

Slight traffic increase in 2024 for the SCFG, due to delay in line refurbishment

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NEW RICHMOND – The Société du chemin de fer de la Gaspésie (SCFG) reported a slight 3.4% increase in freight traffic in 2024, a situation essentially attributable to delays in the refurbishment of the railroad between New Richmond and Port Daniel, as last year was supposed to yield better results.

The number of cars hauled by the Société du chemin de fer de la Gaspésie trains went from 1,998 in 2023 to 2,066 last year, an increase of 68 cars.

The increase stems from a 63% hike in lumber traffic generated by the Groupe Lebel sawmill in Nouvelle and a 1.6% increase in cement traffic, which originates from Port Daniel, with a transshipment in New Richmond. Cement hauling is the main source of traffic for the SCFG with a tad over 50% of the SCFG carloads.

The hike was attenuated by a 7.7% decrease in woodchip traffic between the Nouvelle sawmill and the White Birch Paper mill in Rivière-du-Loup. Woodchips represent the second source of traffic for the SCFG, carload-wise, with lumber coming in third.

A corporation controlled by the four MRCs of the south part of the Gaspé Peninsula, the SCFG doesn't reveal the exact number of carloads of its customers, as the latter requires some discretion about their statistics, for competitiveness reasons.

A transition year in 2024

The director general of the SCFG, Luc Lévesque, remarks that 2024 was a transition year, as the transporter is preparing to run trains between New Richmond and New Carlisle, then to Port Daniel, where Saint Mary's Cement is waiting for the track to be serviceable.

"It is a transition period in the sense that many projects are under discussion and are starting to move forward. We were in fact expecting that some projects would come to fruition over last summer but they didn't. There are issues with the interest rates that played a role and we are experiencing the post-Covid transition. We have a project to move some wood fibre to plants that are located outside



Photo: G. Gagné

Woodchip traffic went down by 7.7% in 2024 out of the Groupe Lebel sawmill in Nouvelle.

the region and there will be other sources of traffic. There are real possibilities. Sometimes, projects are longer to land. It is the same thing for cement hauling. However, they are tied to reopening the track to Port Daniel. In 2024, everybody was expecting the reopening of the line to Port Daniel. That delay also slowed down traffic progress," explains Mr. Lévesque.

"I can't blame the customers for postponing projects, after the multiple delays that have marked the last years. They are waiting to get a functional track before moving. As soon as it will be carried out (the railroad refurbishment to Port Daniel), the projects will materialize. I expect traffic increases and projects to take off the ground. Our traffic numbers should be better in 2025, and increase over the coming years as well," states Mr. Lévesque.

In October, the owner of the line, Quebec's Minister of Transports, announced that the line reopening to Port Daniel would not happen before the end of the spring, due to construction delays and the fact that Saint Mary's Cement will not be ready to load part of its production in railcars before May or June.

The upgrading of the railway will cost \$872 million, and its completion between Port Daniel and Gaspé is scheduled for the end of 2026 or more likely, sometime in 2027.

Growth potential

The volume of cement is expected to rise in 2025 for two reasons. First, at some

point over the end of the spring or the beginning of the summer, it will be loaded right at Saint Mary's cement plant in Port Daniel, which will phase out the transshipment cost stemming from the fact that trucks are used between the plant and New Richmond's silo, where cement is transferred to railroad cars.

Secondly, CN Rail, which takes over the cement cars once they have reached the end of the track used by the SCFG in Matapédia, has recently agreed to reopen for freight purposes its line between Bathurst and Miramichi, which opens the Moncton and South-eastern New Brunswick cement market to be served again by train.

"Saint Mary's Cement owns a silo in Moncton. The railway switch was cut a few years ago. As long as CN was not offering a regular service between Bathurst and Miramichi, the Moncton market was only served by trucks. We even hope to send cement railcars to Moncton in March, before the track is serviceable to Port Daniel," explains Luc Lévesque.

The SCFG is also looking for inbound traffic for the cement plant, like silica or other types of input that currently reaches the Port Daniel facility by truck or marine barges.

Luc Lévesque is pleased with the increase in lumber traffic coming from Groupe Lebel's sawmill in Nouvelle, as the 2024 number is about twice that of 2020. It remains just over half of the 2013 record, though.

"The important factor is that it is increasing. On the other hand, the Saint-Elzéar

sawmill did not use our services in 2024 after resuming rail shipments in 2023. We are still working on that file," says Mr. Lévesque. The 2023 start was modest, with just a handful of cars.

The SCFG director general sees another opportunity for pulpwood shipments to a plant he is currently not allowed to identify, though it is located outside the Gaspé Peninsula, but not very far.

"We have been working on that deal for a while. We were close to reaching an agreement at one point and we had some cars available for that traffic. Now, those cars are no longer available but we will find a solution," he points out.

Passenger traffic

The SCFG experienced a setback last year in its attempt to buy 12 Budd automotive passenger cars from a Vermont company, AllEarth Rail. The units were built in 1959 and had previously been owned by VIA Rail before being sold to the Dallas Area Rapid Transit. The SCFG, which was paying a priority fee to acquire the Budd cars, wanted to use them for the revitalization of its tourist train. However, its priority right was nullified in mid-2024.

"The Budd cars are still up for sale. We were not able to get the support we were looking for," says Mr. Lévesque simply.

The SCFG administrators also thought that the Budd cars could represent a solution for a quicker return of VIA Rail's passenger train between Matapédia, New Richmond and New Carlisle.

"The SCFG can be a part of the solution and facilitate, contribute to accelerate the return

of the passenger train. However, we cannot impose it. VIA Rail was indifferent to our Budd cars solution," criticizes Luc Lévesque.

When the Dallas Area Rapid Transit put up for sale the 12 Budd cars acquired by Vermont's AllEarth Rail, VIA Rail was one of the bidders in an attempt to reacquire its former rolling stock, and failed.

The SCFG owned the Matapédia to Gaspé line between June 2007 and the beginning of 2015, when the burden of maintaining the railroad became too much for the transporter under municipal control, especially in the austerity context implemented by the Liberal Party government of Philippe Couillard. Traffic was blocked east of Caplan in 2015.

Transports Québec took until May 2017 before announcing a full repair program between Matapédia and Gaspé. Despite its start almost eight years ago, the refurbishment program has not led to traffic resumption east of Caplan. In fact, in the summer of 2023, Transports Québec initiated repair works in the Henderson road sector that reduced the serviceable portion of the railway to Matapédia and New Richmond, instead of Matapédia and Caplan.

While the hauling of windmill blades fabricated by LM Wind Power in Gaspé contributed heavily to the traffic increase between the end of 2016 and May 2022, the end of the export contract consisting of supplying blades to Texas and neighbouring states prompted a decline in traffic over the last three years, compared to the 4,636 carloads peak of 2021.

Freight traffic on the Transports Québec line over the last decade

YEAR	NUMBER OF LOADS
2015	1633
2016	1741
2017	2786
2018	4323
2019	4236
2020	4202
2021	4636
2022	3190
2023	1998
2024	2066