



**NEWS LOCAL**

**More railway woes**

By Elaine Della-Mattia, Sault Star  
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City council heard about more railway woes at Monday night's meeting.

This time, the concern comes from Genessee & Wyoming Canada, the parent company of Huron Central Railway Inc., which claims it needs between \$5 - \$6 million annually to keep its infrastructure in shape on its 278 km of rail line to keep industry products and supplies running to the region's major industries.

Three major regional companies – Essar Steel, Domtar and Eacom – make up about 88 per cent of Huron Central's business. All three have provided letters of support to the rail operator.

While federal and provincial government infusions of cash between 2010 and 2015 have helped improve infrastructure along the rail line, Huron Central considers itself “in survival mode” because profits are insufficient to enable sustainable capital investment to maintain and rehabilitate the line.

Increased compliance costs like insurance and crossing regulations and the end of government funding have drained Huron Central's finances, a report to council states.

Huron Central says its current volumes don't provide the additional revenue needed to keep the railway lines in shape.

It's looking for public funding to help maintain the rail lines.

While the city can't financially support Huron Central's endeavours, it did unanimously pass a resolution supporting the company's efforts to secure the funding necessary to provide the short line freight service between Sault Ste. Marie and Sudbury.

Louis Gravel, president of the company, called the support "critical."

Moves have already been made asking the federal and provincial government for \$8 million, he said. The financial backing is needed for another five years and it's believed that a brighter future for the mining industry will result in increased shipping tonnage and more revenue for Huron Central to become self sustaining.

Ward 3 Coun. Matthew Shoemaker suggested the councillors in the room seeking provincial office raise this matter with the parties and increase the profile of the file during the byelection. He said he also spoke to MP Terry Sheehan about the issue.

Huron Central says its service provides lower costs for manufacturing customers to move its products as opposed to truck usage, decrease the cost of road maintenance, reduces environmental costs and provides safer roads.

Saving Huron Central also preserves direct and indirect jobs, ensures viability and sustainability of area industries and provides direct and indirect rail access to communities and First Nations.

The railway is also essential to the development of Sault Ste. Marie's multi modal initiative, keeps regional train routes competitive and provides Essar with competitive transportation.

In 2009, Huron Central had said it would stop operating the line between the Sault and Sudbury because major infrastructure improvements were needed to return the short-line rail to profitability.

It struck a one-year deal with the major stakeholders that would see the operations to allow officials time to seek funding for the much-needed improvements from higher levels of government.

Traditionally, the province does not fund railway infrastructure, but the plan was created to allow for its share of the funding.

Eventually both governments kicked in the money to ensure the infrastructure improvements on the tracks were made.

At that time, major users of the line, including Essar Steel Algoma and Domtar, needed to make commitments pertaining to usage levels and shipping rates while CP and Huron Central need to finalize agreements relating to sharing rates and lease agreements for the tracks.

Huron Central, which has leased the rail line since 1997, said it had lost money in the four years prior to the funding announcement, including \$2.1 million in 2008.

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