

Transportation Information Update*

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September 2011 No. 85

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AIR TRANSPORTATION

1. Passenger Traffic Gets a Boost - Freight Continues to Stagnate

The International Air Transport Association (IATA) announced traffic results for July 2011 which showed that total (domestic + international) passenger travel was up 5.9% over July 2010. International traffic was up by 7.3% and domestic was up by 3.5%. Load factors for the total market for July 2011 have improved by half a percentage point over July 2010 to 83.1%. Freight markets were stagnating with a 0.4% demand decline over previous year levels.

2. Air Canada adding baggage fees to U.S.-bound flights

Air Canada is going to start charging passengers a fee to check even one bag when they fly economy class to the United States beginning October 11, 2011. It plans to charge \$25 on the first bag and \$35 on the second bag (an increase of \$5). WestJet does not charge anything for the first bag and \$20 for the second bag. Porter Airlines only charges \$20 for the second bag to the United States. Air Canada said that it planned to further trim costs and raise fares to offset higher fuel prices.

3. Government of Canada Designates Sunwing to serve Aruba and the Bahamas

On September 2, 2011, the Minister of Transport, Infrastructure and Communities, announced the designation of Sunwing Airlines to operate scheduled international air services between Canada and Aruba, and Canada and the Bahamas, providing travellers with direct flight choices between Canada and these two Caribbean markets.

4. WestJet reports August traffic results

WestJet reported its August 2011 results on September 6, 2011. Its load factor, available seat miles and revenue passenger per mile were: 83.3, 1.858 billion and 1.548 billion. This represents increases of 1.1 points, 6.2% and 7.7%, respectively. WestJet President and CEO said "We are pleased with the improved August load factor and forward bookings look healthy as our capacity increases continues to be absorbed by the market."

5. WestJet planes had fewer empty seats in August

Given WestJet's favourable results for August 2011, National Bank analyst Cameron Doerksen maintained an outperform rating on the airline with a target price of \$19 per share. He wrote to clients "Since the company should have reasonable visibility into September bookings, we believe that this positive outlook bodes well for the full quarter load factor."

6. Air Canada Reports August Traffic

Air Canada reported its August 2011 results on September 6, 2011. Its system-wide load factor, available seat miles and revenue passenger per mile were: 87.8%, 6473 billion and 5685 billion. This represents increases of 1.1 points, 2.2% and 3.5% over the same month a year earlier, respectively. Calin Rovinescu, President and CEO said "I am pleased to report a record load factor for the month of August of 87.8 per

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

Air Transportation

Canada

1. Passenger Traffic Gets a Boost - Freight Continues to Stagnate, September 1, 2011, www.iata.org
2. Air Canada adding baggage fees to U.S.-bound flights, September 2, 2011, www.globeandmail.ca
3. Government of Canada Designates Sunwing to serve Aruba and the Bahamas, September 2, 2011, www.tc.gc.ca
4. WestJet reports August traffic results, Sept. 6, 2011, www.westjet.ca
5. WestJet planes had fewer empty seats in August, September 6, 2011, www.globeandmail.ca
6. Air Canada Reports August Traffic, September 6, 2011, www.aircanada.ca
7. Transport Canada Reinstates Mississippi Airways' Air Operator Certificate, September 3, 2011, www.tc.gc.ca
8. Air Cargo Market Losing Share To Ocean Carriers, September 6, 2011, www.joc.com
9. WestJet celebrates launch of new service from Las Vegas, September 8, 2011, www.westjet.ca
10. Porter Airlines reports 68.7% August load factor, September 6, 2011, www.flyporter.com
11. Porter Airlines starts first Myrtle Beach fall service, Sept. 8, 2011, www.flyporter.com
12. Porter Airlines adds 40 Halifax jobs at new crew base, September 11, 2011, www.flyporter.com
13. WestJet launch service from Prince George to Las Vegas, Sept. 10, 2011, www.westjet.ca
14. Special Report - Breaking the Bottlenecks, September 12, 2011, www.iata.org
15. Air Canada union protests replacement worker training, Sept. 12, www.globeandmail.ca
16. Air Canada Comments on Flight Attendant Vote, Confirms Business as Usual, September 13, 2011, www.aircanada.ca
17. News Brief - iFlex Trial a Success, September 14, 2011, www.iata.org

cent, ... Air Canada generated greater traffic in all markets with system wide growth of 3.5 per cent on a capacity increase of 2.2 per cent primarily through higher utilization of our existing fleet and a disciplined approach to capacity management.”

7. Transport Canada Reinstates Mississippi Airways' Air Operator Certificate

Transport Canada has reinstated Mississippi Airways' Air Operator Certificate following the approval and implementation of the company's corrective action plans on September 3, 2011. The reinstatement is effective immediately.

8. Air Cargo Market Losing Share To Ocean Carriers

Air cargo is losing market share to container shipping as high air rates and falling ocean freight rates widen the price gap between the two transport modes, said the International Air Transportation Association. Container shipping has been the major beneficiary of recent world trade growth while air freight volumes remained flat, the air industry association said. “The world trade surge boosted containerized shipping and road transport, not air. However the capital and consumer goods being shipped should lead to a further rise in air freight,” Geneva-based IATA said in its second-quarter survey of the air cargo market.

9. WestJet celebrates launch of New service from Las Vegas

WestJet launched new service from Hamilton to Las Vegas on September 9, 2011. The new non-stop service is from John Munro airport in Hamilton on a trial basis.

10. Porter Airlines reports 68.7% August load factor

On September 6, 2011, Porter Airlines reported an August 2011 load factor of 68.7 per cent, 4.8 points higher than same month in the previous year. Despite the effect of Hurricane Irene, August 2011 saw best-ever total monthly passengers at over 210,000, and Revenue Passenger Miles (RPMs) also set a record for the fourth consecutive month. Figures for the month show 118.8 million Available Seat Miles (ASMs) and 81.6 million RPMs. ASMs grew 19.2 per cent from 99.7 million and RPMs increased 28.1 per cent from 63.7 million versus last year. Its year to date (January-August 2011) results are equally impressive.

11. Porter Airlines starts first Myrtle Beach fall service

Porter Airlines has begun its first seasonal fall service to Myrtle Beach, S.C. Flights operating from Billy Bishop Toronto City Airport began on September 8, 2011 until Nov. 20, 2011.

12. Porter Airlines adds 40 Halifax jobs at new crew base

On September 8, 2011, Porter Airlines opened a crew base for pilots and flight attendants in Halifax, doubling its employees in the city to 80 by creating 40 local jobs. This new setup is Porter Airline's first base outside Billy Bishop Airport in Toronto.

13. WestJet launch service from Prince George to Las Vegas

WestJet will launch biweekly service from Prince George to Las Vegas on September 10, 2011. This new non-stop service will be from Prince George Airport on a trial basis.

14. Special Report - Breaking the Bottlenecks

The tremendous demand for air transport in the coming decades is adding to the pressure for effective aviation infrastructure development. This IATA report reviews the capacity constraints in China and Brazil and points to other problems such as environmental issues likely to arise in Europe, high speed rail and airspace above airports.

15. Air Canada union protests replacement worker training

The union representing Air Canada flight attendants is upset about the

18. Airline security needs a rethink, September 14, 2011, www.nationalpost.ca

19. Air Canada points out 'facts of life' to flight attendants, September 14, 2011, www.globeandmail.ca

20. Porter Airlines scores 83% with Canadian business travellers, Sep 15, 2011, www.flyporter.com

21. Air Canada flight attendants serve strike notice, prepared to walk by midnight Wednesday, September 16, 2011, www.nationalpost.ca

22. Ottawa to try to head off Air Canada strike, September 19, 2011, www.nationalpost.ca

23. WestJet announces addition of extra flights, September 16, 2011, www.westjet.ca

24. Aircraft movement statistics: Major airports, September 19, 2011, www.statcan.gc.ca

25. Airbus sees global passenger fleet doubling by 2030, September 19, 2011, www.globeandmail.ca

26. Air Canada strike would provoke government action: Labour Minister, September 19, 2011, www.globeandmail.ca

27. Air Canada labour talks break down; strike a near certainty, Sept 20, 2011, www.globeandmail.ca

28. Weak Economy, Weak Profits - 2012 Looking Even Tougher, Sept. 20, www.iata.org

29. Air Canada, union reach tentative agreement, September 20, 2011, www.globeandmail.ca

30. Air Canada and CUPE Reach Tentative Agreement, Business as usual at Air Canada, September 20, 2011, www.aircanada.ca

31. IATA Opposes Proposed US Security Tax Hike, September 20, 2011, www.iata.org

July 2011 Passenger Airline Employment Rose 2.4 Percent from July 2010, September 20, 2011, www.bts.gov

32. Air Canada union agrees to hybrid pensions for new hires, Sep 23, 2011, www.globeandmail.ca

33. Porter beats out Air Canada to win 16 more spots at Billy Bishop, Sept. 22, 2011, www.nationalpost.ca

34. Porter Airlines awarded 16 additional Toronto City Airport slots, Sept. 22, 2011, www.flyporter.com

35. Porter Airlines again puts off IPO, September 22, 2011, www.globeandmail.ca

carrier's training program for replacement workers in the event of a strike. It (The Canadian Union of Public Employees) has filed a policy grievance against the country's largest airline, and also launched a complaint to the Canada Industrial Relations Board, alleging unfair labour practices in management's strike contingency planning.

16. Air Canada Comments on Flight Attendant Vote, Confirms Business as Usual

On September 13, 2011, Air Canada confirmed it is business as usual for the airline and that its customers can continue to book Air Canada flights with confidence, following the announcement of a vote that gave CUPE a strike mandate.

17. News Brief - iFlex Trial a Success

The International Air Transport Association (IATA) announced on September 14, 2011 the successful completion of the first iFlex trial between Johannesburg and Atlanta. The iFlex concept provides for a greater and more flexible choice of routes on long-haul operations which cross multiple flight information regions to deliver shorter flight times, improved, fuel efficiency and reduced CO2 emissions while maintaining safety.

18. Airline security needs a rethink

IATA's new CEO, Tony Tyler, believes that several things in the airline industry need reconsideration. First is airline security. He indicates that \$7.4 billion is spent on it every year and we should provide it efficiently. A lot of it is wasted. We want to make it as quick and as efficient as possible, as minimally intrusive and degrading as possible. Second is pilot training. The right sort of pilot training deserves consideration in light of the recent cockpit errors. Third is emissions trading schemes. IATA does not support regional emissions trading schemes it wants global emissions trading schemes.

19. Air Canada points out 'facts of life' to flight attendants

As a strike deadline approaches, Air Canada tells flight attendants to buck up and accept the unpredictable nature of their jobs. It points out that they enjoy work rules that are "superior" to North American rivals, a steady stream of concessions over the past decade and under the tentative agreement a 12.6 per cent compounded pay increase over a five-year pact. In addition, full-time workers reaped \$2,125 each in extra compensation in 2010, including a \$500 cash bonus, \$500 worth of Air Canada shares and \$1,125 for meeting on-time performance targets and consumer-oriented goals.

20. Porter Airlines scores 83% with Canadian business travellers

Porter Airlines received top grades, with an 83 per cent customer satisfaction rating in the Ipsos 2011 Canadian Business Travel Study (23% higher than the second carrier). In the three years that Porter has been measured, it has posted the highest satisfaction numbers for any airline in the study's 20-plus year history.

21. Air Canada flight attendants serve strike notice, prepared to walk by midnight Wednesday [September 21, 2011]

Air Canada's flight attendants served strike notice on September 16, 2011 saying they are prepared to walk off the job shortly after midnight September 21, 2011 morning if a new labour deal is not reached by then. Air Canada's flight attendants rejected a tentative agreement by the airline last month. The agreement included wage increases of 12% over five years. But at the same time, there have been talks about other

36. Air Canada union shuns discount carrier proposal, September 23, 2011, www.globeandmail.ca

37. Industry Committed to Emissions Reductions - Europe Should Abandon Misguided ETS Plans, September 27, 2011, www.iata.org

38. Government of Canada Invests in Safety and Capacity at Wabush Airport, September 28, 2011, www.tc.gc.ca

39. Kintetsu World Express Settles US Antitrust Case, September 29, 2011, www.joc.com

US

1. [US] Airline On-Time Performance Improves in July, September 12, 2011, www.dot.gov

2. 1Q 2011[US] Airline Financial Data: Airlines Collected \$1.4 Billion from Fees in First Quarter 2011, September 13, 2011, www.dot.gov

3. DOT Fines Amadeus for Code-Share Disclosure Violations, September 15, 2011, www.doc.gov

4. June 2011 [US] Airline System Traffic Up 1.6 Percent from June 2010, September 15, 2011, www.bts.gov

5. 1st-Quarter 2011 Airline Financial Data: Network Airlines Report Loss, Low-Cost and Regional Airlines Report Profits, September 19, 2011, www.dot.gov

6. DOT Fines Virgin Atlantic for Violating Price Advertising Rules, September 26, 2011, www.dot.gov

things, like reinstating surcharges on employee flight passes, something that was lifted in 2004 during the airline's bankruptcy restructuring and extended in 2009.

22. Ottawa to try to head off Air Canada strike

The federal labour minister, Lisa Raitt, is expected to meet face to face on September 19, 2011 with Air Canada's management and the leadership of the union representing its flight attendants in a last-ditch effort to avoid a strike at the country's largest carrier this week. "Her intention is to find out how far the parties are apart, and to help them find a process to get a deal."

23. WestJet announces addition of extra flights

WestJet announced the addition of extra flights in the event of a strike by Air Canada's flight attendants to accommodate passengers that may be stranded.

24. Aircraft movement statistics: Major airports [August 2011]

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 0.9% in August 2011 compared with the same month in 2010.

25. Airbus sees global passenger fleet doubling by 2030

Airbus says it expects the world's passenger fleet to more than double in the next 20 years in order to keep up with the demands of an increasingly wealthy population in the developing world. It forecasts that the world will need 27,800 new planes by 2030. A third of those would replace old planes roughly, so it expects the passenger fleet to more than double to 31,500 aircraft. This is an addition of \$3.5-trillion (U.S.) worth of planes.

26. Air Canada strike would provoke government action: Labour Minister

On September 19, 2011, Federal Labour Minister Lisa Raitt indicated that she would introduce back-to-work legislation in the event of a strike at Air Canada to protect the economy. She said the government was very concerned that a walkout at Canada's largest airline would disrupt the economic recovery.

27. Air Canada labour talks break down; strike a near certainty

Talks between Air Canada and its flight attendants' union broke down on September 19, 2011, making a strike at Canada's biggest airline a near certainty beginning on September 21, 2011. The strike is expected to be short lived as the government plans to introduce back to work legislation which could be as early as September 21, 2011.

28. Weak Economy, Weak Profits - 2012 Looking Even Tougher

On September 20, 2011, The International Air Transport Association (IATA) announced an upgrading of its industry profit expectations to \$6.9 billion (up from \$4.0 billion projected in June 2011). IATA emphasized that, despite the improvements, profitability at these levels is still exceptionally weak (1.2% net margin) considering the industry's total revenues of \$594 billion. In its first look at 2012, IATA is projecting profits to fall to \$4.9 billion on revenues of \$632 billion for a net margin of just 0.8%.

29. Air Canada, union reach tentative agreement

On September 20, 2011 Air Canada and the union representing flight attendants reached a tentative agreement. The country's largest airline and the Canadian Union of Public Employees announced the settlement just hours before 6,800 flight attendants were set to go on strike.

30. Air Canada and CUPE Reach Tentative Agreement, Business as usual at Air Canada

Air Canada on September 20, 2011 announced 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. The airline indicated that: Air Canada mainline flights are unaffected; Air Canada Express service to Toronto Island is unaffected; and Air Canada Express operated by Jazz returns to regular schedule September 22, 2011.

31. IATA Opposes Proposed US Security Tax Hike

The International Air Transport Association (IATA) expressed its opposition to the proposal by the Administration of US President Barack Obama to double the 9.11 passenger security fee and then to raise it in successive years through 2017 as part of the Administration's deficit reduction plan.

32. Air Canada union agrees to hybrid pensions for new hires

The union representing Air Canada's flight attendants has agreed to a pension system for new hires that will place them on a hybrid plan of defined benefit and less-costly defined contribution. CUPE leaders also opted for a four-year pact in their tentative agreement, which calls for wage hikes of 2 per cent in each of the first three years and 3 per cent in the final year. Wages will be boosted for certain shifts. Members are asked to ratify the agreement.

33. Porter beats out Air Canada to win 16 more spots at Billy Bishop

The Toronto Port Authority (TPA) has granted 16 additional landing slots to Porter Airlines Inc. at Billy Bishop Toronto City airport, denying Air Canada's request for greater access to the Island airport. The slots once belonged to Continental Airlines but after it merged with United Airlines it said it was no longer interested in flying to the airport. Both Air Canada and Porter Airlines then applied to the TPA for the 16 slots.

34. Porter Airlines awarded 16 additional Toronto City Airport slots

Porter Airlines has been awarded 16 additional slots at Billy Bishop Toronto City Airport giving it a total of 172. It currently operates 156 slots. The slot allocation process is based on defined criteria set out by the Toronto Port Authority's internationally-accredited, independent slot coordinator.

35. Porter Airlines again puts off IPO

Porter postpones offering of initial public offering (IPO) indicating that the timing was not right. It attempted an IPO in the Spring of 2010 but scrapped it citing unstable market conditions.

36. Air Canada union shuns discount carrier proposal

The union representing flight attendants turned its back on the proposal by Air Canada to launch a low-cost carrier in 2012. It indicates that the low cost carrier would siphon routes of its mainline carrier and threaten jobs and security. A consultant believes that Air Canada's growth prospects will be severely restricted without a budget carrier. The union members have to vote on the latest offer by Air Canada. It has recommended that its members accept the offer.

37. Industry Committed to Emissions Reductions - Europe Should Abandon Misguided ETS Plans

The International Air Transport Association (IATA) reiterated the air transport industry's commitment to its ambitious agenda to reduce CO2 emissions and urged the European Union (EU) to abandon its misguided plans to include aviation in the EU Emissions Trading Scheme (ETS) commencing in 2012. Governments were invited to join industry. Airlines, airports, air navigation service providers and manufacturers are committed to improving fuel efficiency by 1.5% annually to 2020, capping net carbon emissions from 2020 with carbon-neutral growth and cutting net emissions in half by 2050, compared to 2005. IATA also pointed to problems ahead in the form of slower growth.

38. Government of Canada Invests in Safety and Capacity at Wabush Airport

Government officials announced on September 28, 2011 that the Wabush Airport will benefit from over \$2 million in infrastructure improvements.

39. Kintetsu World Express Settles US Antitrust Case

Kintetsu World Express, Japan's second-largest international forwarder, said on September 28, 2011 it will pay a \$10.5 million fine to settle a U.S. antitrust case.

WATER TRANSPORTATION

1. Shippers Call for Asia-Pacific Liner Conference Ban

Shipper groups are calling on regulators in the Asia-Pacific region to follow Europe's lead in banning liner conferences. The plea came after the International Chamber of Shipping urged New Zealand's Productivity Commission to maintain its exemption of liner practices such as conferences and consortia agreements from the competition provisions of the New Zealand Commerce Act. The commission is conducting an inquiry into the performance of international freight transport sector in New Zealand. The European Shippers Council urged the Productivity Council to follow the ban adopted by Europe.

2. Prince Rupert Port Authority – Monthly Traffic Report-August 2011

Total container traffic (TEUs) at the Port of Prince Rupert increased 33.46% for the month of August 2011 compared to the same month last year. Imports increased 28.5% and exports increased 40.63%. For year-to-date (till the end of Aug. 2011) total container traffic increased 5.61%.

3. Report Sees Container Ships Dominating Perishables Market

According to a new report by Drewry Maritime Research, container ships will transport three quarters of perishable reefer cargo by 2014 as they take further market share from specialized refrigerated vessels. The rise in containerized cargo shipping is depressing reefer cargo charter rates.

Water Transportation Canada

1. Shippers Call for Asia-Pacific Liner Conference Ban, Sept. 1, 2011, www.joc.com
2. Prince Rupert Port Authority - Monthly Traffic Report, August 8, 2011, www.rupertport.com
3. Report Sees Container Ships Dominating Perishables Market, September 14, 2011, www.joc.com
4. Port Metro Vancouver – Accumulated Traffic Report to August 2011, Sept. 15, 2011, www.portmetrovancover.com
5. St. Lawrence Seaway Traffic Up 3.5 Percent [March to August 2011], September 19, 2011, www.joc.com
6. Canadian grain shipments on St. Lawrence up 35% in August, September 22, 2011, www.ctl.ca
7. Vancouver Gateway Partners Support B.C. Jobs Strategy, Sept. 29, 2011, www.portmetrovancover.com

4. Port Metro Vancouver – Accumulated Traffic Report to August 2011

Total container traffic [TEU] at the Port of Metro Vancouver till the end of August 2011 increased 2% to 1,624,116 TEUs. Imports increased 2% to 871,682 TEUs and exports increased 1% to 782,434 TEUs.

5. St. Lawrence Seaway Traffic Up 3.5 Percent [March to August 2011]

Cargo shipped on the St. Lawrence Seaway from late March 2011 through August 2011 rose 3.5 percent year-over-year, as raw material shipments for the region's steel industry grew during one of the historically slowest periods of the year. Shipments of petroleum products and salt in late March 2011 and August 2011 remained up 70 percent and 18 percent, respectively, compared to the same period last year. Coal traffic rose 30 percent to 465,000 metric tons within the same period, while iron ore throughput fell 21 percent to 5.4 million metric tons.

6. Canadian grain shipments on St. Lawrence up 35% in August

Canadian grain shipments through the St. Lawrence Seaway reached 893,000 tonnes in August 2011, a 35% increase compared to the same month last year. The positive grain picture helped lift the Seaway's year-to-date total cargo shipments.

7. Vancouver Gateway Partners Support B.C. Jobs Strategy

The Port of Metro Vancouver states that the Asia-Pacific Gateway partners will benefit from the Government of B.C.'s 'Canada Starts Here' strategy. The increased focus on support for B.C.'s export economy, as a key driver of jobs, will support collaborative infrastructure investments planned and underway.

US

1. US West Coast Container Traffic Falls 3 Percent, Sept. 7, 2011, www.joc.com
2. Senators request FMC cargo diversion probe, Sept 13, 2011, www.americanshipper.com
3. NY-NJ Container Volume Jumps 6.7 Percent in July, Sept. 19, 2011, www.joc.com
1. US Container Imports Fell 1.5 Percent in August [2011], September 27, 2011, www.joc.com

RAIL TRANSPORTATION

1. Canadian Pacific announces redemption of Notes

Canadian Pacific Railway Limited announced on August 31, 2011 that its wholly owned subsidiary, Canadian Pacific Railway Company, will redeem on September 30, 2011 all of the \$US101.4 million outstanding principal amount of its 5.75% Notes due May 15, 2013. The impact of this transaction is estimated to reduce diluted earnings per share by four cents in the third quarter of 2011.

2. CN and Montreal Gateway Terminals Partnership improve key customer service metrics for container traffic

On September 19, 2011, CN and Montreal Gateway Terminals Partnership (MGT), the operator of two container terminals at the Port of Montreal, said closer collaboration and innovation are driving important supply chain efficiencies in their operations they believe are improving customer service. Two indicators provide evidence of this. First, since August 2010, ocean terminal dwell -- the average time it takes for a container to be placed on a rail car after being discharged from a vessel at MGT's CAST terminal - has declined by almost 40 per cent. Second, another key metric - the ratio of CN rail cars available at CAST compared with the number of discharged containers awaiting rail shipment - has improved by more than 200 per cent since August 2010.

3. CP expects Asian demand to remain strong

The head of Canadian Pacific Railway Ltd. Fred Green, at a conference in Montreal said that the country's second-largest railway expects Asia's demand for energy and commodity products will continue to be strong next year. "So we see no reason on the foreseeable horizon that the softness would materialize in those markets."

4. Railway carloadings [July 2011]

Total rail freight traffic in Canada from both domestic and international operations rose to 25.8 million tonnes in July 2011, up 4.3% from July 2010. Several commodity groups registered decreases in July 2011. Those that had the largest drops in tonnage were iron ores and concentrates, coal, and sand, gravel and crushed stone. Intermodal freight loadings edged up 0.6% from a year earlier to 2.3 million tonnes in July 2011. The gain was the result of a rise in containerized cargo shipments.

Rail Transportation

Canada

1. Canadian Pacific announces redemption of Notes, August 31, 2011, www.cpr.ca
2. CN and Montreal Gateway Terminals Partnership improve key customer service metrics for container traffic, September 19, 2011, www.ctl.ca
3. CP expects Asian demand to remain strong, September 22, 2011, www.globeandmail.ca
4. Railway carloadings [July 2011], September 28, 2011, www.statcan.gc.ca

US

1. US Rail Hiring Rebounds in Latest Month [Mid July to Mid August], September 20, 2011, www.joc.com

HIGHWAY TRANSPORTATION

1. Mullen Group takes in Polaris Petroleum

Mullen Group has announced it closed a deal Sept. 1, 2011 to acquire fluid hauler Polaris Petroleum. The Drayton Valley-based company provides drilling and production fluid services to oil and gas companies operating in the Cardium resource play. It will bring \$22 million in consolidated revenues to the company.

2. Portage buys hometown trucking fleet

Portage Transport a southern Manitoba-based LTL, temp controlled and hazmat hauler, has acquired Lark Transport, also of Portage La Prairie. The Lark acquisition will reportedly add about 25 power units to Portage's fleet.

3. Advantage Personnel buys TMN Logistics

The Advantage Group of Companies has added TMN Logistics into its family of companies. Officials at Advantage Personnel, a Canadian-owned company celebrating its 25th anniversary in 2011, say the company will be using TMN's expertise to assist in bolstering its operations in Ontario, and expanding market presence in Alberta and Manitoba.

4. Canadian Border Services Agency Issues Notice to Foreign Carriers on Permissible Cabotage

The Canada Border Services Agency (CBSA) has issued a new Customs Notice on the point-to-point movement of domestic freight in Canada by foreign-based motor carriers and tractor-trailers, commonly referred to as cabotage. Both Canada and the United States have nearly identical cabotage rules and only permit such movements in very narrowly defined circumstances. The notice is a reminder of what the rules are and perhaps signals that CBSA will be paying closer attention to the activities of foreign carrier operations in Canada.

5. Truckload Carriers Seeing Strong Demand

Truckload demand is stronger than the general economy, according to TransCore Freight Solution's spot market index. It climbed 47 percent in August 2011 from a year ago in August 2010.

6. Robert Bank rail corridor upgrades benefit communities, boost Asia-Pacific trade

Government officials and other stakeholders celebrated the construction of the 80th Street overpass in Delta, an important investment along the Roberts Bank Rail Corridor (RBRC). The Minister of International Trade and Minister for the Asia-Pacific Gateway said "This project is part of our commitment to creating jobs and stimulating economic growth in the region, ... Once completed, this grade separation will enhance rail operations and accommodate increased road and rail movements along the RBRC, an integral part of Canada's Asia-Pacific Gateway and Corridor."

7. TransCore's Canadian Freight Index sees double digit increase for August

TransCore's Canadian Freight Index for the nation's spot market in August 2011 was up 10% from July 2011 and had a 12% increase year-over-year. August 2011 freight volumes were the highest for same month over the last five years.

8. IRP Amendment Favorable to Motor Carriers - Win-Win for government and trucking industry, according to CTA

Member jurisdictions of the International Registration Plan (IRP) recently approved changes that will simplify compliance for motor carriers and clarify record keeping responsibilities. With the support of industry associations in both Canada and the United States, several provisions under the Plan regarding audits and carrier record-keeping requirements have been revised.

9. July 2011 Surface Trade with Canada and Mexico Rose 18.1 Percent from July 2010

Trade using surface transportation between the United States and its North American neighbours, Canada and Mexico, was 18.1 percent higher in July 2011 than in July 2010, totalling \$72.4 billion, according to

Highway Transportation Canada

1. Mullen Group takes in Polaris Petroleum, September 2, 2011, www.ctl.ca
2. Portage buys hometown trucking fleet, September 7, 2011, www.todaystrucking.com
3. Advantage Personnel buys TMN Logistics, September 9, 2011, www.ctl.ca
4. Canadian Border Services Agency Issues Notice to Foreign Carriers on Permissible Cabotage, Sept. 8, 2011, www.cantruck.ca
5. Truckload Carriers Seeing Strong Demand, September 15, 2011, www.joc.com

6. Robert Bank rail corridor upgrades benefit communities, boost Asia-Pacific trade, September 16, 2011, www.tc.gc.ca
7. TransCore's Canadian Freight Index sees double digit increase for August, September 20, 2011, www.ctl.ca
8. IRP Amendment Favorable to Motor Carriers - Win-Win for government and trucking industry, according to CTA, September 26, 2011, www.cantruck.ca
9. July 2011 Surface Trade with Canada and Mexico Rose 18.1 Percent from July 2010, September 27, 2011, www.dot.gov

US

1. [US] Freight Shipments [For-hire Transportation Industry] Unchanged in July from June, September 14, 2011, www.dot.gov
2. UPS Expects Rising Revenue, Profit Through 2016, September 15, 2011, www.joc.com
3. Infringement Proceedings in the field of Road and Rail Transport, September 29, 2011, www.europa.eu

the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation. The percentage monthly increase compared to the monthly increases in this year has been steadily declining since January 2010. U.S.-Canada surface transportation trade increased compared to July 2010 with U.S.-Canada reaching \$42.5 billion, a 17.0 percent increase.

GENERAL TRANSPORTATION

1. Canada announces participation at important Asia-Pacific Conference

On September 12, 2011, the Honourable Steven Fletcher, Minister of State (Transport), announced that he will participate in the upcoming Asia-Pacific Economic Cooperation (APEC) Transportation Ministerial Meeting. The meeting will take place on September 14, 2011, in San Francisco, California.

2. CTA Says Regulatory Approach to Reducing GHG Emissions from Heavy Trucks Needs to be Supplemented by Complementary Measures to Promote, Accelerate Voluntary Investment in Market-Ready Solutions for the Entire Fleet

In May 2010, US announced that they would be introducing a regulation to establish fuel efficiency/GHG reduction standards for heavy trucks. On the same day, Canada's environment minister announced that Canada would essentially move in lock-step with the Americans. The US recently issued a report and the Government of Canada issued a consultation paper calling for comments by September 9, 2011. The Canadian Trucking Association [CTA] says there are obvious benefits and realities associated with Canada trying to harmonize as much as possible with the US rules, however, it cautions that there are sufficient differences between the vehicle configurations and operating conditions that exist in the two countries so that the US rules cannot simply be superimposed on the Canadian industry. Moreover, it feels that Canada should consider its own path. There are no reasons why Canada cannot expand the solution to the greening of the industry.

3. Travel between Canada and other countries [July 2011]

Travel by Canadian residents abroad reached 5.0 million trips in July 2011, down 0.4% compared with June 2011. At the same time, residents from abroad took 2.0 million trips to Canada, also down 0.4%.

4. Harper government reaffirms commitment to growing Canada's Asia-Pacific Gateway

On September 23, 2011, the Honourable James Moore, Minister of Canadian Heritage and Official Languages, and Minister Responsible for British Columbia, reaffirmed the Government of Canada's commitment to Canada's Asia-Pacific Gateway in a keynote address to leaders in British Columbia's business community. To date, the Government of Canada has partnered with all four western provinces, as well as with municipalities and the private sector, to announce infrastructure projects worth over \$3.5 billion, including federal contributions of over \$1.4 billion.

5. Freight volume growth will be slack; peak season will be muted, analyst warns

Cormark Securities' David Newman at SCL-Nulogx breakfast conference on September 27, 2011 said he expects slackening to flat freight volumes for the remainder of 2011, entitled "Transportation Strategy: Planning for 2012 in Uncertain Times." His observations is based on four transportation indices which slowed down after peaking in June 2011, inventory levels, drop in housing starts, the stock market slowdown, Consumer Board's consumer conference low level and interest rates being kept at the same low levels in Canada for the near future and at record low levels in the US till mid 2013. He indicated that "Although we are witnessing early signs of a slowdown, economists are forecasting growth for the third and fourth quarter.

General Transportation

1. Canada announces participation at important Asia-Pacific Conference, September 12, 2011, www.tc.gc.ca
2. CTA Says Regulatory Approach to Reducing GHG Emissions from Heavy Trucks Needs to be Supplemented by Complementary Measures to Promote, Accelerate Voluntary Investment in Market-Ready Solutions for the Entire Fleet, September 14, 2011, www.cta.ca
3. Travel between Canada and other countries [July 2011], September 20, 2011, www.statcan.gc.ca
4. Harper government reaffirms commitment to growing Canada's Asia-Pacific Gateway, September 23, 2011, www.tc.gc.ca
5. Freight volume growth will be slack; peak season will be muted, analyst warns, September 28, 2011, www.ctl.ca

PUBLICATIONS

1. **Motion**, International Transport Forum, September 1, 2011, www.cemt.org
2. **Road Freight Transport Vademecum: 2010 Report**, September 19, 2011, www.europa.eu
3. **Port of Vancouver, Newsletter**, September 22, www.portvancouver.com