

**DETAILED ACTION PLAN FOR OAG REPORT RECOMMENDATIONS –**  
**CHAPTER X: VIA Rail Canada Inc**

<b>Report Reference</b>	<b>OAG Recommendation</b>	<b>Management Response</b>	<b>Description of Final Expected Outcome/ Result</b>	<b>Expected Final Completion Date</b>	<b>Key Interim Milestones (Description/ Dates)</b>	<b>Responsible Organization/ Point of Contact (Name, Position, Tel #)</b>
<p><b>Corporate Governance Recommendation #28</b></p>	<p>VIA Rail Canada Inc., in cooperation with government officials, should review its existing governance systems and practices to allow it to define, obtain approval of, and implement a long-term strategic direction in a timely manner so that the Corporation is able to fulfill its mandate economically, efficiently, and effectively.</p>	<p>The Corporation’s planning and operational effectiveness would be greatly enhanced through multi-year approval and funding of its long-term plans. Management has worked with Transport Canada toward this objective and obtained a multi-year funding envelope ending in March 2017. Furthermore, the Corporation’s management has begun working with Transport Canada to confirm its long-term strategy. In 2015, management developed two strategic initiatives aimed at improving the Corporation’s services and ensuring its long-term financial sustainability and at having the Corporation’s corporate plan approved by government officials in a timely manner. The first initiative is to renew its equipment fleet for services in the Québec City–Windsor corridor. Nearly 200 cars will need to be replaced. The second initiative is to mitigate issues resulting from having to share tracks with freight trains. A project to build dedicated tracks for the busiest segment of VIA’s network, that is, the Toronto–Ottawa–Montréal corridor, is being examined. This four-year project could begin as early as 2016 and be completed in 2019. It showcases VIA Rail’s current assets and the future new fleet in order to attract investment from outside the Government of Canada, thereby minimizing the Canadian taxpayer’s burden. The Corporation is optimistic that the various proposed initiatives will help to confirm a long-term strategy that will reduce dependence on government funding.</p>	<p>Multi-year funding Approval of a long term strategic direction plan</p>	<p>April 2017</p>	<p>2017-2021 Corporate plan approval</p>	<p>Point of Contact Patricia Jasmin CFO 514-871-6805</p>

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<b>Corporate Governance</b> Recommendation #29	VIA Rail Canada Inc.'s management, together with the Board of Directors, should regularly review and define the nature, quantity, and relevance of the information to be provided to Board members in a timely manner to properly assess risks and to support decision making.	At the end of 2015, the Corporation's management, with the support of its directors, initiated a review to decrease the volume and enhance the relevance of information shared with directors to enable them to perform their oversight duties in a more effective manner. Management will work with its Board of Directors annually to assess the improvements put in place each year, starting in 2016.	Improvement the relevance of information	December 2016		Point of Contact Patricia Jasmin CFO 514-871-6805
<b>Operations</b> Recommendation #45	VIA Rail Canada Inc. should finish upgrading its Safety Management System and measure its effectiveness. VIA should also finish integrating this system into the corporate risk management system to ensure that safety risks are maintained at an acceptable level.	The Corporation's management implemented a detailed action plan for upgrading its Safety Management System and integrating it into the corporate risk management system. The Corporation met the October 1 <sup>st</sup> , 2015 deadline by complying with the new federal legislation and has taken the necessary measures to be able to demonstrate the effectiveness of its new system by 1 April 2016.	Demonstrate the effectiveness of its new system	April 2016	New Federal Legislation (October 1 <sup>st</sup> 2015)	Point of Contact Patricia Jasmin CFO 514-871-6805
<b>Operations</b> Recommendation #46	VIA Rail Canada Inc. should improve the documentation of its Safety Management System, including information supporting actions and decisions related to the safety of tracks owned by other railway companies.	The Corporation will upgrade its documentation by the end of 2016. However, VIA does not have any contractual or other rights providing it with access to information concerning actions and decisions related to the safety of track-owning railway companies' infrastructure. Therefore, its ability to document risks and take mitigation measures is limited. The Corporation will raise this issue during negotiations to renew each of the agreements it has with railway companies that own railway tracks.	Renewal of TSA agreements	December 2018		Point of Contact Patricia Jasmin CFO 514-871-6805
<b>Operations</b> Recommendation #47	VIA Rail Canada Inc. should finish analyzing all of its major information technology systems so that it can identify risks and vulnerabilities and determine actions to be taken to mitigate them.	At the end of 2015, the Corporation's management completed an analysis of risks and vulnerabilities, and work is under way to implement mitigation measures by the end of 2016.	Implementation of mitigation measures	End of 2016		Point of Contact Patricia Jasmin CFO 514-871-6805

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<p><b>Operations</b> Recommendation #48</p>	<p>VIA Rail Canada Inc. should, together with railway track-owning railway companies, ensure that it has mechanisms in place making it possible to maintain the on-time performance of its trains.</p>	<p>The Corporation is of the opinion that congestion on shared tracks remains a major issue for Canada and that the dedicated track project could make it possible for passenger trains to arrive on time 98 percent of the time on the Toronto–Ottawa–Montréal segment. The Corporation will therefore analyze this project. For long-distance services in western and eastern Canada and in remote regions, the Corporation will continue its efforts with track-owning railway companies to improve the on-time performance of its trains. The operational and financial frameworks of these two service types (freight and passenger) are intrinsically incompatible. Therefore, in the current contractual context, any possible improvement would be limited. The Corporation will initiate discussions with its shareholder in order to identify possible alternatives to the current contractual framework.</p>	<p>Maintain the on-time performance of passenger trains</p>			<p>Point of Contact Patricia Jasmin CFO 514-871-6805</p>
<p><b>Operations</b> Recommendation #49</p>	<p>VIA Rail Canada Inc. should integrate profitability analysis and rolling stock fleet management mechanisms into its revenue management system to optimize ridership and revenues.</p>	<p>In 2015, the Corporation worked on completing the implementation of a new system containing information on profitability per train. Information from this system will be incorporated into decision making that is based on the revenue management system in 2016.</p>	<p>Integration of new tools</p>	<p>December 2016</p>		<p>Point of Contact Patricia Jasmin CFO 514-871-6805</p>
<p><b>Capital investment program management</b> Recommendation #58</p>	<p>VIA Rail Canada Inc. should continue implementing corrective measures concerning its project management systems and practices in order to ensure that, for its future capital investments, it is able to reliably estimate costs, risks, and expected results, as well as manage projects within established budgets and timelines.</p>	<p>In the last few years, the Corporation put in place a governance structure to ensure project management follow-up. In 2015, the Corporation set up a centralized project office. This office has already helped to standardize work practices and, in 2016, it will further standardize estimates and measures for risks and benefits.</p>	<p>Implementation a governance structure to ensure project management follow-up.</p>	<p>December 2016</p>		<p>Point of Contact Patricia Jasmin CFO 514-871-6805</p>