

Transportation Information Update*

Editor: Joseph Monteiro**

August 2010, No. 72

Associate Editor: Gerald Robertson**

New Canadian transport minister appointed

The Prime Minister announced that Chuck Strahl who was handling the Indian Affairs portfolio for the past three years, will take John Baird's place as Minister at Transport Canada.

New Canadian transport minister appointed, August 9, 2010, www.todaystrucking.ca

AIR TRANSPORTATION

1. Delta Fined \$38 Million For Air Cargo Price-Fixing

The U.S. Justice Department announced on July 30, 2010 that Delta Air Lines will pay a \$38 million fine to settle charges on the cargo business it bought, i.e., Northwest Airlines. The latter took part in a global conspiracy to fix air freight prices. Delta decided to ground the standalone freighter business soon after the carriers merged their operations.

2. Government of Canada will take Necessary steps to Protect Air Travellers

Transport Minister John Baird on August 1, 2010 said that "Recent media reports have suggested that individuals routinely board aircraft without being visually identified." If these reports are true the situation is disturbing and the government is determined to keep the air travelling public safe and secure. Since 2006, the Government has taken steps to protect the safety of air travellers and new measures will be in place to ensure that it remains so.

3. Air Canada increases flights in Newfoundland and Labrador and Northern Quebec

On August 2, 2010, Air Canada launched daily non-stop flights between Gander, Goose Bay, Wabush and Sept-Îles. Flights will be operated by Air Canada's commercial partner Exploits Valley Air Services (EVAS) using an 18-seat Beech 1900 aircraft

4. Air Canada completes private offering of senior secured first lien notes and senior secured second lien notes

Air Canada announced on August 3, 2010 that it has completed its previously announced private offerings of senior secured notes. Air Canada received net proceeds of C\$1,075 million, after deduction of fees, expenses and discounts. Air Canada used approximately C\$729 million of the net proceeds of the offerings to repay all of the outstanding debt under the secured term credit facility, including early payment fees.

5. Air Canada reports 2010 second quarter results

Air Canada on August 5, 2010 reported operating income of \$75 million in the second quarter of 2010 compared to an operating loss of \$113 million in the second quarter of 2009, an improvement of \$188 million. Earnings before interest, taxes, depreciation, amortization and aircraft rent (EBITDAR) of \$333 million increased \$198 million from the second quarter of 2009 (an increase of 147 per cent). It reported a operating income of \$2,625 million an increase of \$295 million for the quarter. Calin Rovinescu, President and Chief Executive Officer, "I am pleased to report stronger second quarter results that underscore the progress we've made on maximizing revenues and reducing costs, and also reflect encouraging signs of a gradual economic recovery. "

6. Air Canada swings to loss

Air Canada says deeper foreign exchange losses pulled the company to a net loss of \$203-million in the second quarter. The losses were equal to 72 cents per diluted

Current Developments in Brief

Air Transportation

CANADA

1. Delta Fined \$38 Million For Air Cargo Price-Fixing, July 30, 2010, www.joc.com
2. Government of Canada will take Necessary steps to Protect Air Travellers, August 1, 2010, www.tc.gc.ca
3. Air Canada increases flights in Newfoundland and Labrador and Northern Quebec, August 2, 2010, www.aircanada.ca
4. Air Canada completes private offering of senior secured first lien notes and senior secured second lien notes, August 3, 2010, www.aircanada.ca
5. Air Canada reports 2010 second quarter results, August 5, 2010, www.aircanada.ca
6. Air Canada swings to loss, August 5, 2010, www.globeandmail.ca
7. Air Canada posts loss on higher operating expenses, August 5, 2010, www.nationalpost.ca
8. Air Canada reports record load factor for July, August 5, 2010, www.aircanada.ca
9. Aircraft movement statistics: Small airports, August 5, 2010, www.statcan.gc.ca
10. WestJet reports a 130 percent jump in second quarter in net earnings, August 5, 2010, www.westjet.ca
11. WestJet reports a 18 percent increase in July traffic, August 5, 2010, www.westjet.ca
12. WestJet, Air Canada eye international routes as domestic market lags, August 5, 2010, www.nationalpost.ca
13. Canada's airlines gird for battle, August 5, 2010, www.globeandmail.ca
14. WestJet's up! Magazine nominated for three Western magazine awards, August 9, 2010, www.westjet.ca
15. Government of Canada invests in Old Crow Airport upgrade, August 9, 2010, www.tc.gc.ca
16. WestJet launches Fall and Winter Seat sale, August 12, 2010, www.westjet.ca
17. Windsor Airport freight hub confirmed; Landstar says it's not involved, August 12, 2010, www.ctf.ca

* 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.

share on an unadjusted basis. That compared with profit of \$155-million or \$1.55 in the second quarter last year. The results included a foreign exchange loss of \$156-million during the period.

7. Air Canada posts loss on higher operating expenses

Air Canada reported a second-quarter loss, hurt by higher operating expenses, and said it expects third-quarter cost per available seat mile, excluding fuel expense, to decline. Operating expenses were up 4 percent, due mainly to capacity growth, higher fuel prices and increases in pension and commission expenses.

8. Air Canada reports record load factor for July

For July 2010, Air Canada reported a system load factor of 84.9 per cent on a consolidated basis with Jazz, versus 83.6 per cent in July 2009, an increase of 1.3 percentage points. System traffic increased 10.8 per cent while system wide capacity increased 9.1 per cent. Calin Rovinescu, President and Chief Executive Officer said "These record load factor results, led by a 5.7 percentage point year-over-year increase on the Pacific, were achieved as we continue to increase utilization of our existing fleet and deploy capacity to pursue strategic opportunities in international markets."

9. Aircraft movement statistics: Small airports

On August 5, 2010, Statistics Canada reported that for May 2010, the number of take-offs and landings at the 130 airports without air traffic control towers reached 62,718. Year-over-year increases were reported by 64 of these airports.

10. WestJet reports a 130 percent jump in second quarter in net earnings

WestJet reported net earnings of \$21 million or 14 cents per diluted share a 130 percent increase compared to the same period in 2009. This is WestJet's 21st consecutive quarter of profits. For the first six months its profits were \$34.8 million. Its total revenue for the quarter was \$612 million a 15.2% increase and its operating margin was 6.6%. Its load factor was 80 percent, 3.9 points greater than 2009.

11. WestJet reports a 18 percent increase in July traffic

WestJet reported its July 2010 load factor on August 5, 2010, an increase of 4.3 points over July 2009. Revenue passenger miles increased 18.2 percent year over year and available seat miles increased 11.9 percent over the same period. WestJet President and CEO, Greg Saretsky said "We are very encouraged with our fifth straight month of double digit traffic increases and year over year load factor improvement given the capacity increase.

12. WestJet, Air Canada eye international routes as domestic market lags

Air Canada and WestJet Airlines Ltd. said on August 5, 2010 that they will continue to focus on international expansion in 2010 while they wait for the domestic market to improve. Management said it believes the Canadian economy needs to rebound further before it can support new capacity growth.

13. Canada's airlines gird for battle

Air Canada and WestJet Airlines Ltd., are preparing to step up their fight for passengers against Porter Airlines Inc. in the vital battleground of Central Canada. Calin Rovinescu, Air Canada's chief executive officer, said that he is keen to resume service at Billy Bishop Toronto City Airport, possibly by the end of 2010. Porter has held a monopoly on commercial flights at Billy Bishop since it launched operations in October, 2006. WestJet has transferred an executive to Toronto to oversee the Calgary-based carrier's service from Toronto's Pearson International Airport.

14. WestJet's up! Magazine nominated for three Western magazine awards

WestJet's inflight publication has been nominated for three Western magazine awards. It is published by RedPoint Media Group one of Western Canada's foremost magazine publishers.

15. Government of Canada invests in Old Crow Airport upgrade

Government officials announced on August 9, 2010 that the Government of Canada is investing \$197,050 to replace the existing snowplow truck at the Old Crow Airport to ensure that efficient and safe systems are in place to serve the community's residents, businesses and visitors well into the future.

16. WestJet launches Fall and Winter Seat sale

WestJet announced its Fall and Winter sale beginning on August 19, 2010. The sale will cover all 71 destinations in Canada, US, Mexico and West Indies and will last till December 15, 2010. WestJet will reduce the top end of its price structure by 25% and make available low fares 330 days in advance without any travel restrictions.

17. Windsor Airport freight hub confirmed; Landstar says it's not involved

A major multi-modal transportation and logistics facility at the Windsor Airport was formally confirmed by local officials

18. Commission appoints a coordinator to facilitate the creation of functional airspace blocks in the Single European Sky, August 12, 2010, www.europa.eu

19. Airline industry takes flight, August 16, 2010, www.globeandmail.ca

20. Air Canada to double daily Vancouver-Tokyo service with launch of Canada's only non-stop flights to Haneda Airport, conveniently located near central Tokyo, August 17, 2010, www.aircanada.com

21. Government of Canada invests in Trail Regional Airport upgrade, August 19, 2010, www.tc.gc.ca

22. Air Canada shares could hit \$13: Citigroup, August 23, 2010, www.nationalpost.ca

23. Strong Demand Continues - Recovery Enters Second Slower Phase, August 25, 2010, www.iata.org

24. Government of Canada invests in safety upgrades for Saint-Hubert Airport, August 26, 2010, www.tc.gc.ca

25. Global Airlines reverse losses, August 30, 2010, www.globeandmail.ca

26. Tariff requirements under Open Skies Air Transport Agreements, August 31, 2010, www.cta-otc.gc.ca

27. Government of Canada invests in safety upgrades of five Quebec airports, August 30, 2010, www.tc.gc.ca

US

1. BA Cargo 1st Quarter revenue up 34.6%, July 30, 2010, www.americanshipper.com

2. Long [US] Tarmac Delays in June Down Dramatically from Last Year, August 10, 2010, www.bts.gov

3. May 2010 Airline Traffic Data: System Traffic Up 2.9 Percent from May 2009, August 12, 2010, www.bts.gov

4. BTS Releases June Passenger Airline Employment Data; June 2010 Employment Down 2.4 Percent from June 2009, August 17, 2010, www.dot.gov

5. AirTran Fined for Violating Rules Protecting Air Travelers with Disabilities, August 30, 2010, www.dot.gov

5. Justice clears United, continental merger, August 30, 2010, www.americanshipper.com

on August 11, 2010. They described the project as a "state-of-the-art multi-modal cargo facility." Rail, ocean container and road shipments will flow through the hub, avoiding the congestion associated with major cities like Toronto and Montreal. The new facility will include 80 doors, a 30,000 sq.-ft. loading dock operation and 12,000 sq.-ft. of office space. It will directly employ about 360 people with another 100 spin-off jobs.

18. Commission appoints a coordinator to facilitate the creation of functional airspace blocks in the Single European Sky

In order to improve capacity, enhance security and lower costs of air traffic services and integration across borders, the creation of functional airspace blocks (FABs) is a key to a more rational organisation of airspace. These FABs should be based on operational requirements – in particular traffic flows – rather than existing national borders. The EU Commission has therefore appointed a coordinator to facilitate the creation of functional airspace blocks in the Single European Sky

19. Airline industry takes flight

From rising traffic to increased fares, the airline industry is enjoying a surprising upswing in the face of lingering doubt about the strength of the economic recovery. In the first half of 2010, premium travel surged globally by 11.9 per cent from the same period last year, while economy bookings rose 6.3 per cent, the International Air Transport Association reported on August 16, 2010. While IATA acknowledged that "there are signs that this very strong post-recession rebound in travel may be slowing" in the second half of 2010, the group representing global carriers said it is optimistic there will still be buoyant economic growth and impressive gains in world trade, which help fuel corporate travel.

20. Air Canada to double daily Vancouver-Tokyo service with launch of Canada's only non-stop flights to Haneda Airport, conveniently located near central Tokyo

Air Canada announced on August 17, 2010 that it is boosting service to Tokyo by adding a new daily, non-stop flight between Vancouver and Haneda Airport, conveniently located near the Japanese capital. The new route begins Jan 29, 2011 and will complement existing daily flights to Narita International airport, meaning Air Canada is doubling daily service between Vancouver and Tokyo as part of its international expansion strategy. Flights are now available for purchase.

21. Government of Canada invests in Trail Regional Airport upgrade

Government officials announced on August 19, 2010 that the Government of Canada is making an important safety investment in the Trail Regional Airport.

22. Air Canada shares could hit \$13: Citigroup

Shares in Air Canada could soar in the coming years if the airline continues to show signs of stabilization, according to a Citigroup Global Markets analyst. The prediction is based on increase in interest rates, cash flow and continued stability.

23. Strong Demand Continues - Recovery Enters Second Slower Phase

The International Air Transport Association (IATA) announced on August 25, 2010 that the international scheduled traffic statistics for July 2010 showed continued strengthening of demand for both passenger and cargo traffic. Compared to July 2009, international passenger demand was up 9.2% while international scheduled freight traffic showed a 22.7% improvement. These percentages were somewhat lower when compared to the increases for June 2010. This suggests that the pace of the recovery can be expected to slow down towards the end of this year.

24. Government of Canada invests in safety upgrades for Saint-Hubert Airport

On August 26, 2010, government officials announced the investment of \$664,050 at the Saint-Hubert Airport to replace a runway sweeper and purchase a self-propelled snow blower as part of the Airports Capital Assistance Program (ACAP). The airport will benefit from a Government of Canada investment in important safety upgrades. To date, the Government of Canada has invested a total of \$535 million for 651 projects at 170 airports through ACAP.

25. Global Airlines reverse losses

The International Air Transport Association says 47 major carriers it monitors to assess the industry's financial health reported a net profit of \$3.9-billion (U.S.) in the second quarter of 2010. This contrasts with the \$881-million net loss of the carriers a year earlier.

26. Tariff requirements under Open Skies Air Transport Agreements (Between Canada - USA, EU States, Dominican Republic, Iceland and NZ)

In accordance with the terms of the above noted Air Transport Agreements, the Canadian Transportation Agency (Agency) no longer requires airlines designated under these Agreements to file prices (fares, rates or charges) with the Agency, for review. This gives carriers the flexibility to determine their own prices free of regulatory approval. Carriers however, have to maintain a tariff available for the public and fares charged have to be in accordance with it. The requirement (not to file) does not apply to tariffs which include general conditions, conditions of carriage, etc.

27. Government of Canada invests in safety upgrades of five Quebec airports

The Government of Canada has announced on August 30, 2010 that it will invest \$8,628,423 in five airports in Quebec. This will enable them to keep providing safe, excellent service to passengers and businesses across their communities, and will also create jobs that will stimulate our economy. This investment is part of the Airports Capital Assistance Program (ACAP).

WATER TRANSPORTATION

1. Cumulative Containerized Traffic (January to June 2010)

Containerized traffic at the Port of Montreal for the first six months of 2010 increased 8.1% to 669,889 (TEUs). Imports increased 9.7% to 331,842 (TEUs) and exports increased 6.5% to 338,047 (TEUs).

2. Port Metro Vancouver cargo rebounding nicely through mid-2010: report

According to the 2010 mid-year results at the Port of Vancouver overall throughput is reaching 2008 levels. The overall tonnage increased 20% totalling 58.4 million tonnes to date. There are signs of growth in the key sectors. Robin Silvester, president and CEO of Port Metro Vancouver said "As a significant economic generator for Metro Vancouver, the province, and Canada, we are cautiously optimistic. Significantly improved half-year numbers are good news for all Canadians and signs of continued growth point to a return to 2008 pre-global economic downturn levels possibly as soon as 2011." The Port trades \$75 billion in goods annually with more than 160 trading economies, generating across Canada an estimated 129,500 jobs, \$6.1 billion in wages, and \$10.5 billion in GDP. These results show the Asia-Pacific Gateway strategy is working for Canada's largest port.

3. Vancouver port vows to unplug bottleneck

Efficiency at ports is one of the issues facing North American ports. North American ports try to get boxes from ships to railcars within three days, but at Port Metro Vancouver, which handles more containers than all other Canadian ports, only about half the containers make it out in that time. This year, almost a quarter sat for six days or more. Higher productivity is vital if Canada wants to maintain a high standard of living and compete against foreign rivals especially neighbouring US ports. Free flow of information between the railways and port seems to be a key cause of the inefficiency. A first draft by a consultant showed that the port was faring far below its potential.

4. Prince Rupert Port Authority Monthly Traffic Summary for July 2010

For the period January to July 2010, total TEUs at the Port of Prince Rupert reached 196,261, a 60% increase over the same period in 2009. Imports increased by 53%

whereas exports increased by 72%. For the above period, cruise ship statistics declined by 15%.

5. Container shipping growth expected to plateau

The second quarter of 2010 has seen container growth increase double digit since last year. As a result, many analysts are questioning whether the peak has been reached in contrast to the peak growth which traditionally arrives in the fall of each year. The *Journal of Commerce*, expects year-to-year growth in container imports to cool from an estimated 17.6 percent rate in the second quarter to 7.8 percent in the third quarter and 1.4 percent in the fourth quarter.

6. Ridley Terminals Inc. on course for record year

Government officials announced on August 17, 2010 that Ridley Terminals Inc. (RTI) is on course to set a record for product handling this year. RTI is a federal Crown corporation that operates a bulk-handling terminal for the efficient and reliable movement of coal and other bulk commodities from trains onto ships, on land leased from the Prince Rupert Port Authority. Year-to-date figures up to June 2010 show that RTI has handled 3.9 million tonnes of bulk products moving through the terminal, 3.3 million tonnes of which were coal.

Water Transportation

Canada

1. Cumulative Containerized Traffic (January to June 2010), August 1, 2010, www.portofmontreal.ca
2. Port Metro Vancouver cargo rebounding nicely through mid-2010: report, August 3, 2010, www.ctl.ca
3. Vancouver port vows to unplug bottleneck, August 6, 2010, www.globeandmail.ca
4. Prince Rupert Port Authority Monthly Traffic Summary for July 2010, August 1, 2010, www.rupertport.com
5. Container shipping growth expected to plateau, August 16, 2010, www.todaystrucking.ca
6. Ridley Terminals Inc. on course for record year, August 17, 2010, www.tc.gc.ca
7. Port Metro Vancouver Accumulated Container Traffic Report Y-T-D July 2010, August 17, 2010, www.portvancouver.com
8. Port negotiations hit rough waters, August 20, 2010, www.todaystrucking.ca
9. China ports gain prominence in recession, August 24, 2010, www.todaystrucking.ca
10. Windsor port gets boost from federal funds, August 24, 2010, www.todaystrucking.ca
11. Port Metro Vancouver - Cruise Passenger Report, Year-To-Date [July 2010], August 31, 2010, www.portvancouver.com

US

1. [US] West Coast Container Volume Jumps 15 Percent [First six months of 2010], August 2, 2010, www.joc.com

7. Port Metro Vancouver Accumulated Container Traffic Report Y-T-D July 2010

Traffic at the Port of Metro Vancouver for the first seven months of 2010 (i.e., from January to July) increased 13% in terms of TEUs. Imports increased by 16% and exports increased by 11% in terms of TEUs for this period.

8. Port negotiations hit rough waters

Collective agreements negotiated by the Vancouver Container Truckers Association-CAW Local 2006 (VCTA) expired at the beginning of July and, so far, negotiations of new agreements are not going smoothly. A strike in 2005 led to protest of working conditions and rate cutting. If swift action is not taken the effectiveness of actions taken in the past will be lost. However, to-date no progress has been made.

9. China ports gain prominence in recession

Chinese ports did not fare well in 2009 compared to 2008, but overall the ports there gained greater worldwide prominence. The world's top 5 ports in 2010 are: Singapore, Shanghai, HK, Shenzhen and Busan. Eight of the top nine ports remain in Asia and six of the top nine are in China. The largest ports in North America are still LA and Long Beach.

10. Windsor port gets boost from federal funds

A new marine facility and other improvements are being planned for the Windsor Port, Canada's busiest border crossing. The Government of Canada will contribute more than \$10.1 million to this project under the Infrastructure Stimulus Fund. The total eligible project cost is more than \$20.2 million.

11. Port Metro Vancouver - Cruise Passenger Report, Year-To-Date [July 2010]

The number of cruise passengers from the Port of Vancouver has declined by 35.5% for the period April 2010 to July 2010. The number of cruise passengers were 344, 435 for this period compared to 534,051 for the same period in 2009.

RAIL TRANSPORTATION

1. CN announces plan to buy back shares through private agreements

CN announced on July 30, 2010 that it intends to purchase for cancellation up to two million of its common shares pursuant to private agreements between CN and an arm's-length third-party seller. The purchases will form part of CN's 15-million share repurchase program announced on Jan. 26, 2010.

2. Canadian Transportation Agency dismisses level of service complaint on CN delisting of producer car loading sites

On August 4, 2010, the Canadian Transportation Agency dismissed a complaint from a Saskatchewan agricultural producer alleging that the planned delisting of certain loading sites in Western Canada by the Canadian National Railway Company (CN) constituted a breach of CN's level of service obligations under the *Canada Transportation Act*.

3. US Rail Traffic Hits New 2010 Peak

On August 5, 2010, the Association of American Railroads [AAR] said that the major U.S. freight railroads hit their highest load levels this year in intermodal as well as bulk carload shipments during the week ending July 31, 2010. The AAR said the 300,292 carloads that major carriers moved in the latest week were 4.7 percent higher than in the previous week. Further, the July 31 level was also up 9.4 from the same week in 2009, though still 10.6 percent below the 2008 week before the worst of the recession set in.

4. Canadian Pacific Railway Limited declares dividend

On August 6, 2010, Canadian Pacific Railway declared a quarterly dividend of twenty seven cents (\$0.27) Canadian per share on the outstanding Common Shares. The dividend is payable on October 25, 2010.

5. Rail Groups Push Competing [US] Bills

The tug-o-war over the future US rail legislation continues with state farm commissioners urging Congress to enact a law to force more shipper-oriented competition onto U.S. railroads on the one hand and the railroad lobby proposing a Senate bill to give top carriers a tax credit. It is hoped that the rail bill will receive Congress' attention this fall.

6. Partnership to reduce Quebec City-Toronto transit times by 30%

The Port of Quebec, a terminal operator at the port, and CN announced a service arrangement designed to reduce transit times for shipments destined to Toronto to 38 hours from 53 hours, an improvement of almost 30%.

7. EXCLUSIVE: New driver group formed as wait times escalate at CN intermodal terminal

Drivers serving the CN Rail Brampton Intermodal Terminal are once again complaining of excessive wait times at the facility, and a new drivers' organization has formed with the intent of taking CN to task.

8. Railcar Owners Pulled 5,808 Out of Storage in July

The latest estimate from the Association of American Railroads pegged the number of stored railcars from railcar leasing fleets, shippers and railroads at 359,471 units as of Aug. 1, or 23.4 percent of all active and inactive cars in North America. That percentage

was 23.7 percent a month earlier. This suggests that the volume of traffic is increasing.

9. Do rail buybacks signal tough times ahead?

The restart of North American railroad buybacks in 2010 is seen by many investors as good news for share prices. In fact, it may signal just the opposite, says UBS analyst. Based on his research, North American railroads have a history of bad

Rail Transportation

Canada

1. CN announces plan to buy back shares through private agreements, July 30, 2010, www.cn.ca
2. Canadian Transportation Agency dismisses level of service complaint on CN delisting of producer car loading sites, August 4, 2010, www.cta-otc.gc.ca
3. US Rail Traffic Hits New 2010 Peak, August 5, 2010, www.joc.com
4. Canadian Pacific Railway Limited declares dividend, August 6, 2010, www.cpr.ca
5. Rail Groups Push Competing Bills, August 6, 2010, www.joc.com
6. Partnership to reduce Quebec City-Toronto transit times by 30%, August 6, 2010, www.ctl.ca
7. EXCLUSIVE: New driver group formed as wait times escalate at CN intermodal terminal, August 11, 2010, www.ctl.ca
8. Railcar Owners Pulled 5,808 Out of Storage in July, August 11, 2010, www.joc.com
9. Do rail buybacks signal tough times ahead?, August 16, 2010, www.nationalpost.ca
10. CN takes steps to improve conditions for container truckers, August 17, 2010, www.ctl.ca
11. Railway carloadings [June 2010], August 25, 2010, www.statcan.gc.ca
12. Short Lines See Traffic on Rise, August 25, 2010, www.joc.com
13. New West Coast Express cars roll into town, August 26, 2010, www.tc.gc.ca
14. CN signs voluntary mitigation agreement (VMA) with Village of Long Grove, Ill., August 27, 2010, www.cn.ca
15. TSB recommends fault reporting for railways, August 30, 2010, www.todaystrucking.ca

US

1. U.S. Transportation Secretary LaHood Announces up to \$25 Million for High-Speed Passenger Rail Research, August 6, 2010, www.dot.gov
2. [US] Rail Freight Bounces in July, August 10, 2010, www.joc.com
3. EU probes vessel P&I industry, August 30, 2010, www.americanshipper.ca

timing when it comes to their share repurchases. The economy may be faltering again but some railways nonetheless are turning more optimistic and aggressive in terms of buybacks, the analyst said a rethink regarding programs aimed at sharing free cash flow with investors is needed.

10. CN takes steps to improve conditions for container truckers

CN Rail says it has taken several steps to improve wait times and working conditions for container haulers at its Brampton Intermodal Terminal. It has: increased management presence to assist with the flow of trucks in the yard, at the gates and at the cranes; hired 15 new staff members in August and will continue to hire; will add two new cranes next week to bring the total to 19; will improve gate technology; and has recently opened a new off-site car repair facility to move extraneous workload away from the terminal.

11. Railway carloadings [June 2010]

Total freight traffic originating in Canada and received from the United States increased by 11.2% from June 2009 to 24.4 million metric tonnes in June 2010. Intermodal freight loadings, transported through containers and trailers loaded onto flat cars, increased 15.1% to 2.4 million metric tonnes in June, compared with the same month a year earlier.

12. Short Lines See Traffic on Rise

North American short line and regional railroads report freight traffic gains on the rise since mid-summer, in contrast to the wave of weak economic reports on housing and other activity for July 2010. The RMI RailConnect Reports that the latest volume was also the fifth straight weekly increase since the week ending July 10, 2010 a mildly shortened work period that began with the July 4 holiday.

13. New West Coast Express cars roll into town

“The Government of Canada is pleased to expand commuter rail service for Lower Mainland transit users by partnering with the Province of British Columbia and TransLink,” said Transport Minister Strahl on August 26, 2010. Seven new commuter cars were unveiled. The \$28.1-million project includes the new cars and yard upgrades at the Waterfront and Mission stations to accommodate the new cars. Some safety improvements will also be made, including better crossing guards at Maple Meadows Station. This joint investment will add space for 2,000 more riders daily and improve service for customers.

14. CN signs voluntary mitigation agreement (VMA) with Village of Long Grove, Ill.

CN announced on August 27, 2010 that it has reached a voluntary mitigation agreement (VMA) with the Village of Long Grove, Ill., located approximately 35 miles northwest of Chicago. The VMA addresses the municipality's environmental and safety concerns with CN's acquisition of the Elgin, Joliet and Eastern Railway Company (EJ&E) in 2009. With this agreement, CN has VMAs with 23 of the 33 communities situated on the EJ&E in Illinois and Indiana.

15. TSB recommends fault reporting for railways

The Transportation Safety Board (TSB) says there is still no formal protocol to report and record the kind of mechanical failure that caused an unintended detachment in rural Manitoba in 2009. The TSB is recommending that Transport Canada co-ordinate with the railway industry and other North American regulators on a process for reporting stub sill failures. It says a centralized system is needed to keep track of problems and repairs to help predict possible failures.

HIGHWAY TRANSPORTATION

1. No Insurance, No Plate Renewal

Starting November 2010, a new system will help improve road safety by keeping uninsured vehicles off Ontario's roads. A new electronic verification system, developed by the province and the Insurance Bureau of Canada will provide on-the-spot confirmation of valid insurance coverage during the licence plate renewal process. In Ontario it is mandatory for all vehicles to have valid insurance coverage.

2. Federal, provincial governments open newly twinned section of Highway 101

On August 9, 2010, government officials marked the completion of the 7.4 kilometres of twinned highway between St. Croix and Three Mile Plains on Highway 101. It opened on July 29, 2010. The cost to twin this section of Highway 101 was approximately \$22 million, provided jointly by the federal and provincial governments. The project took five years to complete. The paving between St. Croix and Three Mile Plains is part of a \$310-million investment in highways this fiscal year, the second-largest highway improvement budget in Nova Scotia's history.

3. Government of Canada to build new bridge at Cornwall

Government officials announced on August 10, 2010 that The Government of Canada will fund construction of the new North Channel Bridge at the Seaway International Bridge in Cornwall. The investment will create jobs, benefit the local economy and support future economic growth.

4. Truckers sing Marine Atlantic blues to MP

Canada's minister of state for transport, Rob Merrifield, met with a group of truckers and owner-ops to hear their complaints about Marine Atlantic's ferry service. At the heart of the issue is the controversial reservation system. Smaller truckers say the system is weighted for big fleets, who block book reservations. Sometimes they cancel spots at the last minute and the ferry often sails off with vacant spaces, leaving the smaller truckers behind on the dock. But the minister says he could not ask Marine Atlantic to stop the system. The truckers hope to meet with the minister again with the hope of changing his mind.

5. Speed Limiters 365: Enforcement holes not yet patched?

A year has passed since mandatory speed limiters were in force but it is difficult to say much about its effectiveness. There is not enough data and the Ontario Ministry of Transportation officials say that they have "heard positive comments from various

groups and individuals indicating that the speed limiter program is working and that trucks seem to be slowing down." One of the major problems is the EZ tapes (called engine code readers) used have not been calibrated to provide the right measures needed to make an assessment.

6. Construction Begins On The Mississauga Bus Rapid Transit Corridor

Construction on the Mississauga Bus Rapid Transit (BRT) corridor project is underway. This project is expected to create approximately 2,590 jobs. Ontario has provided \$65 million to the City of Mississauga to support the Mississauga BRT and is contributing another \$48 million in related GO Transit investments. It involves 18-kilometres of busway in Mississauga from Winston Churchill to Renforth Drive.

7. Quarterly Trucking Survey [Fourth Quarter 2009]

Trucking companies earned operating revenue of \$9.9 billion in the fourth quarter of 2009 and incurred operating expenses of \$8.9 billion. The operating ratio was 0.898. Salaries and wages accounted for 28% of total operating expenses, while fuel expenses represented 18% of the same total. This compares with \$9.0 billion in the third quarter of 2009 and operating expenses of \$8.0 billion, with an operating ratio of 0.888.

8. TST Overland Express adds Winnipeg-Minneapolis gateway

TST Overland Express announced that it is expanding its transportation network with a new Winnipeg, Man.-Minneapolis, Minn. gateway. The new hub at Minneapolis is expected to improve transit times on many lanes in the mid-west.

9. B.C. ready to recognize safe carriers

The Trucking Safety Council of BC is getting set to launch the first stage of the Certificate of Recognition (COR) program

Highway Transportation

Canada

1. No Insurance, No Plate Renewal, August 3, 2010, www.mto.gov.on.ca
2. Federal, provincial governments open newly twinned section of Highway 101 , August 9, 2010, www.tc.gc.ca
3. Government of Canada to build new bridge at Cornwall, August 10, 2010, www.tc.gc.ca
4. Truckers sing Marine Atlantic blues to MP, August 11, 2010, www.todaystrucking.ca
5. Speed Limiters 365: Enforcement holes not yet patched?, August 11, 2010, www.todaystrucking.ca
6. Construction Begins On The Mississauga Bus Rapid Transit Corridor, August 17, 2010, www.mto.gov.on.ca
7. Quarterly Trucking Survey [Fourth Quarter 2009], August 19, 2010, www.statcan.gc.ca
8. TST Overland Express adds Winnipeg-Minneapolis gateway, August 23, 2010, www.ctl.ca
9. B.C. ready to recognize safe carriers, August 24, 2010, www.todaystrucking.ca
10. New transport minister reaffirms bridge offer to Michigan, August 25, 2010, www.todaystrucking.ca
11. Fears of double-dip recession overblown, trucking analysts say, August 26, 2010, www.ctl.ca

US

1. Freight Transportation Services Index (TSD) Rose 0.2% in June from May, August 11, 2010, www.bts.gov

Sept. 14, 2010 with courses aimed at large employers (20 or more employees) in the B.C. trucking industry. The COR program recognizes companies who develop and implement sustainable health and safety systems that meet and exceed industry requirements.

10. New transport minister reaffirms bridge offer to Michigan

Chuck Strahl, Canada's new minister of transport, says that Ottawa's proposal of \$500 million offer to pay for Michigan's half of a new international bridge still stands.

11. Fears of double-dip recession overblown, trucking analysts say

President of FTR Associates, said while "there are substantial downside risks out there in the marketplace, a true double-dip recession is unlikely." He said a "growth recession" is more likely, which is described as positive growth but at such a slow pace that it may feel like a recession to trucking companies. FTR keeps a trucking condition index.

GENERAL

1. Global trade poised for growth

Growth in world trade by all modes of transportation in the next two years will quickly recover according to the latest forecast from IHS Global Insight. According to their report, trade is estimated to grow 8.1 percent in 2010 and 6.9 percent in 2011, which compares to a 7.2 percent contraction in world trade in 2009.

2. Travel between Canada and other countries [June 2010]

Travel to Canada increased 1.5% from May 2010 to 2.0 million trips in June 2010, while the number of trips by Canadian residents abroad declined 1.1%. Travel by

US residents to Canada rose 1.4% in June 2010 compared with May 2010. Canadian residents took 3.6 million trips to the United States in June, down 1.7% from May. Travel to other countries by Canadians increased 2% and travel from these countries to Canada increased 1.6% over the same period.

General

Canada

1. Global trade poised for growth, July 30, 2010, www.todaystrucking.ca
2. Travel between Canada and other countries [June 2010], August 19, 2010, www.statcan.gc.ca

US

1. DOT fines Enbridge \$2.4 million for safety violations, August 17, 2010, www.dot.gov

Publications

1. Effects of the February 2010 Snowstorms on [US] Airline Performance, August 9, 2010, www.bts.gov
2. Canadian Transportation Agency, Annual Report 2009-2010, August 16, 2010, www.cta-otc.gc.ca
3. The Airport Voice, CAC Newsletter, August-September 2010, www.cacairports.ca
4. Competition Policy Newsletter 2010/1 Published, August 27, 2010, www.europa.eu