



For Immediate Release

The Thin Case for Passenger Rail in Northern Ontario

July 16, 2020 – Passenger rail has been the subject of debate in Ontario's northern regions for as long as anyone can remember. Most recently arguments have been put forward in support of passenger rail on the basis of; tourism, connectivity, equity, and economic spin off. Given this renewed enthusiasm, Northern Policy Institute posed the question: Does passenger rail make sense for Northern Ontario?

Overall, **the study finds that there is no be-all and end-all definite answer.** "I'm a supporter of passenger rail." Said lead author Al Phillips, "However, it is important to follow the data, especially when discussing the future of transportation in Northern Ontario. **From an economic perspective,** and in the context of allocation of resources, passenger rail does not appear to make sense for Northern Ontario."

Of course, there are other rationales for passenger rail. Including improved connectivity for First Nations communities, which is a strong argument for a return to passenger rail in some of Ontario's northern regions. However, these other considerations need further analysis and careful consideration before passenger rail decisions are made for those specific areas.

"*The thin case for passenger rail in Ontario's northern regions*" explores the arguments for and against passenger rail in Northern Ontario. Phillips, who is a long-time associate with the University of Manitoba's Transport Institute, analyzed passenger rail in thin and remote regions and related this experience to Ontario's northern regions. He highlighted three key factors for passenger rail in such areas: complementary or supporting freight rail, volume and frequency, and subsidies.

Complementary or supporting freight rail: In Canada, regular freight rail activity is generally a prerequisite for viable passenger rail due to relatively small, widely dispersed populations and difficult route conditions. The report explains that using discontinued, yet still existing freight rail infrastructure might not be as cheap or easy as one would think.

Volume and Frequency: Decisions based on assumed volume and frequency should be tempered by the increased uncertainty of demand for transportation infrastructure in remote and thin markets. Phillips reiterates the population density factor. Northern Ontario has a population density of 1 person per km² in contrast with the Toronto Census Metropolitan Area which is approximately 1,000 people per km².

Subsidies: Subsidies have been shown to be integral to passenger rail, particularly in thin markets. They have been made to facilitate rail infrastructure but also occur where rail is the only land-based transportation option. That said, on a per passenger basis, larger subsidies are invariably associated with more remote or thin market rail.

"We should not kid ourselves," says NPI President Charles Cirtwill, "all mass transit is subsidized. The question asked in this paper is whether there is any evidence to make an economic case for the subsidies to go to rail, versus road or air or other modes, or to some other public purpose entirely."

If no train, then what? Buses. Bus and passenger rail are not equivalent services, but they serve similar functions. The expanding bus network and improvements to the on-board accessibility services in the Ontario Northland bus fleet appear, at least in part, to address the transportation needs of Northern Ontario's aging population. Also, the level of per passenger subsidy required by bus service is much lower than that required to maintain passenger rail service.

To read "*The thin case for passenger rail in Ontario's northern regions*", follow the link:
<https://www.northernpolicy.ca/passenger-rail>



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Media Interviews: NPI President and CEO Charles Cirtwill is available for comment. To arrange an interview, please contact:

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About Northern Policy Institute:

Northern Policy Institute is Northern Ontario's independent think tank. We perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable Northern communities. Our operations are located in Thunder Bay and Sudbury. We seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.

About the lead author:

Al Phillips

Al Phillips completed his M.Sc. in agricultural economics at the University of Guelph in 1981, focusing on resource economics and land use. Subsequently he was active in the agricultural marketing research sector where he expanded his skills in primary data collection procedures and research methods.

He joined the University of Manitoba Transport Institute in 1999, taking the lead in many of the Transport Institute's projects, and providing guidance in research techniques and analysis to the Transport Institute team. He remains an associate of the Transport Institute and is a retired Professional Agrologist in the Province of Manitoba.