

Transportation Information Update*

Editor: Joseph Monteiro**

January 2011, No. 77

Associate Editor: Gerald Robertson**

AIR TRANSPORTATION

1. WestJet announced appointment of Cameron Kenyon to executive vice-president, operations

On January 5, 2011, WestJet announced the appointment of Cameron Kenyon to the position of executive vice-president operations. He joins WestJet from Lynx Aviation in Denver, Colorado where he served as President and CEO.

2. Government of Canada designates Canjet to serve Cuba, Jamaica and the Bahamas

Canjet has been designated by Transport Minister Strahl to operate scheduled international air services between Canada and Cuba, Jamaica and the Bahamas. "These designations will provide additional flight choices for consumers travelling between Canada and these three sun destinations. They also contribute to the growth of the Canadian air industry, providing economic benefits to Canadian airports, as well as the Canadian tourism and business sectors."

3. WestJet reports December load factor of 80.3%

WestJet reported a December 2010 load factor of 80.3 percent, 1.4 points lower than the same month a year ago. Revenue passenger miles (RPM) increased 10.9% year over year and capacity as measured by available seat miles (ASM) increased 12.9% over the same period. Results for the fourth quarter of 2010 for load factor, RPM and ASM were: 78.5; 3.942b.; and 5.021b. The changes for the fourth quarter were: +0.1; +13.9% and +13.8%. For the entire year of 2010 the load factor, RPM and ASM were: 79.9; 15.613b.; and 19.535b. The changes for the entire year were: +1.2; +12.9% and +11.1%. WestJet President and CEO said "We are very pleased to be closing the year with such strong traffic results."

4. WestJet target raised on lower fuel costs

While WestJet Airlines Ltd.'s December traffic figures were pretty much in line with expectations, lower-than-expected fuel prices led to an earnings upgrade by the National Bank Financial on January, 6, 2011. The results led the analyst at the bank to raise his price target on WestJet to \$16.50 a share, from \$15.75 a share previously.

5. Air Canada Reports December Traffic

For December 2010, Air Canada reported a system load factor of 80.8 per cent on a consolidated basis with Jazz (from which Air Canada purchases regional capacity), versus 81.2 per cent in December 2009, a decrease of 0.4 percentage points. System traffic (RPM) increased 7.2 per cent on a system wide capacity (ASM) increase of 7.6 per cent over the two period. Results for the fourth quarter of 2010 for load factor, RPM and ASM were: 78.8; 11.756b.; and 14.917b. The changes for the fourth quarter were: +0.2; +8.0% and +7.8%. For the entire year of 2010 the load factor, RPM and ASM: 81.7; 51.875b.; and 63.496b. The changes for the entire year were: +1.0; +8.3% and +7%. Calin Rovinescu, President and Chief Executive Officer said "These strong results, including an all-time record for the full year 2010, were achieved as we continued to increase utilization of our existing fleet and deploy capacity to pursue strategic opportunities in international markets."

6. Airlines flying higher as they regain pricing power

Air Canada and WestJet are filling seats at higher ticket prices as they take advantage of the travel sector's dramatic rebound. Forced to chop airfares during the slump of

Current Developments in Brief

Air Transportation

CANADA

1. WestJet announced appointment of Cameron Kenyon to executive vice-president, operations, January 5, 2011, www.westjet.ca
2. Government of Canada designates Canjet to serve Cuba, Jamaica and the Bahamas, January 6, 2011, www.tc.gc.ca
3. WestJet reports December load factor of 80.3%, January 6, 2011, www.westjet.ca
4. WestJet target raised on lower fuel costs, January 7, 2011, www.nationalpost.ca
5. Air Canada Reports December Traffic, January 7, 2011, www.aircanada.ca
6. Airlines flying higher as they regain pricing power, January 7, 2011, www.globeandmail.ca
7. Bob Rae meets with UAE leaders, fields air landing complaints, January 10, 2011, www.globeandmail.ca
8. Airbus lands record \$15.6-billion order, January 11, 2011, www.globeandmail.ca
9. Civil aviation operating statistics, January 18, 2011, www.statscan.gc.ca
10. Aircraft movement statistics: Small airports, January 19, 2010, www.statcan.gc.ca
11. WestJet shares appear ready for takeoff, January 19, 2011, www.globeandmail.ca
12. Transport Canada reveals results in CATSA review, January 19, 2011, www.atac.ca
13. Air Canada island debut delayed, January 20, 2011, www.nationalpost.ca
14. Canadian air taxes holding back tourists: IATA, January 20, 2011, www.globeandmail.ca
15. Improving Canada's Air Transport Competitiveness, January 20, 2011, www.iata.org
16. Flying Flatbeds, January 24, 2011, www.todaystrucking.ca
17. WestJet announces service to Orange County, January 26, 2011, www.westjet.ca
18. Air Canada Increases Calgary-Tokyo Non-stop Flights; Plans Year-round Service in Response to Strong Demand, January 26, 2011, www.aircanada.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.

2009, the two carriers were able to raise prices last year as recession-weary consumers returned to the skies. WestJet's third-quarter yield rose to 17.1 cents from 16.7 cents, while Air Canada's increased to 17.7 cents from 17.4 cents. Revenue per available seat mile, or RASM, a key industry measure of unit revenue, is also on the mend. Calgary-based WestJet's traffic climbed 12.9 per cent last year to 15.6 billion revenue passenger miles, and its seat capacity rose 11.1 per cent. Air Canada's traffic, including results from regional affiliate Jazz Air, increased 8.3 per cent to 51.9 billion revenue passenger miles last year, and its seat capacity rose 7 per cent. Shares in Air Canada rose 168% while those in WestJet rose 16%. Privately owned Porter Airlines Inc. also posted impressive traffic results in 2010. The Toronto-based regional carrier's traffic jumped 88 per cent to 589.9 million revenue passenger miles last year, while its load factor climbed to 54.2 per cent from 47.9 per cent.

7. Bob Rae meets with UAE leaders, fields air landing complaints

Liberal MP Bob Rae is meeting with senior leaders in the United Arab Emirates this week (January 10, 2011), where he says he's getting an earful over Prime Minister Stephen Harper's increasingly heated rhetoric in the dispute over air landing rights. He says significant damage has been done to the relationship between the two countries.

8. Airbus lands record \$15.6-billion order

Airbus SAS on January 11, 2011 announced what it called the biggest jet order in commercial aviation history, a \$15.6-billion (U.S.) deal to sell 180 planes to Indian budget carrier IndiGo that includes the first orders for a revamped model. It is not known whether this sale will put it ahead of Boeing Co. for largest annual sales.

9. Civil aviation operating statistics

Operational statistics for civil aviation is now available for November 2010 on Statistics Canada website. It is available on Cansim table 401-0001

10. Aircraft movement statistics: Small airports [October 2010]

The number of take-offs and landings at the 133 airports without air traffic control towers reached 54,685 movements in October 2010. Year-over-year increases were reported by 70 of these airports. Guelph, Ontario (2,733 movements) and Goose Bay, Newfoundland and Labrador (2,533 movements) were the most active sites in October. **11. WestJet shares appear ready for takeoff**

Air Canada has been a surprising star on the stock market over the past 21 months, but the momentum is starting to shift to WestJet Airlines Ltd. The latter shares rose by only 14% compared to the 161% increase in Air Canada shares. Now analysts are examining whether it is time to shift strategies and turn back to WestJet.

12. Transport Canada reveals results in CATSA review

The President of ATAC and other government officials met on January 18, 2011 for a briefing of the results of the CATSA review that took place in June 2010. Transport Minister indicated five areas where changes would be implemented: improving communications with stakeholders and travelling public; introducing behavioural observation techniques; rethinking and modernizing regulations; developing efficiencies in the letter screening of contracts; and improving governance. ATAC was disappointed that new screening points with new technologies were not introduced.

13. Air Canada island debut delayed

Air Canada's plans to return to Toronto Island next month have been delayed after the airline failed to reach an agreement in time for terminal space at Billy Bishop Toronto City Airport. The terminal's operator, City Centre Terminal Corp., is also owned by Bob DeLuce, the chief executive of its rival, Porter Airlines Inc. But the parties have yet to come to an agreement. Both Air Canada and Continental Airlines were granted access to Billy Bishop in June 2010 after the Toronto Port Authority (TPA) put out a request for carriers interested in using the airport. Air Canada received 30 daily flights in and out of the airport; Continental was allotted 16; and Porter received 44 more, adding to the 112 daily landing slots it already had. The new landing slots were allocated to Air Canada by a third party hired by the TPA. The process by which they were allocated, however, has become the subject of a lawsuit by Air Canada. Its arguments, however, were rejected in July 2010 by the courts. While Air Canada has plans to appeal the ruling, a judge ordered the carrier to pay \$1.8-million in legal fees to Porter and the TPA earlier this month.

19. Star alliance adds Air Canada, TAM and US Airways to upgrade awards program, January 27, 2011, www.aircanada.ca

US

1. [US] October 2010 Airline Traffic Data: System Traffic Up 5.6 Percent from October 2009, January 13, 2011, www.dot.gov
2. [IATA] Special Report: Joining Forces, January 25, 2011, www.iata.org

14. Canadian air taxes holding back tourists: IATA

Canada's hefty airport-tax burden is seriously hobbling its attractiveness as a tourist destination, says the head of the global air transport agency. Compared to the U.S., a visit to Canada is \$160 more expensive," and Canada has slipped in the most-visited rankings to 15th from 8th in 2002, he added. In ticket taxes and airport charges, Canada ranks a poor 98th position. **15. Improving Canada's Air Transport Competitiveness**

On January 20, 2010, The international Air Transport Association (IATA) called on the Canadian government to improve its global competitiveness in air transport, travel and tourism by working with industry to address issues of taxation and regulation, security and the environment.

16. Flying Flatbeds

For almost 10 years now, Prof. Barry Prentice has been talking about the potential of airships to revolutionize freight transport in Canada. The message is always the same: with a little vision, leadership, and investment, Canada could become a world exporter of airship technology -- and reap huge economic benefits along the way. He is a tireless promoter of a sixth mode of transportation -- a supplementary mode to trucks, trains, boats, planes, and pipelines.

17. WestJet announces service to Orange County

WestJet announced the commencement of non-stop service from Vancouver and Calgary to Orange County, California beginning May 2 and June 13, 2011

18. Air Canada Increases Calgary-Tokyo Non-stop Flights; Plans Year-round Service in Response to Strong Demand

Air Canada on January 26, 2011 announced that it is boosting its Calgary-Tokyo non-stop flights in response to strong demand after introducing the new route last summer. Air Canada will increase its existing schedule to five weekly flights from three effective March 26, 2011, as it takes steps towards continuing the non-stop service on a year-round basis, subject to obtaining the necessary approvals in Japan.

19. Star Alliance adds Air Canada, TAM, US Airways to upgrade awards program

Frequent fliers on star alliance network can now use their miles to upgrade when travelling on Air Canada, TAM and US Airways as these carriers are now participating in the unique Star Alliance Upgrade Awards.

WATER TRANSPORTATION

1. European shippers call for more rail competition

A European Commission proposal to establish a single European railway area, could increase competition and lead to "efficiency, reduce costs and prices, improve performance; this is the way for rail services to become more attractive to customers and create real customer modal choice." This view was advanced by the European Shippers Council and the European Association for Forwarding, Transport, Logistic and Customs Service.

2. Top Ocean Carriers' Capacity Swelled 14 Percent in 2010

The top 20 container lines increased their operated capacity 14 percent over the last 12 months, as the strong recovery in freight volume led carriers to take on new tonnage over 2010.

3. Prince Rupert Port Authority Monthly Container Traffic Summary and Year To Date [December 2010]

For the month of December 2010, container traffic in terms of total TEUs decreased by 15.8% compared to the same month a year ago. Imports decreased by 21.5% and exports by 7.8% in terms of total TEUs over the two periods. Year-to-date (January to December 2010) total container traffic (TEUs) increased 29.5%, imports increased by 24.2% and exports by 37% compared to the same period a year ago (January to December 2009). The total includes both loaded and empty boxes.

4. St. Lawrence Seaway sees 15% bump in cargo volumes

The St. Lawrence Seaway experienced a rebound in activity over the course of the 2010 navigation season, with a 15% increase in cargo volume yielding an estimated total of 35.5 million tonnes. Iron ore posted a 35% increase, grain a 10% increase and general cargo a 63% increase. The Government of Canada's decision to repeal the 25% duty on imported vessels has ushered in a new era of fleet renewal.

5. 2010 Year-End Summary of Cargo & Cruise Activity

At the port of Halifax 2010 Containerized cargo (in TEUs) grew 26% over 2009; Breakbulk cargo (e.g.: machinery, metals, forest products) up 23.7% over 2009; Bulk cargo (e.g.: oil imports and gypsum exports) down 14.0% over 2009; Ro/Ro cargo (e.g.: automobiles) up 15.9% over 2009; and Cruise passenger count up 14.7% over 2009 with 261,216 passengers – a record year for Halifax. For the fourth quarter of 2010 containerized cargo increased 9.3%; breakbulk cargo increased 55.5%; bulk cargo decreased 12.3% ; ro/ro cargo increased 3.9%; and cruise passengers increased 1%.

6. A soaring 2010 for the Port of Halifax

The Port of Halifax is reporting significant increases throughout most of its cargo divisions in 2010. The increase is considerably larger than many other North American ports such as New York (16% growth), Virginia (10%), Montreal (7%) and Vancouver (17%).

7. Port Metro Vancouver - Accumulated Container traffic Report [YTD- December 2010]

Total containers (TEUs) moving through the the Port of Vancouver for the year 2010 was 2,524,309 compared to 2,152,462, a 17% increase. Imports in terms of TEUs increased by 16% and exports by 18%.

8. Port of Saint John Achieves its highest cargo tonnage ever

The Port of Saint John reached its 30 million cargo tonnage, the highest ever level achieved in 2010.

Water Transportation

Canada

1. European shippers call for more rail competition, January 4, 2011, www.americanshipper.com
2. Top Ocean Carriers' Capacity Swelled 14 Percent in 2010, January 4, 2011, www.joc.com
3. Prince Rupert Port Authority Monthly Container Traffic Summary and Year To Date, January 7, 2011, www.rupertport.com
4. St. Lawrence Seaway sees 15% bump in cargo volumes, January 18, 2011, www.todaystrucking.com
5. 2010 Year-End Summary of Cargo & Cruise Activity, January 19, 2011, www.portofhalifax.ca
6. A soaring 2010 for the Port of Halifax, January 24, 2011, www.todaystrucking.ca
7. Port Metro Vancouver - Accumulated Container traffic Report [YTD- December 2010], January 27, 2011, www.portvancouver.com
8. Port of Saint John Achieves its highest cargo tonnage ever, www.ctf.ca

US

1. [US] Retail container traffic to be up 8% in January [2011], January 14, 2011, www.americanshipper.com
2. Long Beach Posts Record Jump in Traffic [23.6% in 2010 over 2009] January 18, 2011, www.joc.com
3. Shippers ask new congress for antitrust repeal, January 19, 2011, www.americanshipper.com
4. Reports on Ferry Operators, Intermodal Connections, January 21, 2011, www.dot.gov

RAIL TRANSPORTATION

1. Intermodal Traffic Soars 25 Percent in Holiday Week

Intermodal traffic for U.S. railroads soared 25.1 percent in the week leading up to Christmas over the same week the year before, a measure of improved confidence in the economy after a rocky recovery from the recession. Grain carloads were up 42.7 percent from a year ago and coal traffic was up 35.7 percent over the same week in 2009.

2. Intermodal Volume Grew 14.7 Percent in 2010

North America's major railroads saw intermodal volume rise 14.7 percent in 2010, while their railcar loads of commodities and bulk shipments including automobiles, lumber and chemicals rose 9.4 percent overall. The statistics includes the seven Class I major railroads plus some regional lines in the U.S., Canada and Mexico that report their figures to the Association of American Railroads.

3. CN offers shippers an EcoRide

CN Rail will launch a new container chassis expected to reduce fuel consumption in its trucked containers by eight to 10 percent.

4. Canadian Pacific announces 2011 capital plan focused on service, productivity, technology and growth

CP announces plans to invest between \$950 million and \$1.05 billion for capital projects in 2011. This capital plan says CP Chief Financial Officer, Kathryn McQuade "will enable us to meet our customer's needs and continue to lower our operating ratio to create a stronger franchise for the future." Major investment categories include the following approximate amounts: \$680 million for basic track infrastructure renewal; \$200 million for volume growth, productivity initiatives and network enhancements; \$80 million to strengthen and upgrade IT systems to enhance shipment visibility and information needs, and \$40 million to address capital regulated by governments, principally train control.

5. STB Sets Hearing on Captive Shippers' Rail Access

The Surface Transportation Board will hold a May 3, 2011 public hearing to start the first review in over a decade of regulations that some shippers say allow major railroads to hold many freight customers captive to a single cross-country carrier. There will also be a second regulatory hearing later on to determine some key oversight areas to lift some of its cargo exemptions, and exercise regulatory control of more shipment categories including intermodal traffic so those shippers might take rate or service disputes with their railroads to the board.

6. Canadian Rail Workers Vote to Strike

Members (5,500) of four union groups (Canadian Auto Workers) at the two major Canadian railways, CN and CP, voted to strike if negotiations fail by deadlines late this month (January 25) and early next month (February 8).

7. Canadian Pacific prepared to fully operate the railway regardless of outcome of bargaining with CAW

On January 13, 2011, CP advised that it has trained 1,200 managers and has a comprehensive contingency plan in place to fully operate the railway should a labour dispute occur with the Canadian Auto Workers (CAW), with the earliest possible date being February 8, 2011.

Rail Transportation Canada

1. Intermodal Traffic Soars 25 Percent in Holiday Week, January 3, 2011, www.joc.com

2. Intermodal Volume Grew 14.7 Percent in 2010, January 6, 2011, www.joc.com

3. CN offers shippers an EcoRide, January 11, 2010, www.todaystrucking.ca

4. Canadian Pacific announces 2011 capital plan focused on service, productivity, technology and growth, January 11, 2011, www.cpr.ca

5. STB Sets Hearing on Captive Shippers' Rail Access, January 11, 2011, www.joc.com

6. Canadian Rail Workers Vote to Strike, January 13, 2011, www.joc.com

7. Canadian Pacific prepared to fully operate the railway regardless of outcome of bargaining with CAW, January 13, 2011, www.cpr.ca

8. CN receives strike notice from Canadian Auto Workers (CAW) union, January 22, 2011, www.cn.ca

9. CN reports Q4-2010 net income of C\$503 million, or C\$1.08 per diluted share, January 25, 2011, www.cn.ca

10. CN announces dividend hike as Q4 profit slips, January 25, 2011, www.nationalpost.ca

11. CN announces new share repurchase program and 20 per cent increase in quarterly cash dividend, January 25, 2011, www.cn.ca

12. CN, CAW reach tentative deal, January 24, 2010, www.globeandmail.ca

13. CN, CP eye shipping oil to West Coast, January 25, 2011, www.globeandmail.ca

14. Railway carloadings, January 26, 2011, www.statcan.gc.ca

15. Canadian Pacific announces 2010 results, January 26, 2011, www.cpr.ca

16. CP profit climbs 27%, January 26, 2011, www.globeandmail.ca

US

1. [US] Rail Traffic Jumps in First Week of January [2011], www.joc.com

2. UP profit up 47% in 2010, January 24, 2011, www.americanshipper.com

3. CSX Profit Jumps 42 Percent to \$430 Million, January 25, 2011, www.joc.com

4. Norfolk Southern Profit Climbed 31 Percent to \$402 Million, January 25, 2011, www.joc.com

8. CN receives strike notice from Canadian Auto Workers (CAW) union

CN said the Canadian Auto Workers (CAW) union on January 22, 2011 gave the Company notice of its intention to strike the railway at 0001 hours Eastern time Jan. 25, 2011. The CAW represents approximately 3,975 workers in four distinct bargaining units at CN and CNTL (a subsidiary of CN) – mechanical, clerical/intermodal, excavator operators, and owner-operator truck drivers. The company said it will continue freight operations in the event of a strike.

9. CN reports Q4-2010 net income of C\$503 million, or C\$1.08 per diluted share

CN reported its fourth quarter and 2010 results on January 25, 2010. Net income for the final quarter of 2010 was C\$503 million, versus fourth-quarter 2009 net income of C\$582 million. This net income increased by 19 per cent over comparable adjusted 2009 net income. Operating income for the fourth quarter of 2010 increased 19 per cent to C\$774 million. Fourth-quarter revenues increased 12 per cent to C\$2,117 million on strong volume growth. Fourth-quarter operating ratio improved to 63.4 per cent from 65.3 per cent for the 2009 final quarter, based on solid operating efficiencies. Net income for full-year 2010 was C\$2,104 million compared with 2009 net income of C\$1,854 million. CN's operating ratio for 2010 was 63.6 per cent, compared with an adjusted operating ratio -- excluding the EJ&E acquisition-related costs -- of 66.7 per cent in 2009, a 3.1-point improvement.

10. CN announces dividend hike as Q4 profit slips

Canadian National Railway announced on January 25, 2011 that its fourth-quarter profit decreased 14% to \$503-million, from \$582-million last year and also announced a dividend hike. The company posted basic earnings per share of \$1.09 however, which was slightly above consensus estimates of \$1.08 according to analysts surveyed by Bloomberg. CEO Claude Mongeau said "CN's strong fourth-quarter performance capped an impressive year. Operational and service excellence throughout 2010 allowed us to post solid operating metrics while handling a sharp rise in workload with improved reliability for our customers."

11. CN announces new share repurchase program and 20 per cent increase in quarterly cash dividend

CN announced on January 25, 2011 that its Board of Directors has authorized a normal-course-issuer bid to purchase, for cancellation, up to 16.5 million, or 3.6 per cent, of the common shares issued and outstanding of the Company on Jan. 17, 2011. The price to be paid by CN for any common shares will be the market price at the time of acquisition, plus brokerage fees, or such other price as the Toronto Stock Exchange (TSX) may permit.

12. CN, CAW reach tentative deal

Canadian National Railway and the Canadian Auto Workers reached a tentative contract deal on January 24, 2011, just hours before nearly 4,000 unionized workers were prepared to begin a strike at the country's largest railway.

13. CN, CP eye shipping oil to West Coast

The race to deliver Canadian crude to Asian shores has become a four-way battle, as transportation companies work to sign agreements with Chinese companies that are interested in shipping oil across the Pacific. Enbridge has attracted the most attention for its planned Northern Gateway pipeline, which would create a Pacific outlet for Alberta's oil sands, Canadian National Railway Co. proposal for a pipeline on rail has also received a favourable response. Transporting oil other than to the US never attracted a great deal of attention in the past but it is now a competitive situation and CN's proposal is attracting attention.

14. Railway carloadings [November 2010]

Canadian railways carried 24.8 million tonnes of freight in November 2010, up 7.9% from the same month in 2009. In terms of tonnage, non-intermodal domestic freight loadings were the largest contributing factor behind this increase. Intermodal domestic freight loadings rose 7.3% from November 2009 to 2.3 million tonnes. On an international scale, traffic received from the United States destined for or passing through Canada rose 18.6% from November 2009 to 2.4 million tonnes. Both non-intermodal and intermodal freight traffic rose during the month.

15. Canadian Pacific announces 2010 results

Canadian Pacific Railway Limited announced its fourth-quarter and full-year 2010 results on January 26, 2010. The highlights for the two periods were as follows. For the fourth quarter of 2010: total revenues increased 13 per cent to \$1.3 billion; adjusted operating income increased 34 per cent to \$298 million; adjusted operating ratio improved 360 basis points to 77.0 per cent; and adjusted diluted earnings per share increased 51 per cent to \$1.12 per share. For the full year 2010: total revenues increased 13 per cent to \$5.0 billion; adjusted operating income increased 39 per cent to \$1.1 billion; adjusted operating ratio improved 410 basis points to 77.6 per cent; and adjusted diluted earnings per share increased 54 per cent to \$3.87 per share. Fred Green, President and CEO, said "We continue to see strong demand for rail service across all lines of business. We are ramping up our resources and making long-term investments in our company to meet growing demand, further improve customer service, and achieve our three to five year target of a low 70's operating ratio."

16. CP profit climbs 27%

Canadian Pacific Railway beat analyst profit estimates in the fourth quarter as revenue increased 13 per cent from the

same time last year, with gains across all lines of its business. Its profit for the three months ended Dec. 31 was \$186-million, up 27 per cent from \$146.2-million a year earlier. Full-year profit for 2010 grew to \$650.7-million from \$550-million in 2009.

HIGHWAY TRANSPORTATION

1. Economic Signs Point to Logistics Acquisitions

A wave of acquisitions could occur in the U.S. trucking and logistics industries in 2011 as the economy slowly improves and cramped companies look to expand. According to one executive, the more successful transportation and logistics operators and private equity investors will be looking to expand by acquisition.

2. October 2010 Surface Trade with Canada and Mexico Rose 14.9 Percent from October 2009

Trade using surface transportation between the United States, Canada and Mexico was 14.9 percent higher in October 2010 than in October 2009, reaching \$70.6 billion. U.S.–Canada surface transportation trade totalled \$40.7 billion in October, up 12.2 percent compared to October 2009. The value of imports carried by truck was 11.6 percent higher in October 2010 compared to October 2009, while the value of exports carried by truck was 13.7 percent higher during this period. Michigan led all states in surface trade with Canada in October with \$5.3 billion.

3. Canadian ground transportation rates dip slightly in October

According to the Canadian General Freight Index (CGFI), the Total Freight Cost Index decreased by 0.8% in October 2010 compared to September 2010, while the Base Rate Index, which excludes the impact of fuel surcharges assessed by carriers, decreased .92%. This was the first decrease in several months.

4. Vitran to buy Milan Express LTL biz

Canadian LTL trucking company, Vitran Corp. says it is expanding its southeast U.S. presence with the acquisition of Tennessee-based Milan Express LTL division. The acquisition expands Vitran's American LTL footprint across 10 US states.

5. Minister of Transport Strahl welcomes Governor Snyder's support for a new Windsor-Detroit crossing

On January 19, 2010, Minister of Transport said that Michigan Governor Snyder's strong support for the Detroit River International Crossing is a welcome step that will allow us to move forward with this critical infrastructure project. The Minister expressed his eagerness to work with Governor Snyder and the Michigan Legislature. Canada is Michigan's largest export destination, as well as its closest trade partner.

6. Large urban transit, January 24, 2011 [November 2010 Preliminary]

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit properties rose 12.2% from November 2009 to \$245.5 million in November 2010. These 10 companies represent about 80% of total urban transit across the country. Ridership levels rose to 134.8 million passenger trips in November, a 4.2% increase from the same month a year earlier.

7. Lowest death toll on Canadian roads in almost 60 years: *Canadian Motor Vehicle Traffic Collision Statistics: 2008*

The *Canadian Motor Vehicle Traffic Collision Statistics: 2008*, published by Transport Canada on January 26, 2011 revealed that there were 12 per cent fewer deaths in 2008 than in the year before — the lowest death toll on Canadian roads in almost 60 years. The dramatic decline also positions Canada to achieve its goal of reducing fatalities by 30 per cent from the baseline period of 1996 to 2001, to the average from 1998 to 2010. The Minister of Transport said our government is committed to continued safety.

Highway Transportation

Canada

1. Economic Signs Point to Logistics Acquisitions, January 3, 2011, www.ioc.com
2. October 2010 Surface Trade with Canada and Mexico Rose 14.9 Percent from October 2009, January 5, 2011, www.dot.gov
3. Canadian ground transportation rates dip slightly in October, January 7, 2011, www.ctl.ca
4. Vitran to buy Milan Express LTL biz, January 17, 2011, www.todaystrucking.ca
5. Minister of Transport Strahl welcomes Governor Snyder's support for a new Windsor-Detroit crossing, January 21, 2011, www.tc.gc.ca
6. Large urban transit, January 24, 2011, www.statcan.gc.ca
7. Lowest death toll on Canadian roads in almost 60 years: Canadian Motor Vehicle Traffic Collision Statistics: 2008, January 26, 2011, www.tc.gc.ca
8. Seatbelt use continues to rise: Transport Canada surveys, January 26, 2011, www.tc.gc.ca
9. Couriers and Messengers Services Price Index, January 27, 2011, www.statcan.gc.ca
10. CTA's Bradley calls for better understanding of urban trucking issues, January 26, 2011, www.ctl.ca

US

1. U.S. Cross-Border Trucking Effort Emphasizes Safety and Efficiency, January 6, 2011, www.dot.gov
2. [US] Freight Transportation Services Index (TSI) Fell 0.3% in November from October [2010], www.dot.gov

8. Seatbelt use continues to rise: Transport Canada surveys

According to survey results released by Transport Canada on January 26, 2011, Canadians are buckling up in motor vehicles now more than ever, Seatbelt usage across Canada has risen by almost three per cent in three years — approximately 95 per cent of Canadians overall buckle up, compared to 92 per cent in the previous 2006-07 surveys. The seatbelt usage rate in rural areas is lower than in urban areas of the country,

9. Couriers and Messengers Services Price Index [December 2010]

The Couriers and Messengers Services Price Index increased 0.8% in December 2010 compared with November 2010. The courier portion rose 0.9% and the local messenger component advanced 0.3%. On a year-over-year basis, the index advanced 2.6% in December 2010 compared with December 2009.

10. CTA's Bradley calls for better understanding of urban trucking issues

Speaking at a conference in Washington, David Bradley called for an end to the "war on trucks" in urban centres. He said "We see it in the debate over funding of transit versus roads; in the design of roads and intersections that don't accommodate modern truck configurations; in the lack of parking for trucks; and inadequate loading/unloading facilities, both old and new." He made some recommendations that could improve our biases such as: encouraging more off-peak deliveries; clearing traffic of incidents more quickly; and investing in infrastructure strategically to consider options such as truck-only lanes.

GENERAL

1. Financing Infrastructure: Transport's Double Squeeze

Jack Short, Secretary General of the International Transport Forum, is of the opinion that funds for maintaining and building the transport system are becoming harder to obtain. Public coffers are depleted and private investors are more risk averse. We therefore need to make a stronger case for the key investments in transport - and users will have to pay more.

2. Domestic travel (Third Quarter 2010 Preliminary)

Statistics Canada has made available preliminary data of domestic travel from the Travel Survey of Residents of Canada for the third quarter of 2010. It can be found on their website.

3. Strahl meets with West Coast supply chain stakeholders

The Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities, on January 13, 2011 hosted a pre-budget roundtable consultation. He met with industry stakeholders whose operations are centred on Port Metro Vancouver, in British Columbia's Lower Mainland, to discuss ways to create jobs and economic growth, and plans for the next phase of Canada's Economic Action Plan.

4. Canadian exports on the rise, Statscan says

Canada's trade surplus with the U.S. grew from \$1.7 billion in October 2010 to \$3 billion in November 2010. Imports fell while exports increased. As a result of the US trade surplus, Canada's trade deficit with countries other than the United States declined from \$3.2 billion in October to \$3.1 billion in November.

5. Travel Arrangement Services

Canada's travel arrangement and reservation services industry group experienced a decline of 1.7% in operating revenue in 2009, facing the difficulties of the economic downturn and a drop in international travel. Canadians took fewer overnight trips abroad in 2009, representing a decrease of 3.1% from a record high in 2008. Domestically, the National Tourism Indicators noted that Canada's tourism spending decreased 4.5% as spending by international visitors in Canada fell to its lowest level in 15 years. The industry operating revenues decreased to \$10.2 billion in 2009, down from \$10.4 billion in 2008. Operating expenses declined 0.9% to \$10.1 billion. As a result, the industry's profit margin fell from 1.6% in the previous year to 0.8% in 2009. This industry group is comprised of tour operators, travel agencies and reservation services industries. Tour operators recorded negative profits (-0.5 margin) and tour agencies revenues

General

Canada

1. Financing Infrastructure: Transport's Double Squeeze, January 5, 2011, www.cemt.org
2. Domestic travel (Third Quarter 2010 Preliminary), January 11, 2011, www.statcan.gc.ca
3. Strahl meets with West Coast supply chain stakeholders, January 11, 2011, www.tc.gc.ca
4. Canadian exports on the rise, Statscan says, January 14, 2011, www.todaystrucking.ca
5. Travel Arrangement Services, January 18, 2011, www.statcan.gc.ca
6. Travel between Canada and other countries, January 19, 2011, www.statcan.gc.ca
7. Minister of Transport proposes Administrative Monetary Penalties Regulations to support the International and Bridges Tunnels Act, January 28, 2011, www.tc.gc.ca

declined (6.5%).

6. Travel between Canada and other countries [November 2010]

Travel abroad by Canadians reached 4.7 million in November 2010, an increase of 2.3% compared with October 2010. In the other direction, travel by foreign residents to Canada decreased 2.3% to 2.0 million.

7. Minister of Transport proposes Administrative Monetary Penalties Regulations to support the International and Bridges Tunnels Act

The Minister of Transport announced Administrative Monetary Penalties Regulations to establish an efficient method outside to Courts to address violations under the International and bridges Tunnels Act. Penalties range from \$5,000 a day for individuals to \$25,000 for corporations.

Publications

1. [CAC] January-February 2011 Newsletter, January 21, 2011, www.cacairports.ca