

From HFR to Alto:

How a \$5 Billion Plan Became an \$80–120 Billion One

In 2016, Canada studied a practical, affordable improvement to the Toronto–Quebec City corridor. This document compares what that plan said with what Alto proposes today and asks why a side-by-side comparison has never been published.

Consultation closes March 29, 2026 · en.consultation.altotrain.ca

Executive Summary

In 2016, the federal government funded a serious study of **High Frequency Rail (HFR)** for the Toronto–Quebec City corridor. The proposal was conventional rail at 170–177 km/h on largely dedicated tracks, costed at **under C\$5 billion**. A full Joint Project Office Business Case was published in December 2021. Construction was expected to take about four years.

The structural shift from a public-operation model to a full private concession came in March 2022, when the government issued a Request for Expressions of Interest (RFEOI) inviting the private sector to design, build, finance, operate, and maintain the corridor for up to 50 years, and explicitly inviting proposals for speeds above 200 km/h. In February 2025, without publishing a side-by-side comparison of the HFR and high-speed options, the government confirmed the project would become **Alto High-Speed Rail at 300 km/h+** costed at **C\$80–120 billion**. The co-development phase alone costs C\$3.9 billion in public funds. Passengers would not board until the 2040s. The private concession runs to 2085.

This document asks a simple question: **what was gained and what was lost when Canada abandoned the HFR plan? And why has that comparison never been published?**

AT A GLANCE

16–24× Cost increase C\$5B → C\$80–120B	2040s When passengers board vs. early 2020s under HFR	\$0 Side-by-side comparison published	2085 End of concession period 60 years of private operation
--	--	--	---

THE 2016 HFR PLAN

What the High Frequency Rail Business Case Actually Said

The VIA Rail High Frequency Rail proposal, funded by the 2016 federal budget, was not a modest patch to the existing system. It was a genuine transformation: **dedicated tracks for passenger trains**, separating them from freight for the first time, with trains running at up to 177 km/h. The plan promised to cut Toronto–Ottawa travel time from over four hours to about **two hours and fifty minutes**, and to boost on-time performance from a chronic 67% to **95%**. The entire project, including full electrification, was costed at **under C\$5 billion in 2016 dollars**, or under C\$10 billion adjusted for construction inflation to 2024.

A December 2021 Joint Project Office Business Case, prepared by VIA Rail Canada and the Canada Infrastructure Bank, confirmed the preferred option: electric bi-mode trains, a route connecting Toronto to both Ottawa and Montreal, with the Montreal–Québec City leg following an existing freight corridor along the St. Lawrence.

"The build was intended to take about four years and to have been up and running by now had the government acted decisively in 2016."
— Transport Action Canada, February 2025

Instead, a decade of study elapsed. The structural pivot came in March 2022, when the government issued a Request for Expressions of Interest (RFEOI) that changed the model from DBFM — with VIA Rail operating the trains on privately built infrastructure — to DBFOM, inviting the private sector to operate the corridor for up to 50 years and explicitly welcoming proposals for speeds above 200 km/h. In February 2025, without publishing a comparison of the HFR and high-speed options, the government confirmed that the project would become Alto, a fully high-speed 300 km/h+ system, and selected the Cadence consortium. The cost estimate jumped from under C\$5 billion to C\$80–120 billion. Passengers will not board until the 2040s.

EIGHT PIVOTAL CHANGES

How the Project Was Transformed Without a Published Comparison

Each of these changes represents a decision made without a public cost-benefit analysis comparing the HFR baseline to the Alto high-speed alternative.

01 · Cost: from under C\$5B to C\$80–120B — with no published comparison

The HFR proposal was costed at under C\$5 billion in 2016 dollars, or under C\$10 billion in inflation-adjusted 2024 terms. Alto's official cost estimate is C\$80–120 billion, a **16 to 24 times increase**. The government has never published a side-by-side comparison of the two options.

Transport Action Canada notes that Alto's estimate is double current European average costs of €25M/km for high-speed rail, itself a figure the European Court of Auditors has criticised as excessive. Scaling from European benchmarks would put the project at roughly C\$40 billion. Alto's figure is double that.

► **UNRESOLVED: NO PUBLIC COST-BENEFIT COMPARISON OF HFR VS. ALTO HAS BEEN RELEASED**

02 · Speed: from 177 km/h to 300 km/h+: a fundamentally different infrastructure requirement

HFR operated at up to 177 km/h on a mix of new and existing track, using existing rights-of-way where possible. Alto requires a **completely new, fully grade-separated alignment** capable of 300 km/h+.

This is not an upgrade of HFR, it requires a new corridor to be cut across eastern Ontario and Quebec. No level crossings of any kind are possible at 300 km/h. Every road, farm lane, trail, and watercourse must be bridged or tunnelled. The land requirement, construction disruption, and environmental footprint are categorically different.

► **UNRESOLVED: ALIGNMENT IMPACT NOT PUBLICLY COMPARED BETWEEN THE TWO OPTIONS**

03 · Timeline: from 'operational within a decade' to 'passengers in the 2040s'

Transport Action Canada notes the original HFR plan could have been operational by the early 2020s had the government acted in 2016. Alto's own project timeline, briefly published in its Business Case Summary and then quietly **withdrawn**, shows construction not beginning before the early 2030s and passengers not boarding until the 2040s.

Every year of delay costs Canada approximately **C\$24 billion in foregone economic opportunity**, by Alto's own estimate. The corridor has been in 'caretaker mode' for over a decade, with VIA Rail's on-time performance declining throughout.

► **WITHDRAWN TIMELINE: CONSTRUCTION 2030S, PASSENGERS 2040S, CONCESSION TO 2085**

04 · **Ridership: Alto projects more than double VIA Rail's own earlier HSR forecast**

In the HFR Business Case materials, VIA Rail's own high-speed rail ridership scenario projected roughly **20 million passengers annually**. Alto's current ridership forecast for 2084 is **more than 43 million passengers per year** — more than double VIA Rail's own earlier high-speed projection.

The 1995 Quebec–Windsor feasibility study warned that even modest ridership shortfalls as small as 10%, were enough to collapse the private financing case entirely. No independent ridership audit of Alto's forecast has been published.

► **UNRESOLVED: NO INDEPENDENT RIDERSHIP AUDIT HAS BEEN PUBLISHED**

05 · **Ownership: from public rail to a 60-year private concession**

The HFR plan always assumed some private involvement in construction, but with **public operation** of the trains. The DBFOM structure — transferring operations to the private sector — was established in March 2022 with the RFEOI, not in 2025. Alto confirmed and named this structure: a private concession running to **2085**.

Transport Action Canada warned in March 2022 — when the RFEOI was issued — that including operations and revenue risk in the private concession represented a major scope change that "puts the entire High Frequency Rail project in jeopardy." They further identified that ridership and revenue over a 60-year concession will be determined by factors outside the private partner's control: housing policy, immigration levels, US trade policy. The risk structure means Canada may bear major downside exposure while the private partner captures the upside. The risk allocation has not been publicly disclosed.

► **CONCERN: 60-YEAR PRIVATE CONCESSION — RISK ALLOCATION NOT PUBLICLY DISCLOSED**

06 · **The 2016 Auditor General report: the warning that preceded the switch**

The decision to transform HFR into Alto followed a 2016 Auditor General special examination that found **VIA Rail had not succeeded in improving passenger service despite C\$318 million in federal investment** since 2008.

The OAG found that improvements to tracks on the Kingston subdivision did not result in additional frequencies, and that trip times had gotten longer with fewer riders. The report identified that VIA Rail does not own most of the rails it uses, and its trains do not have priority over freight. These systemic problems were the very rationale for dedicated HFR tracks, and they remain unresolved under Alto, whose co-development phase is still years from construction.

► **WARNING: AUDITOR GENERAL 2016 — C\$318M INVESTED, SERVICE GOT WORSE — PROBLEM STILL UNRESOLVED**

07 · **Regulatory framework: still no Canadian HSR standards**

The HFR plan worked within Canada's existing rail regulatory framework. Alto requires safety standards, track certification, operating protocols, and environmental assessment processes that **do not yet exist in Canada**.

Transport Action Canada has noted that without Canadian standards for building and certifying a high-speed railway, it will be impossible to land the project on time and within a reasonable budget. Bill C-15 (currently before the Senate) would accelerate expropriations and reduce public hearing rights, but it does not create the missing technical and regulatory infrastructure that Alto requires.

► **UNRESOLVED: NO CANADIAN HSR TECHNICAL STANDARDS EXIST — SAME GAP AS IN 1995**

08 · **The VIA Rail 'caretaker' problem: who serves the corridor while Alto is built?**

HFR was designed to improve the corridor incrementally, with benefits arriving during construction. Alto concentrates all hope on a single mega-project that will not deliver results for at least fifteen years.

Transport Action Canada warns this is the same mistake as California HSR and UK HS2: **all hopes hung on the project while the public sees no tangible results for an extended period**. On-time performance on the corridor has been declining throughout the HFR/Alto planning period. The promises of improved service to Kingston, Drummondville, and southwestern Ontario that were tied to HFR have not been delivered.

► **WARNING: CORRIDOR RELIABILITY DECLINING — NO INTERIM IMPROVEMENT PLAN PUBLISHED**

The 2016 HFR Plan Against Alto 2026

DIMENSION	HFR 2016 / 2021 BUSINESS CASE	ALTO 2026
Capital cost	Under C\$5B (2016\$); under C\$10B inflation-adjusted to 2024	C\$80–120B official. Transport Action: double European benchmark costs. No contingency range published.
Maximum speed	177 km/h (bi-mode electric/diesel)	300 km/h+ (fully electric, fully grade-separated)
New alignment required	Largely existing rights-of-way; some new track	Entirely new alignment required for 300 km/h. No level crossings possible anywhere.
Toronto–Ottawa time	~2h 50m (down from 4h+)	~2h 09m projected
Annual ridership	VIA Rail's own HSR scenario: ~20M passengers/year	43M passengers by 2084 — more than double VIA Rail's own earlier forecast. No independent audit.
Earliest passengers	Early 2020s if government had acted in 2016	2040s per withdrawn Alto timeline
Operations model	Public operation intended	DBFOM: private concession to 2085. Risk allocation not publicly disclosed.
Co-development cost	C\$71M announced 2019 for planning	C\$3.9B — government-funded — before construction decision
Comparison published?	N/A — HFR was the baseline	None. No side-by-side HFR vs. Alto cost-benefit published.
HSR standards exist?	Not required — HFR used existing framework	Do not exist. Must be created before contracts can be let with certainty.
Environmental footprint	Limited new land take; existing corridors used where possible	New greenfield corridor: Frontenac Arch KBA, Leda clay zone, Species at Risk habitats.

THE MISSING COMPARISON

What Canadians Were Never Shown

Transport Action Canada, reviewing the Alto Business Case Summary published in February 2025, identified a critical gap:

"The government has still not released a side-by-side comparison of the 170 km/h HFR option with the 200 km/h and 300 km/h high-speed option."

Transport Action Canada, February 2025

The decision to multiply the project's cost by 16–24 times was made without a public analysis showing Canadians what they gained and what they gave up. Some questions that comparison would have answered:

- What does the extra C\$75–115B buy in travel time savings, per passenger, per year?
- What is the carbon comparison between HFR and Alto over a 30-year horizon, accounting for construction emissions?
- What is the ridership comparison, and why does Alto project more than double VIA Rail's own earlier high-speed forecast?
- What is the risk comparison between a public HFR operation and a 60-year private concession?
- What is the environmental footprint comparison — particularly for the eastern Ontario corridor?
- What benefits does the corridor receive in the 2025–2040 period under each option, while construction proceeds?

UNANSWERED QUESTIONS

10 Questions the Consultation Has Not Answered

1. **Why was the HFR option abandoned** without a published cost-benefit comparison against the Alto high-speed option?
2. **What is the basis for the 43 million passenger forecast**, given that it is more than double VIA Rail's own earlier high-speed rail ridership projection?
3. **What does the extra C\$75–115B cost** in travel time savings per passenger per year, compared to HFR?
4. **What are the terms of the 60-year private concession**, and who bears the risk if ridership falls short?
5. **What interim improvements** to corridor reliability and capacity are planned while Alto is built — for Kingston, Drummondville, and southwestern Ontario?
6. **Why was the project timeline withdrawn** from the Business Case Summary after publication? What does the current timeline show?
7. **Have all possible routes been evaluated** on a full lifecycle cost basis, including the winter operations differential?

8. **What is the carbon accounting** for Alto's construction phase — particularly for new greenfield alignment through carbon-sequestering landscapes — compared to HFR using existing corridors?
9. **Has the Parliamentary Budget Officer** been asked to independently assess the decision to upgrade from HFR to HSR?
10. **What happens to VIA Rail's non-corridor services** if corridor revenue that currently cross-subsidises them is transferred to the private Cadence concession?

CONCLUSION

A Decision That Deserves a Public Explanation

The transformation from HFR to Alto is not a refinement of a plan, **it is a fundamental change in scale, cost, technology, timeline, ownership, and environmental footprint.** The HFR Business Case was the product of years of careful analysis. It had a published business case. It had a realistic timeline. It had a cost that, even inflation-adjusted, was a fraction of what Alto now projects.

None of this means HFR was necessarily the right choice. High-speed rail at 300 km/h may well deliver benefits that justify the additional cost. But that case has never been made publicly. The comparison has never been published. The Parliamentary Budget Officer has not been asked to assess it. The ridership forecast has not been independently audited.

"Rather than spending extra years in procurement and planning to finalize a complex, costly and high-risk outsourcing deal, we would rather see the expertise of the consortium applied to design and construction, with train operations remaining public, as originally intended."

— Transport Action Canada, February 2025

What Canada now faces is a government-funded C\$3.9 billion co-development phase to design a project whose construction cost will not be committed until the end of this decade, and whose passengers will not board until the 2040s. In the meantime, the corridor deteriorates, the communities along it wait, and the comparison that might tell Canadians whether this is the right choice has still not been published.

That comparison should be published before, not after, a corridor location is selected and billions of dollars are committed.

KEY SOURCES

References

- [1] Joint Project Office (VIA Rail Canada / Canada Infrastructure Bank). High Frequency Rail Project Business Case Update. December 2021. Transport Canada. tc.canada.ca
- [2] Transport Action Canada. 'Cadence wins \$3.9B High Speed Rail development contract but delivery timeline is cause for concern.' February 28, 2025. transportaction.ca
- [3] Alto / VIA-HFR. Business Case Summary (Fast Forward: Shaping Canada's Future with a High-Speed Rail Network). February 2025. Note: project timeline section subsequently withdrawn.
- [4] Office of the Auditor General of Canada. Special Examination of VIA Rail. 2016.
- [5] Government of Canada. Budget 2016. C\$3.3M allocated for HFR feasibility studies.
- [6] CPCS Transcom Limited. Cost-Benefit, Economic and Tourism Impact of VIA's High Frequency Rail Proposal. 2016–2018. (Not fully publicly released.)
- [7] Globe and Mail. 'Transport Canada reviewing studies on multibillion-dollar Via Rail expansion.' July 3, 2017.
- [8] European Court of Auditors. Special Report No. 19/2018: A European high-speed rail network. 2018.
- [9] Flyvbjerg, B. et al. Oxford Global Projects database. 258 rail megaprojects; average overrun 44.7%.
- [10] Gessaroli, J. 'Canada's next budget bomb is the Alto high-speed rail project.' The Globe and Mail, January 13, 2026.
- [11] Statistics Canada. Non-residential Construction Price Index (Toronto). HFR→2024 cost inflation adjustment.
- [12] Transport Action Canada. 'Federal government moving forward on High Frequency Rail.' July 2021.
- [13] Transport Action Canada. 'High Frequency Rail has grown into a megaproject, can it succeed as one?' March 2022. transportaction.ca/topics/intercity-rail-and-bus/high-frequency-rail-has-grown-into-a-megaproject-can-it-succeed-as-one/