compared to 90% in Europe.

The Corridor Stands at a Pivotal Moment

The economic growth that once seemed unstoppable in the Corridor is now stagnating, and we are losing ground. Productivity levels in Ontario and Québec are falling further behind those of other G7 countries and the rest of Canada. In a competitive global economy, stagnation is not just a pause, it is a setback. Our ability to attract and retain investment, innovation, and global talent – factors that have been crucial to our prosperity – is diminishing. This decline puts us at risk of further stagnation or even a decrease in living standards

Location	2001 GDP per Capita (USD, Current)	2022 GDP per Capita (USD, Current)	Total Growth (2001-2022)	Compound Annual Growth Rate
Québec	$33,371	$40,807	22.3%	1.0%
Ontario	$40,115	$45,696	13.9%	0.6%
Canada	$30,231	$62,056	105.3%	3.5%
France	$27,502	$57,180	107.9%	3.5%
USA	$37,100	$77,172	108.0%	3.5%
UK	$27,919	$56,766	103.3%	3.4%
Germany	$28,667	$66,616	132.4%	4.1%
Japan	$27,946	$47,186	68.8%	2.5%
Italy	$28,039	$55,373	97.5%	3.3%

Canada moved from having an average of 3% productivity gain before 1976 to less than 1% since 2000. This means that the average Canadian income is growing at a slower pace than in other countries, resulting in a lower standard of living.

Now Is the Time to Move Forward

Public services are the lifeblood of a thriving society, and essential for the collective wellbeing of the nation. They are all about anticipating needs; they must lead the way. Investing in a High-Speed Rail Network could single-handedly address the challenges of intercity travel in the Corridor and significantly boost economic prosperity for all Canadians.

The current housing crisis and rising energy demand highlight the urgent need for proactive planning and investment for public services and infrastructure. With projected steady and strong population growth in the Corridor (+30% by 2041), our current transportation infrastructure is stretched and cannot adequately meet the needs of tomorrow.

If we fail to act decisively, communities and businesses along the Corridor will face increasing constraints and barriers to accessing and growing the labour market and achieving a more affordable cost of living; this will ultimately hinder our ability to compete in an increasingly connected world. Canada's economy will continue to be at a disadvantage.

Investing in a fast, frequent, and reliable intercity rail network today could **boost Canada's GDP by 1.1% annually**, significantly enhancing national growth. This single infrastructure project stands out as the most attractive and future-proof solution to improve regional connectivity, close the productivity gap, and meet the evolving needs of Canadians.

Now, picture being able to hop on a train, and within an hour or two, being in a different city, supporting someone you love. Imagine finding a job in a different city without needing to relocate or sharing your knowledge and passion with 700,000 students attending more than 30 colleges and universities along the Corridor. All that without dreading an expensive and exhausting journey, without worrying about whether you will make it there on time, without the crippling frustration of highway congestion, costly flight delays or cancellations, and without the anxiety of missing those important moments.

We have the capacity to achieve this.

Destination: A Fast, Frequent and Reliable New Solution

To ensure Canadians enjoy the same high standards and diverse transportation options found in Europe, we must invest in modern, efficient, and sustainable infrastructure.

The Toronto-Québec City High-Speed Rail Network will revolutionize intercity travel in Canada. It will connect three capital cities and several other metropolitan areas more closely than ever before.

This state-of-the-art rail network will provide fast, frequent, and reliable service, allowing passengers to reach their destinations in half the time.

Fast: that's at the heart of our vision, and it is necessary to achieve a real modal shift.

Reliable: this will be thanks to dedicated passenger lanes, so travellers will not have to wait and give way to a freight train.

Frequent: there will be many more regular departures, as passengers want to be able to leave whenever they want, even at the last minute, and still be able to return the same day.

With speeds of **300 km/h or more**, on a primarily dedicated, and electrified rail network spanning approximately 1,000 km, the project will connect major cities and enable more than **18 million people living along the Corridor** to be where they need to be, when it truly matters.

Preliminary Corridor

The preliminary Corridor includes 7 stops, as established by the Government. The final network alignment will be defined during the development phase.

Conventional Rail or High-Speed Rail?

Two concepts for the Toronto-Québec City High-Speed Rail Network were meticulously assessed to determine how best to meet the needs of Canadians. Both options rely on fully electrified tracks that are primarily dedicated to passenger travel.

Conventional Rail: On a primarily dedicated right-of-way at speeds of up to 200 km/h on new and existing tracks, incorporating full electrification.

High-Speed Rail: On a primarily dedicated right-of-way and complete electrification, aiming for significantly reduced journey times by operating at high-speed standards of 300 km/h or more.

High-Speed Rail (HSR) is expected to attract up to 13 times more passengers than the current intercity rail services. It will also offer significantly greater long-term financial sustainability as it is projected to capture significantly higher ridership than the Conventional Rail solution. A fast and frequent service will encourage a greater modal shift. As a result, HSR will generate more revenue, enabling it to fully fund its operations and achieve self-sufficiency. **Above all, this is the project that Canadians are expecting**.

Strong Support Among Population

A recent survey revealed that a clear majority of Ontarians and Québécois are in favour of the Toronto-Québec City High-Speed Rail Network in the Corridor. Despite the slightly higher initial capital investment it requires, the HSR option is preferred due to the numerous benefits and flexibility it offers. This strong support highlights the public's desire for modern and efficient transportation solutions.

92% of Ontarians and Québécois are in favour of the High-Speed Rail Network between Toronto and Québec City that will shorten travel times

58% prefer faster travel times, even if it requires higher financial investments

What If You Could Get to Your Destination Twice as Fast? Our Vision: A High-Speed Rail Network

This transformational investment would enhance the quality of life, foster stronger connections between communities and drive economic growth through shorter journey times.

Route	Travel Times Today	HSR Travel Times	Time Savings
Toronto - Montréal	5 h 30 min	3 h 07 min	2 h 23 min
Toronto - Ottawa	4 h 26 min	2 h 09 min	2 h 17 min
Toronto - Peterborough*	1 h 27 min	0 h 40 min	0 h 47 min
Ottawa - Montréal	1 h 59 min	0 h 58 min	1 h 01 min
Montréal - Québec	3 h 17 min	1 h 29 min	1 h 48 min
Montréal - Trois-Rivières*	1 h 44 min	0 h 50 min	0 h 54 min

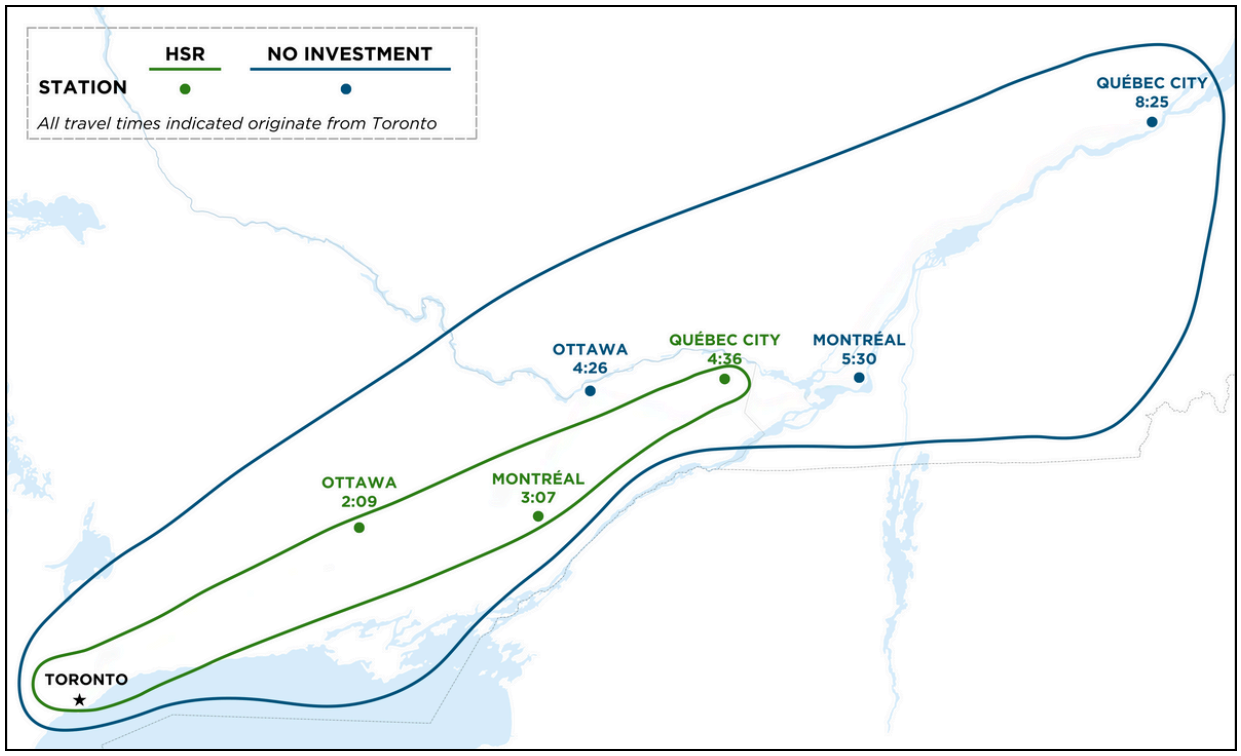
*No direct passenger rail services currently available. Travel time by car.

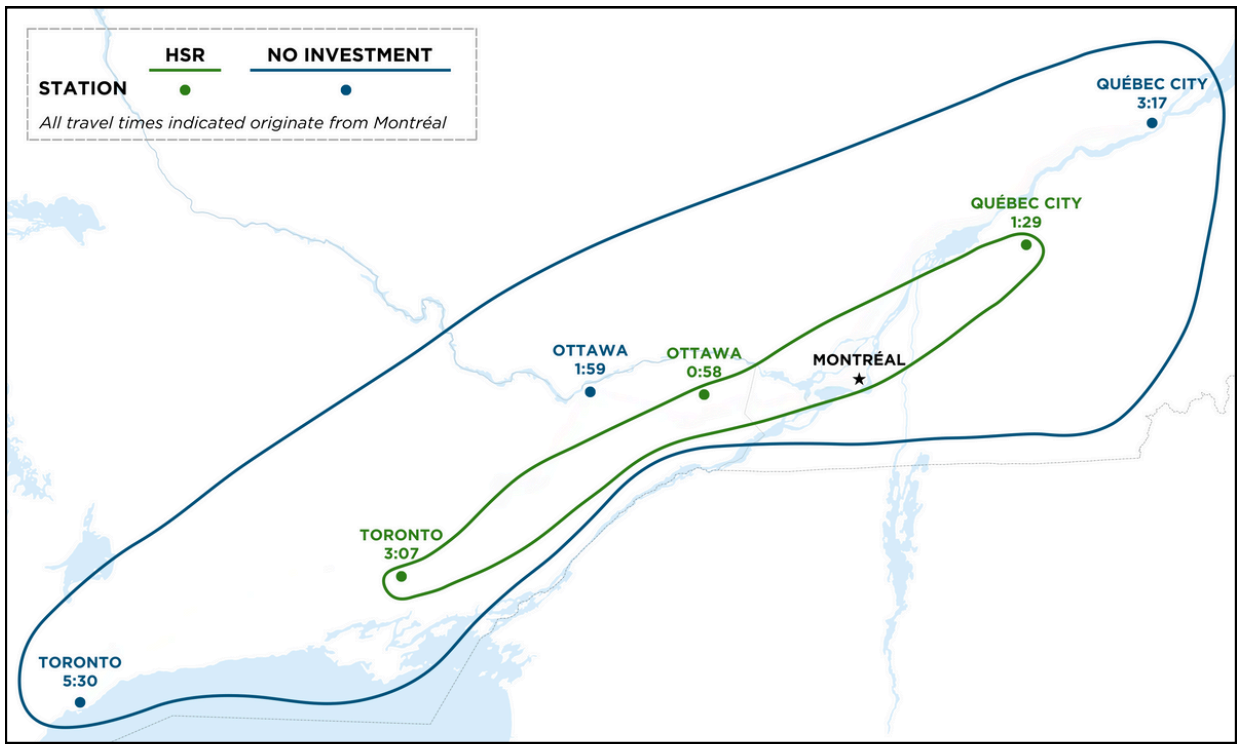
Significantly reduced travel times will boost intercity rail ridership by **up to 1.21 billion trips over the project lifecycle**.

That exponential growth would revolutionize intercity travel and result in a real, sustainable modal shift.

Shrinking Distances Between Cities

These maps illustrate the transformation of a region when distances are replaced by travel times. The first map illustrates the travel time gained by HSR with Toronto as the point of origin, the second with Montréal as the point of origin. Shrinking distances between cities improves mobility and economic opportunities, making it easier for Canadians to connect and thrive.





High-Speed Rail: A Proven Model with Tangible, Long-Term Benefits

HSR has revolutionized global transportation, offering a seamless blend of speed, efficiency, and sustainability. By choosing HSR, travellers experience unparalleled comfort and reliability, transforming long journeys into swift, enjoyable trips.

Its economic benefits are equally compelling; HSR stimulates local economies by boosting productivity, reinvigorating the labour market, and attracting tourism.

France: TGV as a Symbol of Innovation and Cohesion

The TGV *"train à grande vitesse"* has redefined travel in France over the past four decades. This TGV precursor bridged regional divides, fostered social cohesion and benefited mid-size cities by bringing them closer to the capital. A symbol of French innovation, the TGV set a global benchmark for High-Speed Rail, achieving a record 65 billion passenger kilometres in 2023, a 5% increase from 2022. The high-speed line connecting Bordeaux to Paris, opened in 2017, exemplifies this success: TGV's market share increased from 64% to 81%.

England: Creating Jobs Outside London and Regenerating Neighbourhoods

High-speed trains have significantly impacted England over the past two decades, not only benefiting travellers, but also acting as a catalyst for community development. In London, the redevelopment of the area around King's Cross InterCity rail station is one of Europe's largest and most successful urban regeneration projects. Over the past 20 years, this once-underused industrial site has been transformed into a vibrant area.

Imagine...

Tayen Picard, a student from Wendake near Québec, who can study business or medicine in Trois-Rivières without having to leave her community, thus avoiding expensive accommodation costs.

Mike Robert, a talented jazz musician living in Toronto who is known for his soulful saxophone performances. Without a car, Mike faces significant hurdles to accept gigs in Ottawa or Montréal. With affordable, fast, and reliable transportation, Mike can now expand his career horizons and showcase his talent to a wider audience.

Oliver Wilson, a welder from Gatineau, can enjoy a comfortable, time-saving commute to the construction sites he works on in Montréal, instead of an exhausting drive on the highway.

Or **Marie-Thérèse Roy**, an elderly woman living in Peterborough. With HSR, she can now rely on an accessible and safe transportation option to maintain her connections with loved ones in various cities.

Significant Benefits for Canadians

A High-Speed Rail Network will boost the economy and improve the quality of life of Canadians.

Currently, the disconnection of markets, businesses, and workers due to lengthy and costly travel options has resulted in stagnant economic activity in the Corridor. If left unaddressed, it will continue to impede the growth of the Canadian economy. By significantly reducing the distance between communities and business hubs, a High-Speed Rail Network will improve Canada's lagging productivity levels, increase labour supply, and generate a lasting and meaningful annual uplift to Canada's GDP of 1.1%.

A High-Speed Rail Network will provide greater flexibility for those living in the Corridor to choose where they live and work. Revolutionizing the passenger experience by providing faster, more frequent, and more reliable service between cities will provide significant time savings for travellers, allowing them to spend more time with their families or pursue other business. Shorter travel times and increased departure options on dedicated electrified tracks will induce a sustainable shift from automobile and air transit, resulting in significant transportation cost savings.

By removing transportation barriers to communities and job opportunities, and by improving access to affordable communities, higher-paying jobs, and additional education opportunities, workers and students would be better able to balance the cost of living with income opportunities.

Communities will benefit from reduced pollution and less frequent, costly road maintenance.

Less congestion in the Corridor will allow supply chains and markets to become more cost-efficient, significantly improving economic outputs and attracting further innovation and investments.

The construction of the project will significantly boost Canada's GDP, create tens of thousands of new jobs, and generate tax revenue for all levels of government.

Benefits to the Canadian Economy

Economic Impact of Project Spending
One-Time Effects

Value Added to GDP **Up to $86 Billion**	Tax Revenue **Up to $23 Billion**	Construction Jobs Supported (Over 10 Years) **Up to 51,000**

Benefits for Travellers and Communities

Faster, more frequent, and more reliable travel will lead to time savings of up to
$38.4 billion

The Toronto-Québec City High-Speed Rail Network will reduce GHG emissions, realizing a benefit of up to
$7.2 billion

As people choose to travel by rail, travellers will realize auto operation cost savings of up to
$1.9 billion

The Toronto-Québec City High-Speed Rail Network will free up space on the roads, leading to decongestion benefits of up to
$570 million

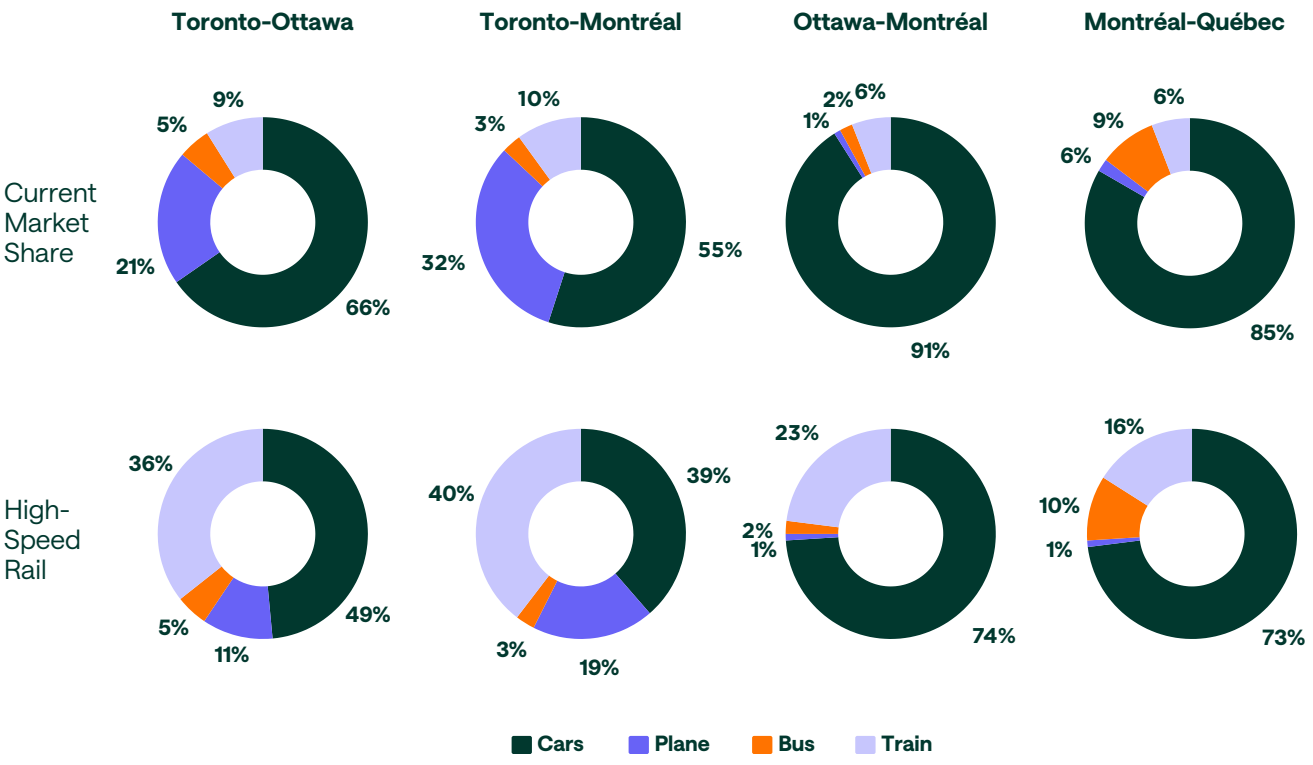
By providing a safer way to travel, the project will realize safety benefits of up to
$610 million

This means reduced pressure on the cost of living for communities along the Corridor.

1. Revolutionizing Travel and Enhancing Quality of Life for Canadians

By shrinking rail journey times by half between major cities and providing more competitive travel options for communities like Peterborough, Laval, and Trois-Rivières that currently are not served by intercity rail, the **HSR option is expected to accommodate up to 43 million annual trips by 2084**, compared to approximately 3 million today.

What seems unthinkable today will be a reality tomorrow. Once served by a new High-Speed Rail Network, rail travel between Toronto and Montréal will quadruple, competing with the car as the most popular mode of transportation between Canada's two largest cities. Significant modal shift will also occur on all travel between major urban centers.



Implementing the Toronto-Québec City High-Speed Rail Network will maximize modal shift.

This could **capture up to 40% of travel demand between Toronto and Montréal** – a larger market share than car travel.

Generating Movement: Future of Train Travel for Canadians

Together, we will develop an intercity rail network that expands the benefits of high-speed rail travel to people living in different regions.

Parents need to get their children to specialized hospitals in major cities no matter what region they live in. People across Ontario and Québec require reliable travel options to attend conferences in Montréal and Toronto. Students aspire to access the schools and universities of their choice, not just those closest to their home. Industry leaders have crucial meetings to attend in our capitals.

Moreover, cultural enthusiasts wish to experience the vibrant theatre scenes and world-class museums in other cities. Language exchange programs flourish when students and professionals can easily travel between regions, enriching our cultural tapestry and fostering greater understanding.

The HSR option is expected to attract significant ridership, resulting in up to **1.21 billion trips over the first 40 years of full operations**.

This strong demand will **generate substantial revenues**, **which are projected to grow steadily to exceed 100 billion dollars** over the same period. This financial success will also cover all the operating and maintenance costs of the rail service. This financial outcome means that resources can be freed up and invested in other government priorities to further increase the standard of living of all Canadians.

- The project would significantly increase passenger rail ridership by tapping into the sizeable travel demand and unlocking new opportunities for people who live and work in the Corridor.
- The project is expected to increase annual intercity passenger rail demand from 3 million in 2024 to up to 24 million by 2055. This is a nearly 700% increase in demand. As ridership increases, the project is expected to accommodate 43 million trips annually by 2084.

The Gen Z Shift

The perspective of those born between 1997 and 2012 reflects distinct social, economic, and environmental realities that shape their views and priorities. Many members of Gen Z recognize that they will experience the impacts of economic uncertainty and climate change more acutely than the generations before them. These factors contribute to a shift from the norms and patterns established by earlier generations, leading to new ways of living, working, and interacting with the world.

With their focus on sustainability and innovation, Gen Z is playing a key role in transforming the public transportation landscape. Their preference for cost-effective, sustainable, and technologically-driven transportation options underscores the importance and relevance of the Toronto-Québec City High-Speed Rail Network project in meeting the evolving needs of future generations by ensuring a more sustainable future.

Let's give Canadians more choice about where they want to work, live and go to school. And let's get them there faster.

2. Boosting Economic Prosperity

The HSR Network is nothing less than a transformational, nation-building investment for Canada. By significantly reducing journey times between Canada's largest urban centers, the High-Speed Rail Network will revolutionize the country's transportation landscape, extending benefits far beyond passenger travel. **Economically, it will transform the Corridor into a mega-region, driving productivity and innovation through its agglomeration effects, attracting investment, creating jobs, and stimulating housing development.** Increased economic activity will lead to higher tax revenues for provincial and local governments, creating a virtuous cycle of benefits for Canadians.

HSR is anticipated to **generate annual benefits equivalent to 1.1% of the country's GDP—an impact that is nearly unprecedented for infrastructure projects in Canada—driven by productivity gains that could reach up to $35 billion annually.** Shorter travel times will enhance business efficiency and labour-skill matching, helping close the productivity gap between Canada and other G7 countries. To put this into perspective, Canada's entire agriculture, forestry, and fishing industry contributes on average between 1.5 – 2% to the national income.

Through its construction and operation, the project will stimulate local economies, including Indigenous communities on day one. It will provide employment for up to 51,000 individuals, offering opportunities to gain expertise and develop specialized skills in the rail sector—an area currently lacking in specialized knowledge.

As our population and economy grow, increasing freight volumes will intensify conflicts between freight and passenger trains, negatively impacting passenger rail services and supply chains. Operating primarily on dedicated tracks, the project aligns with government commitments to enhance supply chain resilience and transition to a low-carbon economy. HSR will expand the existing network for both goods and passenger transportation, bolstering Canada's competitiveness and creating new business opportunities.

HSR will also improve affordability and quality of life by providing significant time savings and reducing transportation costs. **Canadians could save an estimated amount of time valued at $38.4 billion and automobile costs totaling nearly $2 billion over the lifespan of the project.** This means precious hours and household income that can be reinvested into families and businesses. The modal shift from auto and air travel to HSR will reduce greenhouse gas emissions and other pollutants, resulting in cleaner, healthier communities.

High-speed rail could generate **yearly benefits equivalent to 1.1%** of Canada's GDP

3. Catalyst for Housing Access and Urban Development

In the face of Canada's housing affordability crisis, where dreams of owning a home or finding an affordable rental seem out of reach for too many Canadians, the High-Speed Rail Network paves the way for higher-density transit-oriented developments near the train stations. It can reshape urban life, foster efficient land use, and generate economic prosperity for municipalities that were once left behind.

The impact goes beyond bricks and mortar. The project will be a catalyst for change, a force that ignites the development of **63,000 diverse residential units**, answering the call for affordable housing that echoes across the nation. It will also uplift land value and generate government revenues such as municipal tax revenues.

4. Enhanced Accessibility

Accessible transportation, seamlessly integrated into previously disconnected communities, will allow them to become an alternative to the high costs of urban centres.
It will open doors to affordable housing options, empowering individuals and families to build their lives in places they can truly call home.

The current intercity transportation network still presents barriers and lacks necessary accessibility features needed to accommodate all travellers. **This poses an additional daily obstacle for the one in four Canadians aged 15 and over who live with a disability.** The High-Speed Rail Network will facilitate mobility by meeting or exceeding the latest accessibility standards. It will ensure that everyone, regardless of their specific travel needs, can travel with ease along the Corridor by making it barrier-free.

5. Cost Savings and Modal Shift

HSR will allow travellers to save money and improve their quality of life. Additionally, the project is committed to enhancing social equity by **providing discounted fares and flexible ticketing options, ensuring that rail travel is accessible to all**, regardless of socio-economic status.

Automobile travel costs users an average of $0.68 per kilometre, more than double the cost of travelling by rail ($0.12 to $0.32). An investment in a transportation solution that offers an affordable alternative to automobile travel will significantly reduce travel expenses.

6. Decongestion and GHG Emissions Reduction

By shifting from automobiles or planes to rail travel, we can alleviate the strain on our road network and reduce the frequency of costly maintenance and repairs. HSR also lowers the pressure to build more roads and increase airports' capacity for short haul flights, which cost more, emit more, are inconvenient, and can even be slower.

This shift also leads to significant reductions in greenhouse gas (GHG) emissions. The train's use of cleaner energy sources makes it a more sustainable mode of transportation. Specifically, rail emits significantly fewer emissions than both automobiles and air travel.

By choosing the train over cars, we can collectively remove up to 90 billion vehicle kilometres traveled from the roads over the project's lifecycle, equivalent to approximately 100 thousand cars' worth of travel removed annually from the roads. This reduction in GHG emissions could total up to 39 million tonnes over the project's lifecycle, contributing to Canada's net-zero 2050 target and reducing the impact of transportation on climate change. It is important to note that this is not about ideologically opposing highway or airport construction. Rather, it is about finding cost-effective alternatives that best meet the mobility needs of the future. By investing in sustainable rail solutions, we can provide Canadians with an efficient and environmentally friendly travel option while contributing to the country's climate change goals.

7. Saving Lives and Improving Public Safety

By promoting rail travel, minimizing operations on freight railways and eliminating grade crossings whenever possible, the project aims to reduce the number of road accidents and create a safer travel environment for everyone.

Automobile accidents incur high costs, including medical expenses, property damage, and loss of productivity for time off work. This modal shift to a High-Speed Rail Network could prevent up to 25,900 injuries and close to 400 fatalities across the project lifecycle, thus improving public safety.

A Project that is Revenue-Positive from Day One and that Reduces Reliance on Government Subsidies

The High-Speed Rail Network operations are expected to be financially self-sustaining according to the project's financial evaluation. This assessment includes high-level estimated project costs, projected ridership and revenue, and a financing structure involving the Private Partner. The project's revenues from increased ridership of up to 43 million passengers per year by 2084 are expected to cover ongoing operations and maintenance costs. This project will be revenue-positive on its first day of full network operation. The HSR solution also eliminates the need for government subsidies, which are currently supporting intercity passenger rail services in the Corridor.

At this time, the project scope is not yet defined and no specific alignment is secured. Consequently, no geotechnical assessments have been initiated and the technical design is starting. The impact assessment and the consultations with stakeholders and municipalities are also only starting. This is the same for consultation with the Indigenous communities.

The current infrastructure construction market requires caution in cost evaluations due to the industry's sensitivity to factors like skilled labour availability, raw material price fluctuations, supply chain disruptions, and competition among projects. Cost estimates are contingent upon establishing a clear project framework, ensuring alignment, and complying with relevant regulations. Additionally, these estimates assume that the project will face no regulatory delays and will have stakeholder support. Until these foundational elements are addressed, the cost estimates are subject to significant change.

At this early stage, preliminary capital cost estimates to construct the project (to be funded by Canada and the private sector) are based on the Class 5 guidelines set by the Association for the Advancement of Cost Engineering International (AACEi). These figures are intended to provide a high-level overview for business planning purposes only and figures should not be considered as a project budget. These current preliminary working assumptions range between $60B and $90B and they will be refined during the network development phase. Construction work will begin after cost estimates are refined and regulatory approvals are obtained.

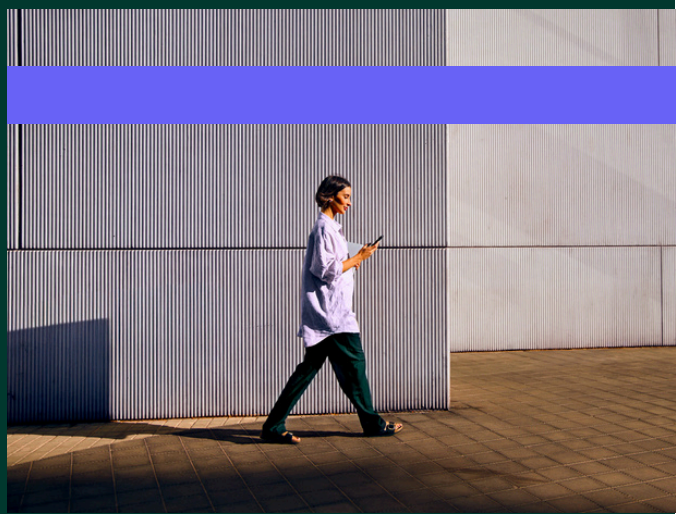
As for the impact on Canada's finances, without undertaking the project, the government is estimated to spend $297 million per year over the next 60 years to support the existing intercity passenger rail services in the Corridor. Under the HSR Network, existing rail services would be maintained, optimized and integrated within the expanded intercity passenger rail operations. This makes HSR a more fiscally responsible choice, as its upfront costs are offset by its ability to generate substantial revenue. In addition, it will present the government with a valuable asset.

Imagine...

Myriam, an entrepreneur from Trois-Rivières, can travel to Montréal in the morning to meet future clients and, upon her return home the same day, take advantage of the comfort of the train to write up the contract she just scored.

Ernesto frequently travels between Montréal and Toronto to visit his family and his fiancée, Émilie. Currently, Ernesto relies on air travel, which can be expensive and time-consuming due to airport security and flight delays. HSR would be a game-changer for him as it would provide a convenient, affordable and efficient mode of transportation.

Tina planned a trip to Canada and wants to visit several cities. HSR would allow her to discover more of Canada's beautiful scenery, making it the ideal means of transport for exploring the Corridor.



Building on Past Successes: The St. Lawrence Seaway Project

Fostering Economic Growth Through Corridor Infrastructure Development

The Toronto-Québec City High-Speed Rail Network is poised to become Canada's most significant infrastructure project in terms of geographic reach and scale in recent history, surpassing the magnitude of the St. Lawrence Seaway project of 1959.

The vision behind the St. Lawrence Seaway was driven by elected officials' desire to harness the economic potential of the Great Lakes region and to foster closer economic ties between the provinces and between Canada and the United States.

Its construction was a monumental engineering feat that transformed North America's economic landscape. This deep-waterway project, stretching from Montréal to Lake Ontario, opened the Great Lakes to vessels, significantly boosting the economies of both countries by enabling increased exports of industrial goods, propelling productivity, and amplifying the region's global trade capabilities. It created thousands of jobs and generated substantial tax revenues, contributing to the economic prosperity of Canada.

The project was financed over a long period, and it continues to provide economic benefits that outweigh its construction costs. The Great Lakes regions of Ontario are amongst the largest beneficiaries of the Seaway. Additionally, the Seaway supports commercial activity in the Prairie provinces with agricultural and mining products. To this day, the Seaway has moved $375 billion USD worth of goods through its locks, demonstrating its enduring economic impact.

Constructing such a massive infrastructure project today would be more complex and much more expensive. The Seaway cost $470 million at the time it was built, equivalent to $8 billion in today's dollars. Building it today would cost several times more than this. Still, the Seaway's economic benefits far exceed its costs, and would still do so if we were to build it today. If our predecessors had not had the vision and courage to build it back then, the country would not be the same today. It was a bold, pivotal project. Today's economy is and continues to be profoundly shaped by this initiative. It has given rise to various sectors of activity, fostered development in previously isolated regions, and facilitated the successful execution of transformative projects across the industrial heartland of Canada and the US.

Canada was built on the strength of its railways and the Seaway to move goods, yet it still lacks an effective solution to move people and ideas between cities. Now is the time to bridge that gap and create a transportation network that meets the needs of our modern society.

The HSR Network is based on the same vision. Instead of moving goods, it will connect beating hearts for generations to come.

Inclusive Collaboration: Paving the Way for Reconciliation

Our vision for this project goes beyond infrastructure development. We are committed to establishing a **nation-to-nation relationship with Indigenous Peoples**, fostering economic reconciliation, and creating socio-economic benefits for communities

The Corridor is currently home to over 40 Indigenous communities with more than 35,000 residents. The exclusion of Indigenous communities from Canada's economy has contributed to disparities in socio-economic outcomes between Indigenous Peoples and other Canadians.

By actively involving Indigenous participation in every stage of project development, we strive to contribute to improving the quality of life for Indigenous Peoples along the Corridor. Through targeted procurement, the project can provide opportunities to build businesses and create generational wealth, skill development, and long-term growth within Indigenous communities. Direct investment opportunities in this project could also support a commitment to unlock new possibilities and promote economic empowerment.

Through collaboration with Indigenous communities, the project can establish a precedent for best practices for reconciliation in Canada.

A Collaborative Delivery Approach to Reduce Risks for Canadian Taxpayers

The way a project is developed is just as crucial to its success as the project itself.

A private partner has been carefully selected to not only co-design and build, but also to finance, operate, and maintain the project. The selection of the best consortium was based on its ability to deliver the best project outcome under a progressive procurement model that will reduce the overall project risk. **This decision followed an open and competitive procurement process, allowing top firms from around the world to participate and submit proposals that provide the best value for money to Canadians.** Above all, ownership of all new and existing assets will always remain with the government. This approach combines the private sector's strengths in innovation and execution with our public service mission right from the design phase.

Our partnership combines the expertise of a federal Crown Corporation with a consortium of experienced global private partners, paving the way for a new era of innovation. From the early stages of pre-planning, this alliance is set to deliver a project that meets the needs of travellers and benefits all Canadians. This approach promotes quality, performance, transparency, and effective risk and cost control.

Our Crown Corporation is committed to continually assessing the delivery model to ensure the best value for money, fostering a legacy of innovation and prosperity. This HSR project has the potential to serve as a blueprint for future projects, with federal coordination playing a crucial role in its successful implementation.

We also believe in taking a **step-by-step, network approach** (see Annex A – A Network Approach Implementation Timeline), viewing this project as part of a larger holistic vision. By adopting an iterative and collaborative approach, we aim to optimize project design, learn from previous projects, and maximize positive project outcomes. This long-term, integrated approach to operations and asset management will pave the way for sustained innovation and success.

Maximizing Efficiency and Innovation

By transferring some risks to the private sector, we optimize efficiency across all project aspects, including revenue-related responsibilities. This incentivizes our private sector partner to deliver the project on time and on budget. Through this approach, we are setting new standards for optimizing asset management and generating value for money over the entire lifecycle of the infrastructure.

A Delivery Model to Maximize Benefits for All Canadians

Under our chosen model, the government will retain ownership of the Corporation, VIA Rail, and all assets built during the project. This ensures that the assets are operated efficiently, benefiting all Canadians for generations to come. Our commitment to innovation and efficiency guarantees a legacy of prosperity and growth that will shape our society for years and deliver the best value to Canadians.

Advantages of the Chosen Delivery Model

- A network approach to optimize project design and enhance positive outcomes.
- Includes revenue-related responsibilities for a streamlined project.
- Encourages the Private Partner to find efficiencies and deliver on time and within budget.
- Private sector assumes some construction and operational risks, while government contributions reduce financing costs and their exposure to those risks.
- Debt and equity participants bring unique expertise, optimizing project delivery.
- Continuous oversight, due diligence, and adherence to best practices ensured by ongoing financial contributions at risk.

Investing in High-Speed Rail Now: A Pivotal Moment for Future Generations

Studies and analysis clearly conclude that there is a need for a new, modern passenger rail service in the Corridor. The demand for intercity travel is set to rise exponentially, and the existing transportation network has not kept pace with historic population and economic growth. People and businesses need better transportation options to compete in the global economy. Compared to G7 and G20 peer nations, the Canadian economy, its people, and environment are at a disadvantage.

Without significant investment, the current lack of connectivity and capacity in the Corridor will continue to increase costs for travellers and taxpayers, and negatively impact productivity. The longer it takes us to address the transportation system's existing shortcomings, the worse existing bottlenecks will become, and the greater the costs are expected to be – and the longer we would wait to reap the social, economic, and environmental benefits the investment would bring.

The Choices We Make Today Will Deeply Impact Future Generations

This transformative project will benefit the entire country, ensuring that Canadians can be where it matters, when it matters. By connecting cities and regions, the High-Speed Rail Network will create a more unified, prosperous, and accessible Canada for all.

Recommendation to Advance a High-Speed Rail Solution

Advancing an HSR solution is in the best interest of Canadians and the country's overall prosperity. The benefits provided by HSR are substantial and overwhelmingly compelling (see Annex B - Why High-Speed Rail over Conventional Rail?).

Investing in HSR will not only drastically improve transportation efficiency and connectivity along the Corridor, but it will also have a transformative and lasting impact on travellers, communities, and the Canadian economy. High-Speed Rail will stimulate growth, help close the Corridor's productivity gap, create meaningful job opportunities, and enhance the quality of life of Canadians. Surging population growth projections and the increasing social costs of alternative modes in the Corridor make the investment in HSR a strategic imperative.

Delaying this investment now will only exacerbate the existing problems on our stretched transportation network and escalate the costs to address them in the future. By acting now, Canada can capitalize on the potential benefits of HSR and celebrate its success for generations to come.

The High-Speed Rail Network is an investment in Canada's future. This nation-shaping project will position Canada as a leader in sustainable and efficient transportation systems, ensuring long-term value and prosperity for Canadians.

What If We Fail to Act Now?

Failing to act today would be a profound disservice to future generations, limiting their ability to experience the quality of life and economic prosperity we currently enjoy.

More congestion on the roads would require costly and unsustainable expansions to our existing network. This would further impact our productivity, as we would continue to lose time stuck in traffic or at airports. Small business owners would struggle to get new customers and connect with suppliers, facing increasing costs and limited potential for growth. Cultural exchanges would dwindle, with fewer people able to easily access the rich cultural scenes of different cities.

The environmental impact of inaction would be significant, as more cars on the road would lead to increased pollution and a larger carbon footprint. Students would face limitations in accessing educational institutions. This would stifle the innovation and talent development that is so crucial for tomorrow's industries and professions. Families would feel the strain of rising expenses, making it difficult to afford the homes and services that should be within their reach. Increased car traffic would also pose public health and safety risks.

The need for a better transportation infrastructure network will only increase over time and the cost of implementing it as well. The government can play a leadership role in advancing this nation shaping investment for future generations.

Now is the time to act.

Top Reasons to Advance a High-Speed Rail Network:

- **Connecting Canadians and Enhancing their Quality of Life:** Fast, frequent, and reliable service will ultimately bring 43 million annual passengers and 7 major cities closer together.
- **Economic Prosperity:** Canadians will save time and reduce their transportation costs. Businesses will access new markets, faster. Shrinking distance between cities will generate an annual uplift of 1.1% of Canada's GDP.
- **Job Creation:** The project will support up to 51,000 jobs over 10 years.
- **Environmental Impact:** High-Speed Rail will induce modal shift and help achieve Canada's climate targets.
- **Indigenous Economic Reconciliation:** The project will promote meaningful partnerships with Indigenous communities.
- **Value for Money for Canadians:** The project will save taxpayers money by eliminating the operating subsidy required to operate the existing passenger rail services.

Annex A – A Network Approach Implementation Timeline

The Corporation has adopted a network approach for delivering the Toronto-Québec City High-Speed Rail Network, implementing it in different phases. This approach ensures a systematic and efficient rollout, allowing for adjustments and improvements at each stage to provide early benefits to Canadians. The implementation process is divided into four key steps:

1. Network Development: This initial phase involves planning, design, and stakeholder engagement. It includes securing necessary regulatory approvals, conducting environmental assessments, and finalizing the project design.

2. Construction Periods: Following the network development phase, construction begins. This step involves building the necessary infrastructure, including tracks, stations, rolling stock and related facilities. The construction period is staggered across phases to manage resources effectively, improve efficiencies and minimize disruptions.

3. Testing and Commissioning: Once construction is complete, each phase undergoes rigorous testing and commissioning to ensure that all systems are operational and meet safety standards.

4. Network Operations: Finally, the High-Speed Rail Network enters operations. This long-term phase focuses on maintaining high service standards, optimizing operations, and expanding capacity as needed. Continuous monitoring and improvements ensure the service meets evolving demands.

Annex B – Why High-Speed Rail Over Conventional Rail?

Both enhanced Conventional Rail and High-Speed Rail would better serve and positively impact travellers, the communities along the Corridor, and the Canadian economy.

Of the two options, HSR significantly stands out as the more compelling option for Canadians. Despite requiring an initial investment approximately 20-30% higher, HSR is projected to have a significantly greater impact on Canada's GDP compared to CR. Specifically, HSR's estimated annual contribution to the GDP is expected to be five times greater than that of CR. Additionally, HSR's shorter travel times are expected to lead to a significant shift from automobile and air travel, improving transportation efficiency, environmental sustainability, and traveler safety.

The benefits of HSR, including its substantial economic impact, enhanced travel efficiency, environmental advantages, and improved safety, far outweigh the initial incremental costs, making it a superior investment to address the Canadian transportation network capacity constraints, escalating transportation costs and congestion pressure on a fragile supply chain.

Table A: Project Benefits for Conventional Rail & High-Speed Rail

Key Project Benefits	Conventional Rail	High-Speed Rail
Class 5 Estimates Direct Cost ($billions, 2024)	45-75	60-90
Total Lifecycle Passengers (millions)	483-783	686-1,210
Economic Impact – GDP Uplift (annual)	$4.9 billion Equivalent to 0.2% of Canada's GDP	$24.4 billion Equivalent to 1.1% of Canada's GDP
Value of Greenhouse Gas Reduction Benefits ($billions, 2024)	3.5-5.8	4.7-7.2

Table B: Conventional Rail and High-Speed Rail Minimum Travel Times Compared to Existing Service

Route	Travel Times Today	CR Travel Times	CR Time Savings	HSR Travel Times	HSR Time Savings
Toronto - Montréal	5 h 30 min	4 h 9 min	1 h 21 min	3 h 07 min	2 h 23 min
Toronto - Ottawa	4 h 26 min	2 h 52 min	1 h 34 min	2 h 09 min	2 h 17 min
Toronto - Peterborough*	1 h 27 min	0 h 56 min	0 h 31 min	0 h 40 min	0 h 47 min
Ottawa - Montréal	1 h 59 min	1 h 17 min	0 h 42 min	0 h 58 min	1 h 01 min
Montréal - Québec City	3 h 17 min	1 h 54 min	1 h 23 min	1 h 29 min	1 h 48 min
Montréal - Trois-Rivières*	1 h 44 min	0 h 56 min	0 h 48 min	0 h 50 min	0 h 54 min

*No direct passenger rail services currently available. Travel time by car.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