

David Gagnon
Clerk of the Committee
Standing Committee on Finance
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6
Canada

E-mail: FINA@parl.gc.ca

RE: COVID-19 impacts to the Canadian rail tourism industry

Dear Standing Committee of Finance Members,

The Railway Association of Canada (RAC) represents railways that are a critical component of Canada's vibrant tourism industry and its annual \$100 billion economic footprint. This submission provides a summary of the impacts the COVID-19 pandemic is having on our members and their operations in the Yukon, British Columbia, Alberta, Manitoba, Ontario and Quebec. It includes two recommendations for your consideration.

Each year our members complete approximately 340,000 passenger trips that generate more than \$ 325 million (M) in revenues and support approximately 1,000 well-paying, seasonal workers located in rural and remote communities across Canada. Our members' annual capital expenditures envelope hovers at approximately \$ 45 M while they pay approximately \$ 15 M in taxes to governments each year.

Moving tourists by rail drives local and regional economic activity by creating demand for local service providers such as hotels, restaurants, retail and excursion companies. For example, the Prairie Dog Central Railway operates a service that brings more than 12,000 tourists a year to Grosse Isle Manitoba (population ~13,500), while the iconic Rocky Mountaineer's services create demand for more than 500,000 hotel nights a year in Western Canada.

For our members, seasonal tourism is the primary revenue stream that enables their operations and ability to provide services across the country. These revenues are collected mainly through the summer and fall months and are generated from thousands of international visitors.

COVID-19 is reducing the revenues necessary to offset the substantive operational and capital costs required to provide a tourism railway service. In fact, in a typical year the average operating ratio for our tourist member railways hovers at approximately 90 per cent, underscoring that revenues narrowly outpace expenses under normal operating conditions. Our members have been forced to respond to the COVID pandemic by reducing their operations, suspending capital expenditures, laying off employees and in some cases cancelling their operations for the season.

While we commend the Federal Government in its efforts to support the economy, more needs to be done to support tourism railways so that they can continue to serve Canadians and international customers in the future.

RAC recommends that the federal government:

1. recognize the impacts of COVID-19 to seasonal tourism railways and ensure that operators have immediate access to capital so they can provide services beyond this year; and
2. create a task force to develop a long-term recovery plan that rebuilds confidence and repositions Canada as an attractive tourist destination for international visitors.

RAC stands ready to work with the Government and stakeholders to ensure that the long-term viability of Canada's tourism industry is maintained, and that tourist railways continue to play an important role in showcasing Canada's natural beauty and iconic destinations to international customers.

Please do not hesitate to contact me if you require any additional information at 613.564.8090 or mbrazeau@railcan.ca

Sincerely,



Marc Brazeau
President and CEO
Railway Association of Canada

Appendix A: List of tourist operators in Canada

Company	Website	Location	Primary Contact	Contact Info
Alberta Prairie Railway	https://www.absteamtrain.com/	Stettler, AB	Don A. Gillespie	info@absteamtrain.com
Great Canadian Railtour Company Ltd.	https://www.rockymountaineer.com/	Vancouver, BC	Mark Southern	msouthern@rockymountaineer.com
Keewatin Railway Company	http://www.krcrail.ca/	Winnipeg, MB	Tony Mayham	tony@18007617110.com
Ontario Northland Transportation Commission	http://ontarionorthland.ca/en/travelling-train	North Bay, ON	Grant Bailey	grant.bailey@ontarionorthland.ca
Prairie Dog Central Railway	https://www.pdcrailway.com/	Winnipeg, MB	Paul Newsome	pdcr@shaw.ca
South Simcoe Railway	http://www.steamtrain.ca/	Tottenham, ON	Eric S. Smith	smithssr@csolve.net
Train Touristique de Charlevoix Inc.	https://traindecharlevoix.com/en/	Baie-St-Paul, QC	Nancy Belley	nbelley@reseaucharlevoix.com
Tshiuetin Rail Transportation Inc.	https://www.tshiuetin.net/	Uashat, QC	James Bérubé	jamesberube@tshiuetin.ca
White Pass and Yukon Route Railroad	https://wpyr.com/	Skagway	Tyler Rose	trose@wpyr.com