

Transportation Information Update*

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AIR TRANSPORTATION

1. Better Airports Package launched

On December 1st 2011, the European Commission adopted a comprehensive package of measures to address capacity shortage at Europe's airports and improve the quality of services offered to passengers. The package contains three legislative proposals on: slots; ground handling and noises; and communication on "Airport policy in the European Union – addressing capacity and quality to promote growth, connectivity and sustainable mobility"

2. Porter gets glam for the holidays with the Joe Fresh® brand

Porter Aviation Holdings Inc. (Porter) on December 1, 2011 announced that it will be collaborating with the Joe Fresh brand on marketing activations to offer some holiday fun to seasonal travellers and shoppers alike.

3. The Government of Canada takes action to enhance air safety

On December 2, 2011, the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, announced proposed new regulations to enhance the safety of Canadian aviation. These regulations would require private and commercial airplanes with six or more passenger seats to be equipped with an alert system known as the "terrain awareness and warning system" (TAWS). TAWS provides acoustic and visual alerts to flight crews when the path of their aircraft is predicted to collide with terrain, water or obstacles.

4. Air Canada Voted Best North American Airline in Global Survey of Business Travelers

Air Canada has been voted the Best Airline in North America in December 2011 by the readers of *Global Traveler* magazine in an international survey of business travelers.

5. WestJet Reports November traffic results

WestJet reported its November 2011 results on December 6, 2011. Its load factor was 77.6, 0.1 points below the same month a year ago. Its revenue passenger miles (traffic) increased 4.4 percent and its available seat miles increased 4.5 percent over the same period last year. WestJet president and CEO indicated that WestJet is proud of the results as it was the second highest November load factor for the airline.

6. Air Canada Reports November Traffic

For the month of November 2011, Air Canada reported a system load factor of 75.9 per cent, versus 74.8 per cent in November 2010, an increase of 1.1 percentage points. System traffic increased 3.0 per cent on a system-wide capacity increase of 1.4 per cent. Calin Rovinescu, President and Chief Executive Officer said "Led by increases in traffic in the U.S. transborder and domestic Canada markets of 6.1 and 4.3 per cent, respectively, we generated system wide traffic growth of 3.0 per cent on a capacity increase of 1.4 per cent..."

7. Porter Airlines November load factor increased by 11.9 points

Porter Airlines reported its strong and best November 2011 load factor of 65.9 per cent, 11.9 points higher than the previous year. November results show 118.6 million Available Seat Miles (ASMs) and 78.2

AIR TRANSPORTATION

Canada

1. Better Airports Package launched, December 1, 2011, www.europa.eu
2. Porter gets glam for the holidays with the Joe Fresh® brand, December 1, 2011, www.flyporter.com
3. The Government of Canada takes action to enhance air safety, December 2, 2011, www.tc.gc.ca
4. Air Canada Voted Best North American Airline in Global Survey of Business Travelers, December 2, 2011, www.aircanada.ca
5. WestJet Reports November traffic results, December 6, 2011, www.westjet.ca
6. Air Canada Reports November Traffic, December 5, 2011, www.aircanada.ca
7. Porter Airlines November load factor increased by 11.9 points, December 6, 2011, www.flyporter.com
8. Aircraft movement statistics: Small airports (September 2011), December 6, www.statcan.gc.ca
9. 'Everything must change,' Air Canada CEO tells staff, December 5, 2011, www.globeandmail.ca
10. Eurocrisis could reduce global air cargo by \$4 billion, December 7, 2011, www.joc.com
11. Cargolux Execs Get 13 Months for Air Cargo Price-Fixing, December 9, 2011, www.joc.com
12. Judge approves Air Canada class action suit, December 12, 2011, www.globeandmail.ca
13. Air Canada Voted Top Honours for In-Flight Service and International Travel by Business Traveler Magazine, December 12, 2011, www.aircanada.ca
14. WestJet announces Japan Airlines codesharing agreement, December 14, 2011, www.westjet.ca
15. Federal Court of Appeal dismisses Air Canada arguments, December 14, 2011, www.flyporter.com
16. Air Canada granted hold on language monitoring court order, December 14, 2011, www.nationalpost.ca
17. FedEx profit beats Street; buys Boeing aircraft, December 15, 2011, www.nationalpost.ca
18. WestJet launches popular service from Alberta to Hawaii, December 15, 2011, www.westjet.ca
19. Porter Airlines debuts in Burlington, Vermont, December 15, 2011, www.flyporter.com

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

million Revenue Passenger Miles (RPMs). ASMs increased 20.7 per cent from 98.3 million and RPMs grew 47.3 per cent compared to 53.1 million last year.

8. Aircraft movement statistics: Small airports (September 2011)

The number of take-offs and landings at the 135 airports without air traffic control towers reached 62,870 movements in September 2011. Of the 130 airports for which year-over-year comparisons were possible, 72 reported increases.

9. 'Everything must change,' Air Canada CEO tells staff

Air Canada's business model is broken and its employees must be "open to change" for the airline to stay competitive, its top executive warns. The reasons for the warning in part were Air Canada's loss of \$189-million (Canadian) and the nervousness about its prospects. Further, the carrier's stock price has plunged 69 per cent since the beginning of 2011, and its corporate bonds due in 2016 are yielding 14.75 per cent. In addition, low cost tour operators and other low cost carriers are making inroads into Air Canada's market share.

10. Eurocrisis could reduce global air cargo by \$4 billion

The International Air Transport Association (IATA) says that global air cargo revenue faces the risks of shrinking by \$4 billion in 2012 if Europe's sovereign debt crisis triggers another banking meltdown. IATA expects airlines to generate cargo revenues of \$66 billion in 2012, unchanged from 2011, but this will drop to \$62 billion if the eurozone crisis "spirals out of control." Freight traffic will decline by 4.7 percent under IATA's worst-case scenario, compared with zero growth if Europe resolves its debt problems.

11. Cargolux Execs Get 13 Months for Air Cargo Price-Fixing

A U.S. federal judge sentenced the former CEO of Cargolux, Ulrich and his top deputy to 13 months in jail and fined them \$20,000 each for their role in an international conspiracy to fix air freight rates.

12. Judge approves Air Canada class action suit

A Quebec judge has approved a class action lawsuit against Air Canada on behalf of disabled people who had to pay extra for seats. The suit covers both disabled individuals and those with a functional disability related to obesity who faced extra charges for seats adapted to their condition.

13. Air Canada Voted Top Honours for In-Flight Service and International Travel by Business Traveler Magazine

On December 12, 2011, Air Canada won two top honours in *Business Traveler's* "Best in Business Travel" award program, winning awards for the North American carrier with the best in-flight service and the best for international travel.

14. WestJet announces Japan Airlines codesharing agreement

On December 14, 2011, WestJet announced a codesharing agreement with Japan Airlines allowing it to transport connecting passenger from December 15, 2011. It will allow passengers to travel seamlessly on WestJet's airline network. WestJet also has codesharing agreements with KLM, American Airlines and Cathay Pacific together with 17 interline agreements with other airlines.

15. Federal Court of Appeal dismisses Air Canada arguments

In a unanimous decision, the Federal Court of Appeal on December 13, 2011 denied Air Canada's appeal against Porter Airlines Inc. and the Toronto Port Authority (TPA) in which Air Canada alleged wrongdoing

20. Civil aviation operating statistics, December 16, 2011, www.statcan.gc.ca

21. Civil aviation operating and financial statistics, December 16, 2011, www.statcan.gc.ca

22. Fees up on fees in ads, Ottawa tells airlines, December 16, 2011, www.globeandmail.ca

23. Airlines forced to advertise true cost of flights, including taxes, by Christmas 2012, December 16, 2011, www.nationalpost.ca

24. Government of Canada moves forward with changes to airfare advertising, Dec 16, 2011, www.tc.gc.ca

25. Aircraft movement statistics: Major airports, December 22, 2011, www.statcan.gc.ca

26. IATA Disappointed with EU Court Decision on ETS, December 21, 2011, www.iata.org

27. WestJet announces more service to the sun, Dec 23, 2011, www.westjet.ca

28. Air Canada Welcomes Enhancements to Facilitate Trans-Border Travel by Canadian Federal Government, December 22, 2011, www.aircanada.ca

29. El Al pay damages in price fixing suit, December 29, 2011, www.americanshipper.com

US

1. JetBlue, WestJet Gain Slots at LaGuardia, Reagan National Airports, December 1, 2011, www.dot.gov

2. September 2011 Airline System Traffic Up 1.2 Percent from September 2010, December 9, 2011, www.dot.gov

3. US Airlines Report Seven Tarmac Delays Longer than Three Hours On Domestic Flights, 11 Longer Than Four Hours on International Flights in October, Dec 12, 2011, www.bts.gov

4. BTS Releases October US Passenger Airline Employment Data; October 2011 Employment Rose 3.0 Percent from October 2010, December 13, 2011, www.dot.gov

5. BTS Releases 2nd-Quarter 2011 US Air Fare Data; 2nd-Quarter Domestic Air Fares Rose 8.5% from 2nd Quarter 2010, December 13, 2011, www.dot.gov

6. Air Freight Price Index Jumps 14.7 Percent in October, December 13, 2011, www.joc.com

7. Cathay Pacific Cargo Traffic Falls 13.8 Percent, December 15, 2011, www.joc.com

8. Public consultation on the possible revision of Regulation (EC) No 261/2004 on air passenger rights, December 19, 2011, www.europa.eu

9. Antitrust: Commission confirms unannounced inspections in TAP-Brussels Airlines cooperation investigation, December 19, 2011, www.europa.eu

related to the slot allocation at Billy Bishop Toronto City Airport. The Court found each of Air Canada's arguments to be without merit and also awarded Porter and the TPA payment of their legal costs, in an amount to be determined at a later date.

16. Air Canada granted hold on language monitoring court order

Air Canada has won respite from a sweeping court order to identify and document "potential violations of its language duties," which would require monitoring each of its more than 10,000 employees. The cost of complying with the order far outweighed the penalty which led to the order.

17. FedEx profit beats Street; buys Boeing aircraft

FedEx Corp reported a higher-than-expected quarterly profit for the second quarter of 2011 and said it is buying 27 new Boeing aircraft to update its fleet for fuel efficiency and cost savings. FedEx shares were up 3.3% in premarket trading at \$79.90. The shares before the open had fallen 17% so far this year, lagging the 7% drop in the Dow Jones transportation average, but up 20% from this year's lows in October.

18. WestJet launches popular service from Alberta to Hawaii

WestJet will begin the popular seasonal service from Calgary and Edmonton to two destinations in Hawaii beginning the third week of December 2011. Two are from Calgary and one is from Edmonton.

19. Porter Airlines debuts in Burlington, Vermont

Porter Airlines celebrated its inaugural flight to Burlington, Vermont, on December 15, 2011 – adding an exciting new seasonal destination to its network.

20. Civil aviation operating statistics

Operational data on civil aviation are now available for October 2011 on Statistics Canada website (See Cansim tables 401-0001 and 401-0043).

21. Civil aviation operating and financial statistics

Civil aviation operating and financial data for 2010 are now available in the publication *Aviation: Service Bulletin*, Vol. 43, no. 4 (51-004-X, free), on Statistics Canada website.

22. Fees up on fees in ads, Ottawa tells airlines

The Conservative government plans to stop deceptive airline marketing that lures consumers with prices that are only a fraction of the actual cost of flights when taxes and surcharges are factored in. Steven Fletcher, the Minister of State for Transport, and his parliamentary secretary Pierre Poilievre announced on December 16, 2011 that the Canadian Transportation Agency will develop regulations that compel Canadian air carriers to include all fees and taxes in their advertised prices.

23. Airlines forced to advertise true cost of flights, including taxes, by Christmas 2012

Consumers will have a simpler time determining the true price of airline tickets next Christmas holidays after a timeline for the introduction of new advertising rules was finally agreed. The Conservative government announced on December 16, 2011 that Canadian airlines will be required to advertise the full price of airfares by Christmas 2012, including any airport taxes and other hidden fees.

24. Government of Canada moves forward with changes to airfare advertising

The Honourable Steven Fletcher, Minister of State (Transport), and Pierre Poilievre, Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, on December 16, 2011 announced the coming into force of clause 27 of *An Act to Amend the Canada Transportation Act and The Railway Safety Act and to Make Consequential Amendments to Other Acts* (the Act). The Canadian Transportation Agency will now proceed with developing regulations regarding airfare advertising. The regulations will require Canadian air carriers to include all fees and taxes in their advertised prices.

25. Aircraft movement statistics: Major airports [November 2011]

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations remained virtually unchanged (431,472) in November 2011 from November 2010.

26. IATA Disappointed with EU Court Decision on ETS

The International Air Transport Association (IATA) expressed disappointment at the December 21, 2011 decision by the Court of Justice of the European Union (CJEU) which upheld European Union (EU) plans to include international aviation in the EU emissions trading scheme (ETS) from 2012. The CJEU decision was in response to a legal challenge presented by the Air Transport Association of America (now Airlines for America), a number of US airlines, IATA and the National Airlines Council for Canada. Together they argued that the EU ETS contravened the Chicago Convention which prohibits such taxation of international aviation. The CJEU ruled that the Chicago Convention does not bind the EU which is not a signatory and that the ETS does not violate any other aspect of international law.

27. WestJet announces more service to the sun

WestJet announced on December 23, 2011 more service to Jamaica, Mexico, Florida and Dominican Republic from Halifax, Moncton and St John's in the second week of January 2012.

28. Air Canada Welcomes Enhancements to Facilitate Trans-Border Travel by Canadian Federal Government

Air Canada welcomed the initiatives announced on December 22, 2011 by the Canadian federal government to improve border crossing processes under the aviation component of the Beyond Borders agreement between Canada and the United States.

29. El Al pay damages in price fixing suit

Israeli flag carrier El Al became the 16th airline to settle a class-action suit on behalf of freight forwarders who claim they were harmed by paying inflated prices for transportation because of collusion by carriers on surcharges, the elimination or prevention of discounts and commissions. El Al agreed to pay \$15.8 million to the plaintiffs. The airline's decision brings the total amount recovered so far to \$478.3 million.

WATER TRANSPORTATION

1. MSC-CMA CGM form alliance

Mediterranean Shipping Co. and CMA CGM, the second and third largest container lines in the world, on December 1, 2011 announced an operational alliance spanning a number of global trades. The alliance will see the two carriers partner on the Asia-Northern Europe, Asia-Southern Africa, and South America trades. The agreement is expected to lead to operating synergies and enhance quality of service.

2. Prince Rupert Port Authority – Monthly Traffic Report (November 2011)

Traffic at the Port of Prince Rupert increased by 30.4% in terms of TEU to 39,986 for the month of November 2011 compared to the same month a year ago. Imports increased by 35.7% and exports increased by 24.6% in terms of TEUs. For year to date (January to November 2011) statistics, traffic increased by 15.4% (TEUs).

3. Port Metro Vancouver – Accumulated Traffic Report -November 2011

Total container traffic at the Port of Metro Vancouver was 2,296,206 TEUs for the period January to November 2011, a very slight decrease (nearly zero percent) compared to the same period a year ago. Imports for this period increased by 2% and exports decreased by 3%.

4. Protesters Cause Longer Wait Times for Trucks at Ports

Wall Street protesters began blocking gates at ports along the West Coast on December 12, 2011, delaying truck traffic. By blocking the ports, Wall Street protesters hope to disrupt operations so that the ports will have to shut down for periods of time, putting a dent in the cash flow of companies like Goldman Sachs — a major stakeholder in port operator SSA Marine and grain exporter EGT.

5. Canada Drops Gloves on Detroit-Windsor Bridge

The *Globe and Mail* reported on December 14, 2011 that the Canadian government is considering the unusual move of using an act of Parliament to block any lawsuits from Ambassador Bridge owners. The government's attempt at constructing a second alternative bridge which would eliminate the monopoly power of the owners of the Ambassador Bridge was defeated by the Michigan senate for the second time a few days ago. Nevertheless, the Canadian government has decided to continue the fight to build the bridge.

6. Roberts Bank Rail Corridor upgrades benefit communities, boost Asia-Pacific trade

Local commuters, farmers and truckers now have a safer, more reliable route to cross Deltaport Way at 41B Street without being delayed by

WATER TRANSPORTATION Canada

1. MSC-CMA CGM form alliance, Dec 1, 2011, www.americanshipper.com
2. Prince Rupert Port Authority – Monthly Traffic Report (November 2011), Dec. 7, www.rupertport.com
3. Port Metro Vancouver – Accumulated Traffic Report – November 2011, December 12, 2011, www.portmetrovancover.com
4. Protesters Cause Longer Wait Times for Trucks at Ports, December 12, 2011, www.todaystrucking.com
5. Canada Drops Gloves on Detroit-Windsor Bridge, December 15, 2011, www.todaystrucking.com
6. Roberts Bank Rail Corridor upgrades benefit communities, boost Asia-Pacific trade, December 20, 2011, www.tc.gc.ca
7. FMC submission from the Ports of Vancouver, Halifax, Montreal and Prince Rupert, December 21, 2011, www.portvancouver.com
8. Government of Canada responds to United States Federal Maritime Commission inquiry, December 23, 2011, www.tc.gc.ca
9. Port Metro Vancouver's Top Ten of 2011: Collaboration in Action, December 28, 2011, www.portmetrovancover.com

US

1. NY-NJ Expects Container Growth Up 4 Percent Year-End, December 1, 2011, www.joc.com
2. Long Beach Container Imports Fall 15.6 Percent, December 16, 2011, www.joc.com
3. JOC Economist Says Export Growth to Slow in 2012, December 21, 2011, www.joc.com

long trains and truck traffic, thanks to a newly completed overpass. 41B is the first of nine projects completed in the \$307-million Roberts Bank Rail Corridor (RBRC) Program that will ease traffic congestion in the communities of Delta, Surrey, the City of Langley and the Township of Langley.

7. FMC submission from the Ports of Vancouver, Halifax, Montreal and Prince Rupert

In this submission, the Ports of Vancouver, Halifax, Montreal, and Prince Rupert address several of the questions raised in the U.S. FMC's Inquiry about Canadian port practices and reinforce the economic importance to the U.S. economy of fostering healthy competition among North American ports. They point out that there is very little diversion of US container trade via Canadian ports and the little diversion that occurs is because of geographic advantages of Canadian ports.

8. Government of Canada responds to United States Federal Maritime Commission inquiry

In its submission, the Government of Canada has: provided a fact-based overview of the Canadian transportation system; described the economic linkages that underpin the Canada-U.S. bilateral trading relationship; emphasized the importance of strategic and collaborative infrastructure planning and investment; highlighted the governance and financing characteristics of Canadian ports; provided supporting data; and stressed the importance of market-based business practices to transportation and trade policy.

9. Port Metro Vancouver's Top Ten of 2011: Collaboration in Action

Port Metro Vancouver listed its top ten activities for 2011 as: creating jobs; growing; consulting; sustaining; investing; moving faster; achieving fuel efficiency; planning for the future; working 24/7 (round the clock/seven days a week); and delivering with care.

RAIL TRANSPORTATION

1. Ackman wants big changes at Canadian Pacific Railway

Bill Ackman is pushing for strategic, executive and board changes at Canadian Pacific Railway Ltd., according to a regulatory statement filed on November 30, 2011. Mr. Ackman's hedge fund Pershing Square Capital Management owns about 12.4 percent of CP shares. Mr. Ackman typically seeks to turnaround undervalued companies by working with directors to improve management, recruit new executives and sell non-core assets.

2. Canadian Pacific and Iowa short line announce trackage rights agreement

Canadian Pacific on December 1, 2011 announced a trackage rights agreement with the Iowa Northern Railway (IANR), which will enhance shipping alternatives for local customers and provide benefits for both railroads. The agreement also provides Iowa Northern rights to operate over CP's line between Garner, Iowa and Nora Springs, Iowa.

3. CP Aims to Run 11 Percent Longer Trains by 2013

Canadian Pacific Railway aims to be able to run 11 percent longer trains by 2013 through new and expanded siding in "several key regions," giving shippers more flexibility when they can send loads. CP said longer trains will reduce fuel consumption, capital maintenance and labor costs, while improving safety and efficiency. CP currently operates intermodal trains up to 12,000 feet, a 40 percent increase since 2008.

4. Canadian Pacific refreshes locomotive fleet to drive service reliability and reduce costs

Canadian Pacific announced on December 6, 2011 that 61 new high horse power GE Evolution (EVO) Series AC locomotives have been brought into service and that the railway has initiated a program to modernize its low and medium horsepower yard locomotives. Thirty new EVOs are expected in the first quarter of 2012. The new EVO locomotives, which are currently in transcontinental service on priority series trains, will increase capacity, enhance service reliability, further the company's long train strategy, reduce emissions, and contribute to the company's 1-2% annual fuel efficiency improvement target.

5. Canadian Pacific expands Saskatchewan Bakken rail shipments

RAIL TRANSPORTATION Canada

1. Ackman wants big changes at Canadian Pacific Railway, December 1, 2011, www.globeandmail.ca
2. Canadian Pacific and Iowa short line announce trackage rights agreement, December 1, 2011, www.cpr.ca
3. CP Aims to Run 11 Percent Longer Trains by 2013, December 7, 2011, www.joc.com
4. Canadian Pacific refreshes locomotive fleet to drive service reliability and reduce costs, December 6, 2011, www.cpr.ca
5. Canadian Pacific expands Saskatchewan Bakken rail shipments, December 7, 2011, www.cpr.ca
6. End of the line for Canadian rails rally?, December 8, 2011, www.nationalpost.ca
7. Canadian Pacific extends clean energy supply chain, December 8, 2011, www.cpr.ca
8. CP improves grain service with technology, operations enhancements, December 12, 2011, www.cfl.ca
9. Canadian Pacific Railway Limited declares dividend, December 13, 2011, www.cpr.ca
10. CN and Teamsters Canada Rail Conference reach tentative agreement to renew labour contract for locomotive engineers in Canada, December 12, 2011, www.cn.ca
11. Cost of cancelling Transit City could hit \$65-million, December 14, 2011, www.globeandmail.ca
12. CP heard the call for change, loud and clear, December 16, 2011, www.globeandmail.ca
13. CP, Province of Man. ink 10-year

Canadian Pacific is expanding the transportation of crude oil by rail from the Saskatchewan Bakken Formation. CP is now increasing volumes of crude oil movement by rail out of the Saskatchewan Bakken oil formation through a new CP transload facility, operated by Bulk Plus Logistics in Estevan. This is in addition to railcar loads already moving out of the Dollard, SK transload facility, located on the Great Western Railway, a short line partner of Canadian Pacific. This oil is destined to various refineries in both Canada and the United States. It is expected to grow from 11,000 carloads in 2011 to 70,000 carloads in the future.

6. End of the line for Canadian rails rally?

The impressive run in Canadian rail stocks in the fourth quarter of 2011 appears to be coming to an end, says Martin Roberge, portfolio strategist and quantitative analyst at Canaccord Genuity. Both Canadian National Railway Co. and Canadian Pacific Railway Ltd. are up since mid-September 2011, rising 25% and 40% respectively. For the year, CN is up 20%, while CP is flat. But now, signs are emerging that the demand from various sectors is clearing, which could put a cap on the rails pricing power and a risk of price erosion.

7. Canadian Pacific extends clean energy supply chain

Canadian Pacific Logistics Solutions (CPLS) has developed a new wind energy supply chain connecting manufacturers in Quebec and Florida with a new clean energy transload facility in upper New York State. CPLS is an industry leader in wind energy logistics. Since 2005, CP has handled over 3,400 carload of wind energy components.

8. CP improves grain service with technology, operations enhancements

Canadian Pacific officials say the railway has improved service for its Canadian grain customers this 2011 crop year by reducing scheduling variability and increasing access to rail car supply. Crop year-to-date, empty order fulfillment, a metric that highlights rail car availability, has increased by 19% or 11,000 units vs. a year ago. CP in 2011 simplified how it serves its Canadian grain network by grouping more than 165 prairie-based elevators into eight separate operating hubs. Within these hubs, the railway commits locomotives and a dedicated scheduled day of week service to each elevator. Officials say this operating model has delivered a 26% improvement in on-time performance.

9. Canadian Pacific Railway Limited declares dividend

On December 13, 2011, the Board of Directors of Canadian Pacific Railway Limited declared a quarterly dividend of thirty cents (\$0.30) Canadian per share on the outstanding Common Shares payable at the end of January 2012.

10. CN and Teamsters Canada Rail Conference reach tentative agreement to renew labour contract for locomotive engineers in Canada

CN and the Teamsters Canada Rail Conference (TCRC) announced on December 12, 2011 that they have reached a tentative agreement to renew the labour contract for approximately 1,800 CN locomotive engineers in Canada.

11. Cost of cancelling Transit City could hit \$65-million

Toronto is expecting a \$65-million bill for a transit plan that the new mayor Rob Ford cancelled when he took office. The multimillion-dollar price tag is the latest estimate for cancelling the Sheppard and Finch light-rail lines - part of former mayor David Miller's Transit City plan - in an attempt to trim the budget.

12. CP heard the call for change, loud and clear

Within two months of activist investor Bill Ackman buying a 14.2 per cent stake in the company, CP suddenly has two new board members (Tony Ingram and Ed Harris). No one is saying just yet if CP itself drove the appointments, or if Mr. Ackman's Pershing Square Capital Management was behind it. What matters is that CP is making changes to get its act together.

13. CP, Province of Manitoba ink 10-year agreement

Canadian Pacific and the Province of Manitoba have signed a 10-year memorandum of agreement to help

agreement, Dec 16, 2011, www.ctl.ca
14. Improvements completed at Clarkson GO Station, December 16, 2011, www.tc.gc.ca
15. CN and United Steelworkers reach tentative agreement to renew labour contract for maintenance-of-way employees in Canada, December 16, 2011, www.cn.ca
16. Viterro and Canadian Pacific sign new service agreement, December 19, 2011, www.cpr.ca
17. Viterro and CN sign new service agreement, Dec. 19, 2011, www.cn.ca
18. Railway Loadings [October 2011], December 21, 2011, www.statcan.gc.ca
19. CN receives Toyota Canada's Carrier of the Year Award for 2011, December 20, 2011, www.cn.ca
20. CP Over, CN under Western Grain Revenue Caps for Crop Year 2010-2011, December 22, 2011, www.cta-otc.gc.ca
21. Industrial Commodities Push Rail Carloads Up 11.7 Percent, December 28, 2011, www.joc.com

US

1. US Railroads, unions reach agreement, December 2, 2011, www.americanshipper.com
2. Road Safety Newsletter 7: Commission works to ensure safety vehicles, December 7, 2011, www.europa.eu

improve the efficiency and effectiveness of the overall transportation system in Manitoba. Steve Ashton, Minister of Manitoba Infrastructure and Transportation said "CP is an important supply chain partner for many shipping companies in Manitoba and we look forward to implementing this MOU to extend our collaborative relationship with CP in planning our future infrastructure and service needs."

14. Improvements completed at Clarkson GO Station

Government and company officials marked the completion of improvements to Clarkson GO Station. The upgrades created approximately 140 jobs and have made commuting easier and more convenient for the more than 5,500 people who use the station each day.

15. CN and United Steelworkers reach tentative agreement to renew labour contract for maintenance-of-way employees in Canada

CN and the United Steelworkers (USW) Local 2004 announced on December 16, 2011 that they have reached a tentative agreement to renew the labour contract for approximately 2,800 maintenance-of-way employees in Canada. The current agreement is scheduled to expire on Dec. 31, 2011.

16. Viterra and Canadian Pacific sign new service agreement

Viterra Inc. ("Viterra") and Canadian Pacific on December 19, 2011 announced the signing of a new service improvement agreement to enhance supply chain efficiencies. Viterra Inc. is a supplier of quality ingredients to global manufacturers.

17. Viterra and CN sign new service agreement

Viterra Inc. and Canadian National Railway announced on December 19, 2011 that they have signed a new service improvement agreement, which will strengthen Viterra's rail-based supply chain with CN.

18. Railway Loadings [October 2011]

Total freight traffic carried by Canadian railways rose to 28.4 million tonnes in October 2011, up 10.1% from October 2010. The increase was the result of strong gains in cargo loadings from both sides of the border. Intermodal freight loadings of containers and trailers loaded on flat cars remained relatively unchanged at 2.4 million tonnes in October 2011 compared with the same month one year earlier.

19. CN receives Toyota Canada's Carrier of the Year Award for 2011

CN announced on December 20, 2011 that it has received Toyota Canada's Carrier of the Year Award for 2011.

20. CP Over, CN under Western Grain Revenue Caps for Crop Year 2010-2011

The Canadian Transportation Agency (Agency) on December 22, 2011 issued its Decision No. 443-R-2011, ruling that the revenues of the Canadian Pacific Railway Company's (CP) for the movement of Western grain had exceeded its revenue cap for crop year 2010-2011. The Agency has also ruled that the revenues from grain transportation of the Canadian National Railway Company (CN) for the same period were below its cap. CP's grain revenue of \$443,822,775 was \$1,252,034 above its revenue cap of \$442,570,741. CN's grain revenue of \$508,403,510 was \$913,447 below its cap of \$509,316,957.

21. Industrial Commodities Push Rail Carloads Up 11.7 Percent

U.S. railroads reported an 11.7 percent year-over-year gain in carload traffic in the last full week before Christmas 2011 as major commodities tied to manufacturing and housing maintained strong momentum.

HIGHWAY TRANSPORTATION

1. Carriers have high hopes for volumes, rates in '12

Carriers are more optimistic for 2012 with 61 percent expecting volumes to increase and only 7 percent expecting the opposite, according to the Transport Capital Partners (TCP) 4th Quarter 2011 Business Expectations Survey. Freight rates are expected to rise with an increase in volume associated with the same capacity.

2. Five ways border deal improves life on both sides

The Beyond the Border Accord will make it more secure and easier to cross the US border and both economies will benefit. The Accord was unveiled and signed in the White House on December 7, 2011. There are several ways the deal will benefit travellers and trade. The first agrees to create a continental security perimeter to deter criminals and terrorists. The second agrees to sweep away many of the obstacles that make crossing the 49th parallel a hassle. The third seeks to harmonize standards and regulations in the auto sector, agriculture and health and personal care products, so that manufacturers can make and sell a product in either country without having to make changes.

3. Canadian Truckers Say Canada-US Border Agreement Delivers

On December 7, 2011, the Canadian Trucking Alliance hailed Canada-US border agreement announced by Prime Minister Stephen Harper and US President Barack Obama as a historic achievement that takes meaningful steps to bringing the Canada-US border into the 21st century. Trucks are the major mode of transborder freight transport between the world's largest bilateral trading partners.

4. Minister Lebel meets with U.S. counterparts to discuss transportation initiatives

On December 9, 2011, the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, met with the United States (U.S.) Secretary of Transportation, Mr. Ray LaHood, and the U.S. Secretary of Homeland Security, Ms. Janet Napolitano, in Washington, D.C., to discuss transportation initiatives and security measures that support job creation and economic growth in both countries.

5. US stability control advances; event recorders on trucks urged

A proposal by the US National Highway Traffic Safety Administration (NHTSA) to require stability control systems on truck tractors moved a step closer when it was sent over to the White House Office of Management and Budget for final vetting in the week of December 11, 2011. The systems would cost the trucking industry up to \$107 million a year, but, says NHTSA, that would be outweighed by up to \$372 million in savings from preventing damage and travel delays.

6. Freight Index Rises 36 Percent over 2010, TransCore

TransCore's North America Freight Index for November 2011 showed a 36 percent climb over the same month last year, marking the third consecutive month with the highest same-month volume since 2005.

7. MacKinnon Transport files NOI, Sells Van Division

MacKinnon Transport Inc. (MTI) confirmed on December 16, 2011 that it has voluntarily filed a Notice of Intention (NOI) to its creditors in order to restructure the 82-year-old family business. "The process was necessary due to the financial suffering we have withstood as a result of an unsuccessful acquisition coupled with market conditions," said Evan MacKinnon, president and CEO of the Guelph-based carrier. Part of the restructuring is the sale of MTI's van division to Laidlaw Van LP, which, MacKinnon said, ensures the future of MTI while preserving as many of the jobs as possible.

8. Travel between Canada and other countries [October 2011]

HIGHWAY TRANSPORTATION

Canada

1. Carriers have high hopes for volumes, rates in '12, December 6, 2011, www.cantruck.ca
2. Five ways border deal improves life on both sides, December 7, 2011, www.globeandmail.ca
3. Canadian Truckers Say Canada-US Border Agreement Delivers, December 7, 2011, www.cantruck.ca
4. Minister Lebel meets with U.S. counterparts to discuss transportation initiatives, December 9, 2011, www.tc.gc.ca
5. US stability control advances; event recorders on trucks urged, December 16, 2011, www.cantruck.ca
6. Freight Index Rises 36 Percent over 2010, TransCore, December 16, 2011, www.todaystrucking.com
7. MacKinnon Transport files NOI, Sells Van Division, December 18, 2011, www.todaystrucking.ca
8. Travel between Canada and other countries, December 19, 2011, www.statcan.gc.ca
9. TransCore's N.A. Freight Index rises 36% y-o-y in November, December 19, 2011, www.ctl.ca
10. Large Urban Transit, December 21, 2011, www.statcan.gc.ca
11. Govts Fork Over \$150K for ITS Study at Centreport, December 21, 2011, www.cantruck.ca
12. For-hire Motor Carrier Freight Services Price Index, December 23, 2011, www.statcan.gc.ca
13. Couriers and Messengers Services Price Index, December 23, 2011, www.statcan.gc.ca
14. Revised DOT hours of service rules released, December 22, 2011, www.americanshipper.com
15. Updated child car seat safety regulations come into force, December 29, 2011, www.tc.gc.ca

US

1. Freight Shipments Fell 0.2% in October from September, December 14, 2011, www.dot.gov
2. New [US] trucking hours of service rules released, Dec. 27, 2011, www.americanshipper.com

Canadian residents made 4.9 million trips abroad in October 2011, down 0.3% from September 2011. The decline was attributable to a decrease in travel from Canada to countries other than the United States. In the other direction, travel by residents from abroad to Canada was essentially unchanged compared with September 2011, at about 2.0 million trips in October 2011. Canadian residents made 4.2 million trips to the United States in October 2011, about the same number of trips made in September 2011. American residents made 1.6 million trips to Canada in October 2011, a slight increase of 0.2% from September 2011.

9. TransCore's N.A. Freight Index rises 36% y-o-y in November

TransCore's North American Freight Index climbed 36% in November 2011 compared to November 2010. The increase marked the third consecutive month with the highest same-month volume since 2005.

10. Large Urban Transit [October 2011]

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit properties (80% of all) rose 5.6% from October 2010 to \$251.9 million in October 2011. Ridership levels rose to 138.9 million passenger trips in October 2011, a 3.9% increase from the same month a year earlier.

11. Govts Fork Over \$150K for ITS Study at Centreport

The governments of Canada and Manitoba announced funding for two intelligent transportation systems (ITS) projects at CentrePort, the inland trade hub in Winnipeg. Through the Strategic Highway Infrastructure Program Ottawa will provide up to 50 percent of funding, to a maximum of \$75,000, to study the application of new technologies for Centreport's operational design.

12. For-hire Motor Carrier Freight Services Price Index [Third Quarter]

The For-hire Motor Carrier Freight Services Price Index increased 0.5% in the 2011 third quarter from the 2011 second quarter. The general freight trucking component rose 0.3% and the specialized freight trucking component advanced 0.5%. On a year-over-year basis, the index advanced 6.1% in the 2011 third quarter compared with the same quarter of 2010.

13. Couriers and Messengers Services Price Index

The Couriers and Messengers Services Price Index decreased 0.1% in November 2011 compared with October 2011. The courier portion remained unchanged, while the local messenger component declined 0.2%. On a year-over-year basis, the index advanced 8.6% in November compared with the same month in 2010.

14. Revised DOT hours of service rules released

The U.S. Transportation Department's Federal Motor Carrier Safety Administration (FMCSA) released its final "hours of service" rule for truckers on December 22, 2011, reducing from 82 to 70 hours the maximum number of hours a truck driver can work within a seven-day period. The final rule, however, retains the current 11-hour daily driving limit.

15. Updated child car seat safety regulations come into force

The Honourable Leona Aglukkaq, Minister of Health, on behalf of the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, announced on December 29, 2011 that updated child car seat safety regulations come into force on January 1, 2012.

GENERAL TRANSPORTATION

Canada

1. ACT: Outlook 'mildly pessimistic'

ACT Research is maintaining its "mildly pessimistic" outlook for the economy, according to its latest ACT North American Commercial Vehicle Outlook.

1. ACT: Outlook 'mildly pessimistic', December 21, 2011, www.cantruck.ca

US

1. Weekly Newsletter on mobility and transport in Europe, December 2, 2011, www.europa.eu
2. Weekly Newsletter on Mobility and Transport in Europe, December 9, 2011, www.europa.eu
3. Conference Report - TEN-T Days 2011: Connecting Europe: Putting Europe's economy on the move, December 12, 2011, www.europa.eu
4. Special Report Safety – Assess All Areas, December 21, 2011, www.iata.org
5. Annual Analyses of the EU Air Transport Market 2010, December 21, 2011, www.europa.eu
6. Public consultation on a possible review of directive 96/53/EC: Weights & Dimensions (deadline 27/02/2012), December 22, 2011, www.europa.eu
7. IATA Special Report Safety - Assess all Areas, December 30, 2011, www.iata.org