

Transportation Information Update*

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January 2010, No. 65

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AIR TRANSPORTATION

1. Global Air Freight Surges 9.5 Percent

According to the latest release from the International Air Transportation Association, international freight expanded for the first time in a year-and-a-half in November 2009, as Asia-Pacific shipping sent freight up 9.5 percent over the same month a year ago. Asia's air freight jumped 14.5 percent in November 2010.

2. Update on Canadian Aviation Security Measures

On January 4, 2010, Transport Canada reaffirmed that recent additional security measures at Canadian Airports for flights to the US remain in place until notice.

3. Obama to announce new airline safety measures

US President Obama will announce new airline security measures to ensure safety on January 5, 2010 after the recent terrorist failed attack. Canadian Transport Minister is also expected to make an announcement on the same day.

4. Full-body scans coming to Canadian airports: report

The federal Transport Minister John Baird is expected to make the announcement that nine Canadian airports will install full-body scanners within two months to strengthen the security net that failed to catch an alleged terrorist with plans to blow up a planeload of people on Christmas Day, according to Montreal's La Press.

5. WestJet reports record December load factor of 81.7 per cent

Westjet reported positive results for: 1. December 2009, 2. the fourth quarter of 2009 and 3. the calendar 2009 in comparison to the results in 2008. The results are: 1. load factor 81.7% (80.9%); available seat miles 1.565b (1.462b); and revenue passenger miles 1.279b (1.183b). 2. load factor 78.4% (77.6%); available seat miles 4.413b (4.288b); and revenue passenger miles 3.461b (3.329b). 3. load factor 78.7% (80.1%); available seat miles 17.588b (17.319b); and revenue passenger miles 13.835b (13.731b). The corresponding results for 2008 are shown in the brackets. WestJet President and CEO Sean Durfy said "We are very pleased with our strong December load factor, which is accompanied by RPM growth of over eight per cent and 42,000 additional guests compared to December last year." WestJet President and CEO Sean Durfy.

6. Government of Canada invests in full body and behaviour screening to further enhance security at Canadian airports

Canada's Transport Minister, John Baird and Rob Merrifield, Minister of State (Transport) announced on January 5, 2010 that the Government of Canada is investing in full body scanners to enhance security at Canadian airports. Starting this month, full body scanners will be installed at major Canadian airports. This technology will give passengers a choice between a full body scan and a physical search. The full body scanner will be used to reveal objects, including weapons and explosives that could be concealed under clothing.

7. Air Canada reports December traffic

On January 6, 2010, Air Canada reported a system load factor of 81.2 per cent on a consolidated basis with Jazz, versus 81.7 per cent in December 2008, a decrease of 0.5 percentage points. System traffic increased 3.4 per cent on a capacity increase of 4.0 per cent system wide for December 2009 compared with the month a year ago. For the full year 2009, its load factor was 80.7 per cent. For the final quarter of 2009, its load factor, available seat miles and revenue passenger miles were:

Current Developments in Brief

Air Transportation

CANADA

1. Global Air Freight Surges 9.5 Percent, January 3, 2010, www.joc.com
2. Update on Canadian Aviation Security Measures, January 4, 2010, www.tc.gc.ca
3. Obama to announce new airline safety measures, January 5, 2010, www.globeandmail.ca
4. Full-body scans coming to Canadian airports: report, January 5, 2010, www.nationalpost.ca
5. WestJet reports record December load factor of 81.7 per cent, January 6, 2009, www.westjet.ca
6. Government of Canada invests in full body and behaviour screening to further enhance security at Canadian airports, January 5, 2010, www.tc.gc.ca
7. Air Canada reports December traffic, January 6, 2010, www.aircanada.ca
8. Transport Minister Announces New Screening Equipment Acquisition, January 6, 2010, www.atac.ca
9. APPLICATIONS by Sophia Huyer and Rhonda Nugent, on behalf of her daughter Melanie Nugent, against Air Canada, January 6, 2010, www.cta-otc.gc.ca
10. Reserve nut-free seats, watchdog tells Air Canada, January 8, 2010, www.globeandmail.ca
11. WestJet and EXP-AIR announce new cargo sales and service agreement, January 11, 2010, www.westjet.ca
12. Airlines put on high security alert over weekend: Transport Canada, January 12, 2009, www.globeandmail.ca
13. Air Fare [Third Quarter 2008], January 14, 2009, www.statscan.gc.ca
14. DOT Fines United for Violations of Price Advertising Rules, January 18, 2010, www.dot.gov
15. DOT Unveils Improved Aviation Consumer and Enforcement Website, January 14, 2010, www.dot.gov
16. One carry-on item allowed for flights to the United States, January 19, 2010, www.tc.gc.ca
17. JAL falls victim to declining sales, January 20, 2010, www.globeandmail.ca
18. ATAC asks the Prime Minister to help B.C. Members affected by the 2010 Olympic Security Measures, January 19, 2010, www.atac.ca
19. Skies Now More Open Between Canada and the European Union, January 26, 2010, www.cta-otc.gc.ca

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78.6, 13.840b, and 10.885b, a decrease of 1.3 and an increase of 2.0 and 0.4 compared to the last quarter of 2009.

8. Transport Minister Announces New Screening Equipment Acquisition

Air Transport Association of Canada supports the deployment of pat downs used with the current screening devices as it reduces passenger inconvenience. ATAC does have concerns that the new equipment acquisition will result in an increase in the Air Travellers' Security Charge. ATAC believes these acquisitions are a national security issue and accordingly the funding should come from Canada's General Fund.

9. APPLICATIONS by Sophia Huyer and Rhonda Nugent, on behalf of her daughter Melanie Nugent, against Air Canada

Two applications were filed with the Canadian Transportation Agency regarding difficulties experienced relating to peanut and nut allergies when travelling with Air Canada. The applications raise interesting issues whether it affects the mobility of persons suffering from allergies and lack of formal policy on such issues.

10. Reserve nut-free seats, watchdog tells Air Canada

The federal agency has directed Air Canada to come up with a plan to create a buffer zone for passengers who have nut allergies. In the buffer zone no nut products can be consumed. One of the applicants says that is not sufficient, as the space in an enclosed plane is too small and that in similar situations such as schools, such products are banned as it is very dangerous to people with allergies.

11. WestJet and EXP-AIR announce new cargo sales and service agreement

On January 11, 2010, WestJet announced that it has signed an agreement with EXP-AIR Cargo, marking the beginning of a cargo sales and service relationship that offers an expanded range of services and products for cargo customers throughout Canada, the U.S., Mexico and the Caribbean.

12. Airlines put on high security alert over weekend: Transport Canada

Transport Canada has put all airlines and carriers on high alert, warning them to exercise "increased vigilance." The message was received on Saturday, January 9, 2010 after Canada received credible intelligence of a potential terrorist threat.

13. Air Fare [Third Quarter 2008]

Fare Basis Survey data are now available for the third quarter of 2008. The survey covers Air Canada, Jazz, Air Canada's Canadian regional code-share partners, Air Transat and WestJet.

14. DOT Fines United for Violations of Price Advertising Rules

The U.S. Department of Transportation (DOT) on January 15, 2010 assessed a \$30,000 civil penalty against United Airlines for failing to disclose the full price consumers must pay for air transportation as required by the Department's rules. This is the second penalty against United for price violations.

15. DOT Unveils Improved Aviation Consumer and Enforcement Website

The U.S. Department of Transportation (DOT) has unveiled an improved airline website where consumers will find it easier to launch complaints about airline service. The website is www.airconsumer.gov

16. One carry-on item allowed for flights to the United States

On January 19, 2010, Canada's Transport Minister John Baird announced that airline passengers who are travelling to the United States are now permitted to bring one carry-on bag with some small exceptions. This replaces the temporary restrictions introduced in December 2010.

17. JAL falls victim to declining sales

Japan Airlines Corporation has filed for bankruptcy protection and will be reorganizing. It will be cutting its work force by a third. Its Vancouver-Tokyo service will be maintained. Its focus elsewhere will be good news for Air Canada's planned Calgary-Tokyo service. Japan provides more than 170,000 visitors to Canada each year.

18. ATAC asks the Prime Minister to help B.C. Members affected by the 2010 Olympic Security Measures

20. Air Canada expands service to seven more American cities; pursues growth strategy for Toronto hub, January 27, 2010, www.aircanada.com

21. 2009: Worst Demand Decline in History - Encouraging Year-end Improvements, January 27, 2010, www.iata.org

22. WestJet offers more Caribbean sun, January 27, 2010, www.westjet.com

US

1. Airlines Set Records for On-Time Performance, Low Mishandled Baggage Rates in November, January 7, 2010, www.dot.gov

2. October 2009 [US] Airline Traffic Data: System Traffic Down 1.4 Percent from October 2008, January 14, 2010, www.dot.gov

3. November 2009 [US] passenger Airline Employment Down 3.3 Percent from November 2008, January 20, 2010, www.dot.gov

4. [US] DOT Stimulus Spending Tops \$8 Billion, January 19, 2010, www.joc.com

5. [US] New Digest, January 22, 2010, www.dot.gov

6. US-EU pledge to tighten air security, January 22, 2010, www.americanshipper.com

7. IATA, US Agree On Aviation Security Cooperation, January 22, 2010, www.iata.org

8. 3rd Quarter 2009 Air Fares: Average 3rd-Quarter Domestic Air Fares Fell 14.4% from 3rd Quarter 2008; Top 100 Airports: Highest Fare in Huntsville, Lowest Fare at Atlantic City, January 28, 2010, www.dot.gov

The Air Transportation Association of Canada wrote to the Prime Minister on January 19, 2010 asking for assistance of \$3 million to BC air carriers and air flying schools as a result of additional security measures arising because of the Vancouver Olympic Winter Games.

19. Skies Now More Open Between Canada and the European Union

The Canada-EU Comprehensive Air Transport Agreement has been signed and is now being applied. The agreement allows new services in terms of new routes, capacity, and prices on these flights. Previously, most airlines could operate flights to destinations specified in 19 different air transport agreements. Now, they will be able to offer services to or from any point in Canada or the EU. It is considered the most liberal agreement signed between Canada and the EU to date.

20. Air Canada expands service to seven more American cities; pursues growth strategy for Toronto hub

On January 27, 2010, Air Canada announced new services for seven more American cities (Orange County (Santa Ana) and San Diego, California; Portland, Oregon; Memphis, Tennessee; Cincinnati, Ohio; Portland, Maine; and Syracuse, New York), fortifying its Toronto hub and strengthening its position as the leading transborder carrier with the most daily flights between Canada and the U.S. of any airline.

21. 2009: Worst Demand Decline in History - Encouraging Year-end Improvements

IATA reported December 2009 and full year 2009 demand statistics for international scheduled air traffic that showed the industry ending the year with the largest ever post-war decline. Passenger demand for the full year was down 3.5% with an average load factor of 75.6%. Freight showed a full-year decline of 10.1% with an average load factor of 49.1%. Giovanni Bisignani, IATA's Director General and CEO said "In terms of demand, 2009 goes into the history books as the worst year the industry has ever seen. We have permanently lost 2.5 years of growth in passenger markets and 3.5 years of growth in the freight business."

22. WestJet offers more Caribbean sun

WestJet on January 27, 2010 announced it will begin weekly seasonal non-stop service between Toronto and Samana, Dominican Republic, on June 5, 2010. It also plans to begin service to Bermuda from Toronto.

WATER TRANSPORTATION

1. Smit Completes Prince Rupert Tug Buy

Smit Internationale, the Dutch global marine services company, completed the acquisition of all shares of Minette Bay Ship Docking, a tug operator based in Prince Rupert. Minette operates 3 tugboats in Prince Rupert and Smit has 15 tugs in the West Coast and is one of the biggest offshore companies with more than 150 vessels.

2. Port Montreal Sees Gradual Recovery in 2010

According to Sylvie Vachon, president and CEO of the Montreal Port Authority, the Port of Montreal is seeing 2010 with expectations of "a gradual but slow recovery" after a traffic decline in the final months of 2009. The Port ended 2009 with total volume at nearly 23.8 million metric tons, down 11.9 percent from just over 27 million tons in 2008. Container traffic reached, according to preliminary figures for December, about 1,260,000 20-foot equivalent units (TEUs) for the year, a drop of 14.5 percent from 1,473,914 TEUs in 2008. This was the first year since 2002 in which total traffic declined at the Port of Montreal.

3. West Coast Container Traffic Gained in November[2009]

Container traffic moving through US West Coast ports increased 3 percent in November 2009 compared to November 2008, marking the first monthly year-over-year increase in 2009. Total imports and exports in November 2009 were also up 1 percent over October 2009 traffic, although the volume was down 1 percent from the peak month in August, according to statistics published by the Pacific Maritime Association.

4. Port and cruise ships keep Vancouver 2010 Olympic Winter Games green

Port Metro Vancouver welcomes cruise ships from Holland America Line, Carnival Cruise Lines and Norwegian Cruise Lines to Vancouver to provide accommodation for tourists and security forces. John Hansen, President of the North West CruiseShip Association said "This is the first time ever that cruise ships have served as accommodation at a Winter Olympics."

5. Container Imports Increase after 30-Month Decline

According to the monthly Port Tracker published by the National Retail Federation and Hackett Associates, U.S. container port imports began to increase in December 2009, with imports estimated to be higher than in December 2008. This would mark the first year-over-year monthly increase in containerized imports in two and one-half years. The increase is expected to continue for the next six months.

6. Year-round Labrador-Newfoundland 'Apollo' ferry planned

The Newfoundland Department of Transportation and Works has announced a \$1.5 million pilot project intended to provide year-round ferry service between the island and Labrador across the Strait of Belle Isle.

7. Bay Ferries might need another gov't lifeline

The government's \$19 million aid package to Bay Ferries is coming to an end and according to the NB Business Journal, Atlantic businesses and industry groups are urging local and federal governments to do what they can to keep the Saint John-Digby, N.S. ferry afloat. Jim Thurber, who heads the lobbying group said "We've got businesses here that are considering expansion, but that expansion depends on that ferry service being here."

8. Port of Metro Vancouver - Accumulated Container Traffic Report Month of December 2009

Cumulative TEUs for Jan. to Dec. 2009 for the Port of Metro Vancouver were 2,152,462, 14% lower when compared to the same period last year. Outbound TEUs were 1,029,613 (14% lower) and inbound TEUs were 1,122,849 (13% lower).

9. Government of Canada takes action to facilitate shortsea shipping

The Honourable Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway, announced on February 15, 2009, completion of the Southern Railway of British Columbia (SRY) rail barge ramp, a shortsea shipping project at the marine rail terminal on Annacis Island in Delta. This project was made possible by \$4.6 million in federal funding under the Asia-Pacific Gateway and Corridor Initiative.

Water Transportation

Canada

1. Smit Completes Prince Rupert Tug Buy, January 3, 2010, www.joc.com
2. Port Montreal Sees Gradual Recovery in 2010, January 4, 2010, www.joc.com
3. West Coast Container Traffic Gained in November, January 6, 2010, www.joc.com
4. Port and cruise ships keep Vancouver 2010 Olympic Winter Games green, Jan8, 2010, www.portmetrovancover.com
5. Container Imports Increase after 30-Month Decline, January 11, 2010, www.joc.com
6. Year-round Labrador-Newfoundland 'Apollo' ferry planned, January 11, 2010, www.todaystrucking.ca
7. Bay Ferries might need another gov't lifelin3, January 11, 2010, www.todaystrucking.ca
8. Port of Metro Vancouver - Accumulated Container Traffic Report Month of December 2009, January 12, 2010, www.portmetrovancover.com
9. Government of Canada takes action to facilitate shortsea shipping, January 18, 2010, www.tc.gc.ca
10. State-of-the-art dockside gantry cranes now operating at Deltaport, January 18, 2010, www.tc.gc.ca
11. Deltaport's new third berth officially opens - bringing a 50 per cent increase in terminal capacity, January 18, 2010, www.portmetrovancover.ca
12. Q4 2009 Summary of Cargo, January 20, 2010, www.portofhalifax.ca
13. 2009 Year-End Summary of Cargo & Cruise Activity, January 20, 2010, www.portofhalifax.ca
14. Government of Canada extends Magdalen Islands ferry service, January 21, 2010, www.tc.gc.ca
15. Accumulated Container Traffic Report, January 21, 2010, www.portmetrovancover.ca
16. B.C. shortsea shipping project complete, January 22, 2010, www.ctl.ca
17. Infrastructure Enhancements Underway at the South End Container Terminal, January 26, 2010, www.portofhalifax.ca
18. Prince Rupert Records 12-Year high volumes in cargo, January 25, 2010, www.rupertport.com
19. Extension of Deadline for Consultation Submissions on the Proposed Modifications to the Coasting Trade Guideliness, January 27, 2010, www.cta-otc.gc.ca

10. State-of-the-art dockside gantry cranes now operating at Deltaport

On January 18, 2010, the Honourable Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway, announced that three new state-of-the-art dockside gantry cranes for the Third Berth at Deltaport in Vancouver, British Columbia, are now operating. This new world-class facility will significantly improve the region's rail, port and trucking operations. It shows the government's determination to foster growth on the Asia-Pacific Gateway.

11. Deltaport's new third berth officially opens - bringing a 50 per cent increase in terminal capacity

On January 18, Global Container Terminals and Port Metro Vancouver, along with government officials, officially opened the new \$400 million third berth at Deltaport container terminal. It is a major investment in the future of the Pacific Gateway.

12. Q4 2009 Summary of Cargo

Cargo volumes at the Port of Halifax steadily improved in the final quarter of

2009. For the final three months of 2009, two cargo sectors (bulk and containerized) increased throughput compared to the same period one year ago. Containerized cargo (TEUs) increased 17.3% . Imports increased 5.6% and exports increased 28.6%. Containerized cargo (TEUs) declined 11% for the full year of 2009 compared to 2008.

13. 2009 Year-End Summary of Cargo & Cruise Activity

2009 was a challenging year for the Port of Halifax. Overall, cargo volume for 2009 declined 6.2%. Containerized cargo (TEUs) declined 11%, breakbulk declined 37.5%, bulk declined 1.6% and roll-of-roll-on declined 16%. As far as cruise activity was concerned there were 118 cruises; 227,797 cruise passengers and 94,843 on board crew; five cruise ships made inaugural calls to the Port of Halifax; and twenty cruise lines called Halifax including two first-time lines.

14. Government of Canada extends Magdalen Islands ferry service

The Honourable Christian Paradis, Minister of Natural Resources and Member of Parliament for M'égantic-L'Érable, on January 21, 2010 announced an investment of up to \$2.174 million for the short-term extension of the ferry service between the Magdalen Islands and Souris during February and March 2010 for two round-trip crossings per week.

15. Accumulated Container Traffic Report

The Metro Port of Vancouver has published its monthly accumulated container statistics for each of month for 2009. The statistics are published for all containers and containers in TEUs inbound and outbound. For the entire 2009, the number of containers (TEUs) moving through it was 2,152,462 compared to 2,492,107 a decline of 14%.

16. B.C. shortsea shipping project complete

The Southern Railway of British Columbia (SRY) rail barge ramp, a shortsea shipping project at the marine rail terminal on Annacis Island in Delta, has been completed. The project was funded with \$4.6 million under the Asia-Pacific Gateway and Corridor Initiative.

17. Infrastructure Enhancements Underway at the South End Container Terminal

The Halifax Port Authority has started work at the South End Container Terminal on a \$35 million infrastructure project. The project's primary purpose is to allow the terminal to simultaneously berth and service two full-sized post-Panamax vessels. The project involves deepening the berth to a depth of 16 metres from 14.5 metres and extending the berth to ensure that the terminal, and the Port of Halifax, remain competitive in attracting containerized cargo.

18. Prince Rupert Records 12-Year high volumes in cargo

The port of Prince Rupert recorded its highest throughput volume since 1997. The port handled 12.1 million tonnes of cargo up 15% from 2008. Its Fairview container terminal handled 265,259 TEUs in 2009, a 45.9% increase from 2008. Imports increased by 54.2% and exports by 35.4%. Cruise passengers were down 46.8% to 55,097.

19. Extension of Deadline for Consultation Submissions on the Proposed Modifications to the Coasting Trade Guidelines

The deadline for participating in the consultation process on proposed modifications to the Coasting Trade guidelines and to provide written submissions is now extended to February 26, 2010. All comments received will be posted on the Agency's Web site. At the close of this period, all stakeholders will then have until March 8, 2010 to submit final comments

US

1. Great Lakes ore shipments plunge in 2009, January 11, 2010, www.americanshipper.com
2. Shipping demand remains strong, says NY Line., January 11, 2010, www.joc.com
3. U.S. Port Volume back in black, January 13, 2010, www.americanshipper.com
4. BTS Releases [two] Reports on Ocean Passenger Vessels, January 22, 2010, www.bts.gov

RAIL TRANSPORTATION

Canada

1. CN Over, CPR Under Western Grain Revenue Caps for Crop Year 2008-2009

CN's grain revenue of \$479,788,412 was \$683,269 above its revenue cap of \$479,105,143. CPR's grain revenue of \$484,806,288 was \$1,149,665 below its cap of \$485,955,953. CN now has 30 days to pay the amount by which it exceeded its 2008-2009 revenue cap, in addition to a five-percent penalty of \$34,163.

2. CN to report fourth-quarter, year-end 2009 financial results on Jan. 26, 2010

CN to report fourth quarter and year-end 2009 financial and operating results on Jan. 26, 2010, shortly after 4 p.m. Eastern standard time.

3. Canadian Rail Carloads Fall Hard in 2009

CN and CP saw their combined carloads in both countries fall 17.7 percent to 3,248,935 units in the 52 weeks ending Jan. 2, 2010. For the same period, major U.S. carriers saw their carloads fall 16.1 percent to about 13.8 million. The Canadian lines had a 14 percent drop in intermodal traffic to 2,115,517 units, of which 2,032,734 were containers and 82,783 were trailers. The U.S. majors (five Class I's) plus a few regional lines that report to Association of American Railroads, saw intermodal decline 14.1 percent to nearly 9.9 million boxes.

4. Canadian Pacific fourth-quarter 2009 results: conference call with analysts and media on January 28

Canadian Pacific Rail will release its fourth-quarter financial and operating results at 7:30 a.m. Eastern time (5:30 a.m. Mountain time) on January 28, 2010.

5. Review of Railway Cost of Capital Methodology

A review of the Canadian Transportation Agency's (Agency) cost of capital methodology is currently in progress. The review is being conducted in two phases: a study phase and a hearing phase. In the study phase, an independent consultant will examine existing cost of capital methodologies and principles. It will review the Agency's methodology. The second phase will collect evidence from the railways and from the shippers and public.

6. Rail Traffic Nears Year-ago Level

New freight carload and intermodal pickups by major U.S. railroads rose in the week ending Jan. 16, but remained below their recent highs.

7. Opening-up of rail international passenger transport market to competition on 1 January 2010: towards additional services offered to consumers

The EU has liberalised the market for international rail passenger services from 1 January 2010. Any licensed, certified rail company established in the EU will in principle be able to offer such services, and in doing so have the right to pick up and set down passengers at any station along the international route. The market for purely

national rail passenger services is not yet being opened up to cross-border competition, though this could change in the future. Since the start of 2007, rail freight transport has been completely liberalised in the EU, for both national and international services.

8. CN's new Leadership Team: Keith Creel appointed chief operating officer, Jean-Jacques Ruest appointed chief marketing officer

Rail Transportation

Canada

1. CN Over, CPR Under Western Grain Revenue Caps for Crop Year 2008-2009, www.cta-otc.gc.ca
2. CN to report fourth-quarter, year-end 2009 financial results on Jan. 26, 2010, January 4, 2010, www.cn.ca
3. Canadian Rail Carloads Fall Hard in 2009, January 7, 2010, www.joc.com
4. Canadian Pacific fourth-quarter 2009 results: conference call with analysts and media on January 28, January 12, 2010, www.cpr.ca
5. Review of Railway Cost of Capital Methodology, January 18, 2010, www.cta-otc.gc.ca
6. Rail Traffic Nears Year-ago Level, January 21, 2010, www.joc.com
7. Opening-up of rail international passenger transport market to competition on 1 January 2010: towards additional services offered to consumers, January 12, 2010, www.europa.eu
8. CN's new Leadership Team: Keith Creel appointed chief operating officer, Jean-Jacques Ruest appointed chief marketing officer, January 25, 2010, www.cn.ca
9. CN reports Q4-2009 net income of C\$582 million, or C\$1.23 per diluted share, January 26, 2010, www.cn.ca
10. CN boosts dividend on hopes for a healthy 2010, January 27, 2010, www.globeandmail.ca
11. CN Profit Rises 1.6 Percent, January 27, 2010, www.joc.com
12. CN announces new share repurchase program and seven per cent increase in quarterly cash dividend, January 26, 2010, www.cn.ca
13. Railways embark on EA for double stack tunnel, January 27, 2010, www.todaystrucking.ca
14. Canadian Pacific announces 2009 results, January 28, 2010, www.cpr.ca
15. Canadian Pacific profit rises, January 28, 2010, www.globeandmail.ca
16. Survey Says: Shippers not too impressed with rail service, January 28, 2010, www.todaystrucking.ca

US

1. BNSF Net Falls 12.8 Percent to \$536 Million, January 21, 2010, www.joc.com
2. CSX: Rail Bill 'Not Balanced', January 21, 2010, www.americanshipper.com
3. Norfolk Southern Profit Falls 37 Percent [4th Quarter], January 28, 2010, www.joc.com

On January 25, 2010, President and chief executive officer of CN announced the composition of his Leadership Team. Keith Creel, previously CN's executive vice-president, operations, is being appointed as CN's executive vice-president and chief operating officer. Jean-Jacques Ruest, previously CN's senior vice-president, marketing is being appointed as CN's executive vice-president and chief marketing officer. These appointments are effective immediately and both will report to the president and CEO.

9. CN reports Q4-2009 net income of C\$582 million, or C\$1.23 per diluted share

Adjusted fourth-quarter 2009 net income was C\$424 million, or C\$0.90 per diluted share, compared with adjusted net income of C\$531 million, or C\$1.12 per diluted share, excluding a deferred income tax recovery, for the year-earlier period. Fourth-quarter 2009 revenues declined 14 per cent from a year earlier to C\$1,882 million. Fourth-quarter operating ratio was 65.3 per cent, compared with 62.7 per cent for the same quarter of 2008.

10. CN boosts dividend on hopes for a healthy 2010

CN new CEO is optimistic that freight traffic will climb during gradual economic growth in 2010. This resulted in a decision to raise dividend payments by 7 per cent. He said he is forecasting "double-digit growth in diluted earnings per share in 2010," while cautioning that current economic momentum is fragile and a strong Canadian dollar would water down some of the expected gains. Both major Canadian railways are anticipating growth in traffic in 2010.

11. CN Profit Rises 1.6 Percent

Lower tax rates from Canadian provinces and receipts from selling some track to a transit agency, resulted in fourth-quarter net income of \$548 million for CN railway in 2009, up 1.6 percent from 2008. However, after removing one-time benefits and looking at the main freight railroad business, CN said adjusted profit was down 20 percent to \$399 million while overall receipts fell 14.5 percent to \$1.8 billion. Its full-year profit of \$1.75 billion was down 2.2 percent from 2008, while receipts fell 13 percent to \$6.9 billion.

12. CN announces new share repurchase program and seven per cent increase in quarterly cash dividend

CN announced on January 26, 2010 that its Board of Directors has authorized a normal-course-issuer bid to purchase, for cancellation, up to 15 million, or 3.2 per cent, of the common shares outstanding of the Company not held by insiders on Jan. 18, 2010.

13. Railways embark on EA for double stack tunnel

CP rail has been having trouble with the current Windsor-Detroit rail tunnel due to double stacked containers. To deal with this problem, it and its co-owners Borealis Infrastructure issued a pre-bid notice to conduct an environmental assessment for a proposal to build a second, adjacent tunnel. This will likely result in an investment of \$400 million.

14. Canadian Pacific announces 2009 results

CP's net income in the fourth-quarter was \$194 million, an increase of three per cent from \$188 million in fourth-quarter 2008 and diluted earnings per share were \$1.15, down from \$1.21 in fourth-quarter 2008. Compared to the fourth quarter of 2008, the results were as follows: total revenues were \$1.1 billion, down 16 per cent from \$1.3 billion; operating expenses were \$853 million, down 17 per cent from \$1.0 billion; operating income decreased to \$269 million from \$304 million, or 12 per cent; operating ratio improved 120 basis points to 76.0 per cent; and diluted earnings per share decreased to \$0.94 from \$1.07, or 12 per cent.

15. Canadian Pacific profit rises

CP's profit in the fourth quarter was up 3 per cent from the comparable period of 2008. Its fourth quarter total revenue and diluted earnings declined but its cost also declined by 17%.

16. Survey Says: Shippers not too impressed with rail service

A survey conducted by NRG Research Group as one part of Transport Canada's Rail Freight Service Review, found that only 17 percent of rail shippers were generally satisfied with the level of service the railways provide. 62 percent -- said they have "suffered a serious financial impact as a result of poor rail freight service." Respondents said their dissatisfaction was based mainly on time delivery of cars at origin and destination, timely pick-up of empty cars after unloading, reliability of car supply, consistent transit times and responsiveness of the railways to the problems reported by customers. They feel that there are no measures to make the railways accountable.



HIGHWAY TRANSPORTATION

1. Education period kicks in for new cargo securement rules

On January 1, 2010, two new cargo securement rules came into force but truckers will be given a 12-month educational period before official enforcement begins. The new rules require the use of tiedowns marked with a Working Load Limit, and the requirement to use automatic tiedown tensioning devices for securement of logs loaded crosswise.

2. October 2009 Surface Trade with Canada and Mexico Fell 15.5 Percent from October 2008

U.S.–Canada surface transportation trade totalled \$36.3 billion in October 2009, down 19.0 percent compared to October 2008. The value of imports carried by truck was 15.8 percent lower in October 2009 compared to October 2008, while the value of exports carried by truck was 9.5 percent lower during this period. Surface transportation consists largely of freight movements by truck, rail and pipeline. About 88 percent of U.S. trade by value with Canada and Mexico moves on land. Michigan led all states in surface trade with Canada in October with \$4.8 billion.

3. Penske Acquires Bright Truck Leasing

Penske Truck Leasing entered into an agreement with the Bright family to acquire Bright Truck Leasing & Bright Distribution. The combination are expected to gain from the combined network of facilities across North America. The move is part of Penske's efforts to grow organically and through strategic acquisitions.

4. Bridge owner purchases YRC terminal

Central Transport purchased a terminal from YRC. Central Transport is owned by the owner of Ambassador Bridge, Matty Moroun. This new truck terminal just happens to overlap a bit of land the State would need to build approach ramps for the International Bridge Project which Maroun was refused permission to build.

5. Gateway land purchase won't derail new bridge: MDOT

The proposed land purchase by the owner of the Ambassador bridge will not affect the building of the new bridge according to a transport official. The government could offer to buy the land if it needed or it could simply expropriate the land.

6. Joint Report by Government Policy Groups and Think Tanks Reaffirm Environmental Benefits of CTA's enviroTruck

A joint study by major US public and private sector policy and research organizations concludes that government financial aid and regulatory involvement are a must to realize environtruck benefits. The report found large cumulative savings in terms of diesel fuel and CO2 benefits.

7. New Atlantic Trade Bridge officially opens

Prime Minister Stephen Harper, N.B. Premier Shawn Graham and State of Maine representatives were on hand for a ribbon cutting ceremony, celebrating the opening of the third crossing of the St. Stephen-Calais bridge on January 13, 2010.

Highway Transportation

Canada

1. Education period kicks in for new cargo securement rules, January 5, 2010, www.todaystrucking.ca
2. October 2009 Surface Trade with Canada and Mexico Fell 15.5 Percent from October 2008, January 6, 2010, www.dot.gov
3. Penske Acquires Bright Truck Leasing, January 7, 2010, www.joc.com
4. Bridge owner purchases YRC terminal, January 7, 2010, www.todaystrucking.ca
5. Gateway land purchase won't derail new bridge:MDOT, January 13, 2010, www.todaystrucking.ca
6. Joint Report by Government Policy Groups and Think Tanks Reaffirm Environmental Benefits of CTA's enviroTruck, January 8, 2010, www.cantruck.ca
7. New Atlantic Bridge officially opens, January 13, 2010, www.todaystrucking.ca
8. Ontario's Ban on hand-Held Devices While Driving in Full Effect February 1, 2010, January 14, 2010, www.ontruck.ca
9. Shippers envision rate increases in 2010, January 15, 2010, www.todaystrucking.ca
10. Mullen says it's primed for growth, January 15, 2010, www.todaystrucking.ca
11. Bradley replaced as Ontario Transport Minister, January 20, 2010, www.ctl.ca
12. Warren Transport, D.D. Transport announce merger, January 20, 2010, www.ctl.ca
13. J.D. Irving truck fleets consolidate ops, January 22, 2010, www.todaystrucking.ca
14. Canada and Nova Scotia deliver accessible transportation services for residents of East Hants, January 25, 2010, www.tc.gc.ca
15. Day & Ross acquires Saskatoon food hauler, January 27, 2010, www.ctl.ca
16. DOT sends truckers a message: No more texting, January 26, 2010, www.todaystrucking.ca
17. StatsCan releases data on 2008 commodity shipments, January 28, 2010, www.ctl.ca
18. CTA urges feds to provide enviroTruck incentives in next budget, January 28, 2010, www.ctl.ca

US

1. [US] Transportation Secretary Announces Nearly \$94 Million for Federal Lands Road Projects in 31 States, January 13, 2010, www.dot.gov
2. US truck tonnage up 2.1% in December, January 25, 2010, www.ctl.ca

8. Ontario's Ban on hand-Held Devices While Driving in Full Effect February 1, 2010

Following a period of educational enforcement, Ontario's restriction on the use of hand-held devices while driving will be fully enforced as of February 1, 2010.

9. Shippers envision rate increases in 2010

The findings of the fifth annual benchmarking survey undertaken by Supply Chain Surveys Inc. for the Canadian Industrial Transportation Association indicate that shippers expect modest growth in their volumes and in rate increases of their carriers in 2010.

10. Mullen says it's primed for growth

The Mullen Group the second largest trucking company in Canada has approved a \$40 million capital expenditure budget for 2010, which will go to business units that are primed for growth or need to sustain capital to meet customer needs.

11. Bradley replaced as Ontario Transport Minister

Kathleen Wynne replaces Jim Bradley as Ontario Transport Minister.

12. Warren Transport, D.D. Transport announce merger

Rexton, N.B., and Mount Pearl, Nfld., two of Atlantic Canada's top trucking and transportation companies, are merging their general freight and equipment-repair facilities to form a new company, Atlantica Diversified Transportation Systems. The combined fleet will consist of 300 pieces of equipment with annual sales in the range of \$25-30 million over the next year.

13. J.D. Irving truck fleets consolidate ops

Sunburys Transport head office in Fredericton will be closed and merged with sister company RST Industries in Saint John. Atlantic powerhouse J.D. Irving, which owns both carriers, told local media it made the move to be closer to core customers in the industrial part of Saint John and port area.

14. Canada and Nova Scotia deliver accessible transportation services for residents of East Hants

Government officials announced on January 25, 2010 that residents of East Hants will benefit from two new accessible minivans, thanks to investments from the governments of Canada and Nova Scotia.

15. Day & Ross acquires Saskatoon food hauler

Truckload food hauler G. Edwards Enterprises has been acquired by Day & Ross Transportation Group. The acquisition will give Day and Ross a modern terminal in Saskatoon which opens up new lanes in western Canada for their truckload network and for their gain in capacity to grow their LTL, small package and dedicated businesses.

16. DOT sends truckers a message: No more texting

The head of the US Department of Transport has announced a ban on texting by commercial vehicle operators effective immediately.

17. StatsCan releases data on 2008 commodity shipments

Statistics Canada indicates that Canada's largest for-hire trucking companies transported 5.6% fewer shipments weighing 1.9% less than the previous year in 2008. In 2008, 85% of shipments were domestic made by for-hire fleets with annual revenues of \$1.3 billion. These 51.2 million domestic shipments generated \$20.7 billion in revenue.

18. CTA urges feds to provide enviroTruck incentives in next budget

On January 28, 2010, the Canadian Trucking Alliance (CTA) has asked federal Finance Minister Jim Flaherty to help offset the costs of adopting environmentally-friendly transport technologies (suggesting 50% cut in federal diesel taxes or taking an amount equal to the diesel tax cut and put it into tax credits for green fleets).

GENERAL

1. The Canadian General Freight Index falls slightly in October [2009]

The Canadian General Freight Index indicates that the cost of ground transportation for Canadian Shippers declined slightly in October 2009 after rising in September 2009. Since the beginning of the year, the index has fallen in eight of the ten months, and has declined 9.6% in aggregate.

2. National Tourism Indicators [Third quarter 2009]

Tourism spending in Canada increased 0.3% in real terms in the third quarter, as expenditures by Canadians advanced (0.9%) while those of international visitors fell (2.4%). This was the first increase in tourism spending in five quarters, ending the longest downturn since the early 1990s. From the second quarter of 2008 to the second quarter of 2009, tourism spending fell 3.1% in real terms.

3. Recovery will lag in 2010: JOC shipping report

Transportation executives across the shipping world are feeling 'cautious optimism' these days towards the prospects for economic recovery in 2010, according to a JOC survey. The cautious approach, some industry leaders suggest, could trigger a rapid upturn in shipping prices if demand scales up more rapidly than forecast as plans to add capacity are being restricted.

4. Promotional video launch: the Asia-Pacific Gateway helps you connect to opportunities

A video to promote Canada's Asia-Pacific Gateway as one of the fastest and most efficient ways to move products from the factory floor to store shelves was launched by the Honourable Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway on January 15, 2009, in light of the upcoming 2010 Olympic and Paralympic Winter Games.

General

Canada

1. The Canadian General Freight Index falls slightly in October [2009]
2. National Tourism Indicators [Third quarter 2009], January 10, 2010, www.statcan.ca
3. Recovery will lag in 2010: JOC shipping report, January 13, 2010, www.todaystrucking.ca
4. Promotional video launch: the Asia-Pacific Gateway helps you connect to opportunities, January 15, 2010, www.tc.gc.ca

US

1. [US] Freight Transportation Services Index (TSI) Rose 1.8% in November from October, January 13, 2010, www.dot.gov
2. Obama Administration Proposes Major Public Transportation Policy Shift to Highlight Livability, Changes Include Economic Development and Environmental Benefits, January 13, 2010, www.dot.gov

Publications

1. The Airport Voice, News and View, September-October 2009, www.cacairports.ca
2. Study on Passenger Transport by Coach, September 25, 2009, www.europa.eu

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