

High Frequency Rail Project

30th Annual CCPPP Conference
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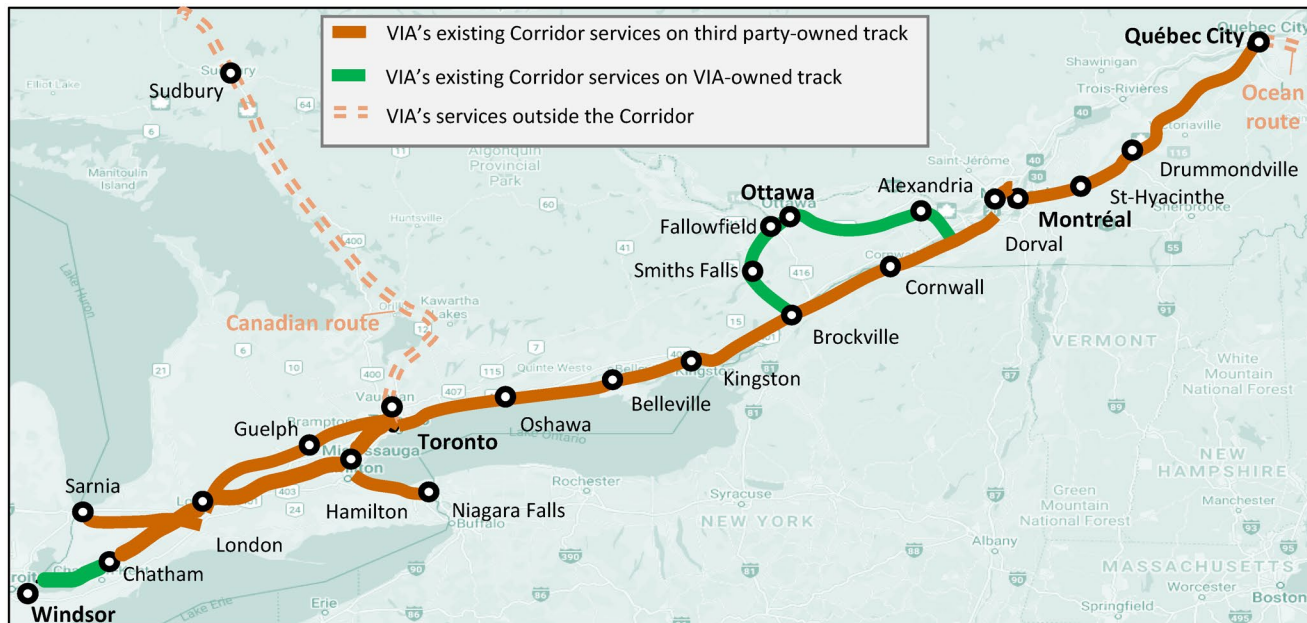
Government
of Canada

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du Canada

Canada

Rail Services in the Québec City – Windsor Corridor

- In addition to operating long distance and regional services, **VIA Rail currently operates intercity passenger rail services in the Corridor** between Windsor and Québec City.
- The tracks and stations along the Corridor are **mostly owned and controlled by third party railway operators**, which provide shared access and manage train dispatching and control through service agreements with VIA Rail.



- Between 2015 and 2019, ridership in existing services within the Corridor increased approximately **30% from 3.6 million in 2015 to 4.7 million in 2019**.
- Increases in ridership have been accompanied by increases in revenues, where Corridor revenues have steadily increased from **\$226 million in 2015 to \$325 million in 2019**.

Growth Opportunities Exist for Passenger Rail in the Corridor



THE CORRIDOR IS CANADA'S MOST DENSELY POPULATED AND HEAVILY INDUSTRIALIZED REGION

- **61%** of Canada's Total Population
- **62%** of Canada's Total Labour Market
- **59%** of Canada's GDP
- **57%** of Canada's Total Recent Immigrants
- **34%** of Canada's GHG Emissions



DEMAND FOR PASSENGER RAIL WILL CONTINUE TO INCREASE

- **By 2043, an additional 5 million people are projected to live in Québec and Ontario** (an increase of 21% from 2020), which represents over half of the projected growth in Canada. Most of these new residents will **live and work in the Corridor**.
- The growing population and economy will **increase the demand for all modes of transportation including passenger rail**. The **greatest and most immediate need for improvements** to passenger transportation infrastructure **is in the Corridor**.
 - Passenger rail travel currently accounts for **only 2%** of all trips in the Corridor compared to **94% by cars** – the opportunity exists for significant modal shift.

The High Frequency Rail Project

HFR is the **largest transportation infrastructure project** that Canada has seen in decades and would:



Consist of an intercity passenger rail network in the Corridor **over 1000 km in length, mostly electrified, and eventually targeting operating speeds of up to 200 km/h.**



Create new routes between Toronto, Peterborough, Ottawa, Montréal, Trois-Rivières and Québec City, **providing new services to communities and new stations** in targeted locations, such as Laval and near Jean Lesage International Airport.



Operate alongside existing VIA Rail Corridor services, **creating an integrated passenger rail system** between Windsor and Québec City, with connectivity to VIA's routes outside of the Corridor.



Transform the passenger experience with **faster, more frequent and accessible, and more reliable and on-time** services that offer **improved integration** with other modes and a **much lower carbon footprint.**

Project Outcomes

The HFR could create a **greener, faster, more frequent and more accessible transportation system** that could **deliver value to customers, communities and taxpayers.**

1 Produce a Significant Modal Shift

- **Shorter travel times** by reducing the average trip time between major cities (Toronto, Ottawa, Montréal & Québec).
- **Increase annual trips** taken by rail to 17 million by 2059 from 4.8 million taken in the Corridor today.
- **Increase frequencies significantly** between Major Cities.
- **Enable seat capacity growth** from 16,000 seats today to 48,000 or more over a 30-year period.

2 Enhance Passenger Experience

- **More reliable and improved on-time performance** across the Corridor.
- New services to **Peterborough and Trois-Rivières**, and **maintain connectivity between cities currently serviced.**
- **Integration into city centres** by using new or existing stations and **explore opportunities for transit-oriented neighborhoods** with potential development opportunities.
- **Improved integration with other modes of transportation** and **provide for targeted connections to airports**, such as Jean Lesage Airport in Québec City and Montréal-Trudeau Airport near Dorval.
- **New tracks to allow for greater control over track infrastructure including opportunities to utilize existing Rights of Way** (industrial, road/rail or hydro corridors).

Project Outcomes Cont'd

3 Support Canada's Net Zero Commitment

- **Greener rail system and cleaner travel option** using electrified technology.
- **Reduction of Greenhouse Gas emissions** over a 30-year term with a demonstrable commitment in supporting Canada's net zero 2050 target.

4 Enhance Accessibility and Social Equity

- **Provide barrier-free access to services** according to latest accessibility standards and best practices.
- **Incorporating an affordable and accessible fare and ticketing strategy** for all passenger travel in the Corridor.

5 Enable Safe Intercity Journeys

- **Provide a safe and secure environment for customers, staff and communities** by incorporating proven world-class safety standards for passenger rail systems.

6 Mitigate Financial Impacts on Canadians

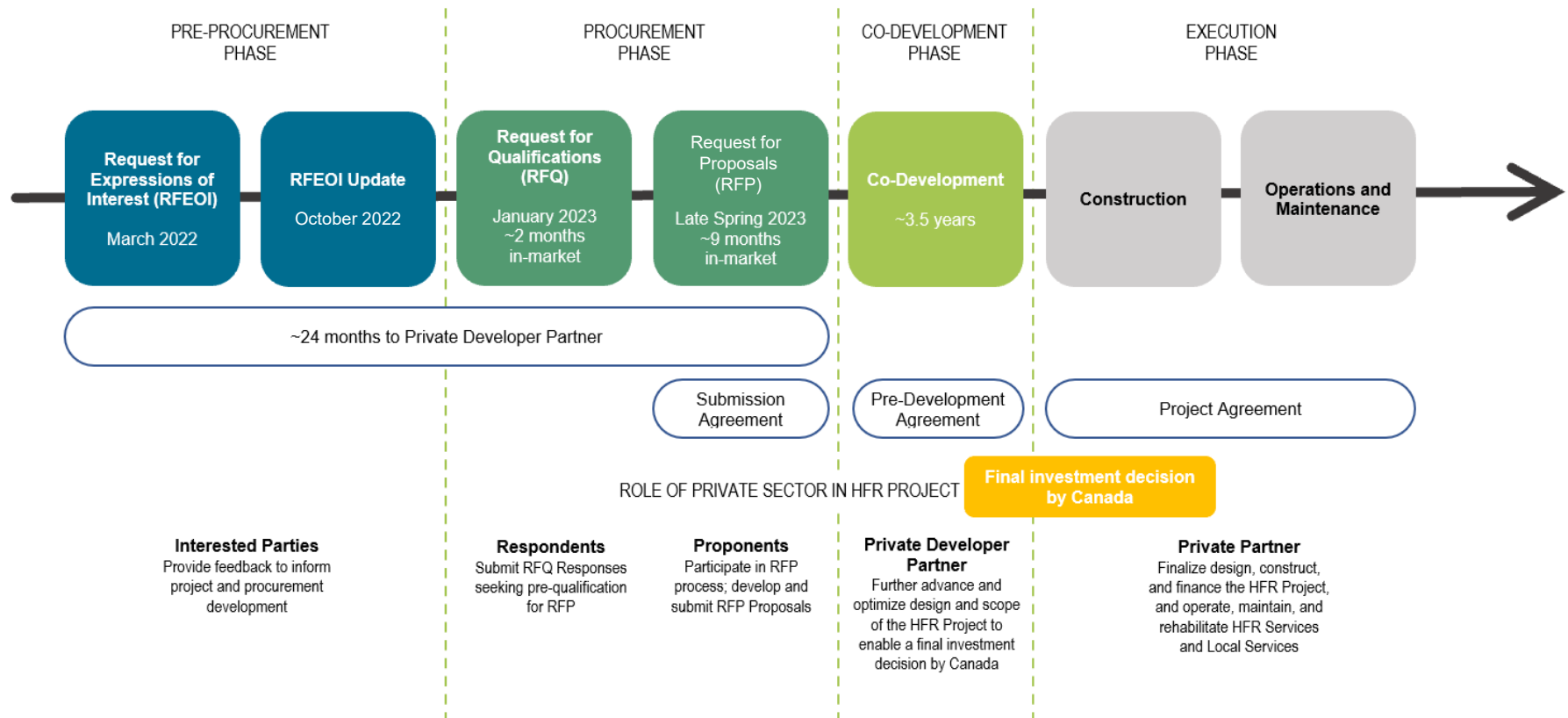
- Incorporating strategies to **reduce operating costs** per passenger **while maintaining high levels of customer satisfaction**.
- **Increasing revenue** including, through non-fare revenue strategies.

7 Contribute to Canada's commitment to reconciliation with Indigenous Peoples

- Create **socio-economic benefits and project participation** opportunities for Indigenous Peoples.
- **Ongoing engagement to foster meaningful, two-way dialogue.**

Overview of Project Delivery Phases

A project of this complexity involves a multi-phased procurement process that would culminate with the selection of a private partner to co-develop and execute the project.



Request for Expressions of Interest and Procurement Phase

- ✓ The **Request for Expressions of Interest (RFEI)**: described the project vision, objectives, scope and procurement process and sought essential feedback to prepare for the phases that follow.
- 1. The **Request for Qualifications (RFQ)**: to select qualified respondents that would be invited to participate in the Request for Proposals.
- 2. The **Request for Proposals (RFP)**: to select a private sector partner that would work collaboratively with the Government of Canada to further de-risk and optimize the Project for a final investment decision by the Government.

The procurement process would be open, fair and transparent :

FAIRNESS MONITOR



Formal oversight and independent validation of the fairness of the procurement process, including issuing a public report.

GOVERNMENT



Governance structure designed to provide oversight of the procurement process.

PSPC AS CONTRACTING AUTHORITY



Ensuring procurement follows applicable laws, regulations and policies, conducted in a fair, transparent, and prudent fashion.

CONFLICT OF INTEREST COMMITTEE



Impartial forum for assessing the relationships of individuals and organizations: conflicts of interest and/or unfair advantages.

Procurement and Commercial Update

- Request for Expressions of Interest (RFEOI) was issued in March 2022.
- 54 formal responses were received for the RFEOI.
- Market interest in the project is high and Transport Canada was satisfied with the number of responses received from the RFEOI.
- An RFEOI update has also been issued on October 31, 2022 to summarize certain key themes stemming from the RFEOI process and provide additional information and clarifications to some elements of the HFR Project.
- General support for the procurement strategy and co-development approach.
- Unanimous support for the integrated operations of VIA local services and new HFR services.
- All meeting participants expressed great interest in participating in the HFR project, noting its significance and benefits to Canadians.

Co-Development Phase

The co-development approach would involve **a new collaborative model** that would be beneficial to the Government of Canada and the Private Developer Partner as it:

1. Is focused on **exceeding the Project Outcomes**.
2. Takes a **long-term integrated approach** to operations and asset management.
3. Draws the **Private Developer Partner's strategic input** into the development of the Project.
4. Provides for a joint discussion around **effective risk management**
5. Provides the **market** with **opportunities to add value** by applying their commercial expertise to optimize performance and bring in innovation.
6. Allows for the HFR Project to be **designed and developed in parallel to the impact assessment**.
7. Allows for **improved visibility on key metrics and outcomes** through direct collaboration.

Engagement and Impact Assessment

Engagement is a key activity on HFR's critical path

- Success depends on strong relationships with partners, including Indigenous Peoples and other levels of government (Ontario, Quebec, and Corridor municipalities)

Pre-planning work is underway for **the Impact Assessment** and will be advanced further as the alignment is determined

Engagement with Impact Assessment Agency aims to identify most efficient path while meeting expectations

Indigenous and Stakeholder and engagement will continue:

- To date, feedback largely supportive
- Interest in more information about project being made available – in response, increased sharing planned

Indigenous and Stakeholder Engagement to date

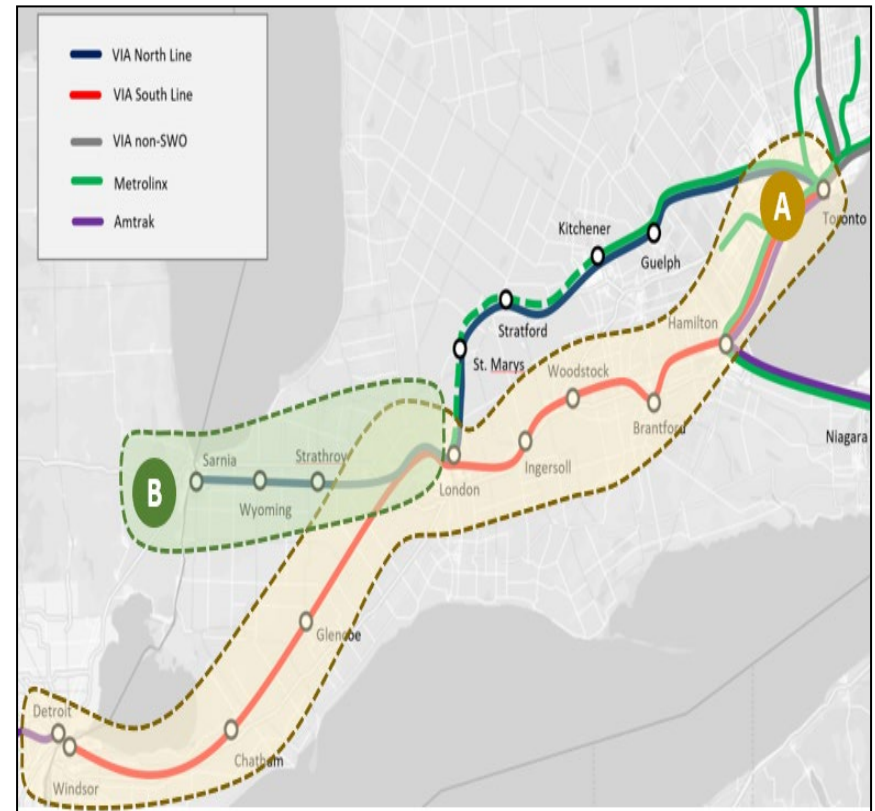
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| Indigenous Communities and Organizations | Over 40 First Nations, Métis, and Innu communities and organizations in Ontario and Québec |
| Provincial governments | Ontario, Quebec |
| Ontario municipalities | Including: Toronto, Ottawa, Peterborough, Pickering |
| Quebec municipalities | Including: Laval, Montréal, Québec City, Trois-Rivières |
| Other interested parties | Including: Chambers of Commerce; association groups; etc. |

Upcoming actions:

Meeting with city planners and elected officials;
Advancing preparatory work for the Impact Assessment, including field studies

Update on Enhancing Passenger Rail in Southwestern Ontario

- On August 30 2022, Minister Alhabra announced the Department of Transport would be exploring opportunities to enhance rail service in southwestern Ontario.
- TC will engage an external advisor to identify options for:
 - increased frequencies, improve on-time performance and shorten travel time: along the southern line between Toronto-London-Windsor and between London and Sarnia.
- Complements the Province of Ontario's transportation plans in this region.
- Ministerial roundtable with stakeholders expected in early 2023.
- Final report expected late 2023 to inform Government decision.



Next steps

| Activity | Planned for |
|--|----------------------------|
| RFQ issued by Canada | January 2023 |
| Respondents submit their RFQ Submissions | March 2023 |
| RFQ evaluation and identification of Qualified Respondents | Spring 2023 |
| RFP issued by Canada | Late Spring 2023 |
| RFP Proponent consultative process, including commercially confidential meetings | Summer 2023 to Spring 2024 |
| RFP Proponents submit proposals for evaluation | Spring 2024 |
| Target Award of Pre-Development Agreement | Spring 2024 |
| Length of Co-development Phase | 3.5 Years |

Thank You

For any questions:

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Social Media: [https://www.facebook.com/tgfhfr/tgf-hfr-\(@TgfHfr\)-Twitter](https://www.facebook.com/tgfhfr/tgf-hfr-(@TgfHfr)-Twitter)