

Transportation Information Update*

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AIR TRANSPORTATION

1. Anti-Trust Probe to Cut Kintetsu Profit

Kintetsu World Express, Japan's second-largest international forwarder, said it will set aside \$13.86 million to cover estimated costs related to an anti-trust investigation by the U.S. Department of Justice. Kintetsu said it has been under investigation by the U.S. Department of Justice since January 2008. Kintetsu and eleven other international freight forwarders have already been fined by the Japanese Fair Trade Commission.

2. WestJet Introduces state-of-the-art money-saving feature

On March 30, 2011, WestJet introduced state-of-the-art technology to combat rising cost. It will use air mixed with helium in the ventilation system to counter the rise in jet fuel cost. This will enable it to pass some of the savings to air travellers.

3. Air Canada adopts poison pill

Air Canada's Board of Directors has adopted a shareholder rights plan to make a hostile takeover more challenging even though the airline says it's not aware of anyone looking to buy the airline. The plan must be ratified by shareholders.

4. Westjet reports record March traffic

On April 5, 2011, WestJet reported that revenue passenger miles (RPM) or traffic increased to a record 13.3 percent in March 2011 over March 2010, available seat miles (ASM) increased 12.1 percent for the same period resulting in an increase in load factor by 1 percent to 84.4 percent. WestJet President, Gregg Saretsky said "We are pleased with the strength of market demand and the ability to absorb fare increases as we navigate through a period of elevated fuel costs." For the first quarter of 2011, the results show increases in: load factor, RPM and ASM of: 0.3; 11.7 and 11.3 percent.

5. EC in Deutsche Bahn competition probe

In the first week of April, 2011, the European Commission said its officials and counterparts from the German competition authority undertook unannounced inspections at the premises of Deutsche Bahn AG and some of its subsidiaries.

6. WestJet reports record March traffic

WestJet reports that consumer demand for travel has continued to be strong, helping the company achieve record passenger traffic in March 2011 compared to March 2010.

7. Air Canada refers March traffic

For the month of March 2011, Air Canada reported a system load factor of 79.5; traffic or RPMs of 4,411 billion (b.); and capacity or ASM of 5,546b. This represents a decrease of 2.6% in load factor compared to the same period in 2010 and an increase in RPMs and ASMs of 4.2% and 7.6% compared to the same period in 2010. For the first quarter of 2011, Air Canada reported a system load factor of 77.9; traffic or RPMs of 12,355b.; and capacity or ASM of 15,859b. This represents a decrease of 1.5% in load factor compared to the same period in 2010 and an increase in RPMs and ASMs of 5.7% and 7.7% compared to the same

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1. Anti-Trust Probe to Cut Kintetsu Profit, April 1, 2011, www.joc.com
2. WestJet Introduces state-of-the-art money-saving feature, April 1, 2011, www.westjet.ca
3. Air Canada adopts poison pill, March 30, 2011, www.globeandmail.ca
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6. WestJet reports record March traffic, April 5, 2011, www.globeandmail.ca
7. Air Canada refers March traffic, April 6, 2011, www.aircanada.ca
8. Strategy to Refocus US Aviation, March 31, 2011, www.iata.org
9. Air Canada share sell-off overblown: analyst, April 8, 2011, www.nationalpost.ca
10. The next generation of aircraft promises big advantages. The challenge is moving them away from the drawing board and into production. April 2011, www.iata.org
11. Air Canada to launch cut-rate carrier, April 12, 2011, www.globeandmail.ca
12. Australia Fines JAL Over Cargo Cartel, April 12, 2011, www.joc.com
13. Air Canada takes aim at pensions, April 12, 2011, www.globeandmail.ca
14. Air Canada offering extra work for pilots, April 13, 2011, www.globeandmail.ca
15. United pulls out of Toronto Island, Ap. 15, 2011, www.nationalpost.ca
16. Aeroplan to hike travel points requirements, April 15, 2010, www.globeandmail.ca
17. Air Canada pilots scrap ratification vote, April 15, 2010, www.globeandmail.ca

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

period in 2010.

8. Strategy to Refocus US Aviation

The International Air Transport Association (IATA) on March 31, 2011 called on the United States (US) government to reinforce the competitiveness of the US air transport industry with strategic long-term thinking. In cooperation with the industry, IATA urged the US to accelerate NextGen implementation, renew its focus on liberalization, revise proposals for passenger rights legislation and address the rising cost of security. Giovanni Bisignani, IATA's Director General and CEO said "We must move forward with a bigger vision with the courage to change."

9. Air Canada share sell-off overblown: analyst

After the spectacular rise in Air Canada shares in 2010, it has declined 33% since the start of 2011. An analyst argues the sell-off of Air Canada has been overblown. In a note to his clients he said "Air Canada shares may continue to be under pressure from the ongoing labour negotiations and higher fuel prices, although we believe that the current price reflects significant pessimism on both issues." So far Air Canada's discussion with their unions has been positive. Nevertheless, the analyst reduced its target price for Air Canada shares but remains optimistic about the stock.

10. The next generation of aircraft promises big advantages. The challenge is moving them away from the drawing board and into production

Seventy-two percent of all traffic is handled by 114 airports in the world. This situation will get worst as population increases leading to congested gateways. This together with demand for more efficient aircraft that will use less fuel and reduce less emissions is calling for the next generation of aeronautical technologies. Innovation costs time and money which has led to minor improvements rather than major changes. To add to this, the recession created further delays. This has led to accusations of failing to move forward through radical change (specification creep).

11. Air Canada to launch cut-rate carrier

Air Canada plans to create a discount leisure airline to compete on routes to Europe, Mexico, the Caribbean and other popular vacation spots, a move that will increase the competitive pressure on tour operators such as Transat A.T. Inc. This low cost carrier is expected to begin with four Boeing 767s and six Airbus A319s, with the potential to increase that fleet.

12. Australia Fines JAL Over Cargo Cartel

A Federal Court in Melbourne, Australia, ordered Japan Airlines to pay a fine worth \$5.8 million in U.S. funds for violating Australian anti-trust law in its international cargo operations. The ACCC said that JAL has become the seventh international airline to settle the ACCC's air cargo proceedings. The total amount of fines imposed on the seven airlines in Australia reached \$48.7 million.

13. Air Canada takes aim at pensions

Air Canada is striving to revamp its pension plans for new employees as part of contentious reforms intended to ensure the airline's stability. Under a groundbreaking tentative labour agreement between Air Canada and the union representing pilots, new hires will join a separate, lower-cost pension plan. It will

18. Air Canada head bullish on low-cost airline, April 15, 2011, www.globeandmail.ca

19. U.S. Department of Transportation Expands Airline Passenger Protections, April 20, 2011, www.dot.gov

20. Air Canada Vacations Is First Canadian Tour Operator to Go Mobile, April 20, 2011, www.aircanada.ca

21. Air Canada set to unveil Express regional service, April 26, 2011, www.globeandmail.ca

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1. No Tarmac Delays Longer Than Three Hours in February, April 5, 2011, www.dot.gov

2. Consultation on review of the Community guidelines on financing of airports and start-up aid to airlines departing from regional airports, April 7, 2011, www.europa.eu

3. January 2011 [U.S.] Airline System Traffic Up 2.2 Percent from January 2010, April 14, 2011, www.dot.gov

4. February 2011 [US] Passenger Airline Employment Rose 1.0 Percent from February 2010, April 27, 2011, www.dot.gov

result in a two tier plan. One for older employees and one for newer ones. Air Canada is attempting to lower its cost in light of higher oil prices and a fragile recovery. The carrier's combined losses surpassed \$1-billion in 2008-09, before it rebounded with a \$107-million profit last year as consumers resumed flying during the economic upturn.

14. Air Canada offering extra work for pilots

Air Canada is offering extra working hours for pilots to fly for its fledgling discount airline division, an incentive that many union members say doesn't go far enough to overcome lower base wages. This was part of the labour pact that Air Canada has proposed to its pilots.

15. United pulls out of Toronto Island

Continental Airlines was granted 16 landing slots at Billy Bishop in 2010 in an auction. After that it merged with United Airlines under the latter's name. It has now abandoned its plans to launch a new service from Toronto Island. As a result, the 16 landing slots it was granted there are likely to be available to other carriers, most likely Air Canada or Porter Airlines.

16. Aeroplan to hike travel points requirements

Aeroplan users will have to save more points starting this summer so they can cash in on free flights to many popular travel destinations. It is boosting the required amount of points by an average of just under five per cent starting July 15, 2011. Fliers accumulating points are likely to be disappointed with this development.

17. Air Canada pilots scrap ratification vote

The Air Canada Pilots Association has scrapped its April 15-27 ratification vote on its tentative labour pact with the airline. The plan to launch a new low cost carrier and its dual pension plan were controversial issues.

18. Air Canada head bullish on low-cost airline

Air Canada's CEO, Calin Rovinescu, is optimistic about the future of Air Canada and is moving ahead with its global expansion plan. Air Canada's new low-cost airline division will be launched next winter, targeting under-served destinations in Europe, Mexico and the Caribbean with non-stop service.

19. U.S. Department of Transportation Expands Airline Passenger Protections

Transportation Secretary Ray LaHood on April 20, 2011 announced new airline passenger protections that will require airlines to reimburse passengers for bag fees if their bags are lost, provide consumers involuntarily bumped from flights with greater compensation, expand the current ban on lengthy tarmac delays, and disclose hidden fees.

20. Air Canada Vacations Is First Canadian Tour Operator to Go Mobile

Air Canada Vacations became the first tour operator in Canada to offer customers a free mobile application for Apple® and BlackBerry® devices. Besides the regular information, the unique feature about Air Canada Vacations mobile is that it provides Air Canada Vacations' Top 10 Deals of the Day, as well as vacation package and destinations search functions, with access to hotels, car rentals and everything customers need to plan their next vacation.

21. Air Canada set to unveil Express regional service

Air Canada Express, a regional service between Toronto island airport and Montreal, was unveiled on April 27, 2011. The service will begin on May 1, 2011 and offer competition to Porter Airlines. Air Canada last year subcontracted Toronto-based Sky Regional to fly 15 round-trip flights daily between Billy Bishop and Montreal's Trudeau Airport. Five Bombardier Q400s are part of the Sky Regional fleet for the Toronto-Montreal service. The rationale for creating the new brand is to harmonize the flying provided by both Sky Regional and Air Canada's traditional regional partners.

WATER TRANSPORTATION

1. Prince Rupert Port Authority - Monthly Traffic Summary (March 2011)

Total containerized cargo moving through the Port of Prince Rupert in March 2011 increased 3.8% compared to March 2010. Total TEUs in March 2011 were 23,804.5. Imports increased 4.5% and exports increased 2.9% in March 2011 over March 2010.

2. Port Metro Vancouver - Accumulated Container Traffic Report

Total container traffic (full and empty) in terms of TEUs was 576,711 till the end of March 2011 up 10% compared to the same period in 2010 (524,778 TEUs). Imports were up by 11% and exports by 8% for this period. For March 2011, the total number of TEUs traffic was 184,836.

3. Port of Halifax - Q1 2011 Summary of Cargo & Cruise Activity

For the first quarter of 2011, the Port of Halifax reported: containerized cargo continued to grow in the first quarter of 2011 but at a slower rate than 2010; containerized cargo (in TEUs) grew 3.6% over Q1 2010; general cargo (e.g.: machinery, metals, forest products) down 13.7% over Q1 2010; bulk cargo (e.g.: oil imports and wood pellet exports) down 1.2% over Q1 2010; and overall port tonnage was unchanged over Q1 2010 (-0.1%). Containerized cargo was 103,079 TEU's for the first quarter of 2011 compared to 99,450 TEU's in the first quarter of 2010, an increase of 3.6%. Imports increased by 6.7% and exports by 0.9% for this period.

4. 2011 cruise season registers strong rebound

Port Metro Vancouver anticipates a busy 2011 cruise season with 200 calls and more than 650,000 passengers expected to arrive and depart from the Port's two cruise terminals, Canada Place and Ballantyne.

5. Port of Montreal - Cumulative containerized traffic first quarter 2011

Traffic at the Port of Montreal in TEUs for the first quarter of 2011 was 3.5% higher than the same period in 2011. In terms of TEUs, the number was 320, 514 for the first quarter of 2011 compared to 309,799 for the same period last year. Inbound traffic (imports) was 6.6% higher and outbound traffic (exports) was 0.6% higher in terms of TEUs. Inbound

traffic was 158, 146 TEUs and outbound was 162, 368 TEUs for the first quarter of 2011.

WATER TRANSPORTATION

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1. Prince Rupert Port Authority - Monthly Traffic Summary (March 2011), April 6, 2011, www.rupertport.ca
2. Port Metro Vancouver - Accumulated Container Traffic Report, April 15, 2011, www.portmetrovancover.com
3. Port of Halifax - Q1 2011 Summary of Cargo & Cruise Activity, April 19, 2011, www.portofhalifax.ca
4. 2011 cruise season registers strong rebound, April 19, 2011, www.portmetrovancover.ca
5. Port of Montreal - Cumulative containerized traffic first quarter 2011, April 21, 2011, www.portmontral.ca

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1. [US] Senate Bill Would Suspend 100% Scanning Deadline, April 18, 2011, www.joc.com
2. Panama Free Trade Pact Ready for Congress, April 19, 2011, www.joc.com
3. Container Carriers Earned Record Profits in 2010, April 19, 2011, www.joc.com
4. Eurogate Profit Surged 30 Percent in 2010, April 21, 2011, www.joc.com
5. US Asks Court to Cut Horizon Fine [for price-fixing] by Two-Thirds, April 27, 2011, www.joc.com
6. Sea Star, Crowley Confirm Antitrust Payouts, April 25, 2011, www.joc.com

RAIL TRANSPORTATION

1. EU Trust Busters Raid Deutsche Bahn Offices

European Union trust busters raided the offices of German rail operator Deutsche Bahn in an investigation into allegations it is abusing its dominant position in the rail freight market.

2. A review of the 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. Submissions on the issue are invited and a review of the submissions to date have been posted on the Agency's website.

3. CN Increases Container Fleet

CN acquired more than 1,000 new containers, which the railroad expects to use to serve manufacturers and distributors of grocery and consumer goods in domestic markets across Canada. Slightly more than half will be used as replacement for existing containers and most of them are temperature controlled.

4. CN, Earth Day Canada sign five-year partnership agreement to support rail employee and community environmental initiatives

CN and Earth Day Canada (EDC) announced on April 12, 2012 a five-year partnership agreement under which EDC will support a CN program to encourage environmental values and initiatives among CN employees across North America.

5. CP profit plunges 67%

Canadian Pacific Railway Ltd.'s earnings fell 67% during the first quarter of 2011 compared with a year ago. Harsh winter weather, higher fuel prices, and other operational issues were attributed as factors that lead to the fall.

6. Canadian Pacific announces First Quarter 2011 results

CPR reported net income in the first-quarter of 2011 was \$33.7 million and diluted earnings per share were \$0.20. Compared to the first quarter of 2010, CPR reported the following results for the first quarter of 2011: total revenues were \$1.2 billion, essentially flat; operating expenses were \$1.1 billion, an increase of \$94.0 million; average fuel price was \$3.12 U.S. dollars per U.S. gallon, an increase of 28 per cent; operating income was \$109.2 million, a decrease of \$97.4 million; net income was \$33.7 million, a decrease of \$67.3 million; and diluted earnings per share were \$0.20 per share, a decline of \$0.40 per share. Operating ratio for the first quarter of 2011 was 90.6 up 8.3 points compared to the first quarter of 2010.

7. CP looks to rebound after 'toughest winter'

CP chief executive officer Fred Green said the railway is striving to reduce its operating ratio to the low 70s within two to four years. He defended CP's Canadian and U.S. operations, describing this past winter's impact on the company as an "anomaly." Since CP issued a profit warning on March 21 for its first-quarter results, its shares have fallen 10 per cent.

8. Increase in Revenue Cap Inflation Factor for Crop Year 2011-12

The Canadian Transportation Agency on April 21, 2011 announced a 3.5 per cent increase in the Volume-Related Composite Price Index (VRCPI) to be used to establish revenue caps on the Canadian National Railway Company (CN) and the Canadian Pacific Railway

RAIL TRANSPORTATION

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1. EU Trust Busters Raid Deutsche Bahn Offices, April 1, 2011, www.joc.com
2. A review of the railway cost of capital methodology, April 5, 2011, www.cta-otc.gc.ca
3. CN Increases Container Fleet, April 11, 2011, www.joc.com
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5. CP profit plunges 67%, April 21, 2011, www.globeandmail.ca
6. Canadian Pacific announces First Quarter 2011 results, April 21, 2011, www.cpr.ca
7. CP looks to rebound after 'toughest winter', April 21, 2011, www.globeandmail.ca
8. Increase in Revenue Cap Inflation Factor for Crop Year 2011-2012, April 21, 2011, www.cta-otc.gc.ca
9. Short Line Railroads See 9 Percent Traffic Gain, April 21, 2011, www.joc.com
10. CN agrees with City of Joliet, Ill., to fund grade-crossing bypass to improve auto traffic, enhance rail safety, April 21, 2011, www.cn.ca
11. Bill Gates largest shareholder in Canadian National, April 25, 2011, www.globeandmail.ca
12. Excluding rail-line sale, adjusted Q1-2011 net income was C\$414 million, or C\$0.90 per diluted share, April 26, 2011, www.cn.ca
13. CN declares second-quarter 2011 dividend, April 26, 2011, www.cn.ca
14. CN predicts even faster earnings growth, April 26, 2011, www.globeandmail.ca
15. CN raises outlook on first-quarter earnings, April 26, 2011, www.nationalpost.ca
16. CN touts the green advantages of rail, April 27, 2011, www.cn.ca
17. CN guns for potash business, April 27, 2011, www.nationalpost.ca

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1. U.S. Transportation Secretary Ray LaHood Announces More Than \$300 Million for Passenger Rail Projects Across America, April 8, 2011, www.dot.gov
2. Study on separation of accounts of railway undertakings and railway infrastructure managers, April 15, 2011, www.europa.eu

Company (CP) for the movement of Western grain. The increase is largely attributable to fuel prices. Changes in the major components of the VRCPI for 2011-2012 include forecast price increases of 10.7% for fuel, 2.8% for railway materials, 2.3% for labour; and a forecast price decrease of 0.6% for other inputs, comprised mostly of hopper car maintenance and capital for investments.

9. Short Line Railroads See 9 Percent Traffic Gain

RMI's RailConnect Index, which compiles freight levels for 338 short lines in the U.S. and Canada, said reporting carriers handled 1.56 million carloads and intermodal shipments in the 15 weeks through April 16, up from 1.43 million a year earlier. Since there are an estimated 550 short lines in the two countries, the RMI report captures most of them.

10. CN agrees with City of Joliet, Ill., to fund grade-crossing bypass to improve auto traffic, enhance rail safety

CN announced on April 21, 2011 that it has reached an agreement with the City of Joliet, Ill. -- the largest of the communities along the arc of the Elgin, Joliet and Eastern Railway Company (EJ&E) with which CN has a voluntary mitigation agreement (VMA) -- to fund construction of a grade-crossing bypass that will improve vehicular traffic flows and enhance rail safety in the city's Forest Park area.

11. Bill Gates largest shareholder in Canadian National

The two well known billionaires are now major owners of the rail industry in Canada and US. Bill Gates has \$3.2-billion in CN, making him the largest shareholder in Canadian National Railway Co. The Microsoft Corp. founder now controls more than 46 million CN shares, or 10.04 per cent of the Montreal-based railway. Based on CN's share price of \$69.88 on April 21, 2011, the railway has a stock market capitalization of \$32-billion. Warren Buffett the other billionaire acquired full control of Burlington Northern Santa Fe Corp. of Fort Worth, Tex., in early 2010.

12. Excluding rail-line sale, adjusted Q1-2011 net income was C\$414 million, or C\$0.90 per diluted share

On April 26, 2011, CN reported its first quarter 2011 results. The highlights were: 1) Net income increased 31 per cent from the year-earlier quarter to C\$668 million, with diluted earnings per share (EPS) rising 34 per cent to C\$1.45. The results included an after-tax gain of C\$254 million, or C\$0.55 per diluted share, from a rail-line sale to a Toronto-area transit agency. 2) Revenues for first-quarter 2011 increased six per cent to C\$2,084 million, while carloadings rose three per cent and revenue ton-miles increased five per cent. 3) Operating income increased seven per cent to C\$645 million. 4) CN's operating ratio was 69.0 per cent, a 0.3-point improvement over the operating ratio of 69.3 per cent for first-quarter 2010. Claude Mongeau, president and chief executive officer, said: "Despite a very challenging winter, CN produced a solid first-quarter performance..."

13. CN declares second-quarter 2011 dividend

CN announced on April 26, 2011 that its Board of Directors has approved a second-quarter 2011 dividend (\$0.325) on the Company's common shares outstanding.

14. CN predicts even faster earnings growth

CN is raising its outlook for adjusted earnings per share in 2011. The country's largest railway is anticipating "continued improvement in economic conditions," prompting it to forecast "double-digit diluted EPS growth of up to 15 per cent" this year, a rosier outlook than original expectations for plain "double-digit" gains. CN is forecasting free cash flow "to be in the order of \$1.2-billion" for 2011, up from \$850-million originally projected.

15. CN raises outlook on first-quarter earnings

CN said it now expected earnings per share to grow by up to 15% in 2011, up from its previous guidance of simply aiming for double-digit gains. There are however some obstacles, such as the high Canadian dollar and higher fuel prices that will affect exports.

16. CN touts the green advantages of rail

Railroads are very fuel efficient. From a carbon-emissions standpoint, if you look at long-haul trucking versus rail, it can be four or five times more environmentally friendly to ship by rail versus truck. Expenses for diesel, which is used to run locomotives, are climbing at CN, but the country's largest railway believes it will be widening its "green advantage" over trucking. This is because many customers also look at the carbon footprint before deciding to shift from one mode to another.

17. CN guns for potash business

Canadian Pacific Railway Ltd. (CP) ships most of the country's potash from monopoly supplier Cantopex.

Canadian National Railway Co. is hoping that its efforts to improve customer service will help it crack a monopoly held by its rival, CP. RBC Capital Markets analyst, said CN could reasonably expect to win between 20% and 25% of the Canpotex contract, allowing it to grow its potash export business out of the Port of Prince Rupert.

HIGHWAY TRANSPORTATION

1. Tolls removed from Saint John Harbour Bridge

The tolls on the Saint John Harbour Bridge were removed over the second weekend in April 2011. Removing these tolls will ensure that drivers in Saint John and throughout that province are treated fairly so that this important component of the Atlantic Gateway and Trade Corridor can function more efficiently.

2. Bison to acquire Britton transport

Bison Transport is acquiring Grand Forks, N.D.-based Britton Transport. Britton is an asset-based and non-asset-based transport provider providing van, flat bed, step deck and bulk hopper truckload services primarily in the continental US. The acquisition of Britton is a first step in Bison Transport's US expansion strategy.

3. Hub Group acquires Exel Transportation Services

Freight transportation management giant Hub Group has purchased Exel Transportation Services (ETS) for \$83 million. Exel operates independently under the name Mode Transportation. Mode consists of about 300 independent business owners who sell and operate the business throughout North America, with corporate offices in Dallas and Memphis, a company-managed operation in Dallas, and a temperature-protected services division, Temstar, located in Lombard, Ill. Mode Transportation's sales for the year ended Dec. 31 were approximately \$717 million. The largest components were: intermodal revenue of \$294 million, truck brokerage revenue of \$279 million, and LTL (less than truckload) revenue of \$85 million.

4. Freight Transportation Services Index (TSI): Freight Shipments Fell 1.5% in February from January

The amount of freight carried by the for-hire transportation industry declined 1.5 percent in February 2011 from January 2011, falling after two consecutive monthly increases, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS) Freight Transportation Services Index (TSI). The Freight TSI measures the month-to-month changes in freight shipments in ton-miles, which are then combined into one index. The index measures the output of the for-hire freight transportation industry and consists of data from for-hire trucking, rail, inland waterways, pipelines and air freight.

5. CRFA "clearly defensive" over biofuel report: Bradley

The Canadian Trucking Association (CTA) and the Canadian Renewable Fuels Association (CRFA) do not agree over the use of biofuels in Canada. The government's regulatory impact statement says truckers' fuel costs will increase as a result of the biodiesel mandate, reflecting a combination of higher prices at the pump and reduced fuel efficiency. The costs will exceed the benefits and there will be little green house gas reductions. CRFA claims that its experts believe prices will go down. It also dismisses the operability and durability concerns. The CTA says that the government's report raises sufficient doubt whether we should go in that direction. They claim that they are not opposed to creating new markets for farmers but they do not want this to be at the expense of the trucking industry.

6. Canadian Freight Market Heats Up

HIGHWAY TRANSPORT

Canada

1. Tolls removed from Saint John Harbour Bridge, April 5, 2011, www.todaystrucking.ca
2. Bison to acquire Britton transport, April 5, 2011, www.ctl.ca
3. Hub Group acquires Exel Transportation Services, April 6, 2011, www.ctl.ca
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5. CRFA "clearly defensive" over biofuel report: Bradley, April 15, 2011, www.todaystrucking.ca
6. Canadian Freight Market Heats Up, April 19, 2011, www.joc.com
7. Manitoulin Transport acquires Penner International's LTL biz, April 19, 2011, www.ctl.ca
8. UPS revenue, profits up in Q1, April 26, 2011, www.ctl.ca
9. Mullen Group doubles Q1 profit, April 28, 2011, www.ctl.ca
10. Trimac posts Q1 profit, April 28, 2011, www.ctl.ca

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1. Public consultation Strategic Transport Technology Plan, March 29, 2011, www.europa.eu
2. [US] Traffic Fatalities in 2010 Drop to Lowest Level in Recorded History, April 1, 2011, www.dot.gov
3. White paper 2011 - Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system, March 28, 2011, www.europa.eu
4. Public consultation Towards a European Multi-Modal Journey Planner, April 1, 2011, www.europa.eu

Spot market truck freight volume in Canada is up 35 percent in March 2011 over the same month last year according to TransCore's freight index. The rise in freight demand has gone across borders too rising by 61 percent on its US network for the above period.

7. Manitoulin Transport acquires Penner International's LTL biz

Manitoulin Transport has acquired the less-than-truckload (LTL) business of Penner International. Penner has decided to concentrate on its truckload business. The LTL business segment operates through seven terminals: Toronto, Winnipeg, Edmonton, Calgary, and Surrey in Canada, and Minneapolis, Minn. and Fargo, N.D. in the US. The primary consolidation points are Winnipeg and Minneapolis.

8. UPS revenue, profits up in Q1

On April 26, 2011 UPS announced that its Global revenue grew 7.3% in the first quarter of 2011 to \$12.58 billion, producing a 21% increase in operating profit to \$1.4 billion. It delivered 957 million packages and expanded its operating margin by 130 basis points to 11.3%.

9. Mullen Group doubles Q1 profit

Mullen Group, Canada's third largest trucking company, saw its first quarter revenue surge 31.9% to \$342.7 million compared to Q1 2010 while its profits more than doubled to \$48.3 million over the same period. The trucking/logistics segment's revenue grew from acquisitions and increased demand for transportation services in western Canada.

10. Trimac posts Q1 profit

Trimac Transportation saw its Q1 revenue surge 11.4% year over year to \$73 million while squeezing out a profit of \$900,000. This was a marked improvement over a first quarter loss in 2010. Trimac attributes the improvements to market share gains and higher volumes. It is ranked as the 12th largest trucking company in Canada.

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