

**Cape Breton Regional Municipality**

**Council Meeting**

**ADDENDUM**

**TUESDAY, APRIL 9, 2024**

**6:00 P.M.**

Council Chambers  
2<sup>nd</sup> Floor, City Hall  
320 Esplanade, Sydney, NS

# Cape Breton Regional Municipality

## Council Meeting

Tuesday, April 9, 2024  
6:00 p.m.

### **ADDENDUM ITEM**

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6. **COUNCIL AGENDA REQUEST:**

- 6.2 **Request a Presentation from CN Rail re End of Cape Breton Rail Line Subsidy:** Councillor Darren Bruckschwaiger (See page 3)



City Hall  
320 Esplanade  
Sydney, NS B1P 7B9

Item No.

<b>Councillor Agenda Request Form – Staff Report</b>	
<input type="checkbox"/> <b>Included on Agenda</b> (Submitted to Municipal Clerk's Office by 4:30 pm seven days before the meeting)	<input type="checkbox"/> <b>Late Item</b> (Submitted to Municipal Clerk's Office by Noon the day before the meeting)
<input type="checkbox"/> <b>Request from the Floor: (New Business)</b> - <b>Announcement</b> - <b>Referral</b> - <b>Submit Petition</b> - <b>Notice of Motion</b>	
<b>Date of Council/Committee Meeting: April 9, 2024</b>	
<b>Subject: Request a Presentation from CN Rail re End of Cape Breton Rail Line Subsidy</b>	
<b>Motion requesting Staff Report for Council/Committee to Consider:</b> To request that a representative from CN Rail provide a presentation at the next possible Council meeting to discuss future planned operations in Nova Scotia, specifically on Cape Breton Island.	
<b>Reason: Nova Scotia Government ends decades long subsidy for Cape Breton Rail Line</b>	
<b>Outcome Sought:</b> That Council receives a presentation from CN Rail at the next possible Council meeting to discuss future planned operations in Nova Scotia, specifically on Cape Breton Island.	
<i>Councillor Darren Bruckschwaiger</i>	<i>District 10</i>
<i>Date: April 5, 2024</i>	<i>Received by Clerk's Department (date):</i>

**Issue has been discussed with Director of Responsible Department**

Nova Scotia

## Nova Scotia government ends decades-long subsidy for disused Cape Breton rail line

Province says there's no chance rail line will see investment of up to \$500 million needed anytime soon

[Tom Ayers](#) · CBC News · Posted: Apr 04, 2024 6:00 AM ADT | Last Updated: April 4



The Nova Scotia government has ended a decades-long subsidy for the rail line in Cape Breton, now that CN Rail has bought a stake in Genesee & Wyoming, the company that owns the tracks. (CBC)

 [comments](#)

The Nova Scotia government says it ended a longstanding subsidy for the Cape Breton railway because there is no chance the unused rail line will be restored to operating status anytime soon.

Economic Development Minister Susan Corkum Greek said it could cost up to \$500 million dollars to repair the crumbling rail line and one of the owners has shown no interest in spending that kind of money.

"I feel comfortable to say that there is no evidence of an imminent investment on the scale that would be required," she told reporters Thursday in the legislature.

"There's nothing in the near future that indicates that someone has a business case for the size of investment that this would take, so whether that at some point in future might come about ... it was time to call it."

Corkum-Greek said she has spoken with officials from CN Rail, which bought a stake in Cape Breton and Central Nova Scotia Railway owner Genesee & Wyoming last fall.

She said she was told CN is looking to invest elsewhere in the country.

CN declined a CBC request for an interview.



The owners of the Cape Breton rail line have allowed the tracks to become overgrown and the rail bed to crumble. (Tom Ayers/CBC)

The province has spent more than \$18 million over the last 20 years propping up the Cape Breton line.

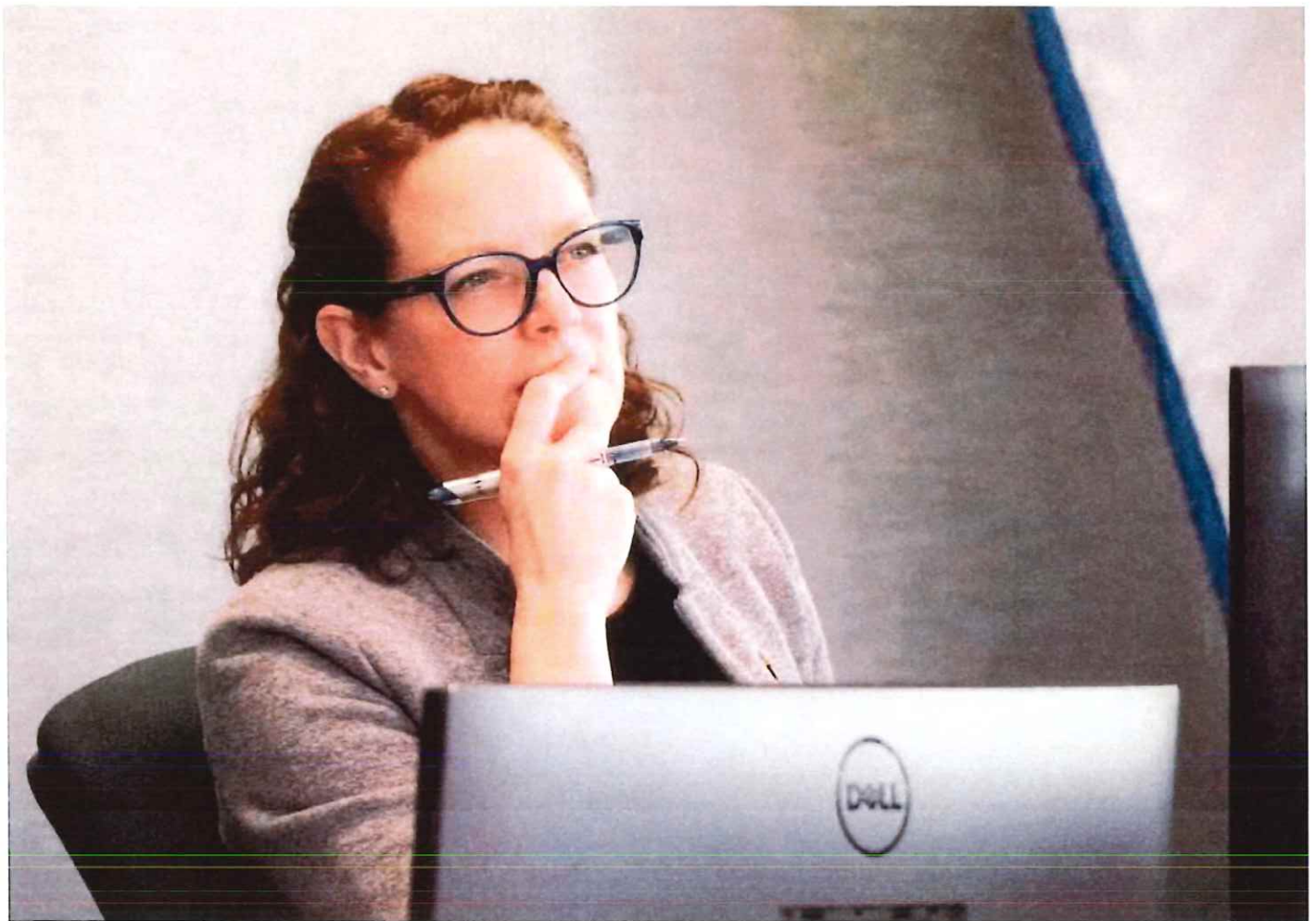
Trains have not run across Cape Breton since 2015, when Genesee & Wyoming — the sole owner at the time — decided to discontinue the line from Point Tupper to Sydney, saying there was not enough business to justify the railcars.

The company had been ready to abandon that part of the line as well, a process that would have allowed the company to rip up the tracks, recycle the steel rails and sell off the land.

However, the provincial government struck a deal that paid the company to keep the line in place while the Cape Breton Regional Municipality sought to develop a container terminal in Sydney Harbour that would have needed railway access to be viable.

That container terminal project is still just an idea. Novaporte, the company that has an exclusive right to develop land in Sydney Harbour for a container terminal, said it is not abandoning that project altogether, but is now [focusing its efforts on the offshore wind industry](#).

On Wednesday, Cape Breton Regional Municipality Mayor Amanda McDougall said the end of the subsidy was news to her and raises questions.



Mayor Amanda McDougall says she is concerned about what the loss of the subsidy will mean for future economic development efforts in CBRM. (Tom Ayers/CBC)

"What does that mean?" she said. "So if the subsidy has stopped, to me it could be two things: that there is no interest in maintaining an important and crucial line of transportation in Cape Breton or, on the other hand, it could mean that there's a deal with the new owners that there's going to be investment."

McDougall said she is concerned about the loss of the subsidy and what it could mean for economic development in the future.

"Rail is such an integral part to growing our island, to growing the economy," she said. "Even if it was symbolic at times, that subsidy meant that there was still hope and investment in what was to be our future growth."

## **Nail in the rail line coffin?**

Derek Mombourquette, the Liberal MLA for Sydney-Membertou, said the province may have just driven the final nail in the rail line's coffin.

"This was about protecting critical infrastructure in Cape Breton and in my opinion ... by the government not renewing the subsidy, the Houston government is abandoning the rail line in Cape Breton," he said.

Corkum-Greek said the province is not closing the door on future development, but no one has yet found a business case to justify keeping the rail line in place.

## **WATCH | Rail line has been falling into disrepair for years**



### Cape Bretoners call for repairs to crumbling rail line

▶ 4 years ago 4:19

Some people want to see trains running across Cape Breton again, but say their dream might not be possible if the crumbling infrastructure is not fixed soon. Meanwhile, the Nova Scotia government is working on regulatory changes that would make repairs mandatory.

When the line was discontinued in 2015, the province provided the rail line up to \$60,000 a month for six years, totalling about \$4 million.

After that, the subsidy was renewed at \$30,000 a month for three more years, until this spring, totalling another \$1 million.

That's in addition to [at least \\$13.5 million more](#) in subsidies that were paid prior to 2011, while the line was operational.

Despite all that money, [the line has been allowed to crumble](#) and become overgrown with trees and shrubs.

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