

For Immediate Release

Cuts to train schedule will hurt tourism

(North Bay, ON January 25, 2007) Ontario's nature and outdoor tourism industry is concerned that recently announced cuts to Algoma Central passenger rail service will cause further setbacks to an already struggling tourism industry. Reduced support from Transport Canada will see the train schedule reduced from 4 to 3 trains per week.

The short notice also has tourist lodges along the rail line scrambling to inform guests of the changes and reschedule their trips. "I have had people reserving for this summer since early May of last spring," notes lodge owner Al Errington. "Now I have to phone most of the over 500 guests that I already have reserved for next summer and tell them they have to change their arrival or departure day because the train they were planning on has been cancelled. I am hoping that most of them only shorten their vacation and don't cancel."

Some tourism organizations see this as another example of declining federal government support for the tourism industry and argue that cuts will cost rather than save money. "At a time when tourism is growing at unprecedented rates throughout most of the world, Canada's tourism industry is in decline" says Doug Reynolds of Nature & Outdoor Tourism Ontario. "Canada spends less real dollars on tourism marketing than it did ten years ago. Pearson airport has some of the highest landing fees in the world, thanks to reduced federal government support. The GST rebate to visitors has been cancelled. The list goes on. Should we be surprised that our industry is struggling?"

An industry study released on January 16, 2007 concluded that rather than saving the government \$86 million in program and administrative costs, cancelling the rebate would result in a net loss of \$46 million in direct tax revenue and the loss of 5700 tourism jobs.

Recent statistics seem to support the concerns of the tourism industry. International tourist arrivals were up globally during the first eight months of 2006, but international visits to Canada fell 4.1%

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