

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Passenger Traffic Continues to Rise - Cargo Remains in Doldrums

The International Air Transport Association (IATA) announced global traffic results for January 2012 showing a 5.7% rise in passenger demand but a 8.0% decline in air freight compared to the same month in 2011. Stripping out the occurrence of Chinese New Year in January rather than February, the underlying trend was for stronger passenger growth, while stabilized weakness in cargo markets continues. Total January 2012 passenger demand rose 5.7% compared to January 2011 a slight acceleration from the 5.6% year over year increase recorded for December 2011.

### 2. Air Canada's airport workers seek new mediator

Air Canada's largest union representing (The International Association of Machinists and Aerospace Workers) is eager to resume contract talks, requesting a new mediator in a renewed bid to reach a deal while urging members to be patient.

### 3. Air Canada's non-stop Calgary-Tokyo Narita flights now year-round

Air Canada announced on February 29, 2012 that its Calgary to Tokyo Narita non-stop flights will operate year-round beginning this winter 2011.

### 4. Air Canada launches the Air Canada Foundation

In celebration of its 75 years of community involvement, Air Canada announced on February 29, 2012 the launch of the Air Canada Foundation, a not-for-profit organization focused on the health and well-being of children in need.

### 5. Air Canada Reports February Load Factor

Air Canada reported its traffic results for February 2012. Its load factor, available seat miles (capacity) and revenue passenger miles were: 76.8, 5,169b and 3,971b. This represents an increase of 0.9 points, 5.3% and 6.9% compared to the same month a year ago. Calin Rovinescu, CEO for Air Canada said "Led by an increase in traffic in the U.S. transborder market of 10.7 per cent, we generated greater traffic in all markets Air Canada serves with system wide growth of 6.5 per cent on a capacity increase of 5.3 per cent through higher utilization of our existing fleet."

### 6. Quarterly civil aviation statistics (First Quarter 2011 - Preliminary)

Operational and financial data on civil aviation are now available for the first quarter of 2011.

### 7. WestJet reports strong February traffic results

On February 5, 2012, WestJet reported its traffic results for February 2012. Its load factor, available seat miles (capacity) and revenue passenger miles were: 82.7, 1.811b and 1.499b compared to the same month a year ago. This represents an increase of 0.9 points, 10.9% and 9.9%. Gregg Saretsky, CEO for WestJet said we are pleased with our strong February load factor given the increase in capacity together

## AIR TRANSPORTATION

### Canada

1. Passenger Traffic Continues to Rise - Cargo Remains in Doldrums, February 29, 2012, [www.iata.org](http://www.iata.org)
2. Air Canada's airport workers seek new mediator, February 28, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
3. Air Canada's non-stop Calgary-Tokyo Narita flights now year-round, February 29, 2012, [www.aircanada.ca](http://www.aircanada.ca)
4. Air Canada launches the Air Canada Foundation, February 29, 2012, [www.aircanada.ca](http://www.aircanada.ca)
5. Air Canada Reports February Load Factor, March 5, 2012, [www.aircanada.ca](http://www.aircanada.ca)
6. Quarterly civil aviation statistics (First Quarter 2011 - Preliminary), March 1, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
7. WestJet reports strong February traffic results, March 5, 2012, [www.westjet.ca](http://www.westjet.ca)
8. Porter Airlines February load factor up 5.5 points, March 5, 2012, [www.flyporter.com](http://www.flyporter.com)
9. Global Accident Rate Reaches New Low - Regional Challenges Remain, March 6, 2012, [www.iata.org](http://www.iata.org)
10. Air Canada Receives Strike Notice from the IAMAW to Take Effect March 12, March 7, 2012, [www.aircanad.ca](http://www.aircanad.ca)
11. Improving the Competitiveness of Canadian Aviation - IATA Highlights Montreal's Important Role in Global Aviation, March 8, 2012, [www.iata.org](http://www.iata.org)
12. Ottawa steps in to block Air Canada labour disruption, March 8, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)
13. No Disruption of Service at Air Canada, March 8, 2012, [www.aircanada.ca](http://www.aircanada.ca)
14. Video: Lisa Raitt on stepping in to Air Canada labour dispute, March 12, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
15. Washington in demand! Porter Airlines increases service to 4 daily flights, March 12, 2012, [www.flyporter.com](http://www.flyporter.com)
16. Feds provide \$136K to upgrade airport, March 12, 2012, [www.cacairports.ca](http://www.cacairports.ca)
17. Strong Partnerships Across the Air Cargo Value Chain - Safety, Security, Sustainability and Competitiveness Top the Agenda, March 13, 2012, [www.iata.org](http://www.iata.org)
18. Ottawa passes Air Canada back-to-

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

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with our forward bookings.

#### **8. Porter Airlines February load factor up 5.5 points**

On February 5, 2012, Porter Airlines reported its traffic results for February 2012. Its load factor, available seat miles (capacity) and revenue passenger miles were: 56.1, 110.4m and 61.9m. This represents an increase of 4.5 points, 36.8% and 51.7% compared to the same month a year ago. Robert Deluce, president and CEO of Porter Airlines said “February shows year-over-year improvement in all categories.”

#### **9. Global Accident Rate Reaches New Low - Regional Challenges Remain**

The International Air Transport Association (IATA) announced that the 2011 accident rate for Western-built jets was the lowest in aviation history, surpassing the previous mark set in 2010.

#### **10. Air Canada Receives Strike Notice from the IAMAW to Take Effect March 12**

Air Canada has been advised by the International Association of Machinists and Aerospace Workers (IAMAW), representing the airline's approximately 8,600 mechanics, baggage handlers and cargo agents in Canada, that it intends to begin labour action starting at 12:01 A.M. ET on Monday March 12, 2012. If a resolution is not achieved before that time, the airline indicates it will make every attempt to minimize inconvenience to passengers.

#### **11. Improving the Competitiveness of Canadian Aviation - IATA Highlights Montreal's Important Role in Global Aviation**

The International Air Transport Association (IATA) called upon Canada's policy makers to take actions to improve the competitiveness of the country's aviation sector including reducing the heavy tax burden. He compared aviation in Canada to aviation in Australia, a country of similar size. He specifically mentioned three types of burdens: fuel taxes, airport rents and security fees. First, fuel taxes are double the amount it is in Australia. Second, rents charged for Canada's airport infrastructure is \$250 million (Cd) annually placing it at a competitive disadvantage. This pain is not only felt by the Canadian air transport sector which suffers from passengers opting to start their journeys from US airports but also includes Property in Lieu of Taxes. Third, he indicated that Canada has some of the highest security fees in the world—which can be up to ten times those charged in the US. The CEO of IATA therefore urged the Minister of Transport, Infrastructure and Communities Denis Lebel to include a look at the impact of aviation taxes in an upcoming review.

#### **12. Ottawa steps in to block Air Canada labour disruption**

After Air Canada said it was prepared to lock out its pilots at 12:01 a.m. February 5, 2012 following the refusal by Air Canada Pilots Association on March 8, 2012 to accept the final offer by the airline. Federal Labour Minister Lisa Raitt stepped in to prevent a labour disruption at Air Canada over the busy March Break by referring its dispute with the unions representing its pilots and machinists to the Canada Industrial Relations Board. She said “Given our fragile economy, we've said before, a work stoppage is unacceptable. The Canadian labour code is very clear that while the CIRB is considering the matter of what level of services an air carrier may have to provide in the case of health and safety matters, they cannot affect a work stoppage. So it applies to both

work bill, March 14, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)

19. Aircraft movement statistics: Small airports, March 15, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

20. Air Canada pilots to challenge anti-strike bill, March 15, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)

21. Sixth World Cargo Symposium Ends With Airline Commitments on Industry Cooperation, Safety, Security and e-Freight, March 15, 2012, [www.iata.org](http://www.iata.org)

22. Air Canada asks labour board to step in after weekend disruptions, March 19, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)

23. Airport Utility Fire Reduces Air Canada Operations at Toronto, March 18, 2012, [www.aircanada.ca](http://www.aircanada.ca)

24. WestJet Vacations launches scorching summer sale vacations, March 16, 2012, [www.westjet.ca](http://www.westjet.ca)

25. Air Canada Comments on Aveos closures and its contingency planning, March 19, 2012, [www.aircanada.ca](http://www.aircanada.ca)

26. Air Canada offers \$15 million Emergency Financing to Aveos through its Monitor, March 19, 2012, [www.aircanada.ca](http://www.aircanada.ca)

27. Rising Oil Prices Reducing Profitability - Regional Differences Widen, March 20, 2012, [www.iata.org](http://www.iata.org)

28. Air Canada pilots launch challenge against back-to-work bill, March 20, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)

29. Aircraft movement statistics: Major airports, March 21, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

30. WestJet affirms maintenance program, March 22, 2012, [www.westjet.ca](http://www.westjet.ca)

31. Travel Advisory: Flight delays and cancellations: Toronto, Montreal, March 23, 2012, [www.aircanada.ca](http://www.aircanada.ca)

32. The Government of Canada invests in Port Hardy Airport, March 23, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)

33. A Decade of Change in Fuel Prices and U.S. Domestic Passenger Aviation Operations, March 23, 2012, [www.dot.gov](http://www.dot.gov)

34. WestJet announced it is Canada's preferred airline, March 23, 2012, [www.westjet.ca](http://www.westjet.ca)

35. ATAC Urges Premier McGuinty to Rethink Ornge, March 23, 2012, [www.atac.ca](http://www.atac.ca)

36. Air Canada pilots urge union to open mind to industry's 'new realities', March 26, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)

37. Air Canada labour fight spills over onto flyers, March 26, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)

a lockout and a strike.”

### **13. No Disruption of Service at Air Canada**

Air Canada states that on March 8, 2012, Canada's Minister of Labour, the Hon. Lisa Raitt, has issued a referral pursuant to the Canada Labour Code, to determine the activities that Air Canada may be required to maintain as relates to the health and safety of Canadians. As a result of this CIRB referral, the IAMAW cannot commence a strike and Air Canada cannot lock out its pilots at least until this matter has been determined by the Board.

### **14. Video: Lisa Raitt on stepping in to Air Canada labour dispute**

Labour Minister Lisa Raitt is addressing concerns about the Conservative government having a hidden agenda by preventing the Air Canada strike. She also discusses why the airline has been having so many issues and indicates she will return with labour legislation to be introduced into the House of Commons.

### **15. Washington in demand! Porter Airlines increases service to 4 daily flights**

Porter Airlines is increasing service to Washington Dulles International Airport, which begins on April 16, 2012. A fourth daily roundtrip flight from Billy Bishop Toronto City Airport will be available as of May 14, 2012. This is the sixth US destination now available to Porter Airline passengers.

### **16. Feds provide \$136K to upgrade airport**

Ottawa provided close to \$136,000 to the Nanaimo Airport on March 9, 2012 to upgrade safety and provide efficiencies at the airport. The funding is part of a \$582-million initiative to improve safety at Canadian airports called the Airports Capital Assistance Program.

### **17. Strong Partnerships Across the Air Cargo Value Chain - Safety, Security, Sustainability and Competitiveness Top the Agenda**

The International Air Transport Association (IATA) advocated strong partnerships across the air cargo value chain to address an industry agenda to enhance safety, security, sustainability and competitiveness. The CEO of IATA said “Air cargo is critical to the global economy. By value, over 35% of goods traded internationally are handled by air. But this accounts for just 0.5% of global volumes traded. Air cargo provides the connectivity that is at the core of modern businesses serving global markets. The growth potential is enormous.

### **18. Ottawa passes Air Canada back-to-work bill**

Air Canada's labour disputes with the unions representing its machinists and pilots will be heading to binding arbitration after Ottawa passed a back-to-work bill on March 14, 2012. Bill C-33 was passed and effectively removes the right for the airline to lock out its ground crews, mechanics and pilots, and the unions that represent those workers from striking.

### **19. Aircraft movement statistics: Small airports – December 2011**

The number of take-offs and landings at the 132 airports without air traffic control towers reached 41,549 movements in December 2011. Moosonee and Peterborough were the most active sites. Of the 129 airports for which year-over-year comparisons were possible, 67 reported increases.

### **20. Air Canada pilots to challenge anti-strike bill**

The union representing 3,000 pilots at Air Canada said on March 15, 2012 that it will launch a legal challenge to federal legislation preventing a strike or lockout at the airline, the country's biggest.

### **21. Sixth World Cargo Symposium Ends With Airline Commitments on Industry Cooperation, Safety, Security and e-Freight**

The sixth World Cargo Symposium concluded with a call to action by Heads of Cargo from the world's biggest airlines. The IATA Cargo Committee, comprising 15 international carriers, has put renewed focus on the delivery of key programs such as Secure Freight, and e-freight, to tackle the challenges facing air cargo.

### **22 Air Canada asks labour board to step in after weekend disruptions**

38. Porter makes RBC Insurance available for travellers, March 28, 2012, [www.flyporter.com](http://www.flyporter.com)

39. EU hammers forwarders in fixing case, March 28, 2012, [www.americanshipper.com](http://www.americanshipper.com)

40. Air Canada Reiterates Full Compliance with Air Canada Public Participation Act, March 29, 2012, [www.aircanada.ca](http://www.aircanada.ca)

### **US**

1. December 2011 [US] Passenger Airline Employment Rose 2.7 Percent from December 2010, February 29, 2012, [www.dot.gov](http://www.dot.gov)

2. DOT Fines Ticket Agent for Advertising, Code-Share Disclosure Violations, March 1, 2012, [www.dot.gov](http://www.dot.gov)

3. DOT Fines Qantas for Violating Price Advertising Rules, March 2, 2012, [www.dot.gov](http://www.dot.gov)

4. 3rd-Quarter 2011 Airline Financial Data: Network Airlines, Low-Cost Airlines and Regional Airlines All Report Profits, March 13, 2011, [www.dot.gov](http://www.dot.gov)

5. Airline On-Time Performance, Cancellation Rate in January Improve from Last Year, March 15, 2012, [www.dot.gov](http://www.dot.gov)

6. December 2011 [US] Airline System Traffic Up 0.5 Percent from December 2010, March 22, 2012, [www.dot.com](http://www.dot.com)

7. January 2012 Passenger Airline Employment Rose 2.1 Percent from January 2011, March 28, 2012, [www.dot.gov](http://www.dot.gov)

Air Canada has asked the government's labour relations board to intervene after an unusually large number of pilots called in sick on a busy spring-break weekend. This contributed to numerous flight cancellations and delays according to the airline.

**23. Airport Utility Fire Reduces Air Canada Operations at Toronto**

Air Canada advises travellers that as a result of a fire that affected utilities at Lester B. Pearson International Airport in Toronto and reduced the airport's operating capacity, Air Canada and Air Canada Express are experiencing flight delays and cancellations.

**24. WestJet Vacations launches scorching summer sale vacations**

WestJet launches price protection on summer vacation packages bought until May 31, 2012 for travel bought between April 16, 2012 and October 31, 2012

**25. Air Canada Comments on Aveos closures and its contingency planning**

Air Canada has been advised that Aveos Fleet Performance Inc. (Aveos) has filed for insolvency protection under the Companies' Creditors Arrangement Act (CCAA). Aveos provides maintenance, repair and overhaul services. Air Canada says that these events at Aveos, while disappointing, have no impact on Air Canada's day-to-day aircraft maintenance and repair activities, referred to as "line maintenance."

**26. Air Canada offers \$15 million Emergency Financing to Aveos through its Monitor**

Following the filing by Aveos Fleet Performance for insolvency protection before the Superior Court of Quebec under the CCAA earlier on March 19, 2012 Air Canada has extended to Aveos, through its Court appointed Monitor, FTI Consulting Canada, a \$15 million Debtor-in-Possession (DIP) financing, which it will also file on the court record before the presiding judge.

**27. Rising Oil Prices Reducing Profitability - Regional Differences Widen**

The International Air Transport Association (IATA) announced a downgrade to its industry outlook for 2012 primarily due to rising oil prices. IATA expects airlines to turn a global profit of \$3.0 billion in 2012 for a 0.5% margin. It is a downgrade of 0.5 billion dollars.

**28. Air Canada pilots launch challenge against back-to-work bill**

The union representing Air Canada pilots has launched an appeal in the Ontario Superior Court to overturn federal back-to-work legislation passed in the second week of March 2012. They claim it violates the Charter of Rights.

**29. Aircraft movement statistics: Major airports (February 2012)**

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 13.5% in February 2012 from February 2011.

**30. WestJet affirms maintenance program**

WestJet affirmed that the maintenance program for its jet will continue with Premier Aviation of Trois-Riviere, Quebec and Cascade Aerospace of British Columbia with none of the heavy maintenance being performed with Aveos Fleet performance Inc.

**31. Travel Advisory: Flight delays and cancellations: Toronto, Montreal**

Due to illegal work action by Air Canada ground handling employees in Toronto and Montreal, Air Canada is experiencing delays and some cancellations of flights departing Toronto Pearson International Airport.

**32. The Government of Canada invests in Port Hardy Airport**

The Honourable John Duncan, Minister of Aboriginal Affairs and Northern Development, and Member of Parliament for Vancouver Island North, on March 23, 2012 announced a runway pavement resurfacing project for the Port Hardy Airport. Port Hardy Airport is owned and operated by Transport Canada and is located on the northern end of Vancouver Island, approximately 300 kilometres from Vancouver. The airport operations include daily passenger service to Vancouver and local flights to rural locations up and down the west coast of British Columbia.

**33. A Decade of Change in Fuel Prices and U.S. Domestic Passenger Aviation Operations**

The Department of Transportation's Bureau of Transportation Statistics (BTS) on March 23, 2012 released a Special Report, *A Decade of Change in Fuel Prices and U.S. Domestic Passenger Aviation Operations*, examining changes in U.S. domestic passenger aviation operations related to fuel price increases over the capacity reductions and productivity gains from efficiency.

**34. WestJet announced it is Canada's preferred airline**

WestJet announced that it is Canada's preferred airline according to research by TNS Canada. Forty-four percent voted in favour of WestJet compared to thirty-nine percent for Air Canada.

**35. ATAC Urges Premier McGuinty to Rethink Ornge**

ATAC urges Premier McGuinty to review Ornge's mandate, sell off its fleet, and turn to the private sector carriers to once again provide quality air ambulance services. The Auditor General of Ontario's Special

Report on Ornge Air Ambulance and Related Services, released on March 21, 2012, clearly points out abuses of public funds, intentional lack of transparency and reduced performance since Ornge has gone from ensuring the provision of air ambulance services through the use of private sector air carriers to delivering those services itself at great cost.

**36. Air Canada pilots urge union to open mind to industry's 'new realities'**

Former labour leaders from the Air Canada Pilots Association are telling union members to open their minds to new ideas from the airline's management. The memo suggesting this also indirectly referred to allowing the formation of a new airline with 25 percent being owned by foreign countries.

**37. Air Canada labour fight spills over onto flyers**

Air Canada's labour dispute is not only affecting its customers together with future bookings into the summer of 2012 but also affecting its credit rating which may be down graded by Standard and Poor's. "The long-term viability of the company is in question," said George Smith, a director of employee relations at the airline from 1982 to 1992 who now teaches labour relations at Queen's University in Kingston, Ontario. "You're getting to a tipping point where people will be so uncertain about what they can expect that they may seek alternative means of travel."

**38. . Porter makes RBC Insurance available for travellers**

Porter Airlines now gives its passengers the option to purchase RBC Insurance when booking flights. Insurance is available to Canadian residents and includes options such as medical coverage, trip cancellation and interruption, and baggage delay, depending on the package.

**39. EU hammers forwarders in fixing case**

The European Commission on March 28, 2012 handed out \$225 million in fines to 14 air freight forwarding companies, including some of the largest global firms in the sector, for fixing prices on several routes. The fines were largest for Kuehne + Nagel (\$71.5 million) and Panalpina (\$61.9 million), while UPS was also hit with a \$13 million penalty. DHL Global Forwarding and Exel were exempt from the fines because they informed the EU's antitrust regulator.

**40. Air Canada Reiterates Full Compliance with Air Canada Public Participation Act**

Air Canada President and Chief Executive Officer, Calin Rovinescu, on March 29, 2012 stated to the House of Commons "Let me state clearly and unequivocally that we continue to be in full compliance with the letter and the spirit of the Air Canada Public Participation Act - despite the demise of Aveos. Under the terms of the legislation, Air Canada is required to keep maintenance, overhaul and repair [MRO] facilities in Mississauga, Winnipeg and Montreal. Mr. Rovinescu said it was Aveos' failure to diversify its business and other "productivity issues" since it was spun off as an independent company in 2004 that led to its demise.

## **WATER TRANSPORTATION**

### **1. Cargo customers learn unique benefits of the Port of Halifax**

“Reliable. Efficient. Effective. Get it there with the Port of Halifax.” That’s the message the Port is spreading to existing and potential containerized cargo customers with a new, dedicated containerized cargo website. It is called: HalifaxGetsItThere.com This is the Port’s new containerized-cargo-focused website with features that are currently unrivalled in the shipping industry. Customers can use tools such as the Transit Time Calculator – an industry first – to enter the origin, destination and inland transportation mode of their goods to determine the total transit time for their imports via the Port of Halifax.

### **2. Mega-Ship Trend Comes With Consequences**

Economies of scale are driving carriers to replace their fleets with mega-ships. This will result in the consolidation of shipping lines or in the reduction of competition on customer service, according to a panel on the growth of ship sizes at the 12th annual Trans-Pacific Maritime Conference in Long Beach on March 5, 2012. “The container industry will shrink to seven to ten carriers by 2020, it may be eight, it may be 10, but there will be fewer players” said Lars Jensen, CEO and partner of Seaintel Maritime Analysis.

### **3. Prince Rupert Port Authority Monthly Traffic Summary**

Prince Rupert Port Authority released its February 2012 traffic results on March 7, 2012. Total traffic in terms of containers – twenty foot equivalent (TEUs) increased to 31,023.8, an increase of 67.6%. Imports increased by 48.9% and exports by 92.5%.

### **4. Port Metro Vancouver – Accumulated Container Traffic – February 2012 Y-T-D**

Container traffic in terms of twenty foot equivalent units (TEUs) for the first two months of 2012 were 410,379 a 4.7% increase over the same period in 2011. Imports increased by 7.6% to 229,782 and exports by 1.2% to 180,597.

### **5. St. Lawrence Seaway forecasts 3% growth in 2012**

The St. Lawrence Seaway opened its 54th annual shipping season on March 22, 2012. Canada's St. Lawrence Seaway Management Corp. (SLSMC), which along with the U.S. Saint Lawrence Seaway Development Corp. manages the waterway, predicted that cargo shipments would rise by about 3 percent to 38.6 million tons in 2012. Gains are expected mainly from exports.

### **6. Canada’s Largest Port Welcomes Canada-Japan Free Trade Talks**

On March 27, 2012, Port Metro Vancouver welcomed the joint announcement by Prime Minister Stephen Harper and Japanese Prime Minister Yoshihiko Noda, that Canada and Japan will launch negotiations for a free trade agreement between the two countries.

## **WATER TRANSPORTATION**

### **Canada**

1. Cargo customers learn unique benefits of the Port of Halifax, February 29, 2012, [www.portofhalifax.ca](http://www.portofhalifax.ca)
2. Mega-Ship Trend Comes With Consequences, March 5, 2012, [www.joc.com](http://www.joc.com)
3. Prince Rupert Port Authority Monthly Traffic Summary, March 7, 2012, [www.rupertport.com](http://www.rupertport.com)
4. Port Metro Vancouver – Accumulated Container Traffic – February 2012 Y-T-D, March 14, 2012, [www.portmetrovancover.com](http://www.portmetrovancover.com)
5. St. Lawrence Seaway forecasts 3% growth in 2012, March 23, 2012, [www.americanshipper.com](http://www.americanshipper.com)
6. Canada’s Largest Port Welcomes Canada-Japan Free Trade Talks, March 27, 2012, [www.portvancouver.com](http://www.portvancouver.com)

### **US**

1. Carriers to Raise Pacific Rates Again in April, March 14, 2012, [www.joc.com](http://www.joc.com)
2. Transportation Secretary LaHood Announces \$9.98 Million to Strengthen U.S. Shipyard Competitiveness, March 20, 2012, [www.dot.gov](http://www.dot.gov)

## RAIL TRANSPORTATION

### 1. Railway Carloadings – Preliminary December 2011

Canadian railways carried 25.8 million tonnes of freight in December 2011, up 11.5% from December 2010. The gain was the result of increases in both domestic and international cargo loadings. Intermodal freight loadings of containers and trailers loaded onto flat cars grew 3.3% to 2.2 million tonnes. The increase was the sole result of containerized cargo shipments as trailers loaded onto flat cars declined in December 2011.

### 2. CP expands Bakken crude-by-rail origination capability on North Dakota network

On March 6, 2012, Canadian Pacific announced that it will be moving additional Bakken crude oil by unit train rail from a planned industry logistics hub served by its North Dakota network.

### 3. CP's Strong, Established Customer Relationships Support Growth, Profitability and Continued Success of Multi-Year Plan

CP rail in a letter to shareholders indicated that "CP's management team is aggressively and successfully executing on the Company's Multi-Year Plan and has the full support of the Board of Directors. Your Board and management team firmly believe that CP's strong, established relationships with customers will continue to create significant value for shareholders. CP's management team is aggressively and successfully executing on the Company's Multi-Year Plan and has the full support of the Board of Directors. Your Board and management team firmly believe that CP's strong, established relationships with customers will continue to create significant value for shareholders."

### 4. CN to Build Train Connection to Edmonton

Canadian National Railway will expand its service to the growing Port of Prince Rupert by adding a container train connection to Edmonton in June 2012. The new connection will also bring added service to Calgary. To support the growing region, CN will relocate its Calgary Intermodal Terminal to a larger 680-acre logistics park near the city's airport. "The [\$202 million] new logistics park, along with new connectivity to both the Port of Prince Rupert and Vancouver, will provide Alberta fluid access to world markets for consumer goods and industrial materials, as well as two prime export routes for its forest products, plastics and agri-products," said Jean-Jacques Ruest, the railroad's vice president and chief marketing officer.

### 5. Canadian Pacific Directors Tony L. Ingram and Edmond L. Harris share Board perspective in BMO Conference

The message of the two directors on the CP Board of Directors were that: the State Multi-Year Plan is Well Underway and Yielding Record-Breaking Results; and the Board unanimously support Fred Green and the CP Management Team.

### 6. Rail Transportation – Preliminary 2010

Data on Rail Transportation in Canada are available on CANSIM for 2010.

### 7. CP to Haul Additional 2 Million Tons of Frac Sand

Canadian Pacific Railway will haul from a Wisconsin facility in 2012 an additional 2 million tons of frac sand annually through a recently signed multiyear agreement with Unimin, a major producer of industrial minerals.

### 8. BNSF Rates Unfair, Shippers Tell STB

Shippers on March 22, 2012 presented their views to the Surface

## RAIL TRANSPORTATION

### Canada

1. Railway Carloadings, February 29, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. CP expands Bakken crude-by-rail origination capability on North Dakota network, March 6, 2012, [www.cpr.ca](http://www.cpr.ca)
3. CP's Strong, Established Customer Relationships Support Growth, Profitability and Continued Success of Multi-Year Plan, March 8, 2012, [www.cpr.ca](http://www.cpr.ca)
4. CN to Build Train Connection to Edmonton, March 13, 2012, [www.joc.com](http://www.joc.com)
5. Canadian Pacific Directors Tony L. Ingram and Edmond L. Harris share Board perspective in BMO Conference, March 13, 2012, [www.cpr.ca](http://www.cpr.ca)
6. Rail Transportation – Preliminary 2010, March 15, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
7. CP to Haul Additional 2 Million Tons of Frac Sand, March 15, 2012, [www.joc.com](http://www.joc.com)
8. BNSF Rates Unfair, Shippers Tell STB, March 22, 2012, [www.joc.com](http://www.joc.com)
9. CP offers activist investor a board seat, March 23, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
10. CN buys 161 locomotives, March 23, 2012, [www.americanshipper.com](http://www.americanshipper.com)
11. Canadian Pacific comments on free trade negotiations with Japan, March 26, 2012, [www.cpr.ca](http://www.cpr.ca)
12. CP railway boss Fred Green defends his turf against activist investors, March 27, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
13. Ackman targeted CN COO for CP job: proxy, March 27, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)
14. CP chief lashes back at Hunter Harrison, March 27, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
15. CN sells Greater Toronto Area rail lines to Metrolinx for GO Transit services, March 27, 2012, [www.cn.ca](http://www.cn.ca)

### US

1. Intermodal Volume on US Railroads Climbs 6 Percent, March 8, 2012, [www.joc.com](http://www.joc.com)
2. North American Railcar Fleet Expands, March 20, 2012, [www.joc.com](http://www.joc.com)

Transportation Board indicating that it is unfair for them to pay higher rates to BNSF Railway because of the \$8.1 billion premium Berkshire Hathaway paid to acquire the railroad in 2010.

#### **9. CP offers activist investor a board seat**

Activist investor Bill Ackman says he's surprised that Canadian Pacific Railway Ltd. has nominated him for a seat on the board of directors because he hasn't held any conversations with the company for months.

#### **10. CN buys 161 locomotives**

Canadian National Railway said it will buy 161 high-horsepower locomotives to accommodate anticipated traffic growth and to improve efficiency. Sixty five units will be new and 96 will be second-hand. CN will take delivery of new ES44AC locomotives from GE Transportation in 2013-2014, and 30 new SD70ACe locomotives from Electro-Motive Diesel (EMD).

#### **11. Canadian Pacific comments on free trade negotiations with Japan**

Canadian Pacific welcomed the joint announcement by Prime Minister Stephen Harper and Japanese Prime Minister Yoshihiko Noda that Canada and Japan will launch negotiations for a free trade agreement between the two countries.

#### **12. CP railway boss Fred Green defends his turf against activist investors**

Canadian Pacific Railway Ltd.'s chief executive officer has come out against an American investor's proposal to oust him, arguing that it is based on a flawed analysis of the company. An independent consultant investment company was hired and indicated that the goal proposed by the American investor's proposal to bring down CP's operating ratio to 65 from 81.3 is unachievable.

#### **13. Ackman targeted CN COO for CP job: proxy**

Canadian Pacific Railway will argue at an investor day in Toronto on March 26, 2012 that the current turnaround plan underway at the company is a better way forward than derailing whatever gains have already been made through a disruptive management change. The plan to bring in former CN CEO and another CN executive could raise problems and by themselves will not bring down the operating ratio without specific plans on how to change the factors that directly affect the operating ratio.

#### **14. CP chief lashes back at Hunter Harrison**

Canadian Pacific Railway Ltd. chief executive officer says his opponent is misguided in thinking there's a speedy route to making CP more efficient. He said Mr. Harrison's cost-cutting proposals aren't realistic, notably a "flawed plan" to shed unnecessary locomotives to help chop CP's maintenance expenses. CP provided further details of its multiyear improvement plan, saying it's now targeting an operating ratio of 68.5 to 70.5 per cent for 2016.

#### **15. CN sells Greater Toronto Area rail lines to Metrolinx for GO Transit services**

CN announced on March 27, 2012 the sale of two rail line segments in the Greater Toronto Area to Metrolinx for C\$310.5 million. Metrolinx is acquiring a segment of the subdivision from approximately Rosedale Valley Road north through the Don Valley to CN's main east-west freight line north of Steeles Avenue near the Toronto-York Region border. Metrolinx is also acquiring a segment of CN's Oakville Subdivision from a point near 30th Street in the Etobicoke area of Toronto and terminating just west of the Fourth Line in Oakville, Ont.

### **HIGHWAY TRANSPORTATION**

#### **1. December 2011 Surface Trade with Canada and Mexico Rose 11.6 Percent from December 2010**

Trade using surface transportation between the United States and its North American neighbours, Canada and Mexico, was 11.6 percent higher in December 2011 than in December 2010, totalling \$74.2 billion according to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation. U.S.-Canada surface transportation trade increased compared to December 2010 with U.S.-Canada reaching \$44.2 billion, a 11.2 percent increase. Michigan led all states in surface trade in December 2011 with Canada as it has in previous years, at \$5.6 billion, a 19.7 percent increase from December 2010.

#### **2. Livingston International to acquire Southwestern Ontario customs broker**

Livingston International has signed a purchase agreement to acquire the assets of Dell Will Customs Brokers Inc. Canadian Dell Will

### **HIGHWAY TRANSPORTATION Canada**

1. December 2011 Surface Trade with Canada and Mexico Rose 11.6 Percent from December 2010, February 28, 2012, [www.dot.gov](http://www.dot.gov)
2. Livingston International to acquire Southwestern Ontario customs broker, February 28, 2012, [www.ctl.ca](http://www.ctl.ca)
3. Quarterly Trucking Survey – Third Quarter 2011, February 29, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Couriers and Messengers Services Price Index, February 29, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. Ground transportation costs rise for tenth straight month: CGFI, February 29, 2012, [www.ctl.ca](http://www.ctl.ca)
6. Transforce Posts 34% Total Revenue Growth for 2011, February 29, 2011, [www.todaystrucking.com](http://www.todaystrucking.com)
7. Governments announce funding for new



Customs Brokers Inc. is a local customs broker with approximately 40 employees based in Windsor, Ontario.

### 3. Quarterly Trucking Survey – Third Quarter 2011

Trucking businesses earned \$11.1 billion in operating revenue in the third quarter of 2011, up 5.6% from the same quarter in 2010. These firms reported \$9.6 billion in operating expenses and generated \$1.5 billion in operating profit. This 13.6% rise in operating profit followed two quarters of year-over-year declines. Larger firms (annual revenue of \$1.3 million or more) were profitable whereas smaller were not.

### 4. Couriers and Messengers Services Price Index

The Couriers and Messengers Services Price Index increased 3.7% in January 2012 compared with the previous month. The courier portion rose 3.6% and the local messenger component advanced 4.0%. The index increased 6.8% in January 2012 compared with the same month in 2011.

### 5. Ground transportation costs rise for tenth straight month: CGFI

The cost of ground transportation for Canadian shippers increased 1.1% in December 2011 when compared with November 2011, according to the latest results from the Canadian General Freight Index (CGFI). This marks the tenth consecutive monthly increase for the CGFI, which now sits 8.1% above the December 2010 result.

### 6. Transforce Posts 34% Total Revenue Growth for 2011

TransForce Inc. announced on February 29, 2012 that their total revenue grew 34 percent to \$2.7 billion in 2011 — up from 2010's \$2 billion. The increase was primarily driven by acquisitions, Transforce said, noting that total revenue excluding those acquisitions came in at 4 percent. The company said that in the third quarter the increase in profitability came from an increase in efficiencies.

### 7. Governments announce funding for new Johnson Street Bridge

Government officials announced on March 3, 2012 that funding up to \$37.5 million to replace the Johnson Street Bridge. The new bridge will create an estimated 900 local jobs, boost the economy and improve safety.

### 8. Canadian courier market grows revenues by more than 9% in 2011

The Canadian courier market reached \$6 billion in 2011, according to the latest Canadian Courier Market Size Report published by Breininger & Associates. “As a result of revenue growing by just over 9% ... in 2011 the market broke through the \$6B threshold”, said Gary Breininger, president of Breininger & Associates. “This revenue growth includes the combined impact of annual price increases, changes in the mix of business by lane and package type and increases in fuel surcharge levels. Looking at the change in daily package volume (which increased by 1.9% in 2011 versus 2010) is therefore a more accurate indicator of core growth.” The report publishes data on various aspects of the courier market and is available for sale.

### 9. Big Fleets To Wind Down Shopping Spree in 2012

Canada's largest publicly held carriers went on a merger and acquisition spree in 2011 but this activity is unlikely to continue into the second half of 2012. A panel consisting of TransForce CEO Alain Bedard, Contrans Group CEO Stan Dunford, Trimac CEO Ed Malysa and Murray Mullen of Mullen Enterprises shared some of their strategies and predictions with analysts recently.

Johnson Street Bridge, March 3, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)

8. Canadian courier market grows revenues by more than 9% in 2011, January 12, 2012, [www.ctl.ca](http://www.ctl.ca)

9. Big Fleets To Wind Down Shopping Spree in 2012, Jan. 9, 2012, [www.todaystrucking.ca](http://www.todaystrucking.ca)

10. CTA Calls for Comprehensive Approach, Partnership to Spur Truck Technology Innovation and Investment, March 13, 2012, [www.cantruck.ca](http://www.cantruck.ca)

11. Report: Bradley Bullish on Retrenched Trucking Industry, March 14, [www.cantruck.ca](http://www.cantruck.ca)

12. TNT accepts \$6.7 billion offer from UPS, March 19, 2012, [www.americanshipper.com](http://www.americanshipper.com)

13. DHL invests \$47 million to expand Americas Hub at Cincinnati / Northern Kentucky Airport, March 14, 2012, [www.ctl.ca](http://www.ctl.ca)

14. TransCore's Spot Market Freight Climbs 24 Percent Over January, March 2012, [www.todaystrucking.com](http://www.todaystrucking.com)

15. Trimac and Northern Resource Close Deal, March 19, 2012, [www.todaystrucking.com](http://www.todaystrucking.com)

16. 2011 Surface Trade with Canada and Mexico Rose 14.3 Percent from 2010, March 21, 2012, [www.dot.gov](http://www.dot.gov)

17. Diesel Reaches Highest Price Since Summer '08, March 22, 2012, [www.cantruck.ca](http://www.cantruck.ca)

18. Large Urban Transportation (Preliminary January 2012), March 22, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

19. Trucking Commodity Origin and Destination Survey [2010 Preliminary], March 27, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

20. January 2012 Surface Trade with Canada and Mexico Rose 11.5 Percent from January 2011, March 27, 2012, [www.dot.gov](http://www.dot.gov)

21. Canadian Truck Traffic, Freight Rates Increase, March 28, 2012, [www.joc.com](http://www.joc.com)

22. Global freight volumes remain stagnant, March 28, 2011, [www.cemt.org](http://www.cemt.org)

23. Courier and Messenger price Services Index [February 2012], March 29, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

24. National Tourism Indicators [fourth Quarter 2011], March 29, 2011, [www.statcan.gc.ca](http://www.statcan.gc.ca)

25. Budget 2012 Focuses on Sound Public Finances and Long-Term Economic Growth, March 29, 2011, [www.cantruck.ca](http://www.cantruck.ca)

26. EU grants over €160 million to support key infrastructure projects, March 28, 2012, [www.europa.eu](http://www.europa.eu)

## US

1. U.S. truck tonnage falls 4% in January, March 1, 2012, [www.americanshipper.com](http://www.americanshipper.com)

2. Freight Shipments Fell 3.6% in January from December, March 14, 2012, [www.dot.gov](http://www.dot.gov)

They expect 2012 to be a year of minor non-dramatic growth and buying if any will be strategic. The one exception may be Trimac which announced purchases of Fortress Transport Inc., and a larger share of Northern Resources Trucking, based in Saskatoon earlier in 2012.

#### **10. CTA Calls for Comprehensive Approach, Partnership to Spur Truck Technology Innovation and Investment**

Emerging technology and innovation is making the trucking industry the safest and the most environmentally friendly mode of transport in North America, Canadian Trucking Alliance (CTA) President David Bradley told a committee of federal MPs in Ottawa on March 13, 2012. Further gains he said can be made with a little support from the government. He spoke about innovative trends in commercial truck equipment, and provided examples of the technological revolution the trucking industry is currently undergoing – such as smog-free trucks, GHG-compliant tractors, LNG tractors and GHG-compliant trailers. He indicated the industry was undercapitalized. On the safety side he spoke about electronic on border recorders and anti-rollover technology. On the environmental front he indicated that trucking is already on the leading edge and called for an integrated approach by various government agencies at all levels together with the removal of jurisdictional regulatory impediments.

#### **11. Report: Bradley Bullish on Retrenched Trucking Industry**

The president of the Canadian Trucking Alliance, Bradley in an interview with Bloomberg says "For the foreseeable future, we will likely be a smaller industry, ... People aren't buying equipment to grow, they are buying just to replace stuff that's getting old." Trucking business with the U.S. fell by about 30 percent in the last recession and about half of that has returned since, Bradley said.

#### **12. TNT accepts \$6.7 billion offer from UPS**

TNT Express, a major global express delivery company, has agreed to an all-cash offer from rival UPS to buy the company for 5.2 billion euros (\$6.77 billion) one month after rejecting an unsolicited acquisition bid of \$6.4 billion, the companies announced on March 19, 2012. The move would give UPS much greater access to the pan-European market.

#### **13. DHL invests \$47 million to expand Americas Hub at Cincinnati / Northern Kentucky Airport**

DHL is investing US \$47 million to expand its Americas hub facility at the Cincinnati / Northern Kentucky airport (CVG).

#### **14. TransCore's Spot Market Freight Climbs 24 Percent Over January**

TransCore's spot market freight climbs 24 percent in February compared to January 2012, following the trend over the last seven years when the index has increased an average of 21 percent month-over-month.

#### **15. Trimac and Northern Resource Close Deal**

The largest bulk trucking outfit in Canada, Trimac Transportation Ltd., announced on March 19, 2012 that it has closed its previously announced acquisition of a 29 percent interest in Northern Resource Trucking Limited Partnership for a purchase price of \$9 million.

#### **16. 2011 Surface Trade with Canada and Mexico Rose 14.3 Percent from 2010**

According to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation, surface transportation trade between the United States and its North American Free Trade Agreement (NAFTA) partners Canada and Mexico increased by 14.3 percent in 2011 compared to 2010, valued at \$904 billion in 2011. U.S. - Canada surface transportation trade totaled \$537.0 billion in 2011, an increase of 14.0 percent compared to 2010. The state of Michigan continued to rank as Canada's top trading partner.

#### **17. Diesel Reaches Highest Price Since Summer '08**

The average diesel price spiked to \$4.142 a gallon in the third week of March 2012, its highest price since the summer of 2008, according to the Energy Information Administration's weekly fuel update. The price is the second highest since diesel reached \$4.145 on Aug. 25, 2008.

#### **18. Large Urban Transportation (Preliminary January 2012)**

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit properties (accounting for 80% of total) rose 4.5% from January 2011 to \$248.7 million in January 2012. Over the same period, ridership levels rose 1.2% to 130.3 million passenger trips.

#### **19. Trucking Commodity Origin and Destination Survey [2010 Preliminary]**

Trucking companies in Canada with an annual revenue of \$1.3 million or more hauled more freight in 2010 than in 2009. Total weight transported was 576 million tonnes, up 9.0% from the year before, but below the high of 604 million tonnes in 2007. Domestic shipments accounted for 86% of total weight and 69% of total revenue. Of the total weight transported, 73% was carried a distance of 25 kilometres or more. The

top commodities transported were general freight, gravel and crushed stone, prepared food stuffs, wood products, and waste and scrap. Combined, they accounted for almost half of the total weight transported.

**20. January 2012 Surface Trade with Canada and Mexico Rose 11.5 Percent from January 2011**

According to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation, trade using surface transportation between the United States and its North American neighbors, Canada and Mexico, was 11.5 percent higher in January 2012 than in January 2011, totaling \$75.5 billion. U.S.-Canada surface transportation trade increased compared to January 2011 with U.S.-Canada reaching \$44.1 billion, a 9.6 percent increase. Michigan led all US states in trade with Canada followed by Illinois.

**21. Canadian Truck Traffic, Freight Rates Increase**

The Canadian spot market for truckload freight hits its second highest point in 11 years in February, 2012 according to TransCore's Canadian Freight Index. At the same time, transportation costs are climbing for Canadian shippers, according to the Canadian General Freight Index sponsored by Nulogx.

**22. Global freight volumes remain stagnant**

The global freight data collected by the International Transport Forum at the OECD have been updated through December 2011. They indicate weakening of the macroeconomic recovery, particularly in Europe. External trade by sea, measured in tonnes of goods moved, in the EU-27 and the USA remains stagnant below pre-crisis levels (-5% and -3% respectively) and has declined in the second half of 2011. External trade by air, a lead indicator, is also on a downward path, falling back to pre-crisis levels both in the EU-27 and the USA.

**23. Courier and Messenger price Services Index [February 2012]**

The Couriers and Messengers Services Price Index decreased 0.4% in February 2012 compared with the month earlier (January 2012). The courier portion fell 0.7% and the local messenger component advanced 0.5%. Compared to the same month in 2011, when the index increased 5.3%, the increase in the index was much less.

**24. National Tourism Indicators [Fourth Quarter 2011]**

Tourism spending in Canada rose 0.9% in the fourth quarter of 2011, as spending by both international visitors in Canada and Canadians touring at home increased. This was the 10th consecutive quarterly increase in tourism spending in Canada. Since the second quarter of 2009, tourism spending in Canada has increased 9.5%.

**25. Budget 2012 Focuses on Sound Public Finances and Long-Term Economic Growth**

Besides sound public finances and long-term economic growth. There is little specific to the transportation or trucking industry in the budget beyond the initiatives already underway through the perimeter security agreement. It also encourages free trade agreements with emerging countries. The allowable exemptions for goods that individuals can bring duty-free into Canada will increase to \$200 after 24 hours and \$800 after 48-hours outside Canada.

**26. EU grants over €160 million to support key infrastructure projects**

The European Commission announced on March 28, 2012 the projects selected to receive over €160 million in EU co-financing from the trans-European transport network (TEN-T) programme to continue improving transport infrastructure across the EU. The 26 selected projects will use the EU's financial support to speed up the implementation of important priorities of the TEN-T Programme in order to contribute to delivering a safe, competitive and efficient transport infrastructure network.

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