

Transportation Information Update*

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AIR TRANSPORTATION

1. Air Canada Launches the Only Daily Non-stop Service Between Toronto and New Orleans

Air Canada on October 30, 2010 inaugurated daily, non-stop service between Toronto and New Orleans.

2. WestJet launches new service to New Orleans

On November 1, 2010, WestJet announced a new non-stop seasonal service to New Orleans, Louisiana from Toronto beginning on November 1, 2010 to April 29, 2011. The service will be provided four times a week.

3. Qatar Airways urges more access to Canadian market

Qatar Airways' chief executive called for greater access for the fast expanding Gulf carrier to the Canadian market. He said that the development of bilateral trade ties may depend on it, as trade is two way.

4. Vision for Intelligent Aviation Security - Coordinated Response on Cargo Security

On November 2, 2010, the International Air Transport Association (IATA) called on security regulators around the world to work together to make the skies more secure by addressing the challenges related to cargo security and data collection. IATA also unveiled plans to lead a global effort in view of the recent cargo problems from Yemen. The CEO of IATA identified several areas where more progress is needed to further improve aviation security and address passenger frustrations. He specifically noted principles in four areas: supply chain; technology, e-freight, and risk. Five recommendations were also made.

5. WestJet reports October load factor of 74.4 percent

WestJet announced its load factor of 74.4 percent for October 2010, a 0.1 point increase over the same period last year. Revenue passenger miles and available seat miles increased 13.4% and 13.3%, respectively, in October 2010 compared to the same period in 2009. President and CEO, Gregg Saretsky said "We have continued with our strategic growth and are pleased with October's load factor given the additional capacity we have added to our network..."

6. WestJet announces a 72 percent increase in third quarter net earnings

On November 3, 2010, WestJet announced its third quarter net earnings of \$54 million or 37 cents per diluted share. This is its 22nd consecutive quarter of profitability and a 72 percent increase in net earnings compared to the third quarter of 2009. Total revenue increased 14% for the third quarter to \$684.6 million compared to the same period in 2009. Available seat miles, revenue passenger miles and load factor were: 5.031 billion, 4.007 billion and 79.6. This is a 11.7% increase, a 11.7% increase and a 0.1 point decrease from the third quarter of 2009.

7. WestJet launches new service between Toronto and Grand Cayman

WestJet announced the launching of its new non-stop service between Pearson International Airport, Toronto and Grand Cayman beginning November 4, 2010. It is a service three times a week, Tuesday, Thursday and Sunday and departs at 9.40am.

8. WestJet announces quarterly dividend and announces normal course issuer bid

WestJet announced its third quarterly dividend of \$0.5 to be paid on January 21, 2011. WestJet was also pleased to announce that the Toronto Stock Exchange has accepted its notice to accept a normal course bid to purchase outstanding common voting shares

Current Developments in Brief

Air Transportation

CANADA

1. Air Canada Launches the Only Daily Non-stop Service Between Toronto and New Orleans, October 30, 2010, www.aircanada.ca
2. WestJet launches new service to New Orleans, November 1, 2010, www.westjet.ca
3. Qatar Airways urges more access to Canadian market, October 31, 2010, www.nationalpost.ca
4. Vision for Intelligent Aviation Security - Coordinated Response on Cargo Security, November 2, 2010, www.iata.org
5. WestJet reports October load factor of 74.4 percent, November 4, 2010, www.westjet.ca
6. WestJet announces a 72 percent increase in third quarter net earnings, November 3, 2010, www.westjet.ca
7. WestJet launches new service between Toronto and Grand Cayman, November 3, 2010, www.westjet.ca
8. WestJet announces quarterly dividend and announces normal course issuer bid, November 3, 2010, www.westjet.ca
9. Air Canada Reports Record Load Factor for October, November 4, 2010, www.aircanada.ca
10. Air Canada Reports 2010 Third Quarter Results; Operating Income improved \$259 million or 381 per cent from previous year's quarter, November 4, 2010, www.aircanada.ca
11. Traffic growth helps boost Air Canada, November 4, 2010, www.globeandmail.ca
12. Air Canada operating income up nearly five-fold, November 4, 2010, www.nationalpost.ca
13. Air Canada to add new Vancouver-Tokyo flight, November 4, 2010, www.globeandmail.ca
14. WestJet launches new service to Santa Clara, November 5, 2010, www.westjet.ca
15. Bilateral air negotiations consistent with Blue Sky Policy: Air Canada, November 6, 2010, www.nationalpost.ca
16. Air Canada Inaugurates Only Montréal-phoenix Non-stop Flights; Doubles Daily Toronto-phoenix Flights next Winter, November 6, 2010, www.aircanada.ca
17. Airlines Face Big EU Air Cargo Cartel Fines, November 8, 2010, www.joc.com
18. Two retired Air Canada pilots reinstated, November 8, 2010, www.globeandmail.ca
19. Jazz Air Income Fund income falls 25%, November 8, 2010, www.nationalpost.ca
20. Air Canada Notified of European Commission Decision in Cargo Rates and

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and variable voting shares.

9. Air Canada Reports Record Load Factor for October

For the month of October 2010, Air Canada reported a record system load factor of 80.3 per cent on a consolidated basis with Jazz, versus 79.6 per cent in October 2009, an increase of 0.7 points. System traffic increased 9.3 per cent on a system wide capacity increase of 8.3 per cent when the two periods are compared. Calin Rovinescu, President and Chief Executive Officer said "I am very pleased to report a record load factor of 80.3 per cent for the month of October, on a consolidated basis with Jazz."

10. Air Canada Reports 2010 Third Quarter Results; Operating Income improved \$259 million or 381 per cent from previous year's quarter

Air Canada on November 4, 2010 reported operating income of \$327 million in the third quarter of 2010 compared to operating income of \$68 million in the third quarter of 2009, an improvement of \$259 million or 381 per cent. Earnings before interest, taxes, depreciation, amortization and aircraft rent (EBITDAR) of \$581 million increased \$261 million or 82 per cent from the third quarter of 2009.

11. Traffic growth helps boost Air Canada

Air Canada reports profit of \$261-million in the third quarter — down from \$277-million last year but operating profit at the country's dominant air carrier soared. Its latest quarter included foreign exchange gains of \$90--million. This compared to net income of \$277-million in the third quarter of 2009 which included gains on foreign exchange of \$295-million.

12. Air Canada operating income up nearly five-fold

AC boosted its 3rd-quarter revenue and operating profits as it saw gains in the number of passengers using its airline, and the amount of money it was able to get out of each customer. Revenue from customers travelling in premium seats was up 26% from a year earlier.

13. Air Canada to add new Vancouver-Tokyo flight

AC is adding a new Vancouver-Haneda (Tokyo) route beginning Jan. 29, 2011. It will complement its current daily service between Vancouver and Tokyo's Narita International Airport. Connections to partner airlines are available to fly to places such as Bangkok and Singapore. It is part of Air Canada's Asia-Pacific growth strategy to increase profit as its transpacific routes helped to increase its quarterly profit to \$327 million.

14. WestJet launches new service to Santa Clara

WestJet launched new service to Santa Clara beginning on November 5, 2010. The service is a non-stop service every Friday at 9.15 am between Santa Clara, Cuba and Pearson International Airport, Toronto.

15. Bilateral air negotiations consistent with Blue Sky Policy: Air Canada

Air Canada issued a statement on November 6, 2010 in response to criticisms of Ottawa's handling of recent Canada-UAE bilateral air negotiations. Duncan Dee, Executive Vice-President and Chief Operating Officer of Air Canada said "The recent discussions between Canada and the UAE related to bilateral air access rights were conducted on a principled basis entirely consistent with Canada's Blue Sky Policy which has provided a framework for bilateral air negotiations since 2006. ... There would be no net benefit to Canada in granting additional capacity between Canada and the UAE at this time as the current bilateral air agreement is sufficient to meet travel demand between the two countries. The Government's actions are in the interests of Canadian commerce, Canadian jobs and encouraging growth in the Canadian economy."

16. AC Inaugurates Only Montréal-phoenix Non-stop Flights; Doubles Daily Toronto-phoenix Flights next Winter

Air Canada on November 6, 2010 launched the only Montréal-Phoenix non-stop flights. The seasonal service, operating Saturdays and Sundays until April 30, 2011, offers flights timed to facilitate convenient connections to/from Ottawa, Québec City, Saint John, Fredericton, Halifax and Charlottetown. In addition, Air Canada has added a daily flight until April 30, 2011 to its existing year-round daily Toronto-Phoenix service. During the winter AC also operates daily Calgary-Phoenix

Charges Competition Matter (1999-2006), November 9, 2010, www.aircanada.ca

21. Air Canada, others fined for price fixing, November 9, 2010, www.globeandmail.ca

22. Antitrust: Commission fines 11 air cargo carriers €799 million in price fixing cartel, November 9, 2010, www.europa.eu

23. Government of Canada announces changes to aircraft departure speeds, November 10, 2010, www.tc.gc.ca

24. Air Canada Adjusts Checked Bag Policy for Domestic, Caribbean and Mexican Travel, November 10, 2010, www.aircanada.ca

25. BC Air operators to sue Canadian Government over excessive Olympic flight regulations, November 10, 2010, www.atac.ca

26. Air Transat recalling laid off flight attendants: union, November 11, 2010, www.globeandmail.ca

27. Voluntary codes of conduct improving air carrier accessibility for persons with disabilities, November 15, 2010, www.cta-otc.gc.ca

28. Implementation guides regarding space for service dogs and tactile row markers onboard large aircraft compliance report, November 15, 2010, www.cta-otc.gc.ca

29. Premium Traffic - The Search For Yields, November 16, 2010, www.iata.org

30. Court Rules for BA in Cargo Cartel Suit, November 18, 2010, www.joc.com

31. Tory Cabinet divided over U.A.E. base decision, November 19, 2010, www.globeandmail.ca

32. WestJet announced more non-stop services to Orlando, November 24, 2010, www.westjet.ca

33. WestJet triples service to the sun this winter, November 24, 2010, www.westjet.ca

34. Passenger Demand Strengthens - Freight at a Turning Point?, November 25, 2010, www.iata.org

35. Canadian airports to get private pat-down stalls, November 25, 2010, www.globeandmail.ca

36. An ominous flight pattern: Canadians opting for U.S. airports, November 26, 2010, www.globeandmail.ca

37. Regulator orders WestJet to boost lost luggage compensation, November 26, 2010, www.globeandmail.ca

US

1. 2nd-Quarter 2010 US Domestic Air Fares Increased 3.8% from 1st Quarter; Top 100 Airports: Highest Fare in Huntsville, Lowest Fare in Atlantic City, November 1, 2010, www.dot.gov

2. Unique Vacations Fined for Violating DOT Price Advertising Rules, November 8, 2010, www.dot.gov

service.

17. Airlines Face Big EU Air Cargo Cartel Fines

The European Union is expected to fine several major airlines hundreds of millions of dollars this week (November 8, 2010) for fixing international freight rates. The European Commission, the EU's executive, could announce the fines as early as Nov. 10, 2010 closing a four year investigation that began with raids on carriers' offices on both sides of the Atlantic.

18. Two retired Air Canada pilots reinstated

Air Canada must reinstate two pilots who want to return to work and fly beyond the collective agreement's retirement age of 60, the Canadian Human Rights Tribunal has ruled.

19. Jazz Air Income Fund income falls 25%

Jazz Air Income Fund, the regional affiliate of Air Canada, said its net income fell nearly 25% during the third quarter of 2010. The airline said it earned \$19.1-million, down \$6.2-million from \$25.3-million for the same period last year due to decreased flying, foreign exchange, and other pass-through costs under its agreement with Air Canada.

20. Air Canada Notified of EC Decision in Cargo Rates and Charges Competition Matter (1999-2006)

Air Canada confirmed on November 9, 2010 that the European Commission issued a decision finding 12 air cargo carriers infringed European Union competition law in the setting of certain cargo charges and rates between 1999 and 2006. Air Canada was fined 21,037,500 Euros (C\$29.1 million). The amount of the fine is more than adequately covered by the \$125 million provision taken by Air Canada in 2008. The company is studying the decision, including possible appeal.

21. Air Canada, others fined for price fixing

Twelve global airlines have been fined nearly €800-million by the European Commission for running a cargo price-fixing cartel. Air France received the largest fine at €182.9-million, followed by KLM at €127.2-million and British Airways PLC at €104-million. The commission slapped Air Canada with the 10th-largest fine at €21-million (\$29.1-million).

22. Antitrust: Commission fines 11 air cargo carriers €799 million in price fixing cartel

The European Commission has fined 11 air cargo carriers a total of €799.445.000 for operating a worldwide cartel which affected cargo services within the European Economic Area (EEA). The airlines fined were: Air Canada (€21.037m), Air France-KLM (€310.08m), BA (€104.04m), Cathay Pacific (€57.12m), Cargolux (€79.9m), Japan Airlines (€35.7m), LAN Chile (€8.22m), Martinair (€29.5m), SAS (€70.1675m), Singapore Airlines (€74.8m) and Qantas (€8.88m).

23. Government of Canada announces changes to aircraft departure speeds

On November 10, 2010, the Government of Canada has taken action to enhance

aviation safety by prohibiting high-speed departures for aircraft in Canada. "Speed limitations for departing aircraft will better protect air travellers and flight crew," said Minister Strahl. "This new safety measure will help prevent aviation safety incidents upon take-off."

24. Air Canada Adjusts Checked Bag Policy for Domestic, Caribbean and Mexican Travel

Air Canada said on November 10, 2010 that it has adjusted its checked baggage policy for domestic Canadian, Caribbean and Mexican travel. Economy Class customers will still be able to check one bag for free in addition to permitted carry-on baggage. A second bag will now be charged \$20.

25. BC Air operators to sue Canadian Government over excessive Olympic flight regulations

A group of six BC flight operators operating in the lower mainland of British Columbia and ATAC said they are suing the government for excessive Olympic flight regulations imposed on them during the period January 29th to March 24, 2010 because of loss of revenue and increase in expenses occurred.

26. Air Transat recalling laid off flight attendants: union

Air Transat plans to recall all of its 343 laid-off flight attendants by mid December 2010 and will hire an additional 110 in the new year due to improved demand, says the union that represents the employees.

27. Voluntary codes of conduct improving air carrier accessibility for persons with disabilities

The Canadian Transportation Agency released a compliance report on the status of the *Implementation Guide Regarding Space for Service Dogs* and the *Implementation Guide Regarding Tactile Row Markers Onboard Large Aircraft*. This report indicates that the country's six largest airlines, representing over 80% of air passenger traffic in Canada, have made progress in providing accessibility. The carriers compliant with regard to space for service dogs were: Air Canada/Air Canada Jazz; Sunwing; Air Transat; CanJet; and WestJet.

28. Implementation guides regarding space for service dogs and tactile row markers onboard large aircraft

3. IATA Addresses MEET2 on Climate Change, November 8, 2010, www.iata.org
4. Long Tarmac Delays in September Down From Last Year, November 9, 2010, www.dot.gov
5. Distribution Models are Rife - Aviation Industry needs stronger framework, November 11, 2010, www.iata.org
6. Colombia Becomes 100th U.S. Open-skies Partner, November 12, 2010, www.dot.gov
7. August 2010 US Airline Traffic Data: System Traffic Up 1.8 Percent from August 2009, November 12, 2010, www.bts.gov
8. September 2010 Passenger Airline Employment Down 0.6 Percent from September 2009, November 16, 2010, www.dot.gov
9. 2010 - Assessment on rules on penalties applicable to infringements to the rights of disabled persons and persons with reduced mobility when travelling by air, November 16, 2010, www.europa.eu
10. Commission Updates EU list of banned carriers, November 23, 2010, www.europa.eu

compliance report

The Canadian Transportation Agency found that three air carriers were fully compliant with the relevant provisions applicable to tactile row markers onboard large aircraft. The carriers were Air Transat; CanJet; and WestJet. The other carriers such as: Air Canada/Air Canada Jazz; Sunwing; and Porter Airlines were partially compliant or non-compliant with the relevant provisions of the Guide.

29. Premium Traffic - The Search For Yields

Premium travel yields are finally on the upturn according to IATA. Passengers travelling in first and business-class seats on international routes rose by 13.8% in July 2010 from the level of the previous year. Most airlines are also reporting improved yields. A number of external indicators were reported as the cause - world trade, business confidence, etc. but the picture may not be as rosy as it appears on first sight as certain yields are still down before the pre-crisis year and it does not apply to all air markets.

30. Court Rules for BA in Cargo Cartel Suit

Two flower shippers, Emerald Supplies and Southern Glass House Produce, wanted to include a broad array of fellow shippers in a class action case, arguing they all suffered financial losses from British Airline's involvement in a global cartel between 2000 and 2006. But a British appeals court said the lawsuit cannot represent a group of direct or indirect customers because "there is no way to know if they had the same interest in the case."

31. Tory Cabinet divided over U.A.E. base decision

According to the *Globe and Mail*, Mr. Baird and Mr. MacKay were reportedly at odds at the cabinet table over whether Canada should adopt a hard line to the additional air access Emirates airlines sought into Canada. Mr. Baird ended up convincing Prime Minister Stephen Harper to stand fast in refusing to grant UAE the additional access it sought. As a result, Canada lost its military base in the UAE due to retaliation for Canada's refusal. Further, in the House of Commons on November 18, 2010, opposition critics accused the government of dropping the ball and leaving troops without a reliable airbase to use while in transit to Afghanistan. Mr. Baird said the decision was in the best interest of Canada. Others felt that the cost of relocating Canada's military movement to other bases should have been taken into account. This raises the question of whether Canada's international aviation policy should be broadened to include other types of concerns.

32. WestJet announced more non-stop services to Orlando

WestJet announced more non-stop services between Hamilton, Ontario and Orlando, Florida beginning in February 2011.

33. WestJet triples service to the sun this winter

Westjet announced new non-stop seasonal service from Halifax to Montego Bay, Punta Cana, Fort Lauderdale and Tampa. In addition it also announced additional non-stop service to Cancun and Orlando.

34. Passenger Demand Strengthens - Freight at a Turning Point?

The International Air Transport Association announced on November 25, 2010 that the international traffic results for October 2010 showed a 10.1% year-on-year increase in passenger demand and a 14.4% year-on-year increase for international freight. These statistics suggest that growth is returning to a more normal pattern as we approach the end of 2010. Passenger demand is 5% above pre-crisis levels of early 2008, while freight is 1% above. We are ending 2010 in much better shape than 12 months ago and losses are being turned into profits.

35. Canadian airports to get private pat-down stalls

The Canadian agency in charge of screening airline passengers is hastily setting up private stalls to conduct physical pat-downs in an urgent effort to prevent a U.S. type consumer backlash. The Canadian Agency also does not have any intention of going the US route which has instituted more intensive pat-down checks. These pat-downs are carried out if passengers refuse to go through full-body scans. The reason for the refusal is because of growing concerns over possible scanning health risks.

36. An ominous flight pattern: Canadians opting for U.S. airports

Last year, a record 2.3 million Canadians flew to or from the U.S terminals studied by *The Globe and Mail*. The leakage of passengers to U.S. airports is costing Canada at least \$1.1-billion a year in economic output, according to AirTrav Inc. The drain is also raising questions about the federal government's policy toward air travel. James Cherry, president of Aéroports de Montréal said "Canada treats us as cash cows, but the U.S. views their airports as enablers, as economic engines for local economies." But the government is **not** the only cause of the problem that the air industry faces. Canada lacks the fierce competition among smaller airlines that forces down fares in the United States. Other levies which account for 70% of total airfare has a major impact and it is pointed that the government takes more than it puts back. Canada leaders see

a crisis brewing. Many of these views were voiced to the Senate Standing Committee.

37. Regulator orders WestJet to boost lost luggage compensation

Last year, the CTA ruled WestJet's current compensation level for lost baggage – \$250 – was too low and it gave the carrier more than a year to come up with a new amount. WestJet proposed \$1,000 – still \$500 less than Air Canada and \$800 lower than that required (\$1,800) under the international airline agreement known as the Montreal Convention. The reason for the lower payment was based on WestJet airline's estimate of luggage carried by passengers and the view that Air Canada's passengers carry more expensive items in their baggage (some being business passengers). The agency has given the airline 10 days to increase its limit to that amount.

WATER TRANSPORTATION

1. Port of Montreal - Year-To-Date - Quarterly Traffic Report [September 2010]

The Port of Montreal reported year to date third quarterly traffic for 2010. Container traffic [TEUs] increased 6.5% for the period from January to September 2010 compared to the same period in 2009. TEUs for this period were 994,828 compared to 934,134 for the earlier period. Outbound traffic increased 6.8% and inbound traffic increased 6.2% in terms of TEUs. Container traffic in terms of metric tonnes increased 7.9% for the period January to September 2010 compared to the same period in 2009.

2. MSC Won't Oppose End to Antitrust Immunity

The chairman and CEO of Mediterranean Shipping Co. [MSC] in the U.S. said the carrier is not opposed to recently introduced legislation in Congress to end carriers' limited antitrust immunity. This contrasts the position taken by the World Shipping Council but is in accordance with the position of the National Industrial Transportation League and the National Re

3. Marine Atlantic suspends truck reservation system

Marine Atlantic announced that as of Nov. 14, 2010 that reservations will no longer be required for commercial vehicles. It said capacity issues and ferry reliability are to blame together with complaints from truckers.

4. FMC Studies EU Repeal of Antitrust Immunity

The Federal Maritime Commission is seeking public comments and information to help in its three-year study of the effects of the European Union's repeal of ocean carrier antitrust immunity.

5. 2010 Cruise Season Wraps up at the Port of Halifax

The Port of Halifax finished a successful cruise season on October 31, 2010 with the visit of Queen Mary 2. This 2010 season, the Port of Halifax welcomed over 260,000 passengers, aboard 127 vessels. The 2010 cruise season highlights include: 2 new cruise lines calling the Port of Halifax, which brings a total of 21 cruise lines; and 9 inaugural calls of new cruise ships calling the Port of Halifax for the first time.

6. Prince Rupert Port Authority - Monthly Traffic Summary - Y-T-D [October 2010]

Containerised traffic [TEUs] moving through the Port of Prince Rupert increased 37.6 percent over the period January-October 2010 compared to the same period in 2009. Imports increased 32.5% and exports increased 44.9% in terms of TEUs. For the month of October 2010, the number of TEUs moving through the Port decreased 5.6% compared to the same month in 2009. Year to date cruise passengers for 2010 were 55,300, a .4% drop compared to 2009.

7. Minister Day highlights Asia-Pacific Gateway as direct link to North America

On November 9, 2010, the Honourable Stockwell Day, President of the Treasury Board and Minister responsible for the Asia-Pacific Gateway, concluded a visit to the Hong Kong Special Administrative Region and Guangzhou, where he promoted the Asia-Pacific Gateway as an efficient, reliable and secure way of moving products between North America and Asia.

8. Government of Canada announces long-range vessel tracking measures will further improve safety and security at sea

On November 10, 2010, the Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities, announced new regulations to further improve marine safety and security. *The Long-Range Identification and Tracking of Vessels Regulations* enable Canada to better track vessels bound for Canadian ports and to monitor Canadian vessels internationally.

9. Manitoba to develop Arctic Gateway Strategy

Water Transportation

Canada

1. Port of Montreal - Year-To-Date - Quarterly Traffic Report [September 2010], November 1, 2010, www.portofmontreal.ca
2. MSC Won't Oppose End to Antitrust Immunity, November 1, 2010, www.joc.com
3. Marine Atlantic suspends truck reservation system, November 1, 2010, www.ctl.ca
4. FMC Studies EU Repeal of Antitrust Immunity, November 3, 2010, www.joc.com
5. 2010 Cruise Season Wraps up at the Port of Halifax, November 1, 2010, www.portofhalifax.ca
6. Prince Rupert Port Authority - Monthly Traffic Summary - Y-T-D [October 2010], November 1, 2010, www.rupertport.com
7. Minister Day highlights Asia-Pacific Gateway as direct link to North America, November 9, 2010, www.tc.gc.ca
8. Government of Canada announces long-range vessel tracking measures will further improve safety and security at sea, November 10, 2010, www.tc.gc.ca
9. Manitoba to develop Arctic Gateway Strategy, November 12, 2010, www.ctl.ca
10. Domestic and international shipping, November 17, 2010, www.statcan.gc.ca
11. Port of Metro Vancouver - Accumulated Container Traffic Report - Year to Date [October 2010], November 17, 2010, www.portvancouver.com
12. Canada notes strong relations with China, November 18, 2010, www.tc.gc.ca
13. Port Metro Vancouver Sets Container Record, November 23, 2010, www.joc.com
14. BC cruise industry shows resiliency during 2010 season; growth expected in 2011, November 18, 2010, www.portvancouver.com
15. CMA CGM Strikes \$500 Million Investment Deal, November 24, 2010, www.joc.com

US

1. European maritime transport space without barriers: Short Sea Shipping - Video, November 16, 2010, www.europa.eu
2. Grain Export Shipping on Upswing in Great Lakes St. Lawrence Seaway Ports, November 19, 2010, www.dot.gov
3. U.S. Department of Transportation Announces \$4 Million Investment to Combat Invasive Species in Great Lakes, November 22, 2010, www.dot.gov

According to Manitoba Premier Greg Selinger, an Arctic Gateway Strategy will be developed with the feedback and outcomes from Manitoba's Arctic Summit.

10. Domestic and international shipping

Statistics Canada indicates that data on domestic and international shipping are now available for January to June 2009 on their website (www.statcan.gc.ca).

11. Port of Metro Vancouver - Accumulated Container Traffic Report - Year to Date [October 2010]

Total container traffic at the Port of Metro Vancouver in terms of TEUs for the period January to October 2010 was 2,090,944, an increase of 17% compared to the same period a year ago. Imports increased 16% and exports increased 18% in terms of TEUs.

12. Canada notes strong relations with China

On November 18, 2010, the Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities, met with His Excellency Li Shenglin, Minister of Transport for the People's Republic of China. Minister Li visited Canada in third week of November 2010.

13. Port Metro Vancouver Sets Container Record

In the Vancouver Port Metro authority's nearly three years of existence, it hit the high point in container traffic in October 2010, with volume growing 19.5 percent over the same month a year ago. This is the most the Metro Vancouver port has recorded since it was formed in early 2008 from a combination of three ports.

14. BC cruise industry shows resiliency during 2010 season; growth expected in 2011

British Columbia's cruise industry continued to provide significant economic benefits for the province in 2010, contributing \$1.2 billion to the provincial economy and \$43.3 million in business taxes. More than one million revenue passengers visited the Ports of Nanaimo (6,800 passengers), Prince Rupert (55,500 passengers), Vancouver (575,000 passengers) and Victoria (441,000 passengers) in 2010, spending \$149 million within the province. Cruise lines contributed an additional \$320 million in spending.

15. CMA CGM Strikes \$500 Million Investment Deal

On November 25, 2010, container line CMA CGM announced an agreement on November 25, 2010 with Turkey-based investment firm Yildirim Group that will put \$500 million into the debt-ridden French carrier. Yildirim will take a 20 percent stake in CMA CGM while the Saade family that founded and runs the world's third-largest container ship operator will retain 80 percent ownership.

RAIL TRANSPORTATION

1. CN and North America Stevedoring (NASCO) to offer U.S. Midwest steel markets new distribution options with construction of Chicago steel transloading facility

CN and North America Stevedoring Company, LLC (NASCO) announced on November 1, 2010 construction of a new multi-modal steel transloading facility in Chicago, the North American hub for steel transportation. NASCO is a division of Quebec Stevedoring Company Ltd. (QSL). The new facility will be located at the Port of Chicago.

2. Cost of Capital Methodology Review – Consultation Document

The Canadian Transportation Agency makes annual cost of capital rate determinations for its regulatory purposes within a context of economic regulation of railways in Canada, which relies primarily on market forces to govern relationships between railway companies and shippers. In 2009, the Agency initiated a two phase consultative review of its current cost of capital methodology. In the first phase of this review, the Agency commissioned an expert independent study of methodologies that might be suitable for determining the cost of capital rates for federally-regulated railway companies in Canada. The study examined principles and existing models that might meet the Agency's criteria for a reasonable, reliable and pragmatic methodology suitable for determining cost of capital in its regulatory environment. The final report of the study, prepared by the Brattle Group and entitled "*Review of Regulatory Cost of Capital Methodologies*", is now complete and is being provided to participants for their review and comment. The hearing phase of the study is now underway.

3. CN signs voluntary mitigation agreement (VMA) with Village of Ford Heights, Ill.

On November 4, 2010, CN announced it has reached a voluntary mitigation agreement (VMA) with the Village of Ford Heights, Ill., located approximately 26 miles south of downtown Chicago, regarding its acquisition of the Elgin, Joliet and Eastern Railway Company (EJ&E). With this agreement, CN has VMAs with 25 of the 33 communities along the EJ&E in Illinois and Indiana.

4. Imports Drive 20 Percent Intermodal Surge

Intermodal traffic rose 20.3 percent in the third quarter of 2010 from a year earlier, driven by a 28.1 percent rise in import-powered international loadings, according to the Intermodal Association of North America (IANA). In all, IANA said railroads carried 3.603 million revenue loads of containers and trailers in the July-September 2010 period, up from 2.995 million in the 2009 quarter.

5. Intermodal volume hits all-time peak

US intermodal volume increased 20.3 percent from last year in the third quarter of 2010 compared to the same period in 2009, with international freight seeing a 28.1 percent hike, according to the International Association of North America.

6. CN improves supply chain efficiencies for European vehicle imports, cutting port vehicle dwell times at Halifax by about 25 per cent

CN said new supply chain efficiencies have reduced dwell times for European import vehicles handled by CN's Autoport Terminal in Halifax by approximately 25 per cent since implementation last spring. It adopted new processes to achieve this result.

7. CN maintains leadership role in 2010 Carbon Disclosure Project corporate surveys in Canada and around the world

On November 10, 2010, CN railway said it has been recognized for excellence in climate-change reporting among Canadian and global corporations surveyed by the Carbon Disclosure Project (CDP). CN was named to Canada's 2010 CDP for the second straight year – only 16 Canadian companies are so recognized.

8. CN workers ratify contracts

Canadian National Railways said 2,700 conductors, trainmen and yardmen have ratified new three-year collective agreements. The agreements will provide members of the Teamsters Canada Rail Conference with wage increases and improvements in benefits. Employers will get a 8.2% wage increase over three years.

9. GO Train Service On The Way For Guelph And Kitchener-Waterloo Region

Rail Transportation

Canada

1. CN and North America Stevedoring (NASCO) to offer U.S. Midwest steel markets new distribution options with construction of Chicago steel transloading facility, November 1, 2010, www.cn.ca
2. Cost of Capital Methodology Review – Consultation Document, November 4, 2010, www.cta-otc.gc.ca
3. CN signs voluntary mitigation agreement (VMA) with Village of Ford Heights, Ill., November 4, 2010, www.cn.ca
4. Imports Drive 20 Percent Intermodal Surge, November 4, 2010, www.joc.com
5. Intermodal volume hits all-time peak, November 8, 2010, www.todaystrucking.com
6. CN improves supply chain efficiencies for European vehicle imports, cutting port vehicle dwell times at Halifax by about 25 per cent, November 8, 2010, www.cn.ca
7. CN maintains leadership role in 2010 Carbon Disclosure Project corporate surveys in Canada and around the world, November 10, 2010, www.cn.ca
8. CN workers ratify contracts, November 16, 2010, www.globeandmail.ca
9. GO Train Service On The Way For Guelph And Kitchener-Waterloo Region, November 12, 2010, www.mto.gov.on.ca
10. Government of Canada and VIA Rail Unveil new Belleville Station Design, November 17, 2010, www.tc.gc.ca
11. Shippers lobby for better service from railways, November 24, 2010, www.globeandmail.ca
12. Costs crackdown irks CP customers, November 24, 2010, www.nationalpost.ca
13. Governments of Canada and Ontario Support Huron Central Railway, November 24, 2010, www.tc.gc.ca

US

1. BNSF Net Jumps 45 Percent to \$706 Million, November 8, 2010, www.joc.com
2. Infringement Proceedings in the Field of Rail Transport, November 24, 2010, www.europa.eu
3. Issue No. 21 of 'Signal' the Newsletter of the ERTMS, November 25, 2010, www.europa.eu

The Georgetown line GO Train Service is being expanded with stops in Acton, Guelph and Kitchener. By the end of 2011, trains will be running.

10. Government of Canada and VIA Rail Unveil new Belleville Station Design

The Government of Canada and VIA Rail have unveiled a new Belleville Station Design created by VIA Rail Canada in collaboration with Transport Canada.

11. Shippers lobby for better service from railways

Canadian railway shippers are not thrilled with the prospect of expected rate increases. Notwithstanding the easing of bottlenecks during the recent recession, the friction continues to remain high for shippers who depend on reliable affordable service. This friction has urged shippers to call for tougher regulations, including a watchdog that would prepare an independent report. The complaints include a shortage of railcars leading to inconsistent service that have resulted in late deliveries; and an imbalance of bargaining power resulting from the duopoly of the railways. So far the Panel reviewing the matter has recommended waiting until 2013 before making any new regulations. One reason for the Panel's wait and see approach could be the recent efforts to improve collaboration between the railways and some supply chains that has led to some improved service.

12. Costs crackdown irks CP customers

Efforts by CP to improve service together with the floods in the West have irritated CP customers. One reason for the irritation was the attempt to improve service has led to charges for service that was once free and another was a fall in the quality of service as a result of a loss of part of its line in Alberta due to the floods. A recent survey indicates that only about 35% of the 70 rail customers said that CP's service was "good" or "excellent" this year, compared with nearly 60% a year ago. Shippers highlighted lack of consistency, terminal dwell, and poor internal systems as the biggest problems. An indication of customer dissatisfaction is CP's loss of 8% of Canadian Wheat Board's business to its competitor CN.

13. Governments of Canada and Ontario Support Huron Central Railway

Thanks to the Government of Canada and the Province of Ontario, many communities, both small and large, as well as local manufacturers and businesses served by the Huron Central Railway can depend on the continuation of rail service between Sault Ste. Marie and Sudbury, Ontario. The Government of Canada will set aside funding for up to 45 per cent of the total eligible project costs, to a maximum federal contribution of \$15 million for rehabilitation and improvements to the Huron Central Railway, which are estimated to cost approximately \$33 million. The Government of Ontario has also allocated \$15 million for this project in its 2010 budget.

HIGHWAY

1. TransCore Canadian freight index break records too

Transcore says its Canadian Freight Index showed a 30 percent increase over last year while month-over-month growth dipped 6 points in September 2010 from August 2010.

2. August 2010 Surface Trade with Canada and Mexico Rose 25.3 Percent from August 2009

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners Canada and Mexico was 25.3 percent higher in August 2010 than in August 2009, reaching \$68.0 billion, according to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation. The August increase was considerably higher than the July increase of 18.8 percent. U.S.–Canada surface transportation trade totalled \$39.9 billion in August 2010, up 21.1 percent compared to August 2009.

3. Driving With A Suspended Licence Could Cost You Your Vehicle

Starting December 1, 2010 police will have more tools to get suspended and impaired drivers off our roads. This change will also mean added enforcement against people who have had their driver's licences suspended for consistently not paying family support. The new 7-day vehicle impoundment will apply to drivers whose licences are suspended for certain types of infractions.

4. Government of Canada and City of Prince Albert announce improvements to public transportation

Government officials announced on November 9, 2010 the opening of a new transit centre and the addition of a low-floor bus to the Prince Albert bus fleet.

5. Government partnership celebrates unveiling of new Viva bus rapid transit vehicles for York Region

New vehicles for York Region's Viva bus rapid transit (BRT) were unveiled on November 10, 2010 on a segment of newly constructed rapidway along Enterprise Drive in Markham, Ontario. The existing Viva service connects Markham, Richmond Hill, Vaughan, Aurora and Newmarket, and also links to neighbouring regions of Toronto, Peel and Durham. The rapidway along Enterprise Drive will be the first segment of dedicated lanes for Viva rapid transit vehicles to be completed in York Region.

6. Transit partners celebrate new facility in Vernon

Government and community leaders gathered on November 10, 2010 to announce the upcoming start of construction of the new transit facility for Vernon to boost transit services.

7. Quarterly Trucking Survey

Trucking companies earned operating revenue of \$9.6 billion in the 2010 first quarter, up 8.9% from the same quarter a year earlier. Total operating revenue rose in all provinces except Prince Edward Island, New Brunswick, Manitoba and Northwest Territories. During the same period, trucking firms reported operating expenses of \$8.6 billion compared with \$8.0 billion the previous year. The operating ratio (operating expenses divided by operating revenue) improved to 0.900 from 0.909 for the period compared to the same period a year before.

8. Construction Continues on Transit Service in Mississauga

On November 19, 2010, a groundbreaking ceremony was held to mark the start of construction of Tomken Station, along the Mississauga bus rapid transit corridor. This project is expected to start service in spring 2013, it will improve local and inter-regional bus operations across the City of Mississauga. The system will cover 18 kilometres across Mississauga along the Highway 403.

9. Time is right for freight rates to increase: analyst

Highway Transportation

Canada

1. TransCore Canadian freight index break records too, November 1, 2010, www.todaystrucking.ca
2. August 2010 Surface Trade with Canada and Mexico Rose 25.3 Percent from August 2009, November 3, 2010, www.dot.gov
3. Driving With A Suspended Licence Could Cost You Your Vehicle, November 8, 2010, www.mto.gov.on.ca
4. Government of Canada and City of Prince Albert announce improvements to public transportation, November 9, 2010, www.tc.gc.ca
5. Government partnership celebrates unveiling of new Viva bus rapid transit vehicles for York Region, November 10, 2010, www.tc.gc.ca
6. Transit partners celebrate new facility in Vernon, November 10, 2010, www.tc.gc.ca
7. Quarterly Trucking Survey, November 17, 2010, www.statcan.gc.ca
8. Construction Continues on Transit Service in Mississauga, November 19, 2010, www.tc.gc.ca
9. Time is right for freight rates to increase: analyst, November 2, 2010, www.tc.gc.ca
10. TransCore, Manitoba Transport Institute identify transport trends, November 24, 2010, www.ctl.ca
11. Couriers and Messengers Services Price Index, November 26, 2010, www.statcan.gc.ca
12. International travel account [Third Quarter 2010 Preliminary], November 26, 2010, www.statcan.gc.ca
13. TransForce mystery bidder for Dynamex?, November 26, 2010, www.todaystrucking.ca
14. Vancouver container haulers protest rates, restrictions, November 29, 2010, www.ctl.ca
15. Day & Ross acquires Ottawa, Cross Dock Express, November 29, 2010, www.ctl.ca
16. HOV lanes open on QEW between Burlington and Oakville, November 29, 2010, www.mto.gov.on.ca

US

1. US Freight Transportation Services Index (TSI) Rose 1.0% in September from August, November 10, 2010, www.dot.gov
2. U.S. Transportation Secretary Ray LaHood Unveils Study Showing Dramatic Gains in Seat Belt Use from Tougher Laws and Stiffer Fines, November 23, 2010, www.dot.gov

A transportation analyst with RBC says conditions are slowly turning in favour of trucking companies, and higher transportation costs are not only likely, they're expected. Prices are once again increasing, driver shortage and capacity issues are being raised and questions are being considered as to the wisdom and viability of long term contracts in trucking.

10. TransCore, Manitoba Transport Institute identify transport trends

According to groundbreaking new research by the University of Manitoba Transport Institute and TransCore Link Logistics, Ontario and the Greater Toronto Area, are the sources of and destinations for most spot market freight. The research also provided valuable insights as to how to improve operating efficiencies by studying patterns of movement within Canada and across the United States.

11. Couriers and Messengers Services Price Index

The Couriers and Messengers Services Price Index increased 0.1% for October 2010 compared with September 2010. The courier portion rose 0.1% and the local messenger component advanced 0.2%.

12. International travel account [Third Quarter 2010 Preliminary]

Canada's international travel deficit declined by \$235 million between the second and third quarters of 2010, as spending by foreigners in Canada increased while spending by Canadians abroad fell. The travel deficit fell from \$3.7 billion, its highest level ever, to \$3.4 billion. Spending by US travellers to Canada increased while spending by Canadian travellers in the United States decreased. The reverse was true for overseas travelling.

13. TransForce mystery bidder for Dynamex?

According to *Today's Trucking*, Canadian Trucking and logistics behemoth Transforce is rumored to be making a major play for Dynamex Inc. This move would expand its same-day delivery footprint in the U.S. while at the same time remove a competitor from the [Canadian] market. Dynamex, a major U.S. provider of same-day and logistics services, obtains as much as 40 percent of its revenue in Canada. It is rumored that Transforce is expanding in the courier market segment. TransForce, already operates Canpar and a handful of other smaller courier fleets in Canada. The acquisition would remove some pricing pressure as acquiring Dynamex would reportedly reduce rates to expand its market share.

14. Vancouver container haulers protest rates, restrictions

On Nov. 27, about 400 container truckers protested in Delta, B.C. They complained that B.C. ports are not living up to minimum rates and other conditions outlined by the government following a work stoppage in 2005. They are also upset by new fees, such as a \$300 licensing fee for drivers, the lifting of a ban on new licences and an impending ban of older trucks.

15. Day & Ross acquires Ottawa, Cross Dock Express

Day & Ross acquired Ottawa Motor Express and Cross Dock Express. Ottawa and Cross Dock provide logistics services to the automotive aftermarket and general freight industries. Ottawa provides dedicated truckload services from parts manufacturers in Canada and the US to automotive manufacturers' parts distribution centres and dealers while Cross Dock Express is a dedicated automotive parts delivery business and cross-docking service for new and returned auto parts. Day & Ross will gain additional capacity in the movement of automotive parts and general freight and gain cross-docking capability from the acquisition.

16. HOV [High Occupancy Vehicles] lanes open on QEW between Burlington and Oakville

HOV lanes were opened on the QEW on November 29, 2010. It is the longest HOV stretch (16 kilometres) to date in the Greater Toronto Area i.e., between Trafalgar Road in Oakville and Guelph Line in Burlington. The opening will ease congestion, encourage carpooling and improve air quality in the region according to the McGuinty government in Ontario.

GENERAL

1. Government revenue attributable to tourism

Government revenue attributable to tourism activities in Canada declined 3.7% to \$19.2 billion in 2009. This was the first decrease since 2003. Most of the decline stemmed from a drop in revenue directly related to tourism exports, which fell 9.6% to \$4.3 billion. Tourism spending by international visitors (US and overseas) fell 12.8% in 2009. Revenues from domestic tourism spending declined 1.8% to \$14.9 billion, the only decline on record (which dates back to 2000).

2. Canada-Quebec Partnership to Benefit Huntingdon

Government and city of Huntingdon officials were pleased to announce a joint financial contribution of \$2,582,620 for Huntingdon under a federal-provincial agreement made in relation to the Program for the renewal of drinking water and

General

Canada

1. Government revenue attributable to tourism, November 10, 2010, www.statcan.gc.ca
2. Canada-Quebec Partnership to Benefit Huntingdon, November 24, 2010, www.tc.gc.ca
3. Minister of Transport addresses sustainable transportation partners, November 22, 2010, www.tc.gc.ca

wastewater pipes (PRECO). Together with the city's contribution, these investments, estimated at \$3,873,930, will fund major infrastructure work in Huntingdon.

3. Minister of Transport addresses sustainable transportation partners

The Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities, on November 22, 2010 delivered a keynote speech to public- and private-sector partners in the sustainable transportation sector at the Association for Commuter Transportation (ACT) of Canada's Sustainable Mobility Summit 2010. The speech highlights the value of efficient and sustainable urban transit, while recognizing the important contribution it makes to quality of life in Canadian cities by reducing traffic congestion, as well as protecting the health of Canadians, benefiting the environment and stimulating our economy.

Publications

1. Competition: European Commission and U.S. Department of Transportation Publish Joint Report on Transatlantic Alliances [Air Services], November 16, 2010, www.dot.gov