

Transportation Information Update*

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AIR TRANSPORTATION

1. Interpretation Note: Canadian Ownership Requirement

This note explains the Canadian ownership requirements for Canadian air service. In brief foreign ownership of air services continues to be limited to 25%. Legislation was introduced in March 2009 to raise the limit to 49% but it has not yet been passed. In other words, for air service, ownership continues to be Canadian (i.e. have 75% voting interest and in 'fact' be controlled by Canadians).

2. Air Canada in line with rule on maintenance centres: court

The Ontario Superior Court has ruled that Air Canada is complying with the Air Canada Public Participation Act's requirement that the airline have aircraft maintenance centres in Winnipeg, Montreal and Mississauga. The ruling followed a complaint that Air Canada had breached the Act.

3. Air Canada unions join up in pension fight

CUPE is collaborating with the Air Canada Pilots Association, the Canadian Auto Workers and the International Association of Machinists and Aerospace Workers in the airline's plan for pension reform.

4. Air Canada Jazz to Begin Flying Under Air Canada Express Banner

Air Canada announced on May 31, 2011 that services operated for it by Jazz Aviation LP will begin flying under the name Air Canada Express beginning June 1, 2011. The name change is part of an ongoing rebranding of all Air Canada's regional services to make it easier for customers and assure them of consistency when booking a flight.

5. International Air Travel Rebounds in April

The International Air Transport Association (IATA) announced traffic results for April 2011 which showed a rebound in international markets with 16.5% growth compared to April 2010. This statistic is exaggerated by the comparison to April 2010 during which European airspace was closed due to the volcanic ash crisis, international travel markets in April had grown to reach a level 7% higher than the pre-recession peak of early 2008. This growth is also higher than the year to date growth of 8.5%.

6. Agency launches new tool to help air carriers provide clear, simplified and understandable tariffs for passengers

In its ongoing efforts to encourage air carriers to clarify their contractual commitments to passengers, the Canadian Transportation Agency has created a "Sample Tariff" to help air carriers provide the clearest possible language in their tariffs. A tariff is the contract of carriage between an air carrier and its passengers. By law all carriers are required to have tariffs and make them available to the public in case of complaints that the tariffs is not being applied or is just or unreasonable.

AIR TRANSPORTATION

Canada

1. Interpretation Note: Canadian Ownership Requirement, May 25, 2011, www.ca-otc.ca
2. Air Canada in line with rule on maintenance centres: court, May 25, 2011, www.globeandmail.ca
3. Air Canada unions join up in pension fight, May 26, 2011, www.globeandmail.ca
4. Air Canada Jazz to Begin Flying Under Air Canada Express Banner, May 31, 2011, www.aircanada.ca
5. International Air Travel Rebounds in April, June 2, 2011, www.iata.org
6. Agency launches new tool to help air carriers provide clear, simplified and understandable tariffs for passengers, June 2, 2011, www.cta-otc.gc.ca
7. Airline Industry 2011 Profit Outlook Slashed to \$4 Billion, June 6, 2011, www.iata.org
8. Unity, Leadership and Innovation, June 6, 2011, www.iata.org
9. WestJet reports May Traffic results, June 6, 2011, www.westjet.ca
10. Air Canada reports May Traffic, June 6, 2011, www.aircanada.ca
11. Air Canada flight attendants calls for coordinator, June 7, 2011, www.globeandmail.ca
12. Air Canada bracing for service agent walkout, June 9, 2011, www.globeandmail.ca
13. Contingency plans in place if strike goes ahead: Air Canada, June 11, 2011, www.globeandmail.ca
14. Fliers face long lineups as Air Canada agents go on strike, June 14, 2011, www.globeandmail.ca
15. Air Canada workers dig in heels despite back-to-work threat, June 15, 2011, www.globeandmail.ca
16. WestJet launches service to Orange County, June 13, 2011, www.westjet.ca
17. Aircraft movement statistics: Small airports [March 2011], June 14, 2011, www.statcan.gc.ca
18. Canada welcomes China Southern Airlines inaugural flight, June 15, 2011, www.tc.gc.ca
19. Air Canada Strike Ends, June 17, 2010, www.joc.com

* The views indicated are those of the authors and not of Industry Canada or the CTRF.

7. Airline Industry 2011 Profit Outlook Slashed to \$4 Billion

The International Air Transport Association (IATA) further downgraded its 2011 airline industry profit forecast to \$4 billion on June 6, 2011. This would be a 54% fall compared with the \$8.6 billion profit forecast in March and a 78% drop compared with the \$18 billion net profit (revised from \$16 billion) recorded in 2010. On expected revenues of \$598 billion, a \$4 billion profit equates to a 0.7% margin. High oil prices, natural disasters and political unrest have been blamed for the revised downward forecasts.

8. Unity, Leadership and Innovation

On June 6, 2011, the International Air Transport Association (IATA) called on the global aviation industry to build a platform for a sustainable future based on renewed leadership, continuous innovation, and a united stand in addressing challenges and finding solutions.

9. WestJet reports May Traffic results

WestJet reported the following traffic results for May 2011: load factor of 74.8; available seat miles of 1.762 billion; and 1.304 billion revenue passenger miles. The first was down 2.9 points, and the second and third were up by 7% and 3.1%.

10. Air Canada reports May Traffic

Air Canada reported the following traffic results for May 2011: load factor of 82.2 system wide; available seat miles of 5,411 billion; and 4,448 billion revenue passenger miles. The first was up by 0.2 points, and the second and third were up by 4.7 and 5%.

11. Air Canada flight attendants calls for coordinator

CUPE representing 6,800 flight attendants said that they are far apart in their negotiations with Air Canada and have called for a coordinator. They claim that their proposals were fair but Air Canada keeps on pushing for unreasonable concessions.

12. Air Canada bracing for service agent walkout

Air Canada faces a looming strike deadline, the Canadian Auto Workers union (representing 3,800 sales and service agents) cautioned consumers to brace for flight delays and cancellations next week.

13. Contingency plans in place if strike goes ahead: Air Canada

Air Canada plans to operate a full flight schedule if a strike begins on June 13, 2011 but the airline is warning travellers to prepare for long lineups at the airport. To minimize this the country's largest carrier is recommending that passengers obtain boarding passes online, show up early at the airport on Tuesday and avoid checking in bags, if possible.

14. Fliers face long lineups as Air Canada agents go on strike

Customer service agents at Air Canada have walked off the job at 11.59 on June 12, 2011 after union negotiators balked at the airline's proposals to revamp pensions. Placing new hires on a defined-contribution plan, effective Jan. 12, 2012 appears to be the straw that broke the camels back. Flights at Billy Bishop Toronto City Airport won't be affected because Air Canada has contracted out its Toronto-Montreal route to non-union counter staff, pilots and flight attendants.

20. Air Canada and CAW Reach Tentative Agreement on New Contract, www.aircanada.ca

21. Direction provided to Air Canada to accommodate travellers disabled by peanut or nut allergies, June 16, 2011, www.cta-otc.gc.ca

22. Air Canada eyes daily flight to India, June 17, 2011, www.theglobeandmail.ca

23. Air Canada Ranked Best International Airline in North America in Global Industry Survey, June 22, 2011, www.aircanada.ca

24. Airbus claims 'biggest order in aviation history', June 22, 2011, www.globeandmail.ca

25. Competition chief opposes Air Canada-UAL venture, June 27, 2011, www.globeandmail.ca

26. Air Canada Responds to Commissioner of Competition's Opposition to Canada-U.S. Transborder Joint Venture, June 27, 2011, www.aircanada.ca

27. Air Canada venture called monopoly, June 27, 2011, www.globeandmail.ca

28. Watchdog impedes Air Canada-United deal, June 27, 2011, www.nationalpost.ca

29. Air Canada Confirms Ratification by CAW Members of Labour Agreement, June 27, 2011, www.aircanada.ca

30. Government of Canada invests in airport safety across the country, June 29, 2011, www.tc.gc.ca

31. Demand Grows in May - Good News on Volumes, But Risks Remain, June 30, 2011, www.iata.org

US / Other

1. 2010 [US] Passenger Airline Employment by Job Category, May 26, 2011, www.dot.gov

2. Global Airline Services Fined for Selling Air Transportation Without DOT Approval, June 1, 2010, www.dot.gov

3. Impact of passenger protection in the event of airline insolvency, June 6, 2011, www.europa.eu

4. Long Tarmac Delays Dramatically Diminished During First Year of DOT's Aviation Consumer Rule, June 7, 2011, www.dot.gov

15. Air Canada workers dig in heels despite back-to-work threat

The CAW representing Air Canada workers said it is not changing its position regarding the pension issue. The Conservative government is threatening to legislate an end to the Air Canada strike if union negotiators and airline

management can't reach a deal. Ottawa is also encouraging both sides to send their dispute over pensions to an arbitrator.

16. WestJet launches service to Orange County

On June 13, 2011, Westjet launches new non-stop service between Calgary and Orange County-Anaheim, California.

17. Aircraft movement statistics: Small airports [March 2011]

The number of take-offs and landings at the 130 airports without air traffic control towers reached 50,194 movements in March 2011. Of the 125 airports (for which comparisons were possible) increases were reported by 52 of these airports.

18. Canada welcomes China Southern Airlines inaugural flight

Federal and provincial officials together with the Vancouver airport authority officials on June 15, 2011 welcomed the inaugural China Southern Airlines flight between Guangzhou, China, and Vancouver. The China Southern Airlines service will run three times weekly between Vancouver and Guangzhou, the capital of China's most populous province, Guangdong. This is Canada's first and only non-stop flight to Guangzhou.

19. Air Canada Strike Ends

Air Canada and the Canadian Auto Workers reached a tentative agreement on June 16, 2010, just hours after the federal government introduced back-to-work legislation. The new four-year agreement provides for an increase in wages and "significant workplace changes — quality-of-life issues. Postponed was the decision on the most fundamental dispute issue of the negotiations: the airline's insistence on future employees taking lower wages, fewer holidays and, above all, a lesser pension plan than existing employees have.

5. BTS Releases 2010 Airline Fee Data; Airlines Collected Almost \$5.7 Billion from Fees [Baggage and Reservation Change] in 2010, June 13, 2011, www.dot.gov

6. March 2011 Airline System Traffic Up 2.2 Percent from March 2010, June 16, 2011, www.dot.gov

7. April 2011 US Passenger Airline Employment Rose 2.0 Percent from April 2010, June 21, 2011, www.dot.gov

8. China Airlines Fined for Violating DOT Price Advertising Rules, June 21, 2011, www.dot.gov

9. Airline Financial Data for 4th Quarter 2010, June 28, 2011, www.bts.gov

20. Air Canada and CAW Reach Tentative Agreement on New Contract

On June 16, 2011, Air Canada and the Canadian Auto Workers union (CAW) reached an agreement which ends a three-day walkout of the airline's call centre and airport check-in and gate agents in Canada. The issue of pension arrangements will be referred to binding arbitration for resolution.

21. Direction provided to Air Canada to accommodate travellers disabled by peanut or nut allergies

The Canadian Transportation Agency issued its final decision on addressing Air Canada's accommodation of passengers disabled by an allergy to peanuts or nuts, and setting out its assessment of Air Canada's undue hardship arguments. In its January 2010 decision, the Agency found that buffer zones are the appropriate accommodation for persons aboard aircraft who are disabled due to their allergy to peanuts or nuts. In its October 2010 decision, the Agency provided further direction to Air Canada on how to accommodate travellers with a disability due to peanut or nut allergies. Air Canada filed undue hardship arguments with respect to the requirement to serve only peanut and nut-free foods within the buffer zone due to cross-contamination. The Agency agrees that passengers suffering from peanut allergies may prefer to bring its own meals but finds that Air Canada did not meet its burden of proof to demonstrate it will create undue hardship on Air Canada. Maintaining its requirement of buffer zone, direction to passengers in the buffer zone and absence of visible peanut or nuts in its snacks. Air Canada is now also required to implement new measures set out within 30 days from the date of this Decision. Air Canada will address situations where passengers in the buffer zone refuse to comply by moving them or the person suffering from allergies.

22. Air Canada eyes daily flight to India

Air Canada is considering daily flights to India. The two obstacles are: first a shortage of planes ("China is using up all our fleet!") and second, a fear that demand won't be consistent enough through the year to make the routes (likely non-stop to Toronto from Delhi and Mumbai) viable.

23. Air Canada Ranked Best International Airline in North America in Global Industry Survey

Air Canada has been ranked 'Best International Airline in North America' in a worldwide survey of 18.8 million air travelers as announced at the Skytrax World Airline Awards at the Paris Air Show.

24. Airbus claims 'biggest order in aviation history'

Airbus says it has won the biggest order in aviation history as a result of the Indian low-cost carrier IndiGo order of

180 aircraft, including 150 of its new A320neo fuel saving jets.

25. Competition chief opposes Air Canada-UAL venture

Canada's competition commissioner is opposing Air Canada's joint venture with United Continental Holdings Inc. to co-ordinate scheduling, sales and pricing on transborder routes between Canada and the United States. If the joint venture is allowed, it will monopolize 10 important Canada/United States routes, and substantially reduce competition on nine additional routes, leading to increased prices and reduced consumer choice on key transborder routes.

26. Air Canada Responds to Commissioner of Competition's Opposition to Canada-U.S. Transborder Joint Venture

Canada's Commissioner of Competition filed a Notice of Application with the Competition Tribunal opposing a proposed Canada-U.S. transborder joint venture by Air Canada and United Continental Holdings, Inc. (UCH). Air Canada strongly disagrees with the Commissioner's position. Air Canada and United Continental Holdings believe in the merits and consumer benefits of the proposed transborder joint venture and enhanced cooperation between the parties that builds on the existing relationship between Air Canada and United. It has indicated several reasons why it believes the joint venture should be allowed. Pending further developments, Air Canada and UCH have agreed to suspend the proposed transborder joint venture.

27. Air Canada venture called monopoly

The Competition Commissioner is attempting to thwart Air Canada's joint venture warning that it creates a monopoly that will raise prices. It says that the joint venture is "effectively a merger" of the carriers' Canada-U.S. operations. It reduces choices and leads to price increase as occurred with similar partnerships in the United States. In addition, high barriers to entry in the airline industry will likely keep any other carriers from flying the routes targeted in the joint venture, Ms Aitken argues. "There are so many factors," she said. "They have airport access, they have scale, they control the major hubs, which makes it difficult for others to compete. And of course the frequent-flier miles we all love and corporate discounts provide incentives for customers to stick with the dominant carriers – it's just not likely anyone else can come in." The airlines didn't notify the Competition Bureau prior to striking the deal.

28. Watchdog impedes Air Canada-United deal

The Canadian competition Commissioner is aiming to block a proposed joint venture between Air Canada and United Continental Holdings Inc. She will also be testing for the first time new powers granted to her office last year to unwind portions of Air Canada's existing agreements with United Continental. The amendment to the Competition Act under which she is challenging the Air Canada/United Continental agreement was enacted in March 2010. It allows her to argue cases of alleged anti-competitive behavior before the Competition Tribunal, by decriminalizing agreements among businesses that possibly lessened competition, but fall well short of "hard-core cartel" activities. She will argue that, if fully enacted, the deal would be anti-competitive by allowing the carriers to fix fares, collaborate on scheduling, and share revenue. The airlines argue that the venture will increase efficiency and lower prices. Air Canada also noted that transborder relationships between the airlines had been reviewed and were granted immunity from U.S. anti-trust laws on the basis that "they promote competition and benefit consumers."

29. Air Canada Confirms Ratification by CAW Members of Labour Agreement

Air Canada said on June 27, 2011 that it has received confirmation from the Canadian Auto Workers (CAW) union that the airline's approximately 3,800 call centre and airport customer service agents in Canada have ratified a new collective agreement. The agreement has also been approved by the Air Canada board of directors. The four year agreement is in effect until February 28, 2015.

30. Government of Canada invests in airport safety across the country

In 2011, the Government of Canada is investing more than \$20.9 million for 27 projects at 23 airports. Improvements include replacing snowblowers and runway sweepers; purchasing runway de-icing and fire-fighting equipment; and rehabilitating runway pavements. To date, through the Airports Capital Assistance Program (ACAP), the Government of Canada has invested a total of \$556 million for 678 projects at 171 airports.

31. Demand Grows in May - Good News on Volumes, But Risks Remain

The International Air Transport Association (IATA) announced traffic results for May 2011 which showed a 6.8% increase in passenger traffic over May 2010. This is 4% higher than the beginning of the year. Freight traffic showed a drop of 4% against the post-recession peak of the re-stocking cycle in May 2010.

WATER TRANSPORTATION

1. Cumulative container statistics January to April 2011

Total container traffic at the Port of Montreal increased by 3.2% for the period January to April 2011 i.e. 445,047 TEU from 431,258 TEU. Inbound increased by 4.7% and outbound by 1.8%.

2. West Coast Port Container Volume Up 7 Percent

Container volume moving through US West Coast ports increased 7 percent in April 2011 compared to April 2010, with export growth outpacing import growth.

3. GSF rejects any attempt to impose bunker levy charges on shippers

On June 2, 2011, the Global Shippers' Forum (GSF) has announced that it will oppose any steps by the global shipping industry to impose a bunker levy on shippers as the means of raising money to fund an environmental compensation scheme to reduce carbon emissions.

4. New investment in Super Post-Panamax cranes inked at the Port of Halifax

Macquarie Infrastructure Partners, the owner of Halterm Container Terminal Limited, will invest in two additional Super post-panamax cranes (SPPX) at the Port of Halifax. In 2012, the Port of Halifax will feature four SPPX container berths equipped with seven SPPX cranes following the addition of these new cranes. The port can handle vessels of any size and existing capacity can accommodate three times the current container volume.

5. Monthly Traffic Summary-Prince Rupert Port Authority-Containerized Cargo Summary [May 2011]

Containerized traffic at the Port of Prince Rupert declined by 8.3% in May 2011 compared to May 2010. Total TEUs were 117,405.8. Imports declined 7% and exports declined 10.1% in May 2011.

6. Agency finds good level of accessibility at Marine Atlantic

In the Monitoring and Compliance Report Summary released in May 2011, the Canadian Transportation Agency found a good level of accessibility for persons with disabilities at Marine Atlantic's Port aux Basques and North Sydney ferry terminals. Examples of features are drop-off and pick-up areas at the curb and close to entrances and exits, etc.

7. Work starts on the La Tabatière wharf

On June 8, 2011, Canada's Minister of Transport, Infrastructure and Communities, the Honourable Denis Lebel, announced the award of a contract for nearly \$8 million for reconstruction of berth No. 1 at the La Tabatière wharf, which had been damaged in a winter storm. The award of this contract marks the final stage of this project, totalling over \$10 million.

WATER TRANSPORTATION

Canada

1. Cumulative container statistics January to April 2011, May 31, 2011, www.portofmontreal.ca
2. West Coast Port Container Volume Up 7 Percent, June 1, 2011, www.joc.com
3. GSF rejects any attempt to impose bunker levy charges on shippers, June 2, 2011, www.cfl.ca
4. New investment in Super Post-Panamax cranes inked at the Port of Halifax, June 7, 2011, www.portofhalifax.ca
5. Monthly Traffic Summary - Prince Rupert Port Authority- Containerized Cargo Summary [May 2011], June 7, 2011, www.rupertport.com
6. Agency finds good level of accessibility at Marine Atlantic, June 8, 2011, www.cta-otc.gc.ca
7. Work starts on the La Tabatière wharf, June 8, 2011, www.tc.gc.ca
8. Fednav brings first of three green ships to Great Lakes, June 9, 2011, www.cfl.ca
9. Seaway Season Opens With Traffic Boost, June 14, 2011, www.joc.com
10. Port of Metro Vancouver Accumulated Container Traffic Report YTD May 2011, June 15, 2011, www.portcancouver.ca
11. Government of Canada donates marine simulators to Newfoundland and Labrador, June 17, 2011, www.tc.gc.ca
12. Canadian Port Improves cargo route to North America, June 21, 2011, www.portofhalifax.ca
13. Cumulative container statistics January to May 2011, June 28, 2011, www.portofmontreal.ca
14. Domestic and international shipping, June 29, 2011, www.statcan.gc.ca

US / Other

1. Better Service in the Baltic thanks to EU co-funded project, June 15, 2011, www.europa.eu
2. US Import Growth Slowed to 5.9 percent in May, June 27, 2011, www.joc.com
3. Panamax Ships to Face Growing Competition, Report Says, June 28, 2011, www.joc.com

8. Fednav brings first of three green ships to Great Lakes

Fednav Group has invested in three new state-of-the-art vessels to trade on the Great Lakes-Seaway System. These ships are: 12% more fuel efficient than Fednav's previous class of ships; they are equipped with Tier II engines, which reduce nitrogen oxide (NO_x) emissions; and they incorporate more powerful ballast pumps and enough space to enable the installation of ballast water treatment equipment. Fednav Group is the largest ocean-going user of the St. Lawrence Seaway, with an average of 100 trips each year.

9. Seaway Season Opens With Traffic Boost

The St. Lawrence Seaway opened this spring with volume 7.6 million metric tonnes up 3.7 percent in the first two months of the 2011 season compared with the same months in 2010.

10. Port of Metro Vancouver Accumulated Container Traffic Report YTD May 2011

Total container traffic at the Port of Metro Vancouver increased 7% to 529,283 TEUs from January to May 2011. Both outbound and inbound traffic increased by the same amount 7%.

11. Government of Canada donates marine simulators to Newfoundland and Labrador

On June 17, 2011 government officials announced the Government of Canada has transferred two marine training simulators to the Province of Newfoundland and Labrador, along with federal funding of \$1,233,253 for the province to modernize the simulators.

12. Canadian Port Improves cargo route to North America

Traders says that Halifax port with its efficient service and infrastructure has helped cut time and cost of cargo from Viet Nam to North America. It is as efficient as the largest US Ports and an alternative to enter the North American market. A group of carriers including Grand Service Alliance, CKYH and MOL in 2010 organized a direct service from Viet Nam to Halifax.

13. Cumulative container statistics January to May 2011

Total container traffic at the Port of Montreal increased by 2.2% for the period January to May 2011 i.e. from 546,228 TEU to 552,140 TEU. Inbound increased by 2.7% and outbound by 1.7%.

14. Domestic and international shipping

Data on domestic and international shipping are now available for January to June 2010 from Statistics Canada.

RAIL TRANSPORTATION

1. CN earns 2010 TRANSCAER® National Achievement Award

CN was awarded the prestigious TRANSCAER® (Transportation Community Awareness and Emergency Response) National Achievement Award at a ceremony yesterday in St. Louis, Mo. CN received the prize for the second straight year in recognition of its commitment to helping communities prepare for and respond to potential transportation incidents involving hazardous materials.

2. UP, BNSF Sued for Price-Fixing

Coal and coke mining firm Oxbow Corp. is suing the two largest U.S. railroads, Union Pacific Railroad and BNSF Railway, alleging they engaged in monopoly behavior and price-fixing in violation of antitrust laws "to gouge customers with high rates." The carriers rejected the allegations and indicated that they would fight the suit.

3. Improving trackside safety means safer communities

"Ignoring signage at railway crossings and trespassing on railway property creates significant unnecessary personal risks, often resulting in fatalities and personal injuries." To ensue safety, on June 9, 2011, Canadian Pacific Police Service officers will conduct safety and enforcement blitzes and accompany local law enforcement aboard freight trains, International Level Crossing Awareness Day.

4. Canadian Pacific latest major tenant at Global Transportation Hub

Canadian Pacific and other public officials officially unveiled the future home of CP's Intermodal Facility at the Global Transportation Hub (GTH). The new facility will be located on a 124-hectare (about 300 acres) site adjacent to CP's main line between Regina and Moose Jaw. Initial construction is expected to start this summer with completion scheduled for late 2012.

5. CN to start construction of C\$150-million Calgary Logistics Park in summer 2011

CN announced on June 14, 2011 that construction of its new 680 acre Calgary Logistics Park (Conrich), an investment of approximately C\$200 million, will start this summer with target completion by year-end 2012.

RAIL TRANSPORTATION

Canada

1. CN earns 2010 TRANSCAER® National Achievement Award, May 25, 2011, www.cn.ca
2. UP, BNSF Sued for Price-Fixing, June 8, 2011, www.joc.com
3. Improving trackside safety means safer communities, June 8, 2011, www.cp.ca
4. Canadian Pacific latest major tenant at Global Transportation Hub, June 10, 2011, www.cpr.ca
5. CN to start construction of C\$150-million Calgary Logistics Park in summer 2011, June 14, 2011, www.cn.ca
6. Survey of Passenger Service with Rail Service, June 15, 2011, www.euroopa.eu
7. CN to sell assets of IC RailMarine Terminal for US\$73 million and enter into related 10-year coal transportation, June 16, 2011, www.cn.ca
8. President and CEO Claude Mongeau says CN's Alberta short-line rail acquisitions, upgrades total C\$400 million, June 16, 2011, www.cn.ca
9. Rockefeller Presses STB for Rail Reform, June 22, 2011, www.joc.com
10. Fuel Management Excellence (FMX) program reducing fuel consumption with new technologies, analytical tools, June 22, 2011, www.cn.ca
11. Railway car loadings [April 2011], June 29, 2011, www.statcan.gc.ca

US / Other

1. Evaluation of Regulation 881/2004 establishing the European Regulation

6. Survey of Passenger Service with Rail Service [Europe]

A survey of rail service was reported by the EC Transport Commission. The survey indicated that roughly 8 in 10 rail passengers were *rather* or *very satisfied* with the **ease of buying tickets** in train stations in their country. About three-quarters of rail passengers expressed their satisfaction with the **provision of information about train schedules and platforms**; a similar result was found for rail passengers' satisfaction with their **personal security**

Agency, May 25, 2011, www.europa.eu
2. [US] Intermodal Container Volume Hits 2011 High, May 26, 2011, www.joc.com
3. Issue No. 22 of Signal, the newsletter of ERTMS, June 28, 2011, www.europa.eu

in stations (77% "satisfied" passengers). Roughly 4 in 10 rail passengers were very or rather satisfied with car parking facilities in or near stations in their country; the proportion of respondents who were very or rather dissatisfied with this feature, however, was almost as high (37%). A third of respondents were very or rather dissatisfied with the quality of facilities and services (e.g. toilets, shops and cafes) in train stations in their country and a somewhat larger proportion of passengers (36%) were dissatisfied with the cleanliness and maintenance of station facilities.

7. CN to sell assets of IC RailMarine Terminal for US\$73 million and enter into related 10-year coal transportation

CN announced on June 16, 2011 a definitive agreement to sell substantially all of the assets of IC RailMarine Terminal Company (ICRMT) in New Orleans to Raven Energy, LLC, an affiliate of Foresight Energy, LLC ("Foresight") and the Cline Group ("Cline"), for US\$73 million. Upon closing of this transaction, CN would enter a 10-year rail transportation agreement with Savatran LLC, another affiliate of Foresight and Cline, to haul coal from four Illinois mines to the Convent transfer facility. Under the agreement, Savatran would ship a minimum annual volume of coal via CN.

8. President and CEO Claude Mongeau says CN's Alberta short-line rail acquisitions, upgrades total C\$400 million

Claude Mongeau, president and chief executive officer of CN, said on June 16, 2011 the company will have invested almost C\$400 million to buy and rehabilitate four short-line railways serving resource-rich regions of northern Alberta by year-end 2011. CN paid a total of C\$76 million in 2006 and 2007 to buy the Mackenzie Northern Railway (MKNR), Lakeland & Waterways Railway (LWR), Savage Alberta Railway, Inc., (SAR), and the Athabasca Northern Railway (ANY). Between 2006 and 2010, CN spent C\$260 million to upgrade the infrastructure of these lines.

9. Rockefeller Presses STB for Rail Reform

Sen. Jay Rockefeller told the Surface Transportation Board he doesn't expect rail reform legislation in the near future, and urged regulators to take action on their own to make rail competition rules more shipper-friendly. The Bill passed by the Commerce, Science and Transportation Committee to overhaul rail regulations in December 2009 died with the last Congress. The rail bill was re-introduced in 2011 but because of the legislative gridlock it is unlikely that changes will be introduced this year.

10. Fuel Management Excellence (FMX) program reducing fuel consumption with new technologies, analytical tools

CN is deriving clear gains from its Fuel Management Excellence (FMX) program, which drives both fuel efficiency and environmental benefits. The Fuel Management Program includes: The acquisition of new fuel-efficient locomotives; Installation of Wi-Tronix telemetry systems on high-horsepower locomotives; Trip Optimizer technology from GE Transportation; Installation of Auto Engine Start Stop (AESS) technology, which automatically shuts down an idle diesel engine; and Training of train crews and rail traffic controllers.

11. Railway car loadings [April 2011]

Combined loadings of rail freight traffic originating in Canada and received from the United States rose to 26.7 million tonnes in April 2011, up 8.4% from April 2010. Intermodal loadings of containers and trailers loaded on flat cars rose 1.3% to 2.3 million tonnes in April 2011 from the same month a year ago. Internationally, rail freight traffic received from the United States (either destined for or passing through Canada) rose to 2.8 million tonnes, up 22.5% compared with April 2010.

HIGHWAY TRANSPORTATION

1. TransForce appoints five vice-presidents so CEO can focus on expansion

TransForce has shaken up its corporate structure with the appointment of five executive vice-presidents. The move was made on the recommendation of chairman, president and CEO Alain Bedard, who said it will help him in dealing with the development and growth strategy of the company.

2. March 2011 Surface Trade with Canada and Mexico Topped \$80 Billion for First Time on Record

According to the US Bureau of Transport Statistics, trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners Canada and Mexico was 15.6 percent higher in March 2011 than in March 2010, reaching \$80.8 billion. The increase was down when compared to the increase of 2009-2010 of 37%. The statistics did show an increase above the February 2011 increase of 11.8%. U.S.–Canada surface transportation trade totalled \$48.7 billion in March 2011, up 15.7 percent compared to March 2010.

3. Buckled-up better: New study shows more parents are using child and booster seats properly

New survey results show that the appropriate use of child and booster seats is on the rise in Canada. However, the survey also reveals that some parents and caregivers do not restrain their children at all, or are not using child seats correctly. Parents are reminded to: use the appropriate car seat for their kids when travelling in a vehicle; learn when it is appropriate to move children from a rear-facing seat to a forward-facing seat; be aware that it is safer to keep children in a rear-facing car seat as long as they don't exceed the height and weight recommendations for that seat, because this allows them to become strong enough to better resist injury during a collision; and read the owner's manual to ensure children fit properly within the recommended weight and height range for a specific car seat.

4. Ontario Environment Commissioner's Report Contains Mixed Bag for Truckers

The annual greenhouse gas progress report was issued on May 31, 2011 by Ontario's environmental commissioner. It calls for the need to expand the province gas emission program and to have specific reduction targets for individual sectors of the economy. Concern to the trucking industry were: road pricing system, via either a cap and trade system or a carbon tax. Cash grab to pay for more spending on transit or non-starters like high speed rail are questionable. A couple of suggestions made by the commissioner that are of particular interest to OTA are: incentives for the purchase of fuel efficient vehicles; and the mandatory activation of speed limiters (a law already in force in Ontario). The OTA opposes road pricing, but supports calls for incentives and speed limiter compliance.

5. Mullen closes acquisition of Hi-Way 9

On June 3, 2011, Mullen Group has closed the previously announced acquisition of Hi-Way 9 Express, Load-Way, Streamline Logistics, and 1006213 Alberta Ltd. in a cash and shares transaction effective June 1, 2011.

6. Canadian Trucking Alliance Focuses on Short, Do-able List for Talks with Americans in Submission to Canadian Negotiators on Regulatory Cooperation

HIGHWAY TRANSPORTATION

Canada

1. TransForce appoints five vice-presidents so CEO can focus on expansion, May 25, 2011, www.ctl.ca
2. March 2011 Surface Trade with Canada and Mexico Topped \$80 Billion for First Time on Record, May 31, 2011, www.dot.gov
3. Buckled-up better: New study shows more parents are using child and booster seats properly, June 1, 2011, www.tc.gc.ca
4. Ontario Environment Commissioner's Report Contains Mixed Bag for Truckers, June 2, 2011, www.ontruck.org
5. Mullen closes acquisition of Hi-Way 9, June 3, 2011, www.ctl.ca
6. Canadian Trucking Alliance Focuses on Short, Do-able List for Talks with Americans in Submission to Canadian Negotiators on Regulatory Cooperation, June 3, 2011, www.ontruck.org
7. Trimac buys BC liquid chemical hauler, June 8, 2011, www.todaystrucking.com
8. McGuinty Government To Regulate Non-Emergency Medical Transfer Services, June 10, 2011, www.mto.gov.on.ca
9. At All Costs: Canadian trucking getting expensive, June 10, 2011, www.todaystrucking.ca
10. Tunnel boring for Toronto-York Spadina subway extension begins, June 17, 2011, www.tc.gc.ca
11. Making transit more accessible for everyone, June 17, 2011, www.tc.gc.ca
12. Travel between Canada and other countries, June 17, 2011, www.statcan.gc.ca
13. FedEx Annual Revenue Rises to \$39.3 Billion, June 22, 2011, www.joc.com
14. Large urban transit, June 23, 2011, www.statcan.gc.ca
15. TransForce finalizes DHL deal, June 28, 2011, www.ctl.ca
16. McGuinty Government Saving RV Owners Time And Money, June 27, 2011, www.mto.gov.on
17. April 2011 Surface Trade with Canada and Mexico Rose 12.1 Percent from April 2010, May 29, 2011, www.dot.gov

CTA has brought forward three priority issues to the Canadian section of the RCC (Canada–US Regulatory Cooperation Council) to remove costly regulatory barriers to the efficient movement of goods. 1. Streamline the process for moving “in-transit” goods. The US treats it as international shipments which basically shuts down in-transit movements; 2. Provide the trucking industry on both sides of the border with greater flexibility to re-position foreign empty trailers using foreign drivers - which is not permitted; and 3. Cooperate on the establishment of a North American standard for proven fuel saving devices - a “boat-tail” device - which saves fuel approved by the Environmental Protection Agency. The removal of these regulatory barriers would improve efficiency and reduce cost.

<p>7. Trimac buys BC liquid chemical hauler Western bulk hauling Trimac Transportation has acquired Benson Tank Lines' assets and business for \$4 million. The latter is a 35-truck, 60-trailer family fleet that transports liquid chemicals primarily out of the greater Vancouver area, Washington State and Alberta. Its lanes extend to Saskatchewan, Oregon, Idaho, Montana, California as well.</p> <p>8. McGuinty Government To Regulate Non-Emergency Medical Transfer Services [NEMTS] The Ontario government plans to introduce legislation that would, if passed, regulate the industry [NEMTS] by setting core standards and requirements on transporting passengers between health care facilities in non-emergency situations.</p> <p>9. At All Costs: Canadian trucking getting expensive According to the Canadian Trucking Alliance note to truckers, the operating costs of running a truck are going up. Labour is the most important component accounting for 45-70% of most carriers fleet cost and wage costs are expected to rise. Next is diesel cost for most carriers and independent operators, this cost has gone up by 40 percent last year. Equipment and parts is the next important cost category and components of it are on the rise. The maintenance cost category the next component has also gone up last year by 15 percent.</p> <p>10. Tunnel boring for Toronto-York Spadina subway extension begins Government and TTC officials participated in the Tunnel boring ceremony for the beginning of the Toronto-York Spadina (TYSSE) subway extension. It is a 8.6-kilometre extension of the Toronto Transit Commission's subway line from its present terminus at Downsview Station to the Vaughan Metropolitan Centre at Highway 7. It will have six new stations, including one at York University. The expansion of the subway will bring the line into York Region, the fastest-growing region in the Greater Toronto Area (GTA) over the past 10 years.</p>	<p>18. Freight costs increasing for Canadian shippers, CGFI indicates, June 29, 2011, www.ctl.ca</p> <p>US / Other</p> <p>1. BTS Issues Transportation Statistics Annual Report, June 3, 2011, www.dot.gov</p> <p>2. US logistics industry's slow economic comeback continues in spite of challenges, June 15, 2011, www.ctl.ca</p> <p>3. Transportation Secretary LaHood Announces up to \$175 Million in 'Livability' Grants to Increase and Improve Transportation Options for Urban, Suburban and Rural Communities, June 16, 2011, www.dot.gov</p> <p>4. U.S. North American Trans-shipment Data, June 17, 2011, www.dot.gov</p> <p>5. Key [US] Transportation Indicators: National Highway Construction Cost Index Added, May 24, 2011, www.dot.gov</p> <p>6. U.S. Transportation Secretary LaHood Announces \$1.58 Billion for 27 Major Transit Projects Across America, June 27, 2011, www.dot.gov</p> <p>7. Ten-T: Commission makes available E180 million available for key infrastructure projects, June 30, 2011, www.europa.eu</p>
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The TYSSE project is targeted for completion in late 2015. The total estimated cost for the project is \$2.6 billion to be financed by the Federal (\$697m) and provincial (\$870m) governments, City of Toronto (\$526m) and Regional Municipality of York (\$352m).

11. Making transit more accessible for everyone

Construction is now underway on a new accessible elevator on the west side of the Scott Road Station in Vancouver. The \$5.1 million project will make transit more accessible.

12. Travel between Canada and other countries

Travel by Canadian residents abroad rose 4.0% from March 2011 to 5.0 million trips in April 2011. For the above period, Canadian trips to the US increased 4.2% and to other countries increased 3.1%; and travel to Canada increased 0.8% with trips from the US and other countries increasing by 0.6% and 1.9%. The largest percentage increase in travellers to Canada were from Japan, South Korea and Switzerland though the largest number of travellers were from UK followed by France.

13. FedEx Annual Revenue Rises to \$39.3 Billion

FedEx increased revenue 12 percent in the first quarter and 13 percent in the fiscal year that ended May 31, reporting total annual revenue of \$39.3 billion. FedEx's Ground U.S. package operation was the fastest growing division of FedEx, increasing revenue 15 percent to \$2.3 billion.

14. Large urban transit (April 2011 - Preliminary)

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit properties (80% of total urban) rose 4.4% from April 2010 to \$233.5 million in April 2011. Ridership levels rose to 128.9 million passenger trips in April, a 5.7% increase from the same month a year earlier.

15. TransForce finalizes DHL deal

TransForce has announced it has finalized the deal to take over DHL Express Canada's domestic operations and run it as a new subsidiary. Loomis Express and DHL Express Canada will operate as two separate companies, providing an integrated domestic and international suite of services, the companies announced. The former will expand domestic operations and the latter international.

16. McGuinty Government Saving RV Owners Time And Money

Starting July 1, drivers can tow recreational vehicles (RVs) if they have a full class 'G' licence. This will make it easier for Ontarians to travel this summer and save RV owners about \$200 in initial licence costs. Until now, Ontario drivers have needed a class 'A' licence to tow RVs that weigh more than 4,600 kg. With this change, Ontarians can tow and operate RVs with a full class 'G' licence as long as certain conditions are met.

17. April 2011 Surface Trade with Canada and Mexico Rose 12.1 Percent from April 2010

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners Canada and Mexico was 12.1 percent higher in April 2011 than in April 2010, reaching \$73.8 billion, according to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation. U.S.-Canada surface transportation trade increased when compared to April 2010 totalling \$44.6 billion, an 11.8 percent increase. Michigan continued to lead all US states in surface trade with Canada at \$5.8 billion, up 6.6 percent from April 2010. The top three commodities imported from Canada by all land modes in April were mineral fuels, oils, and waxes; vehicles; and computer-related machinery and parts, totalling \$12 billion.

18. Freight costs increasing for Canadian shippers, CGFI indicates

Results published on June 29, 2011 by the Canadian General Freight Index (CGFI) indicate that the cost of ground transportation for Canadian shippers increased notably in April 2011 when compared to March 2011 due to increases in both Base Rates and Fuel Surcharges assessed by carriers.

OTHER TRANSPORTATION

1. Nations Urged to Avoid Trade Protectionism

The International Chamber of Commerce is urging G20 leaders to push for conclusion of the Doha Round of trade talks. The new report shows major nations are violating pledges to restrict protectionism. The WTO listed 30 new export restrictions by G20 members between October 2010 and April 2011. The total was a record for any previously reported six-month period. The secretary general said "This worrying trend undermines policies for economic recovery and job creation, at a time when the world economy remains at risk."

2. Federal Budget Reaffirms Commitment to \$48 million to Environment Fund

The budget introduced on June 6, 2011 reaffirmed commitment of \$48 million to develop transport sector regulations and next generation clean transport initiatives. The announcement was good news for the trucking industry according to the Canadian Trucking alliance but there was no change from the pre-election budget.

3. Canadian economy poised for 'respectable' growth

According to an RBC economist strong demand for commodities and a rebound in the automotive sector is expected to spur economic growth in

OTHER TRANSPORTATION

Canada

1. Nations Urged to Avoid Trade Protectionism, June 1, 2011, www.ioc.com

2. Federal Budget Reaffirms Commitment to \$48 million to Environment Fund, June 6, 2011, www.ontruck.org

3. Canadian economy poised for 'respectable' growth, June 9, 2011, www.todaystrucking.com

4. Tourism satellite account: Human resource module, June 9, 2011, www.statcan.gc.ca

5. PMAC and SCL form a new strategic partnership, June 10, 2011, www.ctl.ca

6. Expert Disputes Renewable Fuels Industry Claim that Ethanol, Biodiesel Lead to Lower Prices for Consumers, June 13, 2011, www.cantruck.ca

7. Port Metro Vancouver Launches First Sustainability Report: "The Way

Canada by 3.2 percent this year.

4. Tourism satellite account: Human resource module [2010]

Tourism industries accounted for 1.6 million jobs in 2010. This represented 9.2% of the 17.4 million jobs in Canada. Jobs in tourism and in the total economy rebounded in 2010, following declines in 2009. Air transportation one of the five groups in the tourism industry saw a 2.7% increase in terms of job growth in 2010.

Forward”, June 23, 2011,
www.portmetrovancover.com

US / Other

1. Better Economic Regulation: The Role of the Regulator. Round Table 150,
www.cemt.org

5. PMAC and SCL form a new strategic partnership

The Purchasing Management Association of Canada (PMAC) and the Supply Chain & Logistics Association Canada (SCL) have signed a Memorandum of Understanding (MOU) to work collaboratively in areas of supply chain management (SCM) such as: research, public policy and increasing awareness of the benefits that strategic SCM provides to the Canadian economy.

6. Expert Disputes Renewable Fuels Industry Claim that Ethanol, Biodiesel Lead to Lower Prices for Consumers

A Canadian petroleum pricing expert disputes claims made by the Canadian renewable fuels industry that gasoline consumers would be paying dramatically higher amounts at the pumps if it were not for the ethanol mandate that came into force last year and that the same would hold true for diesel fuel consumers if the federal government proceeds with a proposed biodiesel mandate on July 1, 2011. Therefore the Canadian Trucking Alliance is calling on the federal industry minister to ensure that a parliamentary committee on fuel prices reviews the situation.

7. Port Metro Vancouver Launches First Sustainability Report: “The Way Forward”

Port Metro Vancouver has released its first annual Sustainability Report, “The Way Forward.” The report highlights key social, financial and environmental achievements and milestones. Some key accomplishments highlighted in the report are: 2010 was the first full year of shore power for cruise ships at Canada Place; the Port contributed \$311,000 to community events; the Port’s air emissions reduction program earned the ecoFREIGHT Sustainable Transportation; and Metro Vancouver became the first port authority in Canada to issue a rated, private placement bond, supported by a Standard & Poor’s AA credit rating.

Publications

1. Port of Vancouver Newsletter, May 26, 2011,
www.portmetrovancover.com