

Transportation Information Update*

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AIR TRANSPORTATION

1. Air Canada and CUPE Reach Tentative Agreement on New Contract

Air Canada announced on August 1, 2011 that it has reached a tentative collective agreement with the Canadian Union of Public Employees (CUPE), representing the airline's approximately 6,800 flight attendants.

2. Air Canada Reports July Traffic

On August 4, 2011, Air Canada reported its July 2011 results. The load factor, available seat miles and revenue passenger miles were: 86.4, 6,489 billion and 5,607 billion. This represents a 1.5%, 2.5% and 4.3% increase over the same period a year ago. President and CEO, Calin Rovinescu said "I am very pleased to report a record load factor..."

3. WestJet reports July traffic results

On August 4, 2011, WestJet reported its July 2011 results. The load factor, available seat miles and revenue passenger miles were: 81.6, 1.861 billion and 1.520 billion. This represents a 0.9 points, 7.2% and 8.4% increase over the same period a year ago (July 2010). Greg Saretsky, CEO and President of WestJet said "Our capacity increases were met with healthy demand and we are pleased with the strong load factor this month."

4. WestJet's profit soars nearly 275 per cent

WestJet said its profit was \$25.6-million, or 18 cents per share in the second quarter of 2011, up 274.7 per cent from a profit of \$6.8-million or five cents in the same 2010 quarter. Revenue was up 21.4 per cent at \$742.3-million from \$611-million in the 2010 period. "WestJet anticipates continued year-over-year RASM [revenue per available seat mile] growth for the third quarter of 2011 based on advanced bookings," the airline said.

5. WestJet considers 'premium economy' seating

WestJet Airlines Ltd. is considering installing a section of "premium economy" seats as part of its strategy to make itself more attractive to business. This will also make it more competitive with Air Canada. Since 1996 Westjet has stuck to its single class cabin policy.

6. WestJet reports strong second quarter net earnings

WestJet reported second quarter 2011 net earnings of \$25.6 million or 18 cents per share. This is significantly up from \$6.8 million or five cents per share in the second quarter of 2010. For the first half of 2011, net earnings were \$73.9 million compared to \$9.2 million in the first half of 2010, a 702.9% increase.

7. Government of Canada invests in airport safety at the Region of Waterloo International Airport

Government officials announced on August 3, 2011 that the Government of Canada is investing more than \$3.2 million in improvements to the Region of Waterloo International Airport. The investment is funded under the Airports Capital Assistance Program (ACAP) and will be used to partially rehabilitate the pavement on Runway 08-26.

8. Air Canada reports second quarter 2011 results - Operating income improvement of \$26 million to \$73 million

On August 4, 2011, Air Canada reported second quarter operating income of \$73 million compared to operating income of \$47 million in the second quarter of 2010, an improvement of \$26 million. Earnings before interest, taxes, depreciation, amortization and impairment, and aircraft rent (EBITDAR) of \$338

Air Transportation Canada

1. Air Canada and CUPE Reach Tentative Agreement on New Contract, August 1, 2011, www.aircanada.ca

2. Air Canada Reports July Traffic, August 4, 2011, www.aircanada.ca

3. WestJet reports July traffic results, August 4, 2011, www.westjet.ca

4. WestJet's profit soars nearly 275 per cent, August 4, 2011, www.globeandmail.ca

5. WestJet considers 'premium economy' seating, August 4, 2011, www.westjet.ca

6. WestJet reports strong second quarter net earnings, August 4, 2011, www.westjet.ca

7. Government of Canada invests in airport safety at the Region of Waterloo International Airport, August 3, 2011, www.tc.gc.ca

8. Air Canada reports second quarter 2011 results - Operating income improvement of \$26 million to \$73 million, August 4, 2011, www.aircanada.ca

9. Air Canada fined by U.S. for 'deceptive' price advertising, August 5, 2011, www.globeandmail.ca

10. Minister Fletcher announces investment in airport safety at J.A. Douglas McCurdy Sydney Airport, August 5, 2011, www.tc.gc.ca

11. Government of Canada invests in airport safety at Yellowknife Airport, August 5, 2011, www.tc.gc.ca

12. The Government of Canada invests close to \$15 million in its airports of the North Shore and in Schefferville Shore and in Schefferville, August 8, 2011, www.tc.gc.ca

13. Air Canada welcomes Canada-Brazil air transport agreement, August 8, 2011, www.aircanada.ca

14. Air Canada to hire hundreds for new discount airline, August 10, 2011, www.globeandmail.ca

15. WestJet Welcomes Canada-Brazil Air Agreement, August 9, 2011, www.westjet.ca

million increased \$10 million from the same quarter in 2010. Calin Rovinescu, President and Chief Executive Officer said "I am very pleased to report continued improvements in our financial performance for the second quarter."

9. Air Canada fined by U.S. for 'deceptive' price advertising

Air Canada has been fined \$50,000 (U.S.) by the U.S. Department of Transportation for violating "deceptive price advertising" rules in online ads.

10. Minister Fletcher announces investment in airport safety at J.A. Douglas McCurdy Sydney Airport

On August 5, 2011, the Honourable Steven Fletcher, Minister of State (Transport), announced that the Government of Canada is investing in safety improvements to the J.A. Douglas McCurdy Sydney Airport. Funded through the Airports Capital Assistance Program (ACAP), the federal investment of \$179,600 will be used to replace 25 concrete apron panels, which compose the surface that airplanes park on at the terminal building. This year, the Government of Canada is investing more than \$20.9 million for 27 projects at 23 airports.

11. Government of Canada invests in airport safety at Yellowknife Airport

Government officials announced that the Government of Canada is investing \$369,500 in improvements to the Yellowknife Airport. Under the Airports Capital Assistance Program (ACAP), the money will be used to replace a self-propelled snowblower.

12. The Government of Canada invests close to \$15 million in its airports of the North Shore and in Schefferville

On August 8, 2011, the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, announced during a visit to Sept-Îles a \$15 million investment in six airports on the North Shore and Lower North Shore and in Schefferville, to keep the facilities safe and in operational condition and ensure the efficient pursuit of airport activities.

13. Air Canada welcomes Canada-Brazil air transport agreement

Air Canada on August 8, 2011 commended both the government of Canada and Brazil for negotiating a new open skies agreement. The agreement improves access, giving carriers more flexibility on pricing and codeshare routings. Its CEO indicated that Air Canada is an advocate of liberalized air services between Canada and other countries where such agreements bring mutual benefits.

14. Air Canada to hire hundreds for new discount airline

Air Canada plans to hire hundreds of flight attendants at a lower wage scale to help create a discount leisure airlines. It claims that the new division must be competitive against tour operators. According to the carrier's internal analysis, 460 pilot jobs could be created at Air Canada's low-cost division by 2015, plus new employment for up to 1,400 flight attendants.

15. WestJet Welcomes Canada-Brazil Air Agreement

WestJet welcomed the announcement of the new Open Skies-type Agreement between Canada and Brazil. It will support Westjet's codeshare partnership. It will also support greater openness for air travel with other countries.

16. Canada and Europe enhance aviation safety with new agreement

On August 11, 2011, the Government of Canada announced that an aviation safety agreement with the European Union came into force on July 26, 2011. The agreement will make reciprocal acceptance of aeronautical products and services easier, reducing costs for Canadian companies and increasing competitiveness.

16. Canada and Europe enhance aviation safety with new agreement, August 11, 2011, www.tc.gc.ca

17. WestJet pleased by Costa Rica - Canada air agreement, August 11, 2011, www.westjet.ca

18. WestJet waives baggage fees for military personnel, August 11, 2011, www.westjet.ca

19. Air Canada parent narrows loss, August 11, 2011, www.globeandmail.ca

20. Canada and Mexico reach an expanded air transport agreement, August 12, 2011, www.tc.gc.ca

21. WestJet welcomes Canada Mexico expanded air transport agreement, August 15, 2011, www.westjet.ca

22. Improvements to bus service standards for persons with disabilities, August 12, 2011, www.tc.gc.ca

23. Airport activity, August 15, 2011, www.statcan.gc.ca

24. Aircraft movement statistics: Small airports, August 15, 2011, www.statcan.gc.ca

25. Air Canada defends United deal, August 16, 2011, www.globeandmail.ca

26. Competition czar's objection 'fundamentally misconceived,' Air Canada says, August 16, 2011, www.nationalpost.ca

27. Scheduled air passenger origin and destination: Canada-United States, August 17, 2011, www.statcan.gc.ca

28. Air Canada's flight deck shuffle, August 17, 2011, www.nationalpost.ca

29. Minister Fast Highlights Harper Government's Support for Canada's World-Class Aerospace and Defence Sectors, August 18, 2011, www.atac.ca

30. Air Canada and CALDA Reach Tentative Agreement on New Contract, August 19, 2011, www.aircanada.ca

31. Aircraft movement statistics: Major airports [July 2011], August 23, 2011, www.statcan.gc.ca

32. Government of Canada invests in airport safety at Prince Rupert Airport, August 23, 2011, www.tc.gc.ca

33. Giovanni Bisignani Interview - The Power of Change, August 24, 2011, www.iata.org

17. WestJet pleased by Costa Rica - Canada air agreement

On August 11, 2011, WestJet welcomed the announcement of the new air agreement between Costa Rica and Canada. It will allow for new opportunities for visitors from both countries.

18. WestJet waives baggage fees for military personnel

WestJet waives baggage fees for military personnel travelling in uniform. It will allow a maximum of four bags. Oversized and overweight charges will also be waived.

19. Air Canada parent narrows loss

ACE Aviation Holdings Inc., Air Canada's largest single shareholder, says it booked a \$2-million loss in the 2011 second quarter. This is down from the \$64 million loss a year ago.

20. Canada and Mexico reach an expanded air transport agreement

Government officials on August 12, 2011 announced that Canada and Mexico have reached an expanded air transport agreement, which will facilitate increased travel and trade between the two countries. This expanded agreement provides a completely open framework for direct flights between Canada and Mexico, thereby allowing any number of airlines from both countries to offer more services between any Canadian and Mexican cities. The agreement also provides greater flexibility to adjust prices according to market forces and modernizes safety and security provisions.

21. WestJet welcomes Canada-Mexico expanded air transport agreement

WestJet welcomes Canada-Mexico expanded air transport agreement. WestJet is scheduled to fly 90 times per week from 19 Canadian cities in the 2011-2012 winter season.

22. Improvements to bus service standards for persons with disabilities

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, announced on August 12, 2011 an update of the *Intercity Bus Code of Practice* that establishes standards for accessible intercity bus services for persons with disabilities. New accessibility provisions have been added to the Code to include such services as: confirmation of reservations for accessible services; automated ticket dispensing machines; courtesy seating in terminals; relieving areas for service animals at bus terminals; carriage of mobility scooters as baggage; design loads for lifts and ramps; opportunities to board and disembark at flag stops; courtesy seating on buses; building standards for terminals; and website accessibility.

23. Airport activity [2010]

Air passenger traffic at Canadian airports increased 4.4% in 2010 returning to their 2008 levels. The total number of enplaned and

deplaned passengers in Canada stood at 109 million. Cargo tonnages loaded and unloaded at Canadian airports increased 13.0% in 2010.

24. Aircraft movement statistics: Small airports [May 2011]

The number of take-offs and landings at the 132 airports without air traffic control towers reached 60,209 movements in May 2011. Increases were reported by 66 of the 128 airports for which year-over-year comparisons were possible.

25. Air Canada defends United deal

Air Canada is fighting the Competition Bureau over its partnership with a U.S. airline, arguing the deal (Air Canada-United Continental joint venture) is crucial to Canadian aviation and that the agency's attempt to block it is "misconceived." The Bureau is concerned over monopoly that would result on several routes and its implications for travellers. It maintains that the deal would be a significant expansion of previous

34. WestJet applies for 'intervenor status' in Competition Bureau's spat with Air Canada, August 24, 2011, www.nationalpost.ca

35. WestJet disputes Air Canada venture, August 24, 2011, www.nationalpost.ca

36. Air Canada comments on CUPE ratification vote, August 27, 2011, www.aircanada.ca

37. Air Canada flight attendants hope government stays out of labour dispute, August 28, 2011, www.globeandmail.ca

38. Air Canada flight attendants reject labour deal, August 28, 2011, www.nationalpost.ca

39. B.C. and other Canadian exports now flying direct to China, August 29, 2011, www.tc.gc.ca

US

1. Airline On-Time Performance in June Improves from Last Year but Down, August 9, 2011, www.dot.gov

2. Passenger Legislation - Beyond the Call of Duty, August 9, 2011, www.iata.org

3. Major Air Traffic Management project receives EU support, August 9, 2011, www.europa.eu

4. DOT Fines Two Companies for Violations of Air Charter Rules, August 10, 2011, www.dot.gov

5. May 2011 Airline System Traffic Up 3.9 Percent from May 2010, August 11, 2011, www.dot.gov

6. June 2011 [US] Passenger Airline Employment Rose 1.9 Percent from June 2010, August 15, 2011, www.dot.gov

7. Passenger Legislation - Beyond the Call of Duty, August 15, 2011, www.iata.org

8. DOT Fines Ethiopian Airlines for Violating Price Advertising Rules, August 18, 2011, www.dot.gov

9. U.S. Department of Transportation's Expanded Airline Passenger Protections Take Effect, August 23, 2011, www.dot.gov

10. DOT Fines JetBlue for Violating Price Advertising Rules, August 30, 2011, www.dot.gov

partnerships because of the amount of information they would share on schedules, sales and pricing on cross-border routes. Air Canada maintains that the deal “would significantly impede Air Canada’s ability to compete [and] would have significant adverse effects on Canadian consumers.

26. Competition czar’s objection ‘fundamentally misconceived,’ Air Canada says

Air Canada and United Continental Airlines Holdings Inc. are urging the Competition Bureau to drop its concerns about carriers forging tighter ties, arguing its objections to their joint venture and their existing alliance are unfounded and fly in the face of Ottawa’s efforts to increase competition on flights between Canada and the U.S.

27. Scheduled air passenger origin and destination: Canada-United States [June 2010]

Over 15.7 million passengers travelled on scheduled air services between Canada and the United States in 2010, up 4.5% from 2009. Ontario recorded the largest share of scheduled air passenger

28. Air Canada’s flight deck shuffle

Air Canada has begun hiring pilots as the market once again heats up to attract the best and the brightest to cockpits around the globe. Air Canada’s initial strategy was greater utilization of pilots but as the number of pilots retire pressure is mounting to recruit new pilots. A global shortage of pilots is expected in the future.

29. Minister Fast Highlights Harper Government’s Support for Canada’s World-Class Aerospace and Defence Sectors

The Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, and Claude Carignan, Senator and Deputy Leader of the Government in the Senate, announced on August 18, 2011 that four Canadian aerospace and defence associations will receive nearly \$300,000 to help their sectors compete globally.

30. Air Canada and CALDA Reach Tentative Agreement on New Contract

Air Canada on August 19, 2011 announced that it has reached a tentative collective agreement (subject to ratification) with the Canadian Airline Dispatchers Association (CALDA), representing the airline's flight dispatchers.

31. Aircraft movement statistics: Major airports [July 2011]

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 5.0% in July 2011 from July 2010. These airports reported 563,283 movements in July 2011 compared with 592,997 movements in July 2010.

32. Government of Canada invests in airport safety at Prince Rupert Airport

Government officials announced on August 23, 2011 that the Government of Canada is investing \$762,800 for safety improvements at the Prince Rupert Airport.

33. Giovanni Bisignani Interview - The Power of Change

Giovanni Bisignani, CEO of IATA who recently retired indicated that the most important change that he accomplished in IATA was changing their organizational structure - getting rid of the Committee approach. It had to be run like a business. Speaking of the things to be accomplished he mentioned security and commercial freedoms. He also indicated that consolidation was likely to arise across countries and one will have to get governments to listen. He indicated that IATA will have to maintain its relevance going forward. It has made great strides in the environmental area and it has been tough to maintain profitability. He also spoke of the shift in the airline industry passenger market to the East-Pacific area.

34. WestJet applies for ‘intervenor status’ in Competition Bureau’s spat with Air Canada

WestJet Airlines Ltd. has applied for intervenor status in the Competition Bureau’s move to block a proposed joint venture between Air Canada and United Continental Holdings Inc. and to unwind portions of the carriers’ existing arrangement. WestJet said it is a direct competitor with Air Canada and United on three of the 19 routes flagged by the Competition Commissioner and therefore has an interest in the matter. WestJet Executive Vice-President of strategy and planning, said in his affidavit he is concerned that the proposed joint venture would significantly impact WestJet as a competitor. He indicates that Air Canada’s codesharing goes far beyond the normal codesharing agreement. The normal type of codesharing arrangement does not permit the airlines to share competitively sensitive information, coordinate flight offerings, coordinate on pricing, inventory and yield management, coordinate route planning, sales and marketing nor scheduling across networks nor share net revenue and/or costs.

35. WestJet disputes Air Canada venture

WestJet Airlines Ltd. joined the fight against Air Canada’s proposed joint venture with United Continental Holdings Inc. on August 24, 2011, arguing the agreement would significantly reduce competition in the U.S. crossborder market and give the airlines an unfair advantage on several key routes.

36. Air Canada comments on CUPE ratification vote

Air Canada on August 27, 2011 has been advised by the Canadian Union of Public Employees that the tentative agreement reached by the Company and the CUPE Negotiating Committee on August 1, 2011 was not ratified by the union membership. Nevertheless, Air Canada indicates it is business as usual.

37. Air Canada flight attendants hope government stays out of labour dispute

The head of the union representing flight attendants at Air Canada hopes the federal government won't intervene in the escalating labour dispute between the two sides. The union said on August 28, 2011 that 87.8 per cent of those who voted gave the tentative agreement a thumbs down, with 78.6 per cent of members casting a vote.

38. Air Canada flight attendants reject labour deal

Air Canada's union said it will now meet with its members in Toronto, Montreal, Calgary and Vancouver, and will conduct a strike vote between Sept. 4 and 13. If the flight attendants give a strike mandate, they could walk off the job after serving the airline 72 hours notice. The union indicates that after many years of concessions to the airline, it wants a better deal especially as the airline is in a better financial situation.

39. B.C. and other Canadian exports now flying direct to China

B.C. and other Canadian exports are finding new markets for their products in China through the new China Southern Airlines (CSA) cargo service from Vancouver International Airport to Shanghai. CSA chose Vancouver because of the great export potential through Canada's Asia-Pacific Gateway and already has steady business. This service gives the Asia-Pacific Gateway a major boost.

WATER TRANSPORTATION

1. West Coast Container Traffic Up 5 Percent

U.S. West Coast ports registered a modest increase of 5 percent in total loaded containers during the first six months of 2011 compared to the same period last year. Exports grew 9% and imports grew 3%.

2. Prince Rupert Port Authority Monthly Traffic Statistics

Total container traffic at the Port of Prince Rupert for the month of July 2011 was 46,433.3 TEUs. This represents a 20.3% increase over the same period a year ago (July 2010). Imports increased by 18% and exports by 23.3%. Year to date statistics (January 2011 to July 2010) indicate a total increase in TEUs of 1% over the same period a year ago.

3. Port Posts Solid 2011 Mid-Year Numbers

Port Metro Vancouver released its 2011 mid-year results. The 2011 mid-year statistics report shows that the Port handled 58.7 million tonnes of cargo in the first six months of 2011, a 1 per cent increase over the same period in 2010. Auto volumes dropped 28 per cent; breakbulk cargo is down 6 per cent overall; however, foreign breakbulk exports have posted a 12 per cent increase; bulk volumes were up 1 per cent overall; and container traffic at Port Metro Vancouver has continued its upward trend, increasing 5 per cent YTD to 1.2 million TEUs.

4. Port Metro Vancouver - Accumulated Container Traffic Report - YTD July 2011

Total container traffic [TEUs] at the Port of Vancouver increased by 3% to 1,437,819 till the end of July 2011 compared to the same period in 2011. Imports increased by 2% and exports increased by 4% for this period.

5. Shipping consortium to skip Halifax

The Port of Halifax stands to lose up to five per cent of its container business as a consortium of five shipping lines (The Green Alliance) cancels its weekly call. The reason is because it wants to improve the route's on-time performance. The Alliance deploys some of the largest container ships in the world from Southeast Asia.

6. Waves will be made with these shipbuilding contracts

Four deputy ministers in the federal government will decide which Canadian shipyards will share a contract valued at \$35-billion to provide the Canadian navy and Coast Guard with new fleets. The decisions are supposed to be apolitical but controversy is expected to abound.

7. St. Lawrence Seaway Traffic Up 21 Percent

Cargo shipments through the St. Lawrence Seaway rose 21 percent in July 2011 to 4.1 million metric tons from the same period last year. Petroleum shipments jumped 141 percent to 1.5 million metric tons within the same period, with much of the cargo handled by the Port of Green Bay.

8. Port of Montreal - Cumulative traffic summary January to July 2011

Traffic at the Port of Montreal in terms of TEUs for the period January to July 2011 increased 4.6% compared to the same period in 2010. For the above period the number of containers (TEUs) was 798,911, the number of containers outbound was 404,858 and inbound was 394,053. Inbound increased 3.8% whereas outbound increased 5.4%.

Water Transportation Canada

1. West Coast Container Traffic Up 5 Percent, August 1, 2011, www.joc.com
2. Prince Rupert Port Authority Monthly Traffic Statistics, August 4, 2011, www.portrupert.com
3. Port Posts Solid 2011 Mid-Year Numbers, August 4, 2011, www.portvancouver.ca
4. Port Metro Vancouver - Accumulated Container Traffic Report - YTD July 2011, August 11, 2011, www.portmetrovancover.com
5. Shipping consortium to skip Halifax, August 10, 2011, www.cbc.ca
6. Waves will be made with these shipbuilding contracts, August 11, 2011, www.globeandmail.ca
7. St. Lawrence Seaway Traffic Up 21 Percent, August 18, 2011, www.joc.com
8. Port of Montreal-Cumulative traffic summary January to July 2011, Aug 23, 2011, www.portofmontreal.ca

US

1. Drewry Sees Tightening Terminal Capacity [Far East and Southeast Asia], August 8, 2011, www.joc.com

RAIL TRANSPORTATION

1. Partnership with Cline a key part of CN's export coal growth strategy

CN reached a definitive agreement to sell substantially all of the assets of IC RailMarine Terminal Company, an affiliate of Foresight Energy, LLC and the Cline Group, for a cash consideration of US\$73 million. CN expects to report an after-tax gain of approximately \$35 million (\$0.08 per diluted share) in the third quarter of 2011 from this transaction.

2. CN investing US\$165 million to expand Kirk Yard and relocate locomotive repair shop to Gary, Ind.

On August 3, 2011, CN announced plans for a US\$165-million expansion of its Kirk Yard in Gary, Ind., and relocation of its Chicago area locomotive repair shop to the upgraded freight car classification facility in Northwest Indiana.

3. Review of Cost of Capital Methodology

A document submitted by the Brattle Group, in response to submissions made by the participants to the review of cost of capital methodology consultation, entitled 'Responses to Submissions in the Canadian Transportation Agency's Cost of Capital Methodology Review' is available to any interested parties for their review.

4. Parks Canada and Canadian Pacific launch first initiatives

On August 9, 2011, Parks Canada and Canadian Pacific (CP) announced the first initiatives coming from the joint action plan created last fall to further mitigate rail-related bear mortality in Banff National Park. Actions announced include promising mitigations, the release of a five-year research plan and an upcoming bear-railway research symposium to be held in Banff this fall.

5. Rehabilitation of the Huron Central Railway begins

Bryan Hayes, Member of Parliament for Sault Ste. Marie, David Oraziotti, Member of Provincial Parliament for Sault Ste. Marie and Mario Brault, President of Huron Central Railway (HCR), marked the start of construction for the railway rehabilitation of portions of the 288km rail line from Sudbury to Sault Ste. Marie, including a branch from McKerrow to Espanola on August 10, 2011.

6. CN, China Firm Strike Containerized Lumber Deal

Canadian National Railway and China's CNBM Forest Products Trading agreed to use a new CN facility in Vancouver, B.C., to transload Canadian lumber into China-bound containers starting this fall.

7. Railway carloadings [June 2011]

Total rail freight traffic originating in Canada and received from the United States reached a combined 25.3 million tonnes in June 2011, up 4.1% from June 2010. Intermodal freight loadings fell 0.9% from June 2010 to 2.3 million tonnes in June 2011. The decline was a result of decreases in both containers and trailers loaded on flat cars.

Rail Transportation Canada

1. Partnership with Cline a key part of CN's export coal growth strategy, August 2, 2011, www.cn.ca
2. CN investing US\$165 million to expand Kirk Yard and relocate locomotive repair shop to Gary, Ind., August 3, 2011, www.cn.ca
3. Review of Cost of Capital Methodology, August 9, 2011, www.cta-otc.gc.ca
4. Parks Canada and Canadian Pacific launch first initiatives, August 9, 2011, www.cpr.ca
5. Rehabilitation of the Huron Central Railway begins, August 10, 2011, www.tc.gc.ca
6. CN, China Firm Strike Containerized Lumber Deal, August 10, 2011, www.joc.com
7. Railway carloadings, August 31, 2011, www.statcan.gc.ca

US

1. BNSF Boosts 2011 Capital Spending by \$300 Million, August 9, 2011, www.joc.com
2. Intermodal Traffic Grows 6.5 Percent, August 9, 2011, www.joc.com

HIGHWAY TRANSPORTATION

1. New intelligent transportation system in place to measure wait times at Canadian border crossings

On July 29, 2011, government officials announced the expansion of the Advanced Traveller Information System (ATIS) to two new British Columbia border crossings. The system measures and reports wait times to allow travellers to make informed route choices. Transport Canada and the Province of British Columbia each funded 50% of the \$2.6 million total cost. The funding came from the Intelligent Transport Systems at Border Crossings program.

2. May 2011 US Surface Trade with Canada and Mexico Rose 15.7 Percent from May 2010

The Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation reported that trade using surface transportation between the United States and its North American neighbors, Canada and Mexico, was 15.7 percent higher in May 2011 than in May 2010, totalling \$77.3 billion. Surface transborder trade with US reached \$46.29 billion, imports increased by 14.9% and exports by 15.4%. Michigan and Illinois were the top two trading US States with Canada (by value).

3. TransForce gets richer; buys Concord

TransForce reported on August 2, 2011 that his company earned \$26.2 million or 27 cents per share for the first quarter of 2011, compared with \$17 million, or 18 cents per share, a year earlier. Most of the growth, was the result of cost-cutting and recent acquisitions. TransForce also announced that it has purchased Toronto-based Concord Transportation Inc., an expedited carrier with revenues in the \$35-million range, with offices in Ontario, B.C., Illinois, California and Washington state.

4. Lessard Road interchange opens in Edmonton

In Edmonton's west end, a new interchange replaces a signalized intersection at Lessard Road and the Anthony Henday Drive ring road. The new interchange opened to traffic on August 6, 2011. The Government of Canada contributed half of the funding for the \$21.9-million project through the Building Canada Fund while the Alberta government contributed the remainder of the funding.

5. QEW improvements completed

On August 17, 2011, government officials marked the completion of the widening of the Queen Elizabeth Way (QEW) through St. Catharines. These improvements will reduce congestion and improve safety, as

well as increase the flow of commercial vehicles to and from the border. The Government of Canada's funding for this project comes from the \$600-million Border Infrastructure Fund.

6. TransCore's Canadian Freight Index sees summer slow-down

TransCore's Canadian Freight Index for July 2011 was down 22% month-over-month (i.e., July over June), but had a 3% increase year-over-year (2011 over 2010). For the last five years, July has experienced a decrease from June levels; however, July 2011 had the biggest decline in volumes since July 2007.

7. Large urban transit [June 2011]

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit properties rose 5.9% from June 2010 to \$254.8 million in June 2011. Ridership levels rose to 135.6 million passenger trips in June 2011, a 6.5% increase from the same month a year earlier.

8. 3Q11 Ontario Trucking Survey Shows Signs of Summer Slowdown Bellweather industry may also

Highway Transportation

Canada

1. New intelligent transportation system in place to measure wait times at Canadian border crossings, July 29, 2011, www.tc.gc.ca
2. May 2011 US Surface Trade with Canada and Mexico Rose 15.7 Percent from May 2010, August 2, 2011, www.dot.gov
3. TransForce gets richer; buys Concord, August 4, 2011, www.todaystrucking.com
4. Lessard Road interchange opens in Edmonton, August 5, 2011, www.tc.gc.ca
5. QEW improvements completed, August 17, 2011, www.tc.gc.ca
6. TransCore's Canadian Freight Index sees summer slow-down, August 22, 2011, www.ctl.ca
7. Large urban transit [June 2011], August 24, 2011, www.statcan.gc.ca
8. 3Q11 Ontario Trucking Survey Shows Signs of Summer Slowdown Bellweather industry may also be showing signs of a general economic softening, particularly in US, August 24, 2011, www.ontruck.ca
9. Couriers and Messengers Services Price Index [July 2011], August 26, 2011, www.statcan.gc.ca
10. June 2011 Surface Trade with Canada and Mexico Rose 11.0 Percent from June 2010, August 30, 2011, www.dot.gov
11. Mergers, buying activity picks up in Canada: report, August 30, 2011, www.todaystrucking.com

US

1. Freight Shipments Rose 2.6% in June [2011] from May [2010], August 10, 2011, www.dot.gov
2. US freight shipments show strong monthly [June 2011] rebound, August 8, 2011, www.todaystrucking.ca

be showing signs of a general economic softening, particularly in US

The 3 quarter 2011 Ontario Trucking Association survey of the pulse of the trucking industry in Ontario shows a majority (64 per cent) of responding carriers were optimistic about the industry's overall prospects for the next three months. But, this was down eight percentage points from 2nd quarter survey possibly reflecting growing economic uncertainty. The number of carriers who reported they were unsure about the industry's prospects increased to 26 per cent -- up five percentage points from last quarter. Still, only nine per cent of carriers reported pessimism.

9. Couriers and Messengers Services Price Index [July 2011]

The Couriers and Messengers Services Price Index decreased 0.8% in July 2011 compared with June 2011, mainly as a result of lower fuel surcharges. The courier portion fell 0.8%, while the local messenger component declined 0.5%.

10. June 2011 Surface Trade with Canada and Mexico Rose 11.0 Percent from June 2010

Trade using surface transportation between the United States and its North American neighbors, Canada and Mexico, was 11.0 percent higher in June 2011 than in June 2010, totaling \$ 77.5 billion according to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation. U.S.-Canada surface transportation trade increased compared to June 2010 with U.S.-Canada reaching \$46.1 billion, a 9.7 percent increase. Michigan led all states in surface trade with Canada as it has in previous years, at \$6.3 billion, a 6.1 percent increase from June 2010.

11. Mergers, buying activity picks up in Canada: report

Canada's 10 fleet acquisitions by major public carriers this year is just one short of the record of 2006. Companies like TransForce, Contrans and Mullen have gone on an acquisition spree this year, compared to 2010, when no major fleet purchases were reported.

GENERAL TRANSPORTATION

1. Travel between Canada and other countries

Travel to and from Canada rose in June 2011, due to an increase in the number of trips to and from the United States. Travel between Canada and countries other than the United States fell in both directions.

2. Characteristics of international overnight travellers

Business travel between Canada and the United States fell in both directions during the first quarter of 2011. In contrast, business travel between Canada and overseas countries rose in both directions in the first quarter of 2011.

3. International travel account Second quarter 2011 (preliminary)

In the second quarter of 2011, spending by Canadian travellers abroad rose 4.4% to \$8.0 billion. At the same time, spending by travellers from abroad in Canada rose 5.7% to \$4.1 billion. As a result, Canada's international travel deficit reached \$3.9 billion during the second quarter, up 3.1% from the previous quarter.

1. Travel between Canada and other countries, August 18, 2011, www.statcan.gc.ca

2. Characteristics of international overnight travellers, August 24, 2011, www.statcan.gc.ca

3. International travel account, August 26, 2011, www.statcan.gc.ca

PUBLICATIONS

1. Better Economic Regulation: The Role of the Regulator. Round Table 150, OECD, Paris, May 2011.

2. Report on the Strategic Transport Technology Public Plan Consultation, August 8, 2011, www.europa.eu

3. Report of the Strategic Transport Technology Plan public consultation, August 9, 2011, www.europa.eu