

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Two Years of Lost Growth - Slow Improvement Trend

IATA reported that passenger demand was up 0.5% in October 2009 compared to October 2008. Demand for international cargo rose to 0.5% below previous year levels. Load factors for passenger and cargo continue at pre recession levels of 78.0% and 54.1% respectively. Giovanni Bisignani, IATA's Director General and CEO said "The crisis has cost the industry two years of growth. Adjusting costs and capacity to meet that reality will be challenging."

### 2. Securing Aviation's Future - Environment and Safety Top Priorities

IATA reiterated its call for a global sectoral approach for aviation and climate change under the leadership of the International Civil Aviation Organization (ICAO). The CEO of IATA identified environmental responsibility as a top priority for aviation, alongside safety and security. He also indicated that the aviation industry is globally united with a commitment to stabilize emissions with carbon neutral growth from 2020 and a 50% net reduction in carbon emissions by 2050.

### 3. Air Canada matches international carriers' checked bag policy for U.S. transborder and transatlantic travel; Policy of two free checked bags remains unchanged for all travel within Canada and to Mexico, the Caribbean, South and Central America, Asia and Australia

On December 2, 2009 Air Canada said that it has matched the prevailing checked bag policy of international carriers on U.S. transborder and transatlantic routes. Customers purchasing Economy Class tickets (Tango, Tango Plus and Latitude fares) for travel on or after January 19, 2010 to/from the United States, Europe and Israel will be able to check one bag for free, in addition to permitted carry on baggage, and will be charged for a second checked.

### 4. WestJet computer system hindered by glitches

WestJet introduced the SabreSonic system on Oct. 17, but the launch has been riddled with disruptions that have eroded fourth quarter revenue, including website crashes and long waits to get through to the carrier's call centre. WestJet indicates that it will overcome these problems in a few weeks.

### 5. WestJet reports an improved November load factor of 75.9 per cent

On December 4, 2009, WestJet announced traffic results for November 2009 a load factor of 75.9 per cent, available seat miles of 1.434 billion and revenue passenger miles of 1.089 billion. In terms of year to year comparison, for November 2009, the load factor was 0.2 points lower than November 2008. The available seat miles was up 3.4% and the revenue seat miles was up 3.1%, compared to November 2008. Sean Durfy, WestJet President and CEO said "These results indicate another solid performance during these tough times."

### 6. Air Canada reports its November traffic

The combined carriers (Air Canada and Jazz) reported: a load factor of 74.7% (compared to 77.6% for November 2008, a 2.9 points decrease); revenue passenger miles 3,180 million (1.2% lower); and available seat miles or capacity 4,257 million (2.7 % higher). Calin Rovinescu, President and Chief Executive Officer said "During the month, we made good progress with the implementation of our business plan. Notably, we began the introduction of codeshare services with our new Star Alliance partner, Continental Airlines, to broaden our network and increase our presence in new markets. This week we launched the only daily non stop service between Montreal and Houston, Continental's main hub providing convenient connections to destinations in the United States, Mexico and Central America."

\* The CTRF is not responsible for the information provided in this Update. \*\* The information provided is from the Authors and neither the Competition Bureau or Industry Canada is responsible for it.

## Current Developments in Brief

### Air Transportation

#### CANADA

1. Two Years of Lost Growth - Slow Improvement Trend, November 30, 2009, [www.iata.org](http://www.iata.org)
2. Securing Aviation's Future - Environment and Safety Top Priorities, December 2, 2009, [www.iata.org](http://www.iata.org)
3. Air Canada matches international carriers' checked bag policy for U.S. transborder and transatlantic travel; Policy of two free checked bags remains unchanged for all travel within Canada and to Mexico, the Caribbean, South and Central America, Asia and Australia, December 2, 2009, [www.aircanada.ca](http://www.aircanada.ca)
4. WestJet computer system hindered by glitches, December 4, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
5. WestJet reports an improved November load factor of 75.9 per cent, December 3, 2009, [www.westjet.ca](http://www.westjet.ca)
6. Air Canada reports its November traffic, December 3, 2009, [www.aircanada.ca](http://www.aircanada.ca)
7. Air Canada welcomes Chinese government's decision to grant approved destination status to Canada, December 3, 2009, [www.aircanada.ca](http://www.aircanada.ca)
8. Air Canada announces new daily year-round non-stop service between Happy Valley-Goose Bay and St. John's, NL, December 3, 2009, [www.aircanada.ca](http://www.aircanada.ca)
9. Notification of Upward Revision of Limits of Liability - Applicable to Air Carriers Providing an International Air Service to or from Canada, December 2, 2009, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
10. Ontario airport to receive millions towards new transhipment centre, December 7, 2009, [www.ctl.ca](http://www.ctl.ca)
11. Minister of Finance Urged to Move Forward on Important Airport Industry Initiatives, December 10, 2009, [www.cacairports.ca](http://www.cacairports.ca)
12. WestJet launches new service to Cozumel, December 10, 2009, [www.westjet.ca](http://www.westjet.ca)
13. Air Canada Voted Top Honours by Readers of Business Traveler Magazine, December 11, 2009, [www.aircanada.ca](http://www.aircanada.ca)
14. OPERATION of season-long charter programs by U.S. air carriers on behalf of all professional sports teams, December 9, 2009, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
15. US\$5.6 Billion Loss in 2010 - Low Yields and Rising Costs Keep Industry in the Red, December 15, 2009, [www.iata.org](http://www.iata.org)
16. WestJet, Royal to launch credit card in January, December 14, 2009,

## **7. Air Canada welcomes Chinese government's decision to grant approved destination status to Canada**

On December 3, 2009, Air Canada welcomed the decision by the Government of China to grant Canada Approved Destination Status, making it easier for Chinese nationals to visit Canada. The Canadian federal government estimates the Approved Destination Status designation will add \$100 million a year in increased revenue for the Canadian tourism industry which will translate up to 50,000 more Chinese arrivals per year in Canada.

## **8. Air Canada announces new daily year-round non-stop service between Happy Valley-Goose Bay and St. John's, NL**

Air Canada announced on December 3, 2009 that it will expand its network in Newfoundland and Labrador with the start up of daily non stop fights between Happy Valley Goose Bay and St. John's, effective May 1, 2010.

## **9. Notification of Upward Revision of Limits of Liability - Applicable to Air Carriers Providing an International Air Service to or from Canada**

The *Convention for the Unification of Certain Rules for International Carriage by Air* (i.e., Montreal Convention) establish the liability limits of the air carrier for damages (Articles 21 and 22) in relation to the carriage of passengers, baggage and cargo. This Convention was ratified by Canada. The levels of the limits of liability will be revised, according to the determined inflation factor of 13.1 per cent, ICAO (International Civil Aviation Organization) advised.

## **10. Ontario airport to receive millions towards new transshipment centre**

The London International Airport in Ontario is expected to receive an investment of up to \$8 million to establish an International Air Freight Transshipment Centre. The centre will create up to 150 new jobs and launch a new Cargo Village Gateway. The new cargo terminal will generate nearly 100 initial jobs.

## **11. Minister of Finance Urged to Move Forward on Important Airport Industry Initiatives**

The Standing Committee on Finance recommends allowing international travellers to buy duty free goods upon arrival in Canada in its sixth report to this parliament, 'Prosperous and Sustainable Future for Canada: Needed Federal Actions.' The Finance Committee also acknowledged several other Canadian Airports Council requests most notably the development of foreign/free trade zones, a permanent solution for small airport funding and the elimination of airport rent, noting that Canada is one of a limited number of countries that charge such rents.

## **12. WestJet launches new service to Cozumel**

WestJet announced on December 10, 2009 the launch of new, seasonal non stop service between Toronto and Cozumel, Mexico from Toronto's Pearson International Airport starting immediately.

## **13. Air Canada Voted Top Honours by Readers of Business Traveler Magazine**

Air Canada has won four top honours in Business Traveler's "Best in Business Travel" award program, the most first place awards won by any airline in the world in the influential magazine's annual reader survey. The CEO of Air Canada claimed it is testimony to their transformation.

## **14. OPERATION of season-long charter programs by U.S. air carriers on behalf of all professional sports teams**

Effective December 8, 2009, the Canadian Transportation Agency (Agency) will allow charter flights operated by U.S. carriers under season long contracts with all professional sports teams that include multiple stops in Canada. However, certain monitoring and reporting requirements will be maintained. These measures implement the Direction issued to the Agency by the Minister of Transport, Infrastructure and Communities on December 7, 2009.

## **15. US\$5.6 Billion Loss in 2010 - Low Yields and Rising Costs Keep Industry in the Red**

The International Air Transport Association (IATA) revised its financial outlook for 2010 to an expected US\$5.6 billion global net loss, larger than the previously forecasted loss of US\$3.8 billion. For 2009, IATA maintained its forecast of a

[www.globeandmail.ca](http://www.globeandmail.ca)

17. Boeing Dreamliner: A 'game changer' for aviation, December 16, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

18. Media Advisory - WestJet launches new service between Vancouver and Lihue/Kauai, December 15, 2009, [www.westjet.ca](http://www.westjet.ca)

19. British Airways, union agree to emergency talks, December 16, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

20. WestJet adds new routes, expands service on 19 others, December 16, 2009, [www.westjet.ca](http://www.westjet.ca)

21. Media Advisory - WestJet launches new service between Montreal and Las Vegas, December 16, 2009, [www.westjet.ca](http://www.westjet.ca)

22. Canada will sign its most comprehensive air agreement ever, December 17, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)

23. Air Canada launches daily non-stop seasonal service between St. John's, NL and London Heathrow, [www.aircanada.ca](http://www.aircanada.ca)

24. Air Canada welcomes Canada-European Union air transport agreement, December 18, 2009, [www.aircanada.ca](http://www.aircanada.ca)

25. Canada's Airports Congratulate Canadian Government For Signing Milestone Air Agreement, December 18, 2009, [www.cacairports.ca](http://www.cacairports.ca)

26. Air Canada welcomes Canada-European Union air transport agreement, December 18, 2009, [www.aircanada.ca](http://www.aircanada.ca)

27. Canada's Airports Congratulate Canadian Government For Signing Milestone Air Agreement, December 18, 2009, [www.cacairports.ca](http://www.cacairports.ca)

28. Air Canada pushes for greater transatlantic traffic, December 18, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

29. Ottawa fails to force airline ad reforms, December 20, 2009, [www.nationalpost.ca](http://www.nationalpost.ca)

30. Copenhagen Agreement Step in Right Direction - Aviation Strengthens Commitment to Tough Targets, December 20, 2009, [www.iata.org](http://www.iata.org)

31. Air Canada bolsters Toronto hub with service to Copenhagen, the fourth new European destination from Toronto this year, December 21, 2009, [www.aircanada.com](http://www.aircanada.com)

32. Machinists union warns of Air Canada layoffs, December 22, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

33. Aircraft movement statistics: Major airports [November 2009], December 23, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)

US\$11 billion net loss. Only the Latin region will be profitable.

#### **16. WestJet, Royal to launch credit card in January**

To compete with Air Canada's Aeroplan frequent flier program, WestJet and Royal Bank have teamed up with their new credit cards. Two cards will be available, called the WestJet RBC World MasterCard and WestJet RBC MasterCard. The premium World MasterCard comes with a \$100 "welcome bonus" an amount that is credited to the holder's WestJet account for future flights or vacation packages and for every \$100 charged, \$1.50 in "WestJet dollars" will accumulate, according to Royal Bank's website.

#### **17. Boeing Dreamliner: A 'game changer' for aviation**

The Dreamliner, completed its first test flight and is considered a "game changer" because it's a smaller, more fuel efficient jet capable of travelling the longer distances traditionally flown by larger planes. It is expected to be in service by the end of 2010 and is expected to revive the airline industry. Air Canada has order 37 dreamliners and is the fourth largest customer of Boeing for this aircraft.

#### **18. Media Advisory - WestJet launches new service between Vancouver and Lihue/Kauai**

On December 16, 2009, WestJet will be launching its new, non stop service between Vancouver and Lihue/Kauai.

#### **19. British Airways, union agree to emergency talks**

British Airways and unions agreed to emergency talks as the airline attempts to avert a 12 day strike by cabin crew staff over Christmas. BA is still pushing ahead with an emergency application for a court injunction to prevent the walkout, which is scheduled to start on December 21, 2009.

#### **20. WestJet adds new routes, expands service on 19 others**

WestJet on December 16, 2009 unveiled its flight schedule for the summer of 2010, featuring five new routes and expanded service on 19 trans border and international routes.

#### **21. Media Advisory - WestJet launches new service between Montreal and Las Vegas**

WestJet will be launching its new, non stop service between Montreal and Las Vegas, Thursday, December 17, 2009, at 9:45.

#### **22. Canada will sign its most comprehensive air agreement ever**

Canada's Transport Minister John Baird announced that Canada's air transport agreement with all 27 European Union (EU) member states will be signed and finalized in Canada on December 18, 2009. This is the largest and most comprehensive agreement. It will provide for: access and expansion into all EU member states and into Canada (by each others carriers); allow any number of air carriers to operate direct scheduled passenger and all cargo air services to any cities between each partner's territory as frequently as desired; and will all air carriers to pick up traffic in each partner's territory and continue to a third country as part of a service to or from their home territory. This could enable new opportunities for tourism and trade.

#### **23. Air Canada launches daily non-stop seasonal service between St. John's, NL and London Heathrow**

Air Canada on September 17, 2009 announced that it will introduce daily non stop seasonal service between St. John's Newfoundland and London Heathrow, U.K. offering convenient connecting flights throughout Europe with its Star Alliance

partner carriers between May 27, 2010 and September 26, 2010.

#### **24. Air Canada welcomes Canada-European Union air transport agreement**

34. Air Canada expects fares to rise in 2010, December 24, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

35. Special Aviation Security Measures, December 26, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)

36. Delays easing at Canada's major airports, December 29, 2009, [www.nationalpost.ca](http://www.nationalpost.ca)

37. Air Canada and WestJet shares fall amid security scare, December 29, 2009, [www.nationalpost.ca](http://www.nationalpost.ca)

38. West Jet: In pursuit of reduced turbulence, December 29, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

39. Toronto airport tops list of worst delays, December 30, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

40. Continued Traffic Improvement - But Much Ground Still to be Recovered, December 30, 2009, [www.iata.org](http://www.iata.org)

41. Cooperation to Keep Flying Secure, December 30, 2009, [www.iat.org](http://www.iat.org)

42. WestJet communicates extension of enhanced security measures, December 31, 2009, [www.westjet.ca](http://www.westjet.ca)

43. On-board fight forces Air Canada flight down, December 31, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

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1. BTS [Bureau of Transportation Statistics in the US] Issues Directive for 2010 On-Time Reporting, December 4, 2009, [www.dot.gov](http://www.dot.gov)

2. Rate of Flight Delays [in the US] Increases in October, December 8, 2009, [www.dot.gov](http://www.dot.gov)

3. September 2009 Airline Traffic Data: System Traffic Up 0.8 Percent from September 2008, December 10, 2009, [www.dot.gov](http://www.dot.gov)

4. Cargo Traffic Jumps at BAA, December 10, 2009, [www.joc.com](http://www.joc.com)

5. U.S. Transportation Secretary LaHood Announces U.S.-Japan Agreement on Open Skies, December 11, 2009, [www.dot.gov](http://www.dot.gov)

6. British Airways cabin crew vote to strike [December 22 for 12 days], December 14, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

7. 3rd-Quarter 2009 [US] Airline Financial Data: Airlines Report Improved Operating Margins, December 14, 2009, [www.dot.gov](http://www.dot.gov)

8. October 2009 Passenger Airline Employment Down 3.7 Percent from October 2008, December 15, 2009, [www.dot.gov](http://www.dot.gov)

9. Court Blocks British Airways Strike, December 17, 2009, [www.joc.com](http://www.joc.com)

10. New DOT Consumer Rule Limits Airline Tarmac Delays, Provides Other Passenger Protections, December 22, 2009, [www.dot.gov](http://www.dot.gov)

11. Asia Air Cargo Soared 12 Percent in November, December 27, 2009, [www.joc.com](http://www.joc.com)

12. JFK Airport Reports Busiest Freight Month [October] in 2009, December 29, 2009, [www.joc.com](http://www.joc.com)

Duncan Dee, Executive Vice President and Chief Operating Officer said "This new agreement opens up a realm of new commercial opportunities for Air Canada throughout the EU. It allows Air Canada to further develop Canada as a gateway to the world by capitalizing on travel demand between Canada, the U.S., Latin America and Europe. "Air Canada has long been an advocate of an enhanced aviation agreement between Canada and Europe; we applaud the governments of Canada and the EU for concluding this agreement that achieves balanced benefits for both parties."

#### **25. Canada's Airports Congratulate Canadian Government For Signing Milestone Air Agreement**

Canada's airports congratulated this government for the historic signing a new air service agreement with the European Union. CAC members' ability to remain competitive depends on their ability to offer passengers more choices. Increased options for international air service have corresponding links to international trade opportunities in today's global economy. It is essential that a liberalized international air regime be seen as a key component of trade policy.

#### **26. Air Canada welcomes Canada-European Union air transport agreement**

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#### **27. Canada's Airports Congratulate Canadian Government For Signing Milestone Air Agreement**

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#### **28. Air Canada pushes for greater transatlantic traffic**

Air Canada plans to expand its transatlantic presence in 2010, taking advantage of an aviation pact between Canada and the European Union. This new agreement opens up a realm of new commercial opportunities for Air Canada throughout the EU. Air Canada will also benefit from a four company joint venture dubbed Atlantic Plus Plus involving itself and Continental Airlines Corp., United Airlines Inc. and Deutsche Lufthansa AG.

#### **29. Ottawa fails to force airline ad reforms**

The *Canada Transportation Act* became law in June 2007 and one of those provisions was to come in force at a latter date once consultations were held. There has been a delay in the consultation process. Some critics say the government is dragging their heels. Others say the issue is a bit more complex than appears at first sight. Canada's major airlines maintain it would be unfair to require them to advertise the final cost of a ticket because some foreign carriers could continue to advertise base fares on their websites, from which Canadian travellers can make purchases, affecting their competitive position. Further, most provinces which regulate how travel agents advertise require no such provision for travel agencies, they argue. Spokesman for the Minister of Transport says that the government has not given up on the issue and requires more time given the controversial nature of the subject.

#### **30. Copenhagen Agreement Step in Right Direction - Aviation Strengthens Commitment to Tough Targets**

The International Air Transport Association welcomed the Copenhagen Accord as an important step in the right direction for climate change.

#### **31. Air Canada bolsters Toronto hub with service to Copenhagen, the fourth new European destination from Toronto this year**

Air Canada announced on December 21, 2009 that it will launch daily service between Toronto and Copenhagen beginning June 24, 2010 as it further expands international flying at its major hub to offer customers more choice of destinations and routes.

#### **32. Machinists union warns of Air Canada layoffs**

The International Association of Machinists and Aerospace Workers warned of "significant" temporary and permanent jobs losses at Air Canada in 2010. The union said the layoffs will be the direct result of Transport Canada's approval of the airline's request to lengthen the period between aircraft heavy maintenance checks for the A310 and A320 fleet types. Another issue was subcontracting out of any bargaining unit work.

#### **33. Aircraft movement statistics: Major airports [November 2009]**

Aircraft take offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service

stations increased by 2.1% in November 2009 compared with November 2008. These 93 airports reported 453,984 movements in November 2009.

#### **34. Air Canada expects fares to rise in 2010**

Mr. Calvin Rovinescu said 2010 will see higher air fares to cut losses, however, "It doesn't mean you won't still see cheap fares but you'll have to shop more carefully to find the cheapest fares." As part of its efforts to achieve sustainable profits, Air Canada is also introducing a series of new fees, including baggage charges for non domestic flights. "My expectation is that it will take a full year for the business travel to get to levels that are sustainable."

#### **35. Special Aviation Security Measures**

As a result of an alleged terrorist incident on Northwest Flight 253 from Amsterdam to Detroit, additional security measures have been put in place at Canada's airports for flights to the United States. Passengers are now restricted to one carry on bag. These measures are expected to be in place at least for several days.

#### **36. Delays easing at Canada's major airports**

Delays appear to have eased at Canada's major airports. Most flights taking off from Toronto, Montreal, Edmonton and Vancouver were listed as departed on Tuesday (December 29, 2009) morning, as passengers became familiar with the temporary new rules of air travel

#### **37. Air Canada and WestJet shares fall amid security scare**

Shares of Canada's two biggest airlines fell (between 2.4% and 3.1%) on December 29, 2009 after they warned U.S. bound travelers to expect more flight delays and cancellations as security is increased.

#### **38. West Jet: In pursuit of reduced turbulence**

Sean Durfy, WestJet CEO is hoping for a better 2010. On the negative side, its computer reservations system with crashes and long waits irritated its customers. On the positive side, its loyalty program and new destinations together with the possibility of a few novel seating ideas was expected to soothe its irritated customers. Whether the positive outweighed the negative is not known, however, he expects a recovery in the Q2 or Q3 of 2010.

#### **39. Toronto airport tops list of worst delays**

According to airline industry analysts who have been monitoring the chaos as a result of security scare, Toronto's Lester B. Pearson International Airport is regarded as among the worst in the world. Passengers had to arrive up to three hours in advance before take off to the US.

#### **40. Continued Traffic Improvement - But Much Ground Still to be Recovered**

For November 2009, the International Air Transport Association (IATA) reported that passenger demand was up by 2.1% compared to November 2008 while freight demand recorded a 9.5% improvement. Passenger load factors remain at pre crisis levels of 75.4% while freight load factors stood at 56.6%.

#### **41. Cooperation to Keep Flying Secure**

The International Air Transport Association (IATA) reiterated that the security of passengers and employees is a top priority for the aviation industry. IATA urged the United States Department of Homeland Security (DHS) and its Transportation Security Administration (TSA) to partner with industry to identify the most effective and efficient ways to address the security challenge. IATA CEO Bisignani said "Effective security needs a system that is built on global harmonization, effective information exchange, industry/government cooperation, risk assessment and efficient technology. This is how they have attempted to make flying the safest way to travel. We must take the same approach with security."

#### **42. WestJet communicates extension of enhanced security measures**

WestJet announced on December 31, 2009 that in cooperation with the U.S. Transportation Security Administration, Transport Canada and the Canadian Air Transport Security Authority (CATSA), enhanced security screening measures in place at Canadian airports since December 25, 2009, will remain in effect until January 4, 2010.

#### **43. On-board fight forces Air Canada flight down**

An Air Canada plane bound for Frankfurt made an emergency landing in Montreal on December 30, 2009 after a man on board became violent and hit another passenger. The aggressor was taken into custody.

## **WATER TRANSPORTATION**

### **1. Cumulative container traffic summary January to October - Port of Montreal**

Cumulative general containerized traffic in terms of metric tonnes declined 17.9% from January to October 2009. Inbound and outbound containerized traffic was down 18.6 % and 17.5%, respectively. In terms of TEUs, the total was 1,041,185, down 16.7% and inbound and outbound were down 13.4% and 19.6%

### **2. Port of Halifax signs MOU with Vietnamese port**

On December 2, 2009, a Memorandum of Understanding was signed by The Port of Halifax with the Port of Haiphong with the hope of expanding its relationship with the Vietnamese port. According to a release, the purpose of the MOU between the two ports is to enhance cooperation to identify business opportunities, increase awareness of the ports, exchange information, and initiate joint marketing initiatives.

### **3. FMC Ends Terminal Agreement Exemptions**

The Federal Maritime Commission reversed a 22 year old policy and will now require a waiting period of 45 days before marine terminal agreements go into effect. The change is effective Dec. 10, 2009. The change in regulation rescinds an exemption to the *Shipping Act*, which requires the waiting period. The commission said it found agreements “cause anti competitive consequences that the Commission deemed unlikely when it first adopted the exemption in 1987.”

### **4. Port of Metro Vancouver - Accumulated Container Traffic Report Month of November 2009**

Cumulative TEUs for January to November 2009 for the Port of Metro Vancouver were 1,969, 297, 15% lower when compared to the same period last year (a slight improvement compared to last months data). Outbound TEUs were 942,636 and inbound TEUs were 1,026,622, 15% and 14% lower, respectively.

### **5. Liner Shipping's Economic Impact Tops \$436 Billion**

The liner shipping industry generated \$436.6 billion in direct and indirect benefits to the world economy in 2007 and provided 13.5 million jobs, according to a new study commissioned by the World Shipping Council. The study found cargo transported by the liner shipping industry represents about one third of the value of total global trade.

**6. Port of Prince Rupert, Monthly Traffic & Year to Date Summary, November 2009** Total TEU's loaded at the Port of Prince Rupert for the month of November 2009 was 26, 839 down 1.26% from November 2008. For January to November 2009, the TEU's loaded were 236, 720 up 49.58%. Year to date imports increased by 56.14% and year to date exports increased by 41.11%.

### **7. Why the ferocious building boom around Houston?**

The Port of Houston, already handles more foreign tonnage than any other U.S. port. Nevertheless, a ferocious building boom around Houston is occurring because of the widening of the Panama Canal, a \$5.25 billion plan to triple the Panama Canal's capacity.

### **8. Proposed Modifications to the Canadian Transportation Agency Guidelines Respecting Coasting Trade Licence Applications**

The Canadian Transportation Agency has proposed guidelines respecting coasting trade licence applications. Submissions are being accepted till December 18, 2009. The Five Key Issues identified by the Agency that require particular attention during the consultations are: advance notice for applications; contents of applications for offers; time limits for pleadings; other coasting issues; and e mail and internet access.

### **9. Port of Halifax Gains New Direct Connection with Vietnam**

Vietnam and Southeast Asia are a strategic market for the Port of Halifax. With a new direct connection with Vietnam Karen Oldfield, President and CEO of the

## **Water Transportation**

### **Canada**

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2. Port of Halifax signs MOU with Vietnamese port, December 2, 2009, [www.ctl.ca](http://www.ctl.ca)
3. FMC Ends Terminal Agreement Exemptions, December 9, 2009, [www.joc.com](http://www.joc.com)
4. Port of Metro Vancouver - Accumulated Container Traffic Report Month of November 2009, [www.portvancouver.com](http://www.portvancouver.com)
5. Liner Shipping's Economic Impact Tops \$436 Billion, December 10, 2009, [www.joc.com](http://www.joc.com)
6. Port of Prince Rupert, Monthly Traffic & Year to Date Summary, November 2009, December 10, [www.rupertport.com](http://www.rupertport.com)
7. Why the ferocious building boom around Houston?, December 14, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
8. Proposed Modifications to the Canadian Transportation Agency Guidelines Respecting Coasting Trade Licence Applications, December 21, 2009, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
9. Port of Halifax Gains New Direct Connection with Vietnam, December 22, 2009, [www.portofhalifax.ca](http://www.portofhalifax.ca)
10. Government of Canada to enhance Pacific coast pilotage operations, December 23, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)

11. Canada announces news procedures for domestic ferries for detecting and preventing security threats, December 23, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
12. St. Lawrence Seaway Faces Slow Climb Back, December 23, 2009, [www.joc.com](http://www.joc.com)
13. New regulations to keep Pacific Coast pilotage services safe and efficient, December 24, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
14. Tariff adjustments to keep Atlantic pilotage services safe and efficient, December 24, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
15. Cumulative container traffic summary January to November - Port of Montreal, December 31, 2009, [www.portofmontreal.ca](http://www.portofmontreal.ca)

### **US**

1. FMC probes Australian/New Zealand Trades, December 17, 2009, [www.americanshipper.com](http://www.americanshipper.com)
2. Retailers Forecast Strong Import Growth, December 22, 2009, [www.joc.com](http://www.joc.com)

Halifax Port Authority said “We are very pleased that we will continue as the first inbound and last outbound North American port for the Asia East coast Express service.”

#### **10. Government of Canada to enhance Pacific coast pilotage operations**

Canada's Transport Minister John Baird announced on December 23, 2009 new regulatory amendments to help the Pacific Pilotage Authority meet its mandate of providing a safe and efficient marine pilotage service on the Pacific coast of Canada. Key highlights of the *Regulations Amending the Pacific Pilotage Regulations* include increasing the minimum tonnage from 350 to 500 gross tons for recreational boats that require compulsory pilotage, and keeping the Pine Island Pilot Station open year round rather than only in summer.

#### **11. Canada announces news procedures for domestic ferries for detecting and preventing security threats**

New regulations to enhance the security of domestic ferries and Canada's marine transportation system, were announced on December 23, 2009 by Canada's Transport Minister John Baird. The *Domestic Ferries Security Regulations* increase the level of protection of 18 domestic ferry routes and 29 ferry facilities across the country.

#### **12. St. Lawrence Seaway Faces Slow Climb Back**

At the close of the shipping season on Dec. 24, traffic through the St. Lawrence Seaway was about 30 million metric tons, 25 percent less than 2008's 40 million tons. It was one of its worst years in terms of traffic on its 50<sup>th</sup> Anniversary.

#### **13. New regulations to keep Pacific Coast pilotage services safe and efficient**

New regulatory amendments allow the Pacific Pilotage Authority to adjust its general tariffs of pilotage charges beginning January 1 2010. Under the amendments, the Authority will increase its general tariff by three per cent and separate the fuel charge portion from its pilot launch tariff, adjusting it monthly. The Authority will also introduce a new charge of \$25 per boarding to fund portable computers containing essential maritime data for the pilots.

#### **14. Tariff adjustments to keep Atlantic pilotage services safe and efficient**

New regulatory amendments allow the Atlantic Pilotage Authority to adjust its general tariffs of pilotage charges beginning January 1 2010. These changes will offset inflation, provide funding to maintain pilot resources and improve pilot boat services in some ports. The Authority will increase its tariffs in seven compulsory pilotage areas. It will also introduce a variable fuel charge to reflect the actual cost of fuel for its pilot boats in Halifax, Saint John and Placentia Bay. The tariff increases are estimated at six per cent overall.

#### **15. Cumulative container traffic summary January to November 2009 - Port of Montreal**

Cumulative general containerized traffic in terms of metric tonnes declined 15.8% from January to November 2009. Inbound and outbound containerized traffic was down 17.1 % and 14.9%, respectively. In terms of TEUs, the total was 1,156,452, down 15.6% and inbound and outbound were down 12.2% and 18.2%, respectively.

## RAIL TRANSPORTATION

### Canada

#### 1. Ottawa legislating striking CN rail engineers back to work

The federal government introduced legislation on December 30, 2009 to end the strike after negotiations failed between CN and the Teamsters Canada Rail Conference. Given the weak recovery, the government introduced a back to work bill which is expected to pass within days, sending outstanding issues between the two sides to binding arbitration.

#### 2. Canadian Pacific announces industry-leading biodiesel testing underway

Canadian Pacific Rail and Natural Resources Canada have partnered on an industry leading biodiesel fuel pilot project. Canadian Pacific President and CEO, said "It is the first time biodiesel will be used in Canadian cold weather rail service."

#### 3. Toronto-York Spadina Subway Extension moves forward

Construction is now underway on a new link that will connect the future Toronto York Spadina Subway Extension mainline to the existing Wilson Subway Yard and expand yard storage facilities.

#### 4. Rail strike sparks recovery worries

CN is doing their best to keep the trains on schedule. The strike was entirely avoidable had the union agreed to their request for final binding arbitration. Given the fragile recovery, CN said the strike does not do any good to the engineers, the shippers and the economy.

#### 5. Liberals set to back CN Rail strike bill

Liberal Party expects to back the Conservative government's attempt to speed through legislation to end a strike by locomotive engineers at Canadian National Railway.

#### 6. CN makes new offer to locomotive engineers' union in an effort to end the strike in Canada

In a good faith effort to reach a settlement, CN is offering to: agree to binding arbitration on wage and benefit issues, and roll back the 4,300 mile monthly cap for locomotive engineers to 3,800 miles, on the condition that the TCRC withdraws its work rule demands from the bargaining table.

#### 7. Strike Hits Halifax Railcar Supply

The strike by locomotive engineers against Canadian National Railway is affecting railcar supply and some marine operations. The Halifax port said in a statement on the strike's fourth day. "We are beginning to see the impact of the strike on marine operations, with train arrival delays and railcar supply."

#### 8. Canadian Pacific makes voluntary prepayment to Canadian defined benefit pension plan

On December 1, 2009, Canadian Pacific announced plans to accelerate funding of future pension obligations through a voluntary prepayment in December of approximately \$500 million to the company's Canadian defined benefit pension plan from cash on hand.

#### 9. CN, Teamsters Reach Agreement

Canadian National Railway and the Teamsters union representing 1,700 striking Canadian locomotive engineers reached a contract agreement on December 2, 2009 just as Parliament was preparing to force them back to work. The union membership will have to ratify the agreement, but the ratification vote could come while the engineers are back at work.

#### 10. 'Hangover' dogs recovery, CN's Mongeau says

Mr. Mongeau, CN's CEO (as of Jan. 1, 2010), said CN management and the union reached a tentative agreement on December 2, 2009. The five day strike will have its effect. Labour Minister Rona Ambrose said in a statement "Restoring full rail service quickly is critical to the national economy at this sensitive time."

#### 11. Rail passengers on track for new rights across the European Union

Rail passengers will from December 3, 2009 enjoy new rights that will protect them and their belongings when they travel

### Rail Transportation

#### Canada

1. Ottawa legislating striking CN rail engineers back to work, November 27, 2009, [www.ctl.ca](http://www.ctl.ca)
2. Canadian Pacific announces industry-leading biodiesel testing underway, November 27, 2009, [www.cpr.ca](http://www.cpr.ca)
3. Toronto-York Spadina Subway Extension moves forward, November 27, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
4. Rail strike sparks recovery worries, December 1, 2009, [www.globemail.ca](http://www.globemail.ca)
5. Liberals set to back CN Rail strike bill, December 1, 2009, [www.nationalpost.ca](http://www.nationalpost.ca)
6. CN makes new offer to locomotive engineers' union in an effort to end the strike in Canada, December 1, 2009, [www.cn.ca](http://www.cn.ca)
7. Strike Hits Halifax Railcar Supply, December 1, 2009, [www.joc.com](http://www.joc.com)
8. Canadian Pacific makes voluntary prepayment to Canadian defined benefit pension plan, December 1, 2009, [www.cpr.ca](http://www.cpr.ca)
9. CN, Teamsters Reach Agreement, December 2, 2009, [www.joc.com](http://www.joc.com)
10. 'Hangover' dogs recovery, CN's Mongeau says, December 3, 2009, [www.globemail.ca](http://www.globemail.ca)
11. Rail passengers on track for new rights across the European Union, December 3, 2009, [www.europa.eu](http://www.europa.eu)
12. Who Will Pay For Buffett's Rail Premium, *The Journal of Commerce*, November 23, 2009, p. 31.
13. Operation Lifesaver keeps rail safety on the right track, December 10, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)



by train anywhere within the European Union. EU Regulation (EC) No 1371/2007 on rail passengers' rights, which enters into force on December 3, 2009, enshrines travellers' basic rights and imposes a number of obligations on rail companies concerning their responsibility towards their customers. Every year, almost 8 billion passengers use the train for their journeys.

## 12. Who Will Pay For Buffett's Rail Premium

Recently, Berkshire Hathaway (owned by Warren Buffet) announced the proposed acquisition of BNSF worth \$44 billion. Before the acquisition BNSF had a market value of \$26 billion. The acquisition premium will be \$18 billion. Even if the acquisition does not need the approval of the Surface Transport Board (STB) does it mean that the STB has no role? The premium will result in a higher book value. Given the need for revenue adequacy as a consideration in return on investment calculations and since the acquisition is not strictly a merger that requires consideration of benefits to shipper, it will have a deleterious effect on STB jurisdiction and, very likely on rates paid by BNSF's customers. Is there no solution to such a problem? Perhaps, the STB or Congress should indicate that merger and acquisition premiums will not affect the calculation of railroad 'revenue adequacy'.

## 13. Operation Lifesaver keeps rail safety on the right track

Canada's Transport Minister John Baird announced more than \$1.7 million in additional support for *Operation Lifesaver*, a national program that reduces railway related deaths and injuries.

## 14. Senate Panel Sends Draft Rail Bill to Industry

The Senate Commerce, Science and Transportation Committee in the second week of December 2009 sent industry stakeholders what it called a bipartisan draft of legislation that would re authorize and expand the Surface Transportation Board to five members from its current three. This bill "will provide real reform and address the problems that exist for shippers held captive to one railroad problems such as bottlenecks, paper barriers and the STB's outdated processes and procedures," Longo said. "It will strengthen competition and oversight." The bill does not address the antitrust issue yet but additions are expected to do so. The bill will be sent to the full Committee on December 15.

## 15. CN signs voluntary mitigation agreement (VMA) with Village of Plainfield, Ill.

CN announced on December 9, 2009 that it has reached the 21<sup>st</sup> voluntary mitigation agreement (VMA) with the Village of Plainfield, Ill., located 35 miles southwest of Chicago, addressing the municipality's environmental issues with CN's acquisition of the principal lines of the former Elgin, Joliet and Eastern Railway Company (EJ&E).

## 16. Arbitrator to decide wage and benefit issues for CN locomotive engineers after renewed negotiations end without settlement

Unresolved wage and benefits issues for 1,700 CN locomotive engineers in Canada will be submitted to binding arbitration after renewed negotiations between the company and Teamsters Canada Rail Conference ended on December 12, 2009 without a settlement.

## 17. Canadian Pacific Police Association and Canadian Pacific reach three year contract settlement

Canadian Pacific and the Canadian Pacific Police Association (CPPA), announced on December 10, 2009 the ratification of a three year contract settlement. The agreement provides for a six per cent wage increase for the three years spanning 2010 to 2012.

## 18. Metrolinx acquires full ownership of Toronto-Barrie rail commuter corridor in transaction with CN

Metrolinx on December 15, 2009 purchased from CN the lower portion of the Newmarket Subdivision in central north Toronto for C\$68 million. The transaction gives Metrolinx end to end ownership of the 60 mile long Barrie Bradford GO Train corridor between downtown Toronto and Barrie, Ont. Metrolinx is the Ontario government Crown corporation responsible for delivering an integrated, multi modal transportation network in the Greater Toronto Area (GTA), from York and Durham through Toronto, Peel Halton and Hamilton. GO Transit, the operating division of Metrolinx, provides

14. Senate Panel Sends Draft Rail Bill to Industry, December 9, 2009, [www.joc.com](http://www.joc.com)

15. Freight Transportation Services Index (TSI) Fell 1.2% in October from September, December 9, 2009, [www.dot.gov](http://www.dot.gov)

16. Arbitrator to decide wage and benefit issues for CN locomotive engineers after negotiations end without settlement, December 13, 2009, [www.cn.ca](http://www.cn.ca)

17. Canadian Pacific Police Association and Canadian Pacific reach three year contract settlement, December 10, 2009, [www.cpr.ca](http://www.cpr.ca)

18. Metrolinx acquires full ownership of Toronto-Barrie rail commuter corridor in transaction with CN, December 15, 2009, [www.cn.ca](http://www.cn.ca)

19. Canadian Pacific Railway Limited declares dividend, December 16, 2009, [www.cpr.ca](http://www.cpr.ca)

20. STB Bill 'Concerns' Rail Industry Group, December 17, 2009, [www.joc.com](http://www.joc.com)

21. Railway carloadings, December 18, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)

22. Rail cargo volume drops in October, December 22, 2009, [www.ctl.ca](http://www.ctl.ca)

23. Construction starts on the Sheppard East Light Rail project, December 21, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)

## US

1. Short Lines Haul Most Paper in Six Months, December 18, 2009, [www.joc.com](http://www.joc.com)

2. Short Lines Haul Most Paper in Six Months, December 18, 2009, [www.joc.com](http://www.joc.com)

3. Port of Seattle Buys BNSF Line, December 22, 2009, [www.joc.com](http://www.joc.com)

commuter rail and bus services in the GTA.

**19. Canadian Pacific Railway Limited declares dividend**

The Board of Directors of Canadian Pacific Railway Limited declared a quarterly dividend of twenty four and three quarter cents (\$0.2475) Canadian per share on the outstanding Common Shares payable on January 25, 2010.

**20. STB Bill 'Concerns' Rail Industry Group**

The Association of American Railroads said it has "concerns" about pending legislation to increase the number of members on the Surface Transportation Board and order major changes in federal regulation of rail shipper issues. The Senate Commerce, Science and Transportation Committee approved the draft legislation on Dec. 17, with leaders there saying it was balanced between giving rail customers more access to competing carriers. Other amendments could be made such as stripping the railroads of the limited antitrust immunity which allows mergers and acquisitions to go through the STB. President and CEO of the Association of American Railroads thanked the committee for working with railroads and shippers for months to craft the legislation, however he said "we continue to have concerns about certain provisions in the bill, particularly the nature and scope of the antitrust provision that may be added at a later date."

**21. Railway carloadings**

The volume of cargo carried by Canadian railways fell in October 2009, as both commodity loadings in Canada as well as traffic received from the United States declined. Total freight traffic originating in Canada and received from the United States fell to 24.5 million metric tonnes in October 2009, down 9.7% from October 2008. Freight loaded in Canada fell 5.4% and freight from the United States fell down 40.4% from October 2008.

**22. Rail cargo volume drops in October**

The volume of cargo carried by Canadian railways fell (9.6%) in October 2009 compared to October 2008, as both commodity loadings in Canada as well as traffic received from the US declined.

**23. Construction starts on the Sheppard East Light Rail project**

Construction on the Sheppard East Light Rail Transit (LRT) is underway. This new transit line will create jobs, help increase ridership, improve air quality, reduce travel time and increase access to other transit systems in the Greater Toronto and Hamilton Area. The Government of Canada will contribute one third of the total cost, to a maximum of \$333 million, with the Province of Ontario providing two thirds, or more than \$633 million.

## HIGHWAY TRANSPORTATION

### 1. Government of Canada and Nova Scotia celebrate new accessible minivan for Cumberland County residents

Government officials unveiled a new wheelchair accessible minivan for Cumberland County residents. MP Armstrong said "Our government, under the leadership of Prime Minister Stephen Harper, is committed to improving and strengthening Canadian communities, ..Public transit investments play an important role in strengthening the economy and contributes to a healthier, more sustainable environment, while ensuring safe and inclusive access to public transit services for residents of Cumberland County and all Canadians."

### 2. UPS unveils \$72 million distribution centre expansion

UPS Canada has formally unveiled its \$72 million expansion of its Toronto distribution centre. Chairman and CEO of UPS and president of UPS Canada, presided over the official opening of the newly expanded 463,024 sq. ft. facility the equivalent to about eight football fields. Officials say the expansion, which more than doubles UPS's package processing capacity, was designed to facilitate international commerce between Canadian businesses and their overseas counterparts.

### 3. September 2009 Surface Trade with Canada and Mexico Fell 20.2 Percent from September 2008

U.S. Canada surface transportation trade totalled \$34.8 billion in September 2009, down 25.7 percent compared to September 2008. The value of imports carried by truck was 24.5 percent lower in September 2009 compared to September 2008, while the value of exports carried by truck was 15.1 percent lower during this period. The only encouraging outlook is a monthly comparison which indicates that the negative figures were less than the previous month or the average of all the previous months of 2009 (including September 2009).

### 4. Domestic travel

Statistics Canada has released the final data of domestic travel from the Travel Survey of Residents of Canada for the year 2008.

### 5. New Windsor-Detroit bridge expected to get 'green' light today

Transport Canada is expected to announce that it has won approval for the its Environmental Assessment of a new public bridge between Windsor, Ont. and Detroit. The approval which has taken nearly ten years also covers the new Brighton Beach plaza that would service the bridge.

### 6. 2.5-kilometre section of Highway 5 opens

The governments of Canada and Quebec announced on December 4, 2009 the opening of a 2.5 kilometre section of highway in the Municipality of Chelsea between Tulip Valley and Meech Creek.

### 7. Canada and Ontario expand commuter parking lot in Unionville

The expanded Unionville GO commuter parking lot was officially opened on December 11, 2009, providing motorists with better access to greener transportation in and around the Greater Toronto and Hamilton Area. This project is one of several

GO Transit service improvements across the Greater Toronto and Hamilton Area announced this February by Prime Minister Stephen Harper and Ontario Premier Dalton McGuinty, as part of the \$500 million in joint federal and provincial funding for the GO Transit Improvement Program.

### 8. \$27-million contract awarded for next Kicking Horse work

Transportation and Infrastructure Minister Shirley Bond announced on December 11, 2009, a \$27.2 million contract has been awarded to Emil Anderson Construction Ltd. of Hope, B.C., to design and build the Golden Hill to West Portal

## Highway Transportation

### Canada

1. Government of Canada and Nova Scotia celebrate new accessible minivan for Cumberland County residents, November 27, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
2. UPS unveils \$72 million distribution centre expansion, December 1, 2009, [www.ctl.ca](http://www.ctl.ca)
3. September 2009 Surface Trade with Canada and Mexico Fell 20.2 Percent from September 2008, December 2, 2009, [www.bts.com](http://www.bts.com)
4. Domestic travel, December 1, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. New Windsor-Detroit bridge expected to get 'green' light today, December 3, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
6. 2.5-kilometre section of Highway 5 opens, December 4, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
7. Canada and Ontario expand commuter parking lot in Unionville, December 11, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
8. \$27-million contract awarded for next Kicking Horse work, December 11, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
9. \$11.8 million in new contracts awarded for Welsford-Nerepis Bypass, December 15, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
10. Natural gas poised for growth in trucking, December 16, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
11. 'Green' benefits of rail freight shift overblown: Analyst, December 17, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
12. Route 1 One Mile House Interchange construction continues, December 22, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
13. New anti-skidding technology to become mandatory on Canadian vehicles, December 22, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
14. Alberta puts cell phone ban on hold, December 22, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
15. US truck tonnage gains 2.7% in November, December 31, 2009, [www.ctl.ca](http://www.ctl.ca)
16. When UPS calls, Canada delivers, December 31, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

### US

1. YRC Worldwide thrown another lifeline, December 17, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
2. FedEx profit slides 30 per cent, December 17, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
3. BTS Releases Final Estimates from Commodity Flow Survey, December 22, 2009, [www.dot.gov](http://www.dot.gov)

section of the Trans Canada Highway Kicking Horse Canyon project.

#### **9. \$11.8 million in new contracts awarded for Welsford Nerepis Bypass**

As part of New Brunswick's *Plan for a Stronger Economy*, they are creating jobs and making key investments in their transportation network to improve the flow of people and goods. On December 15, 2009, it was announced that two new contracts worth \$11.8 million have been awarded as construction continues on the Route 7 Welsford Nerepis Bypass.

#### **10. Natural gas poised for growth in trucking**

According to a research analyst for ThinkEquity, passenger cars may be well suited to hybrid and electric technology, but natural gas makes more sense for the trucking industry, and would be taking off among fleets, were it not for the economy. The analyst doesn't believe hybrid and electric vehicles will catch on with fleets because of the weight of the battery, which can reduce the carrying capacity by 10 or 20 percent. There are also incentives to encourage the use of natural gas.

#### **11. 'Green' benefits of rail freight shift overblown: Analyst**

A new study by FRA Associates questions the oft cited notion that shifting freight to rail through government incentives will actually result in a 'greener' transport system. The study concludes that for optimal energy efficiency one must look at the complete supply chain from start to finish, including the local pick up and delivery function for which flexible trucks are far more efficient than rail. It also calls for applying the same emission standards for truck and rail.

#### **12. Route 1 One Mile House Interchange construction continues**

New construction work has been announced as part of the Route 1 One Mile House Interchange Project in Saint John. The One Mile House Interchange, estimated at \$65 million, is supported through the Canada New Brunswick Strategic Infrastructure Fund Agreement.

#### **13. New anti-skidding technology to become mandatory on Canadian vehicles**

On December 22, 2009, Canada's Transport Minister John Baird announced that effective August 31, 2011, auto manufacturers must install a safety technology in Canadian vehicles to help drivers avoid road collisions. The technology

Electronic Stability Control (ESC) is designed to automatically apply braking to certain wheels when a vehicle is skidding and may also cut engine power to help the driver maintain proper control. The Canadian Automobile Association supports the introduction of Electronic Stability Control in all vehicles.

#### **14. Alberta puts cell phone ban on hold**

In B.C. the ban on using handheld cell phones while driving will officially come into effect on Jan. 1, 2010 but in Alberta this issue is being delayed as they do not believe that this is a high priority issue. Alberta and New Brunswick remain the only provinces without legislation or pending legislation on the subject.

#### **15. US truck tonnage gains 2.7% in November**

US truck tonnage jumped 2.7% in November 2009, according to the latest For Hire Truck Tonnage Index calculated by the American Trucking Associations.

#### **16. When UPs calls, Canada delivers**

UPs is doubling its capacity in Canada spending \$72 million. It is their biggest international investment in 2009. It's an important investment for UPs and shows their confidence in the Canadian economy and the role that Canada will play in international trade. UPs has also invested over \$600 million in China in the last few years.

## **GENERAL**

### **1. Travel between Canada and other countries (October 2009)**

Travel by United States residents to Canada fell 2.6% to 1.6 million trips and travel from other countries in increased by 3% between September 2009 and October 2009. Canadians made 1.5 million overnight trips to the United States in October, down 1.1% from September. Travel to overseas countries from Canada decreased 1.0% between September and October 2009.

### **General**

#### **Canada**

1. Travel between Canada and other countries, December 16, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)

#### **US**

1. Freight Transportation Gateways, December 18, 2009, [www.dot.gov](http://www.dot.gov)

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3. ERTMS Newsletter, Issue 15, November 2009, [www.europa.eu](http://www.europa.eu)
4. . The Airport Voice, CAC Newsletter, November-December 2009, December 1, 2009, [www.cacairports.ca](http://www.cacairports.ca)
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