

Transportation Information Update*

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AIR TRANSPORTATION

1. Demand Growth Slows

The International Air Transport Association (IATA) announced global traffic results for May 2012 showing a general downward trend in line with deteriorating global economic conditions. While passenger demand was 4.5% ahead of levels in May 2011, growth was virtually flat compared to April 2012. Capacity increased by 4.0% and load factors stood at 77.6%, below the historically high levels recorded in April 2012. May 2012 freight demand was 1.9% below previous year levels. International passenger demand was up 5.6% compared to May 2011. Domestic markets grew at slightly less than half the rate of international markets, just 2.7%.

2. Canadians Have an Opportunity to Comment on Proposed Regulatory Amendments for Air Services Price Advertising

The Canadian Transport Agency has published the proposed regulatory amendments pertaining to air service price advertising in Part I of the **Canada Gazette**. Canadians have until September 13, 2012 to comment on them. The proposed amendments would require the price represented in any advertisement: 1. To be the total price, inclusive of all taxes, fees and charges which a customer must pay in order to obtain and complete the air service. 2. To include a minimum level of description of the air service offered, including: origin, destination; whether the service is one way or round trip; and limitations with respect to booking or travel availability periods. 3. To provide the customer with access to a breakdown of the taxes, fees and charges which are paid to a third party (i.e. GST/HST, departure taxes, airport fees, security fees).

3. Harper government takes action to enhance air safety

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, on July 4, 2012 announced new regulations to improve aviation safety in Canada. The new regulations require private turbine-powered 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). The system provides acoustic and visual alerts to flight crews when the path of their aircraft is likely to collide with terrain, water or obstacles.

4. WestJet reports strong June traffic results

On July 5, 2012, WestJet reported its traffic results for June 2012. Its load factor was 79, its revenue passenger miles were 1.382 billion and its available seat miles were 1.750 billion, representing increases of 3.3 points, 6.7% and 2.3% compared to the same month a year ago. The airline achieved a record second quarter load factor of 81.6%, an increase of 3.5 points above the load factor for the same quarter a year ago. WestJet President and CEO said “Its strong June traffic results and its record second quarter load factor are evidence that guests are continuing to choose WestJet in record numbers.” For the first six months, its load factor was 82.3, its revenue passenger miles were 9.116 billion and its available seat miles were 11.079 billion, representing increases of 2.2 points, 8.8% and 5.8% compared to the same period a year ago.

AIR TRANSPORTATION

Canada

1. Demand Growth Slows, July 2, 2012, www.iata.org
2. Canadians Have an Opportunity to Comment on Proposed Regulatory Amendments for Air Services Price Advertising, July 3, 2012, www.cta-otc.gc.ca
3. Harper government takes action to enhance air safety, July 4, 2012, www.fc.gc.ca
4. WestJet reports strong June traffic results, July 5, 2012, www.westjet.ca
5. Porter Airlines reports June statistics, July 5, 2012, www.flyporter.com
6. Air Canada Reports Record June Load Factor, July 5, 2012, www.aircanada.ca
7. 1st-Quarter 2012 Airline Financial Data: Largest Airlines Report Profit, July 7, 2012, www.dot.gov
8. WestJet ranks globally as a top 10 airline, July 10, 2012, www.westjet.ca
9. Remarks of Tony Tyler at the ECAC Triennial Session, Strasbourg, July 10, 2012, www.iata.org
10. AMR weighing merger, other options: CEO, July 10, 2012, www.globeandmail.ca
11. Air Canada Named 'Best International Airline in North America' in Global Industry Survey of More than 18 Million Travelers, July 12, 2012, www.aircanada.ca
12. Aircraft movement statistics: Small airports, April 2012, July 12, 2012, www.statcan.gc.ca
13. Civil aviation operating statistics, May 2012, July 19, 2012, www.statcan.gc.ca
14. Air Canada Announces Appointment of Derek Vanstone as Vice President, Corporate Strategy, Industry and Government Affairs, July 19, 2012, www.aircanada.ca
15. Aircraft movement statistics: Major airports, June 2012, July 23, 2012, www.statcan.gc.ca
16. Sun-sational winter ahead, July 23, 2012, www.westjet.ca
17. Department of Transportation Praises U.S. Court of Appeals Decision to Uphold Airline Passenger Protections, July 24, 2012, www.dot.gov
18. WestJet Alberta-Hawaii schedule

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

5. Porter Airlines reports June statistics

Porter Airlines registered a 62 per cent load factor in June 2012. Passenger numbers, ASMs (Available Seat Miles) and RPMs (Revenue Passenger Miles) all set new records of 126.5 million and 78.4 million for the month. ASMs grew 8.5 per cent and RPMs increased 4.1 per cent from June last year. For the first six months, its load factor was 59.5, its revenue passenger miles were 425.4 million and its available seat miles were 715.1 million, representing increases of 3.9 points, 28.9% and 20.5% for the same period a year ago. Robert Deluce, president and CEO of Porter Airlines said "Our second quarter and year-to-date numbers made gains, and the outlook for the full year continues to be good."

6. Air Canada Reports Record June Load Factor

For the month of June 2012, Air Canada reported a record system load factor of 85.6, versus 84.2 in June 2011, an increase of 1.4 percentage points. System traffic (RPM) increased 1.5 per cent on a system-wide capacity (ASM) decrease of 0.1 per cent. Calin Rovinescu, President and Chief Executive Officer said "This record load factor result for the month also demonstrates the effectiveness of our strategy to manage capacity to ensure high efficiency, ..." "I thank our employees for their hard work taking care of our customers while transporting them safely to their destinations." For the six months of 2012, load factor, RPM and ASM were: 81.4, 26,814 billion and 32,950 billion, representing increases of 1.0, 3.0% and 1.5%.

7. 1st-Quarter 2012 Airline Financial Data: Largest Airlines Report Profit

The largest scheduled US passenger airlines reported a 0.7 percent profit margin in the first quarter of 2012, up from the 0.5 percent loss in the first quarter of 2011, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on July 6, 2012 in a release of preliminary data.

8. WestJet ranks globally as a top 10 airline

WestJet ranks globally in the top ten airlines of the world according to *Aviation Week*. The choice was made based on financial data using five performance criteria. Only two North American airlines made it into this list of top ten airlines.

9. Remarks of Tony Tyler at the ECAC Triennial Session, Strasbourg

On July 10, 2012, IATA CEO, Tony Tyler announced that IATA will sign a Memorandum of Understanding with the European Civil Aviation

Conference (ECAC), formalizing their cooperation with an initial focus on the top priorities of safety and security. This comes shortly after ECAC gave formal recognition to the IATA Safety Audit for Ground Operations (ISAGO) in December last year. His remarks address four areas: Europe as a single sky, safety, security and sustainability.

10. AMR weighing merger, other options: CEO

AMR Corp. is going ahead with plans to evaluate a range of strategic options including potential mergers and will reach out to interested parties, chief executive officer Tom Horton said in a letter to employees. The letter comes two months after the parent of American Airlines said it will explore merger options while still in bankruptcy restructuring, bowing to pressure from creditors including its largest labour unions. It is the third largest air carrier in the world.

11. Air Canada Named 'Best International Airline in North America' in Global Industry Survey of More than 18 Million Travelers

Air Canada has been named the 'Best International Airline in North America' in a worldwide survey of air travelers for the Skytrax World Airline Awards. It is the third consecutive year Air Canada was ranked among the top global carriers in the awards, in a survey of more than 18 million passengers worldwide.

12. Aircraft movement statistics: Small airports, April 2012

In April 2012, the number of take-offs and landings at the 127 Canadian airports without air traffic control towers reached 56,636 movements. Moosonee, Ontario, and Peterborough, Ontario, were the most active sites.

announced, July 25, 2012, www.westjet.ca
19. New Edition of Fly Smart Released – One-Stop Source to Help Air Travellers Plan Ahead, July 24, 2012, www.cta-otc.gc.ca

US

1. April 2012 Passenger Airline Employment Rose 1.3 Percent from April 2011, June 29, 2012, www.dot.gov
2. Airline On-Time Performance in May Up from Previous Year, Down from April, July 10, 2012, www.dot.gov
3. April 2012 [US] Airline System Traffic Up 1.6 Percent from April 2011, July 19, 2012, www.dot.gov
4. May 2012 Passenger Airline Employment Rose 1.6 Percent from May 2011, July 25, 2012, www.bts.gov
5. 1st-Quarter Domestic Air Fares Rose 4.8% from 1st Quarter 2011, July 26, 2012, www.dot.gov
6. DOT Fines Travelocity for Violating DOT Price Advertising Rule, July 27, 2012, www.dot.gov
7. DOT Fines Travelocity for Violating DOT Price Advertising Rule, July 27, 2012, www.dot.gov

13. Civil aviation operating statistics, May 2012

Operating data for civil aviation for May 2012 are available from statistics Canada (CANSIM files).

14. Air Canada Announces Appointment of Derek Vanstone as Vice President, Corporate Strategy, Industry and Government Affairs

Air Canada on July 19, 2012 announced the appointment of Derek Vanstone as Vice President, Corporate Strategy, Industry and Government Affairs effective September 10, 2012.

15. Aircraft movement statistics: Major airports, June 2012

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 3.4% in June 2012 from June 2011. These airports reported 506,342 movements in June 2012.

16. Sun-sational winter ahead

To provide flyers with sensational warm spots in the winter of 2012, WestJet will provide air service to two new Caribbean destinations - Antigua and Barbuda, and Curacao and Costa Rica. The airlines newest destination in Mexico is Manzanillo via Calgary international airport.

17. Department of Transportation Praises U.S. Court of Appeals Decision to Uphold Airline Passenger Protections

U.S. Transportation Secretary Ray LaHood praised the ruling on July 24, 2012 by the U.S. Court of Appeals for the D.C. Circuit in favor of the U.S. Department of Transportation in *Spirit Airlines, Inc. v. United States Department of Transportation*. Spirit Airlines, Allegiant Air, and Southwest Airlines challenged portions of the Department of Transportation's April 2011 air passenger consumer protection rule requiring airlines and ticket agents to include all mandatory taxes and fees in published airfares, hold a reservation without payment or penalty for 24 hours after the reservation is made, and prohibit post purchase baggage price increases after the initial ticket sale.

18. WestJet Alberta-Hawaii schedule announced

WestJet announced on July 25, 2012 that it has leased two new jets to provide increased non-stop service between Calgary and Maui, Calgary and Honolulu and between Edmonton and Maui.

19. New Edition of Fly Smart Released – One-Stop Source to Help Air Travellers Plan Ahead

On July 24, 2012, as thousands of travellers hit the skies for the summer holiday season, the Canadian Transportation Agency released the 6th edition of *Fly Smart*, a user-friendly resource tool to help air travellers plan their trips to, from and within Canada. The Agency now also offers a handy pocket-sized list of [top ten Fly Smart tips](#), perfect for people on the go.

WATER TRANSPORTATION

1. Zim adds new Halifax call to Atlantic service

Zim is adding a new call at Halifax from July on the Zim Container Service Atlantic, known as the ZCA service. The first Halifax call is scheduled for July 19, 2012 by the 4,250 TEU (twenty-foot equivalent units) Zim Texas, which starts the new westbound port rotation from Haifa on July 3, 2012.

2. Prince Rupert Port Authority – Container Traffic Report – June 2012

On July 11, 2012, the Port of Prince Rupert released its traffic summary for June 2012. According to the port, it handled 52,453.8 TEUs (twenty-foot equivalent units) in June 2012 compared to 34,378 TEUs in June 2011, a 52.6% increase. The year to date statistics show an increase of 79.3%. Imports and exports increased 51.9% and 53.4% for the month of June 2012 compared to the same month a year ago.

3. St. Lawrence Seaway Volume Ticks Up 1.3 Percent

Traffic on the St. Lawrence Seaway was up 1.3 percent year-over-year from late March 2012 through the end of June 2012. The international Seaway between March 22 and the end of June handled 13.2 million metric tons of freight, as iron ore traffic rose 34 percent year-over-year and coal shipments jumped 30 percent in the same period, according to the St. Lawrence Seaway Development Corp.

4. Harper government announces important next steps towards building the new bridge for the St. Lawrence

The Minister of Transport provided major updates on the project to build a new bridge for the St. Lawrence, including the replacement of three overpasses on Highway 15 and the construction of a temporary causeway between Nuns' Island and Montreal. "We have already made significant progress in our environmental assessment and I have had many productive meetings with key stakeholders in the Montreal region" said the Minister. Further, a request for proposals will be issued in the coming weeks for the planning, design and costing of a temporary causeway to be constructed next to the existing Nuns' Island Bridge. The Government of Canada has also reviewed proposals to retain consultants to develop the financial business case for the new bridge. The successful bidder will be announced in the next few weeks.

5. Port of Montreal – Cumulative Container Traffic

The Port of Montreal reported its cumulative container traffic for the first six months of 2012. Total container traffic in terms of TEUs (twenty-foot equivalent units) was 676,488 TEUs a drop of 0.1% compared to the first six months of 2011. Total inbound traffic was 338,960 TEUs and total outbound traffic was 337,528 TEUs, reflecting changes of +1.5% and -1.4% compared to the first six months of 2011.

6. Harper government strengthens commitment to boating safety

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, on July 13, 2012 announced additional funding for the Boating Safety Class Contribution Program. The renewed program, now called the *Boating Safety Contribution Program* (BSCP), will continue to provide financial contributions to organizations that promote boating safety in Canada and will increase in 2014 to support more initiatives across the country. The *Boating Safety Contribution Program* aims to: reduce loss of life, injuries and property damage due to boating accidents; increase the number of pleasure craft operators who follow safe boating practices; and improve the availability of national boating incident data to enhance evidence-based awareness and education initiatives.

7. Port of Metro Vancouver – Accumulated Container Traffic – Year to Date (June)

WATER TRANSPORTATION Canada

1. Zim adds new Halifax call to Atlantic service, June 28, 2012, www.portofhalifax.ca
2. Prince Rupert Port Authority – Container Traffic Report – June 2012, July 11, 2012, www.portrupert.com
3. St. Lawrence Seaway Volume Ticks Up 1.3 Percent, July 12, 2012, www.joc.com
4. Harper government announces important next steps towards building the new bridge for the St. Lawrence, July 12, 2012, www.tc.gc.ca
5. Port of Montreal – Cumulative Statistics, July 16, 2012, www.portmontreal.com
6. Harper government strengthens commitment to boating safety, July 13, 2012, www.tc.gc.ca
7. Port of Metro Vancouver – Accumulated Container Traffic – Year to Date (June), July 17, 2012, www.portmetrovancover.com
8. Port of Metro Vancouver – Container Traffic – June 2012, July 17, 2012, www.portmetrovancover.com
9. Port of Halifax – Accumulated Container Traffic – Second Quarter 2012, July 19, 2012, www.porthalifax.ca
10. Minister Fast concludes "westward march" Asia-Pacific Gateway consultations, July 20, 2012, www.tc.gc.ca
11. FMC report to chastise Canadian ports for diverting US traffic. But where's the proof?, July 24, 2012, www.ctl.ca
12. FMC diversion study focuses on harbor taxes, July 27, 2012, www.americanshipper.com
13. Canadian chamber backs FMC port study findings, July 30, 2012, www.americanshipper.com

US

1. Container Volumes Grow at US West Coast Ports, July 2, 2012, www.joc.com
2. Dropping fuel prices linked to lower ocean rates, July 24, 2012, www.americanshipper.com
3. Container Volumes Rise at Port of Tacoma, July 25, 2012, www.joc.com

On July 2012, Port of Metro Vancouver reported year to date container traffic. For the period January to June 2012, container traffic in terms of TEU (twenty-foot-equivalent) rose 6% to 1,298,040 compared to the same period in 2011. Imports increased by 11.7 % and exports decreased by -0.2%.

8. Port of Metro Vancouver – Container Traffic – June 2012

The Port of Metro Vancouver reported container traffic for the month of June 2012. For this month the total number of TEUs was 213,801. This was slightly below the number moved in May 2012 of 227,644 TEUs.

9. Port of Halifax – Accumulated Container Traffic – Second Quarter 2012

On July 20, 2012, Port of Halifax reported second quarter container traffic. For this period, container traffic in terms of TEU (twenty-foot-equivalent) declined 10% to 101,854 compared to the same period in 2011 (109,254 TEUs). Imports decreased by 8.3% and exports decreased by 11.6%.

10. Minister Fast concludes "westward march" Asia-Pacific Gateway consultations

The Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, on July 20, 2012 successfully concluded two weeks of consultations held throughout Manitoba, Saskatchewan, Alberta and British Columbia on Canada's Asia-Pacific Gateway and the Government of Canada's active and ongoing engagement in the Asia-Pacific region.

11. FMC report to chastise Canadian ports for diverting US traffic. But where's the proof?

The Federal Maritime Commission is expected to decide on July 24, 2012 whether to sanction a report to Congress that alleges Canadian ports on the West Coast are deliberately diverting US import containers from Asia through Port Metro Vancouver and Prince Rupert through "unfair" practices.

12. FMC diversion study focuses on harbor taxes

The Federal Maritime Commission released its report on the diversion of containerized cargo through ports in Canada and Mexico on July 27, 2012, identifying the U.S. Harbor Maintenance Tax (HMT) as a factor in increased use of foreign ports for cargo bound for U.S. inland destinations.

13. Canadian chamber backs FMC port study findings

The Canadian Chamber of Commerce supports the findings of the U.S. Federal Maritime Commission's study released on July 27, 2012 on U.S. cargo moving through Canadian and Mexican seaports. "This is a great victory for Canadian ports and carriers. The study's findings debunk claims of unfair practices by Canada. Canadian ports and railways provide crucial competition that benefits shippers and consumers in both our countries," said Perrin Beatty, president and chief executive officer.

RAIL TRANSPORTATION

1. As Harrison takes CP's top job, Ackman's coup is complete

On June 29, 2012, veteran Hunter Harrison was appointed as the company's president and chief executive officer of CP. Mr. Harrison was the former CEO of CP's rival, CN. CN congratulated Mr. Harrison on his new appointment, but added that its legal case against its former CEO continues. "CN intends to monitor events, and, if it appears that Mr. Harrison is using confidential CN information, CN might seek injunctive relief at that time."

2. CN to construct five long sidings in 2012 on B.C. North Line as part of C\$155-million expenditure to handle rising traffic in Edmonton-Prince Rupert corridor

On July 5, 2012, CN announced that it plans to construct five extended sidings on its B.C. North Line in 2012 as part of a multi-year capital program to expand freight train capacity to handle growing freight volumes along its important Edmonton, Alberta-Prince Rupert, B.C., corridor.

3. Four Railroads Appeal Class Action Status of Price-Fixing Lawsuit

The top four U.S. railroads in the first week of July 2012 appealed the upgrading of a price-fixing lawsuit to class action status, arguing no wrongdoing has been proven and they could receive "unwarranted pressure" to settle.

4. Railroads appeal class action certification

RAIL TRANSPORTATION Canada

1. As Harrison takes CP's top job, Ackman's coup is complete, July 1, 2012, www.globeandmail.ca
2. CN to construct five long sidings in 2012 on B.C. North Line as part of C\$155-million expenditure to handle rising traffic in Edmonton-Prince Rupert corridor, July 5, 2012, www.cn.ca
3. Four Railroads Appeal Class Action Status of Price-Fixing Lawsuit, July 6, 2012, www.joc.com
4. Railroads appeal class action certification, July 17, 2012, www.americanshipper.com
5. Smart Sand and Canadian Pacific Announce Partnership to Supply High Quality Frac Sand to Major U.S. Markets by Rail, July 18, 2012, www.cpr.ca
6. New Evergreen Line contract awarded for early works, July 23, 2012, www.tc.gc.ca
7. Genesee & Wyoming Inc. buy RailAmerica, July 23, 2012,

Railroads have filed an appeal with the U.S. Court of Appeals for the District of Columbia seeking to file a lower court's decision to certify a class action against them for fixing surcharges, reports the National Industrial Transportation League in its latest Notice newsletter. NIT League said the railroads argued in the petition that the District Court for the District of Columbia incorrectly applied established legal standards.

5. Smart Sand and Canadian Pacific Announce Partnership to Supply High Quality Frac Sand to Major U.S. Markets by Rail

Smart Sand and Canadian Pacific Railway Limited on July 18, 2012 announced a strategic long-term partnership under which the two companies will supply and ship premium, Northern White frac sand to the unconventional oil and gas industry in key North America producing regions (including the Bakken and Eagle Ford formations, and the Utica and Marcellus Shales).

6. New Evergreen Line contract awarded for early works

A \$2-million Evergreen Line contract for work to prepare for the relocation of railway tracks has been awarded to BEL Contracting. "The Evergreen Line will create more than 8,000 direct and indirect jobs during construction, and the new rapid transit connection will deliver new economic opportunities and improved quality of life in the Tri-Cities," said the Honourable James Moore, Senior Minister for British Columbia and Member of Parliament for Port Moody—Westwood—Port Coquitlam. "The Evergreen Line demonstrates that our government's Economic Action Plan is working."

7. Genesee & Wyoming Inc. buy RailAmerica

The two largest owners of shortline railroads in North America have agreed to combine. Genesee & Wyoming Inc. (G&W) said it will purchase RailAmerica for \$27.50 per share, for a total of \$1.4 billion, plus another \$600 million G&W would assume as debt. Jack Hellmann, president and chief executive officer of G&W, said the deal would be "a straightforward combination of two organizations with overlapping holding company structures and complementarities."

8. CN Profit Up 17.3 Percent on Intermodal Growth, CP Strike

A 13 percent jump in intermodal volume and a nine-day strike at its main rival drove Canadian National Railway's profit up 17.3 percent year-over-year to \$618 million. The top Canadian railroad saw revenue rise 13 percent to about \$2.5 billion, as volume increased 4 percent although coal, grain and fertilizer shipments fell 4 percent each. CN's petroleum and chemical volume rose 6 percent, while the traffic of metal and minerals, the second-largest commodity type after intermodal, rose up 1 percent.

9. CN reports Q2-2012 net income of C\$631 million, or C\$1.44 per diluted share

On July 25, 2012, CN announced its results for the second quarter of 2012. The highlights were: net income was C\$631 million, or C\$1.44 per diluted share, versus year-earlier net income of C\$538 million, or C\$1.18 per diluted share; Adjusted diluted Q2-2012 earnings per share (EPS) -- excluding a net income tax expense of C\$0.06 per diluted share -- rose 19 per cent to C\$1.50. The net income tax expense resulted from the enactment of higher provincial income tax rates, partly offset by an income tax recovery from the recapitalization of a foreign investment; revenues increased 13 per cent to C\$2,543 million, while revenue ton-miles rose eight per cent and carloadings increased four per cent; operating income increased 13 per cent to C\$985 million; the operating ratio was 61.3 per cent, unchanged from the year-earlier; and Free cash flow for the first six months of 2012 totalled C\$703 million, including the impact of Q1-2012 voluntary pension plan contributions totalling C\$450 million, compared with free cash flow of C\$823 million for the same period of 2011. Claude Mongeau, president and chief executive officer, said: "CN's team of railroaders continues to deliver impressive results, converting strong volume and revenue growth into solid bottom-line results. Our focus on maintaining a fluid network and solid execution allowed us to further improve our industry-leading service for the benefit of our customers and shareholders."

10. CP Rail earnings hit by management shake-up, strike

www.americanshipper.com

8. CN Profit Up 17.3 Percent on Intermodal Growth, CP Strike, July 25, 2012, www.joc.com

9. CN reports Q2-2012 net income of C\$631 million, or C\$1.44 per diluted share, July 25, 2012, www.cn.ca

10. CP Rail earnings hit by management shake-up, strike, July 25, 2012, www.nationalpost.ca

11. Canadian Pacific announces second-quarter 2012 results, July 25, 2012, www.cpr.ca

12. Railway carloadings, May 2012 (preliminary data), July 26, 2012, www.statcan.gc.ca

US

1. US intermodal reaches new heights, July 6, 2012, www.americanshipper.com

2. CSX Profit Up 1.2 Percent on Volume Drop, Flat Revenue, July 17, 2012, www.joc.com

3. Retail, railroads reflect tepid economy, July 18, 2012, www.americanshipper.com

4. UP (Union Pacific Railway) has record profit in second quarter, July 19, 2012, www.americanshipper.com

5. Norfolk Southern reports lower earnings [second quarter 2012], July 26, 2012, www.americanshipper.com

The company said on June 25, 2012 that it had incurred roughly \$42-million in one-time charges related to the management shakeup, which saw Mr. Harrison, the former head of rival Canadian National Railway Co., replace Fred Green as CP's CEO after a bitter proxy battle waged by activist shareholder Bill Ackman. The railway incurred a \$38-million charge during the second quarter — \$16-million for Mr. Harrison, \$20-million for Pershing Square and \$2-million in related costs — related to the matter. It noted, however, the funds could be reimbursed if Mr. Harrison is successful in his defence in the CN lawsuit. It also was forced to pay \$4-million to Mr. Green in retirement allowances, and a further \$13-million in proxy advisory-related costs during the quarter.

11. Canadian Pacific announces second-quarter 2012 results

Canadian Pacific announced its results for the second quarter of 2012 on July 25, 2012. Total revenues were \$1.4 billion, an increase of \$101 million; Operating expenses were \$1.1 billion, an increase of \$93 million; Average fuel price was essentially flat at \$3.49 U.S. dollars per U.S. gallon compared to \$3.50 U.S. dollars per U.S. gallon; operating income was \$239 million, an increase of \$8 million; operating ratio was 82.5 per cent, an increase of 80 basis points; net income was \$103 million, a decrease of \$25 million; and diluted earnings per share were \$0.60 per share, a decrease of \$0.15 per share. Canadian Pacific's newly appointed President and Chief Executive Officer, E. Hunter Harrison said, "I look forward to working with a solid team of dedicated railroaders to improve CP's service offering and drive long-term shareholder value. Canadian Pacific is a strong franchise with positive market opportunities."

12. Railway carloadings, May 2012 (preliminary data)

Canadian railways carried 26.0 million tonnes of freight in May 2012, down 0.9% from May 2011. The drop was solely the result of decreases in domestic freight shipments, as international cargo loadings rose. Non-intermodal cargo loadings declined 4.2% to 20.1 million tonnes. Intermodal freight loadings grew 2.3% to 2.4 million tonnes due to the strength of containerized cargo shipments.

HIGHWAY TRANSPORTATION

1. For-hire Motor Carrier Freight Services Price Index, first quarter 2012

The For-Hire Motor Carrier Freight Services Price Index increased 0.9% in the first quarter of 2012 from the fourth quarter of 2011. The general freight trucking component and the specialized freight trucking component advanced 0.9%. Year over year, the index advanced 3.7% in the first quarter of 2012.

2. McGuinty Government Improving Public Transit, Creating 80,000 Jobs

Ontario is moving forward to deliver the largest transit expansion in the City of Toronto's history, which will help ease congestion and create thousands of jobs.

3. Kuehne + Nagel acquires Vancouver-based freight forwarder

Kuehne + Nagel has entered into an agreement to take over the book of business of Perishables International Transportation (PIT) in Vancouver. Established in 1991, PIT is an independent freight forwarder, specializing in handling and transportation of fresh and frozen perishable goods.

4. Manitoulin Group acquires Expedite Plus

Manitoulin Group of Companies has acquired Expedite Plus, a specialized service provider for the movement of highly time-critical shipments across the globe via air and ground. Manitoulin announced its partnership with Expedite plus, of Milton, Ont., in October 2008, as a means to augment its own time-critical shipment capabilities.

5. ATA: Trucking's Share of Freight Market to Hit 70% by 2023

"The trucking industry continues to dominate the freight transportation industry in terms of both tonnage and revenue, comprising 67 percent of tonnage and 81 percent of revenue in

HIGHWAY TRANSPORTATION Canada

1. For-hire Motor Carrier Freight Services Price Index, first quarter 2012, June 29, 2012, www.statcan.gc.ca
2. McGuinty Government Improving Public Transit, Creating 80,000 Jobs, June 29, 2012, www.mtgov.on.ca
3. Kuehne + Nagel acquires Vancouver-based freight forwarder, July 4, 2012, www.ctl.ca
4. Manitoulin Group acquires Expedite Plus, July 5, 2012, www.ctl.ca
5. ATA: Trucking's Share of Freight Market to Hit 70% by 2023, July 9, 2012, www.ontruck.ca
6. Vancouver roads most congested in Canada: Study, July 11, 2012, www.globeandmail.ca
7. Andrew Coyne: Smart tolls the best solution to our traffic woes, July 11, 2012, www.nationalpost.ca
8. Spot market freight index sets new record for month of June, July 15, 2012, www.ctl.ca
9. Canada and the U.S. launch new technology to reduce border wait times, July 17, 2012, www.tc.gc.ca
10. Canadian spot market freight index down m-o-m, y-o-y in June, July 18, 2012, www.ctl.ca
11. CTA Supports Senate Committee's Recommendation to Expand Use of Natural Gas in Canadian Economy, July 19, 2012, www.ontruck.ca
12. Time To Put Fuel Taxes Into Highways, Says MTA, July 20, 2012, www.todaystrucking.com
13. Livingston International acquires Houston,

2011." According to this year's forecast by ATA Chief Economist Bob Costello "Overall, total freight tonnage is expected to grow. Trucking's share of the tonnage market will rise over 2 percentage points to 69.6 percent by 2023, while the industry's share of freight revenues will increase to 81.7 percent from 80.9 percent. Rail intermodal tonnage will rise 6.2 percent a year between 2012 and 2017, and then 5.4 percent annually through 2023.

6. Vancouver roads most congested in Canada: Study

Vancouver is the most congested city in Canada when measured according to rush hour traffic according to a recent study. In North America, however, it ranks second as Los Angeles is the most congested city. The study examined twenty-six cities.

7. Andrew Coyne: Smart tolls the best solution to our traffic woes

It's always hard to get people to pay for things they are used to getting for free. Road tolls do not always work, this has been found in London and Amsterdam. What's really needed, then, is a more comprehensive approach. With modern technology, there's no reason to toll only some roads and not others. Using GPS-style in-car transponders and satellites, it's now possible to charge drivers to use the roads generally, with the highest charges applying in downtown centres and at rush-hour — just as you pay a higher charge to use your cellphone depending on the location and time of day. You'd even get a monthly bill in the mail. Pay in congestion, in time and noise and aggravation — or pay by credit card.

8. Spot market freight index sets new record for month of June

TransCore's North American Freight Index has set a new record for the month of June 2012. Year-over-year, the spot market freight index was up 6.3% over last June. However, TransCore reports freight volume slipped 2% compared to May 2012.

9. Canada and the U.S. launch new technology to reduce border wait times

Government officials on July 17, 2012, announced the installation of new technology at the Peace and Queenston-Lewiston Bridges to help people cross the border faster.

10. Canadian spot market freight index down m-o-m, y-o-y in June

Canadian spot market freight saw its second best month of 2012 in June, but was down both month-over-month and year-over-year, according to the latest data from TransCore.

11. CTA Supports Senate Committee's Recommendation to Expand Use of Natural Gas in Canadian Economy

The Canadian Trucking Alliance (CTA) supports the recommendation to expand the use of natural gas in the Canadian economy contained in a report released on July 19, 2012 by the Standing Committee on Energy, the Environment and Natural Resources for the Government of Canada. The report entitled *Now or Never* states that natural gas is a "game changing fuel," that the product "is becoming a platform fuel for the Canadian economy" and that its expansion by governments "should be encouraged."

12. Time To Put Fuel Taxes Into Highways, Says MTA

The Manitoba Trucking Association (MTA) met with the provincial and local governments. Terry Shaw, general manager of the MTA said "We are asking all levels of government to support infrastructure growth and development by committing to putting 100 percent of money raised as a result of road user taxes directly back into infrastructure budgets." He further pointed that "Redirecting these taxes into other projects does a disservice to all Canadians as we all, in one way or another; rely on our transportation network in our daily lives."

13 Livingston International acquires Houston, Texas-Evans and Wood & Co.

Livingston International has acquired Houston, Texas-based Evans and Wood & Co. Both companies focus on services related to customs and trade compliance.

14. Large Urban Transport, May 2012 (preliminary data)

Texas-Evans and Wood & Co., July 23, 2012, www.ctl.ca

14. Large Urban Transport, May 2012 (preliminary data), July 24, 2012, www.statcan.gc.ca

15. US for-hire truck tonnage bounces back in June, July 25, 2012, www.ctl.ca

16. Mullen posts record revenue in 2Q, July 26, 2012, www.ctl.ca

17. The Couriers and Messengers Services Price Index, June 2012, July 27, 2012, www.statcan.gc.ca

18. Transforce revenue, profits soar in Q2, July 27, 2012, www.ctl.ca

19. NIT League applauds captive shipper decisions, July 30, 2012, www.americanshipper.com

US

1. Congress passes surface transportation bill, July 2, 2012, www.americanshipper.com

2. Slow Economy Not Hindering Transport Acquisitions, July 5, 2012, www.joc.com

3. [US] Freight Shipments Unchanged in May from April, July 11, 2012, www.dot.gov

4. Mergers: Commission opens in-depth investigation into proposed acquisition of TNT Express by UPS, July 20, 2012, www.europa.eu

5. New Research Says Current Warning Systems Designed to Detect Children Left in Vehicles Are Not Reliable, July 30, 2012 www.dot.gov

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 6.2% from May 2011 to \$253.5 million in May 2012. Over the same period, ridership levels increased 4.3% to 134.2 million passenger trips.

15. US for-hire truck tonnage bounces back in June

US for-hire truck tonnage increased 1.2% in June 2012 after falling 1.0% in May 2012, according to a report from the American Trucking Associations. (May's loss was larger than the 0.7% drop ATA reported on June 19.) June's increase was the largest month-to-month gain in 2012.

16. Mullen posts record revenue in 2Q

Mullen Group has posted record second quarter revenue, generating \$320.1 million in the period ending June 30, 2012. This was a 10.1% increase from the same period in 2011. The company attributed the increase to greater revenue generated by both its oilfield services segment and its trucking/logistics segment.

17. The Couriers and Messengers Services Price Index, June 2012

The Couriers and Messengers Services Price Index decreased 0.2% in June 2012 compared with May 2012. The courier portion fell 0.2% while the local messenger component declined 0.5%. The index increased 2.8% in June compared with the same month in 2011.

18. Transforce revenue, profits soar in Q2

Acquisitions of Loomis Express, IE Miller and Quik X propelled TransForce to a 25% increase in revenue in the 2012 second quarter. Total revenue increased \$161.2 million to \$812.0 million in the three-month period ending June 30, 2012. Profits rose 39% year-over-year, reaching \$68.6 million, or 8.5% of total revenue, up from \$49.3 million, or 7.6% of total revenue in the corresponding period a year earlier. All business segments delivered a higher year-over-year profit in monetary terms, the company announced.

19. NIT League applauds captive shipper decisions

The U.S. Surface Transportation Board said in the last week of July 2012 that it has begun two initiatives to explore ways to further protect so-called captive shippers who are served by a single railroad from unreasonable rail rates. The STB proposes to reform its rules on how it resolves rate disputes to ensure that all captive shippers have a meaningful way to challenge rates and, secondly, taking steps to consider a proposal submitted by the National Industrial Transportation League.

GENERAL TRANSPORTATION

Canada

1. Obama signs transportation bill

President Obama on July 6, 2012 signed into law the two-year, \$105 billion surface transportation bill passed by Congress a week earlier. The bill streamlines more than 100 federal programs, attempts to speed up project delivery, adds performance outcomes to the criteria for project funding and addresses freight infrastructure for the first time. Among the freight provisions in the act is a call for the Department of Transportation to develop a national freight strategy and policy.

2. Travel between Canada and other countries, May 2012

Travel both into and out of Canada declined in May 2012 compared with April 2012. Canadian residents made 5.3 million trips abroad in May, down 1.7% from April. Most of these trips, 4.5 million, were to the United States, a 1.9% decrease. Travel by Canadians to overseas countries declined 0.2% to 795,000 trips. In the opposite direction, travel by residents from abroad to Canada fell 0.6% in May 2012 to 2.1 million trips. Travel to Canada from the United States was down 0.5%, while travel from overseas countries declined 0.8%.

Canada

1. Obama signs transportation bill, July 9, 2012, www.americanshipper.com
2. Travel between Canada and other countries, May 2012, July 18, 2012, www.statcan.gc.ca

US

1. Special Report: Chinese Aviation, July 16, 2012, www.iata.org
2. Call for tender: Information campaign to increase public awareness on passenger rights in all modes of transport (deadline 5/09/2012), July 18, 2012, www.europa.eu