



29 June, 2016

Canadian Transportation Agency
Determinations
15 Eddy Street
Gatineau, Quebec J8X 4B3
Submitted by email to determinations@otc-cta.gc.ca

Application by Moose Consortium Inc. for a Comprehensive Certificate of Fitness to Develop a 400 km Passenger Railway Undertaking Throughout Canada's Greater National Capital Region, and to Rebuild or Enhance Required Railway Works Owned by Other Companies

- 1 Moose Consortium Inc. ("Moose", an acronym for Mobility Ottawa-Outaouais: Systems & Enterprises) is the first fully-independent inter-provincial passenger railway start-up in Canada in at least 100 years. If its planned development proceeds successfully through to operation, it will be the only fully private sector metropolitan-scale railway transit undertaking in Canada. The Consortium's "*Property-Powered Rail Open Market Development Model*" is a unique approach to railway financing with no dependence upon public sector funds, in-kind subsidies or market restrictions. Section 5 of the Canada Transportation Act states that the National Transportation Policy prioritizes "a competitive, economic and efficient national transportation system ... in both urban and rural areas throughout Canada". The Moose group of companies has designed a highly entrepreneurial, competitive, economic and efficient passenger railway service proposal based on a real property market involving up to 100 square kilometers spread amongst fifteen Québec and Ontario municipalities in both urban and rural sectors of Canada's Greater National Capital Region. This application is submitted on the date of the 125th Anniversary of the beginning of integrated public transit in Canada's Capital, which was initiated, planned, financed, developed and sustainably managed by commercial firms with private sector investment.
- 2 This letter and its package of attachments constitute Moose Consortium Inc.'s application to the Canadian Transportation Agency for a Certificate of Fitness. Section 87 of the Canada Transportation Act (CTA) states that "railway company means a person who holds a certificate of fitness under section 92, [or] a partnership of such persons". Subsection 91(1) provides that "Any person may apply for a certificate of fitness for a railway". And Subsection 92(1) of the Act states that "The Agency shall issue a certificate of fitness ... if the Agency is satisfied that there will be adequate liability insurance coverage for the proposed operation or construction, as determined in accordance with the regulations" (emphasis added). Moose notes that 92(1) employs the future tense rather than the present, which is to say, it is clear that the Act does not require full operational coverage to already be in place in order for the Agency to issue a certificate of fitness. Moose also notes that Section 94 anticipates "changes to the construction or operation that may affect the liability insurance coverage".
- 3 Moose seeks a certificate of fitness from the Agency pursuant to the purposes and criteria of Sections 91 and 92 of the CTA, in order to be accredited as a federal railway company. This is required in order for Moose to proceed with its core business, financial, technical, regulatory and various stakeholder arrangements involved in developing this initiative, and to negotiate formal

agreements to rebuild or enhance required railway works owned by other companies.

- 4 Moose has confirmed with its insurance broker of record, Aon Reed Stenhouse Inc. (AON) that there will be adequate liability insurance for the company's operation of the proposed passenger railway undertaking, and for its proposed repair and enhancement of various existing railway works, within all applicable federal laws and regulations. The Agency is asked to promptly notify Moose of any additional information steps or assurances the Agency may require in order to issue a certificate of fitness towards this proposal in accordance with its criteria.
- 5 In addition to documentation of the routes, termini and liability insurance coverage, several attachments are provided with this letter to describe the proposed inter-provincial passenger railway service. These descriptive documents, Annexes H through R, are supplied in draft form because detailed planning to advance this proposal continues.
- 6 Annex A provides corporate information relating to the Moose Consortium Inc., including a copy of the company's Articles of Incorporation, and of the Moose Consortium Agreement template which summarizes the consortium structure. Moose is a federally incorporated commercial firm with shares held by the member companies of the consortium.
- 7 Annex B outlines the Consortium's phased approach to development, referred to as "*Project 125*". Planning work is currently in Phase 1(b).
- 8 Annex C is a completed certificate of insurance form obtained from the Agency's "*Guide to Certificates of Fitness*". Pursuant to Section 94 of the Act, details in this document will be updated from time to time as the development advances, after a certificate of fitness is issued.
- 9 Annex D provides a "*Certificate of Insurance*" (Ref.No. 320007384835, for Commercial General Liability) issued by Moose Consortium Inc.'s insurance broker of record, Aon Reed Stenhouse Inc. (AON). It is the world's second-largest risk management service insurance brokerage firm, and is also the largest such firm in Canada.
- 10 Annex E is a letter from Moose Consortium Inc's Account Executive in the Construction Services Group of Aon Reed Stenhouse Inc. attesting that the scope of Moose's insurance coverage with AON will expand in accordance with tangible implementation and risk exposure of this railway development.
- 11 Annex F generally illustrates the termini and routes of each line of the proposed railway undertaking on existing railway works. The system involves a six-pointed star pattern radiating from the urban core of Ottawa/Gatineau to termini in semi-rural areas in both Ontario and Québec:
 - Smiths Falls ON — Ottawa ON — Gatineau QC — La Pêche (Wakefield) QC;
 - Amprior ON — Ottawa ON — Gatineau QC — Montebello QC;
 - Alexandria ON — Ottawa ON — Bristol QC.

The Consortium's business model is based upon leasing rather than owning railway tracks and corridors. Subsection 91(2) of the Act states: "If a person proposes to operate in Canada primarily on the railway of another railway company, the application must indicate the termini and route of every line of railway proposed to be operated." The Consortium will need to rebuild and enhance of certain railway works in corridors owned by other companies. Before Moose can operate its trains on their tracks, these asset owners will necessarily require their own independent validation that Moose holds adequate project liability coverage proportionate to risk.

- 12 Annex G is a work-in-progress spreadsheet entitled "*Railway Infrastructure of Operational Interest to the Moose Consortium*" which contains ongoing updated information about the entire set of

railway lines that Moose plans to operate on. A few sections of railway that Moose plans to use have previously been discontinued, and will be brought back into service.


- 13 Annex H is a preliminary engineering report entitled “*Prince of Wales Bridge & Lemieux Island Railway Link Improvement Including "Rails-with-Trails" Pedestrian & Cycling Pathways*” concerning the Chaudière Extension which links the Québec and Ontario railways of Canada's National Capital Region. This report was prepared by Moose Consortium member, REMISZ Consulting Engineers.
- 14 Annex I is a draft “*Preliminary Heritage Value Assessment: Prince of Wales Bridge*”. This report is being prepared by Moose Consortium member, MTBA Associates Inc..
- 15 Annex J is Moose's preliminary “*Railway Operations and Maintenance: General Strategy & Preliminary Overview*”. This describes Remote Multi-Purpose Terminals (RMPTs) located near each of the six terminus locations, and a Centralized Maintenance and Operations Centre (CMOC) located in an industrial zone of either in Ottawa or Gatineau, all of which will support the maintenance of trains and railway infrastructure. This report is being prepared by Greenspike (9620320 Canada Inc.), a Moose Consortium member in a train operations consulting.
- 16 Annex K is Moose's draft *Passenger Railway Health and Safety Management System: Requirements Manual*, and the *Moose Consortium Emergency Preparedness General Guide*. These and related documents will be completed and provided as part of Moose Consortium Inc's application to Rail Safety Branch, Transport Canada for a *Railway Operating Certificate* which is dependent upon the Consortium's safety management system (processes, procedures, plans, methods and rules of operation). The set of health and safety manuals will be maintained with regular updates. This work was prepared by Moose Consortium member, Dr. Bill Pomfret & Associates (which includes Safety Projects International Inc).
- 17 Annex L is Moose's *Environmental Management System Manual* based upon ISO14000. This manual will be completed and provided in operational form to the Canadian Environmental Protection Agency prior to the commencement of passenger rail operations. This report was prepared by Moose Consortium member, Firstwatch Consulting.
- 18 Annex M is a white paper that explains “*The Property-Powered Rail Open Market Development Model*”. This business model has a dual purpose: (a) Return on investment optimization in real property; (b) Financing of metropolitan-scale railway transit systems and services. The business driver is to optimize return on investment in real property by delivering metropolitan-scale passenger railway systems and services, on a commercial open-market basis, to a limited number of “Linked Localities”. Each station will be owned, developed and operated as an independent business, which could be autonomously or co-operatively owned; profit seeking or not-for-profit; private or public sector. In order to be provided train service, participating owners and investors in commercial and residential property would need to sign an agreement to assign to the railway operations fund a negotiated proportion of actual increments to realized property revenues (marginal increase in leases, rents) and capital gains (marginal increase in sales actually closed in the period) that are statistically attributable to the existence of the railway service. The formula will be calculated from all commercial and residential properties within 0.8 km (i.e. an easy walk) of each station. This document was prepared by Moose Consortium member, The Opman Company. At the Agency's request and under a non-disclosure agreement, Moose Consortium Inc can provide financial projections based on this approach, for the planned metropolitan passenger rail service.
- 19 Annex N is a “*Preliminary Development Concept Review: Moose Rail Transit Stations*” as the “mobility hubs” of each Linked Locality. This report outlines base principles, a modular flexible

building system and a guiding framework for planning station sites within typical urban, suburban, village and rural localities of the Moose rail network. (A companion report addresses development around them.) The core urban and suburban stations will link with multiple other transportation modes and infrastructure in the cities of Ottawa and Gatineau. The rural town or recreational access stations will require automobile and shuttle networking. This report is being prepared by Moose Consortium member, MTBA Associates Inc.

- 20 Annex O is a “*Preliminary Development Concept Review: Moose Rail Linked Localities*”. The proposed Moose system currently anticipates early development of approximately 35 Linked Localities, growing to perhaps 50 over the 400 km set of railway routes as the system matures. In this system a Linked Locality is defined geographically as encompassing the area with an easy 5-to-7 minute walk, which is about 800 meters. This circumscribes a 2 km² development area. While the localities will be very diverse in character, they will all be guided by "form-based codes". (A companion report addresses the train stations.) Locations will be determined through a request-for-proposals process that optimizes for property revenues but that holds community socio-economic coherence, such as accommodating a diversity of income levels, as intrinsic development planning principles. This report is being prepared by Moose Consortium member, MTBA Associates Inc.
- 21 Annex P is a pair of brochures entitled: “*Ottawa: Nucleus of Canada's Capital*” and “*Gatineau une ville accueillante qui renforce la capitale du Canada*”. These have been prepared to summarize the public interest benefits of the Moose railway proposal for the cities of Ottawa and Gatineau respectively.
- 22 Annex Q is a letter submitted by Moose Consortium Inc. as a “*Preliminary Step in an Application by Moose Consortium Inc. to Canada's Competition Bureau for a Written Opinion of the Degree of Accessibility Versus Exclusivity of the Metropolitan Passenger Railway Market in Canada's Greater National Capital Region*”. Section 3 of the Canada Transportation Act upholds the federal Competition Act which has amongst its purposes: "to ensure that small and medium-sized enterprises have an equitable opportunity to participate in the Canadian economy". This document builds upon the “Submission to the Canada Transportation Act Review Panel By the Commissioner of Competition (February 27, 2015)”.

The Agency generally commits “to deal with all its cases within 120 days”, and member companies of Moose Consortium look forward to a timely review and issuance of a comprehensive certificate of fitness. The Agency is asked to notify Moose without delay should it require any additional information.

Yours sincerely,



29 June 2016

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Annexes

- A) Moose Consortium Inc. Articles of Incorporation, and of the Moose Consortium Agreement template.
- B) Moose Consortium “Project 125”.
- C) Certificate of Insurance from the Agency's "Guide to Certificates of Fitness".
- D) Certificate of Insurance” (Ref.No. 320007384835, for Commercial General Liability) issued by Aon Reed Stenhouse Inc. (Aon).
- E) Letter from Construction Services Group, Aon Reed Stenhouse Inc.
- F) Illustration of the termini and routes of each line of the proposed railway undertaking.
- G) Spreadsheet with ongoing updated information about the railway lines that Moose would use.
- H) Preliminary rehabilitation plan for the Prince of Wales Bridge and Lemieux Island sections of the Chaudière Extension, by “REMISZ Consulting Engineers”.
- I) “Preliminary Heritage Value Assessment: Prince of Wales Bridge" by MTBA Associates Inc..
- J) Plan for overnight maintenance of trains at multi-purpose maintenance sites by Greenspike.
- K) “Moose Consortium Passenger Railway Health and Safety Management System: Requirements Manual”, and “Moose Consortium Emergency Preparedness General Guide”, both by Dr. Bill Pomfret & Associates (Incorporating Safety Projects International Inc).
- L) “Moose Consortium Environmental Management System Manual based on ISO14000” adapted by Firstwatch Consulting.
- M) “The Property-Powered Rail Open Market Development Model” by The Opman Company.
- N) "Preliminary Development Concept Review: Moose Rail Transit Stations" by MTBA Associates Inc.
- O) “Preliminary Development Concept Review: Moose Rail Linked Localities" by MTBA Associates Inc.
- P) “Ottawa: Nucleus of Canada's Capital” and “Gatineau: une ville accueillante qui renforce la capitale du Canada”
- Q) “Preliminary Step in an Application by Moose Consortium Inc. to Canada's Competition Bureau for a Written Opinion of the Degree of Accessibility Versus Exclusivity of the Metropolitan Passenger Railway Market in Canada's Greater National Capital Region”