

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Porter Airlines opens Newark airport passenger lounge

Porter Airlines officially opened its new passenger lounge at Newark Liberty International Airport on August 30, 2012. The lounge is beside Porter's primary gate in Terminal B, providing easy access to departing flights.

### 2. Freighter Fleet to Double in 20 Years, Boeing Predicts

The world freighter fleet will nearly double during the next 20 years to keep pace with the 5.2 percent annual growth of air cargo traffic, according to Boeing. The increase, from 1,700 aircraft in 2011 to 3,200 aircraft in 2031, will be driven by global economic growth and the need to replace aging freighters, the aircraft manufacturer Boeing said.

### 3. WestJet reports highest load factor in 16-year history

On September 6, 2012, WestJet reported its highest ever load factor of 88.9 percent for August 2012, 5.6 points higher than the load factor in August 2011. It reported revenue passenger miles (RPM) and available seat miles (ASM) of 1.690b and 1.900b for August 2012, 9.2% and 3.2% higher than the same month a year ago. WestJet's President and CEO stated "We are extremely pleased to report the highest ever single-month load factor in WestJet history ... The demand environment remains strong..."

### 4. Air Canada Reports Record August Load Factor

For the month of August 2012, Air Canada reported a record system load factor of 87.9 per cent, versus 87.8 per cent in August 2011, an increase of 0.1 percentage points. System traffic increased 0.7 per cent on a system-wide capacity increase of 0.6 per cent. "For the month of August, Air Canada reported an all-time record load factor of 87.9 per cent," said Calin Rovinescu, President and Chief Executive Officer.

### 5. Porter Airlines sets record August load factor of 74.5%

Porter Airlines set records for any month in its history by carrying more than 260,000 passengers with a load factor of 74.5 per cent in August 2012. Figures for the month show 133.1 million available seat miles (ASMs) and 99.1 million revenue passenger miles (RPMs). ASMs grew 12 per cent from 118.8 million and RPMs increased 21.4 per cent from 81.6 million last year. "This is the best month we've had in nearly six years of operating," said Robert Deluce, president and CEO of Porter Airlines.

### 6. Canada's Minister of Transport meets with international partners to reaffirm commitment to aviation security

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, on September 12, 2012 addressed Canada's international aviation partners to reiterate Canada's commitment to aviation security during the High-level Conference on Aviation Security hosted by the International Civil Aviation Organization (ICAO) with more than 130 members.

## AIR TRANSPORTATION

### Canada

1. Porter Airlines opens Newark airport passenger lounge, August 30, 2012, [www.flyporter.com](http://www.flyporter.com)
2. Freighter Fleet to Double in 20 Years, Boeing Predicts, September 5, 2012, [www.joc.com](http://www.joc.com)
3. WestJet reports highest load factor in 16-year history, September 6, 2012, [www.westjet.ca](http://www.westjet.ca)
4. Air Canada Reports Record August Load Factor, September 6, 2012, [www.aircanada.ca](http://www.aircanada.ca)
5. Porter Airlines sets record August load factor of 74.5%, September 6, 2012, [www.flyporter.com](http://www.flyporter.com)
6. Canada's Minister of Transport meets with international partners to reaffirm commitment to aviation security, September 12, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
7. The Canadian Transportation Agency Releases a New Tariff Repository to Help Air Travellers Make Informed Choices, September 11, 2012, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
8. Transat AT in black despite lower revenue, September 13, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
9. Euro Crunch Capacity, September 14, 2012, [www.iata.org](http://www.iata.org)
10. Canada's airlines need global travellers, September 14, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
11. Aircraft movement statistics: Small airports June 2012, September 17, 2012, [www.statisticscanada.ca](http://www.statisticscanada.ca)
12. K+N agrees to \$28 million price-fixing penalty, September 17, 2012, [www.americanshipper.com](http://www.americanshipper.com)
13. Porter Airlines and South African Airways announce new interline agreement, September 17, 2012, [www.flyporter.com](http://www.flyporter.com)
14. Civil aviation operating statistics, July 2012, September 18, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
15. Porter Airlines suits up for second season of Vermont service, September 18, 2012, [www.flyporter.com](http://www.flyporter.com)
16. Air Canada and Aer Lingus Sign Interline Agreement, September 21, 2012, [www.aircanada.ca](http://www.aircanada.ca)
17. Air Canada to Hire Over 900 Employees, September 20, 2012, [www.aircanada.ca](http://www.aircanada.ca)

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

## 7. The Canadian Transportation Agency Releases a New Tariff Repository to Help Air Travellers Make Informed Choices

The Canadian Transportation Agency released on September 11, 2012 a tariff repository to help travellers familiarize themselves with air carriers' terms and conditions of carriage. The repository provides a "one-window" direct access to major airlines' websites where airline tariffs can be found, in turn, enabling passengers to read about their rights and responsibilities when travelling. It can also be used by carriers for tariff comparison.

## 8. Transat AT in black despite lower revenue

Travel company Transat AT Inc. returned to profitability in its third 2012 quarter. The parent of Air Transat and numerous travel-related businesses says it had \$9.4-million or 25 cents per share of net income on a diluted basis, breaking a string of losses for the Montreal-based company. A year earlier, Transat reported a \$2.8-million net loss or 7 cents per share.

## 9. Euro Capacity Crunch

In 2012, some 3 billion people and 50 million tonnes of cargo are expected to take to the skies. By 2030, these figures will have nearly doubled. Yet, already, the signs of strain are showing at some of the world's leading airports. IATA indicates that the European Commission is set to tinker with a slot allocation system that has been successful since the 1970s. By advocating grandfather rights, the WSG (Worldwide Slot Guidelines) provides the certainty airlines need for long-term planning and consumers need for travel schedules. Other schemes such as use-it-or lose it, auctioning slots, etc. are helpful. Even if the European plan works it will only increase slots that will be absorbed in a year by global aviation growth. The only possible solution to the looming congestion crisis is a grand plan for airport construction. So far, as Willie Walsh, Chief Executive of the International Airlines Group, has noted in relation to the UK market, a policy of "dither and delay" holds. Business opportunities will be lost if nothing is done.

## 10. Canada's airlines need global travellers

Canadian airlines still shows an industry in rough shape, with minimal stability. After making \$1.7-billion in 2010, the industry lost \$900-million last year, and is projected to fall short of breaking even in 2012. A new study from the Conference Board of Canada, highlights a crucial theme for Canadian airline revenues: international travel. The strong dollar and the lack of travellers coming into Canada are some of the factors affecting travel from abroad. Factoring these problems into its models, the Conference Board predicts the industry's real output growth to average 3.1 per cent in the near future, half of what it saw since 2005, if you take out the Great Recession.

## 11. Aircraft movement statistics: Small airports June 2012

The number of take-offs and landings for 127 airports without air traffic control towers reached 65,353 movements in June. Of the 123 airports for which year-over-year comparisons were possible, 81 reported decreases.

## 12. K+N agrees to \$28 million price-fixing penalty

The global logistics company Kuehne + Nagel said on September 14, 2012 that it has entered into a settlement agreement with the U.S. government to pay \$28 million in a class action price-fixing lawsuit over surcharges assessed for freight forwarding services. The settlement is related to civil damages for conduct previously investigated by the U.S. Justice Department. K+N agreed last November [2011] to pay a \$9.9

18. Backbone of the Industry, September 21, 2012, [www.iata.org](http://www.iata.org)
19. Yamato Global agrees to pay \$2.3m price fixing fine, September 20, 2012, [www.americanshipper.com](http://www.americanshipper.com)
20. Aircraft movement statistics: Major airports, August 2012, September 21, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
21. WestJet receives exemption from certain securities regulatory requirements, September 21, 2012, [www.westjet.ca](http://www.westjet.ca)
22. Airport Activity, 2011, September 24, 2011, [www.statcan.gc.ca](http://www.statcan.gc.ca)
23. WestJet launches code-sharing agreement with BA, September 24, 2012, [www.westjet.ca](http://www.westjet.ca)
24. Government of Canada designates Air Transat to serve El Salvador, September 24, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
25. Air fare, Fourth quarter 2011, September 27, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
26. Couriers and Messengers Services Price Index, August 2012, September 27, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
27. Demand Slowdown Continues, September 28, 2012, [www.iata.org](http://www.iata.org)

## US

1. Unlocking Africa's Aviation Potential, September 3, 2012, [www.iata.org](http://www.iata.org)
2. DOT Fines Aeroflot for Violating DOT Airline Consumer Protection Rules, September 4, 2012, [www.dot.gov](http://www.dot.gov)
3. UPS looks to finalize TNT deal in early 2013, September 6, 2012, [www.americanshipper.com](http://www.americanshipper.com)
4. Developing Aviation in Central Asia and the Caucasus - Building the Silk Road in the Sky, September 13, 2012, [www.iata.org](http://www.iata.org)
5. Mergers: Commission approves acquisition of joint control over Elbe Flugzeugwerke GmbH (EFW) by EADS and Singapore Technologies in aircraft sector, September 13, 2012, [www.europa.eu](http://www.europa.eu)
6. Conference on the European Ports Policy Review: Unlocking the Growth Potential, 25-26 September 2012, Brussels, September 13, 2012, [www.europa.eu](http://www.europa.eu)
7. [US] Airlines Report 18 Tarmac Delays Longer than Three Hours On Domestic Flights, One Longer Than Four Hours on International Flights in July [2012], September 17, 2012, [www.dot.gov](http://www.dot.gov)
8. DOT Fines Pakistan International Airlines for Denying Passengers Opportunity to Leave Aircraft During Lengthy Tarmac Delay, September 19, 2012, [www.dot.gov](http://www.dot.gov)
9. June 2012 Airline System Traffic Up 0.6 Percent from June 2011, September

million fine for its anticompetitive activities.

**13. Porter Airlines and South African Airways announce new interline agreement**

Canada-based Porter Airlines and South African Airways (SAA) announced a new interline agreement September 17, 2012 that will open up connection opportunities for passengers traveling between Canada and West and Southern Africa through Porter Airlines' Billy Bishop Toronto City Airport hub and SAA's Johannesburg, South Africa hub, via Washington, DC (Dulles).

21, 2012, [www.joc.com](http://www.joc.com)  
10. 2nd-Quarter 2012 US Airline Financial Data: Largest Airlines Report Profit, Sept. 25, 2012, [www.dot.gov](http://www.dot.gov)  
11. Volume Down, Revenue Up for Domestic Air Freight in 2011, September 26, 2012, [www.joc.com](http://www.joc.com)

**14. Civil aviation operating statistics, July 2012**

Civil operating statistics by Statistics Canada for July 2012 are now available on CANSIM.

**15. Porter Airlines suits up for second season of Vermont service**

Porter Airlines is preparing for another year of service to Burlington, Vt., from Billy Bishop Toronto City Airport, beginning Dec. 15, 2012 until April 8, 2013. Four weekly roundtrip options are now available compared to two last season.

**16. Air Canada and Aer Lingus Sign Interline Agreement**

Canada and Aer Lingus on September 21, 2012 announced they have signed an interline agreement to make flying between Canada and Ireland more convenient. The agreement is effective immediately and is a preliminary step toward a full code sharing relationship expected to be finalized next year between the Canadian and Irish flag carriers.

**17. Air Canada to Hire Over 900 Employees**

Air Canada said on September 20, 2012 that it will hire more than 900 employees over the next 12 months to meet its planned workforce requirements. In addition, 200 new jobs will be created for flight attendants and pilots for the airline's low cost carrier (LCC) that will be launched in 2013. The LCC is expected to provide service to foreign vacation destinations.

**18. Backbone of the Industry**

The latest IATA forecast warns of a turbulent future. The problem is a possible banking crisis in Europe which could wipe out profits. Deteriorating economic conditions in Europe could lead to declining traffic, a decrease in load factors and falling yields. Larger network carriers are in a better situation to deal with the problem but European regional carriers may not be able to deal with the situation. Financial systems have to be up to the challenge of the crisis. Airlines are watching their cashflow very closely which should remain positive. Positive cashflow makes for reliability and certainty of payment which is crucial to the efficient settlement and wellbeing of the industry.

**19. Yamato Global agrees to pay \$2.3m price fixing fine**

Japanese freight forwarder Yamato Global Logistics Japan Co. Ltd. has agreed to plead guilty and pay a \$2.3 million criminal fine for its role in a conspiracy to fix certain fees related to air cargo services from Japan to the United States, the U.S. Justice Department announced September 19, 2012. As a result of the department's price-fixing investigation, 14 companies have either pleaded guilty or agreed to plead guilty and pay more than \$100 million in criminal fines.

**20. Aircraft movement statistics: Major airports, August 2012**

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 0.9% in August 2012 from August 2011. These airports reported 536,865 movements in August.

**21. WestJet receives exemption from certain securities regulatory requirements**

WestJet received exemption from certain securities regulatory requirements to treat WestJet voting shares and common shares as a single class for purposes of a take-over bid. The change in the securities legislation was to facilitate foreign investment in variable voting shares.

**22. Airport Activity, 2011**

Air passenger traffic at Canadian airports increased 3.7% in 2011. The total number of enplaned and deplaned passengers in Canada reached 113 million. Passenger traffic in all sectors (domestic, transborder and other international) increased in 2011. Cargo tonnages loaded and unloaded at Canadian airports declined 0.8%.

**23. WestJet launches code-sharing agreement with BA**

On September 24, 2012, WestJet entered into a code-sharing agreement with British Airways enabling British Airways to market WestJet operated flights. This is the eighth code-sharing agreement with WestJet and other airlines.

## 24. Government of Canada designates Air Transat to serve El Salvador

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, on September 24, 2012 announced the designation of Air Transat to operate scheduled international air services between Canada and El Salvador, providing more flight options for travellers. Canada has an open skies agreement with El Salvador.

## 25. Air fare, Fourth quarter 2011

Average domestic air fares increased in 7 of the 10 selected Canadian cities of enplanement in the fourth quarter of 2011 compared with the fourth quarter of 2010. The cities recording the largest year-over-year quarterly increases in air fares were Saskatoon, Calgary and Regina. The largest declines occurred in Ottawa and Montréal. Domestic air fares averaged \$217.50 in Toronto, the highest level, followed by Vancouver (\$212.30) and Winnipeg (\$197.10).

## 26. Couriers and Messengers Services Price Index, August 2012

The Couriers and Messengers Services Price Index decreased 0.7% in August 2012 compared with July 2012. The courier portion fell 1.0% while the local messenger component was unchanged. The index increased 2.0% in August 2012 compared with the same month in 2011.

## 27. Demand Slowdown Continues

The International Air Transport Association (IATA) reported global traffic results for August 2012 showing demand for air transport continuing to flatten-out, but with significant regional variations. Freight volumes shrank as business and consumer confidence continued to slip.

## WATER TRANSPORTATION

### 1. Asian Shippers Face Rise in Ocean Container Freight Rates

All Asian shippers will have to pay higher freight charges to European container ship operators from September 2012. From September 1, Denmark-based Maersk, the world's largest container line, will implement a general freight increase of 250 U. S. dollars per TEU and 500 U.S. dollars per FEU on all shipments from the Far East to India, Pakistan and Sri Lanka. Emirates too has announced a freight increase.

### 2. Prince Rupert Port authority – Monthly Traffic Statistics

On September 6, 2012, the Port of Prince Rupert released its monthly traffic statistics. It reported total containerized cargo traffic of 47,524 TEUs (twenty-foot equivalent units) for August 2012 an increase of 9.5% from the same month a year ago. Imports increased by 5.6% whereas exports increased by 14.6% for the month of August 2012 compared to the same month a year ago.

### 3. Transport Canada joins United States Coast Guard to inspect vessels in the Great Lakes St. Lawrence Seaway

Transport Canada (TC) and the United States Coast Guard (USCG) are conducting a pilot project for joint Port State Control inspections on a limited number of non-Canadian and non-US flagged vessels entering the Great Lakes St. Lawrence Seaway. Port State Control inspections focus on increasing vessel safety, security and pollution prevention, and monitoring living and working conditions for workers on the ships.

### 4. Antitrust: Commission confirms inspections in the sector of maritime transport services

The European Commission confirmed that on 6 September 2012, Commission officials carried out unannounced inspections at the premises of several providers of maritime transport services for cars and construction and agricultural rolling machinery. Inspections took place in several Member States in coordination with the US and Japanese Competition Authorities. The Commission has reasons to believe that the companies concerned may have violated Article 101 of the TFEU (Treaty on the functioning of the European Union), which prohibits cartels and restrictive business practices.

### 5. NIT League: Port strike would cause big supply chain disruption

On September 10, 2012, the National Transportation League said a

## WATER TRANSPORTATION Canada

1. Asian Shippers Face Rise in Ocean Container Freight Rates, September 4, 2012, [www.portmontreal.ca](http://www.portmontreal.ca)
2. Prince Rupert Port Authority – Monthly Traffic Statistics, September 6, 2012, [www.rupertport.com](http://www.rupertport.com)
3. Transport Canada joins United States Coast Guard to inspect vessels in the Great Lakes St. Lawrence Seaway, September 7, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
4. Antitrust: Commission confirms inspections in the sector of maritime transport services, September 6, 2012, [www.europa.eu](http://www.europa.eu)
5. NIT League: Port strike would cause big supply chain disruption, September 10, 2012, [www.americanshipper.com](http://www.americanshipper.com)
6. Enhanced transportation infrastructure and innovative port labour practices urged, September 10, 2012, [www.ctl.ca](http://www.ctl.ca)
7. St. Lawrence Seaway traffic rises 6.8 percent, September, 13, 2012, [www.joc.com](http://www.joc.com)
8. US inbound container volume falls in August, September 18, 2012, [www.americanshipper.com](http://www.americanshipper.com)
9. Halifax first Canadian port to sign a Memorandum of Understanding with the Panama Canal Authority, September 18, 2012, [www.ctl.ca](http://www.ctl.ca)
10. Port Metro Vancouver – Accumulated Container Traffic, Sept. 21, 2012, [www.portvancouver.com](http://www.portvancouver.com)
11. East Coast Port Strike Averted for 90 days, September 21, 2012, [www.ontruck.ca](http://www.ontruck.ca)
12. Analysis: Peak season stagnation, September 25, 2012, [www.americanshipper.com](http://www.americanshipper.com)

survey of its members found they anticipate "significant disruptions in their supply chains in the event of work stoppages at East and Gulf coast ports stemming from a strike or lockout. "These potential impacts are anticipated regardless of whether they move freight through the affected ports," the shippers' organization said.

#### **6. Enhanced transportation infrastructure and innovative port labour practices urged**

At a conference in late August 2012, two speakers at the Association of Canadian Port Authorities (ACPA) said that Canadian ports must not stand still despite capacity and other improvements in recent years that helped them to weather the 2008-2009 recession. Rather they must pay special attention to addressing urgent infrastructure challenges and to possibly fostering European-style waterfront labour practices in order to remain competitive in the new world trade order.

#### **7. St. Lawrence Seaway traffic rises 6.8 percent**

The Seaway handled 4.3 million metric tons in the period, from March 22, 2012 to August 31, 2012 compared to the same period a year earlier, and volume is up 1.5 percent according to the Saint Lawrence Seaway Development Corp. Strong iron ore, cement and coal shipments boosted volume nearly 6.8 percent year-over-year on the St. Lawrence Seaway in August 2012.

#### **8. US inbound container volume falls in August**

U.S. inbound container volume fell 0.3 percent year-on-year in August 2012, according to figures compiled by the trade intelligence firm Zepol Corp. More striking, volume fell 3 percent from July to August, an unusual trend given that volume typically rises as peak season approaches. Zepol said there has been an increase from July to August in inbound volume each of the past three years. The lower August 2012 numbers could be due to early holiday purchases.

#### **9. Halifax first Canadian port to sign a Memorandum of Understanding with the Panama Canal Authority**

The Halifax Port Authority has signed a Memorandum of Understanding with the Panama Canal Authority, and is the first Canadian port to do so. The purpose of the Memorandum of Understanding is to identify business opportunities, increase awareness of the ports, exchange information, and undertake joint marketing initiatives.

#### **10. Port Metro Vancouver – Accumulated Container Traffic**

The Port of Metro Vancouver released its container traffic results for August 2012. Total traffic in terms of TEUs at this port increased by 8.2% to 1,789,689 TEUs (twenty equivalent units) in August 2012 from August 2011. Inbound traffic increased by 12% to 976,253 TEUs and outbound traffic increased by 4% to 813,436 TEUs.

#### **11. East Coast Port Strike Averted for 90 days**

A looming longshoremen strike that had the potential to shut down port shipping along the entire US east coast has been averted – at least until the end of 2012. After a day of “productive” negotiations between the International Longshoremen's Association (ILA) and the U.S. Maritime Alliance, the parties agreed to extend the collective bargaining agreement, due to expire on September 30, 2012, through December 29, 2012.

#### **12. Analysis: Peak season stagnation**

If you're looking for a peak season US container shipping trend over the last decade, the first thing you need to do is split the decade in half. There was the half of growth and then there is the half of stagnation. Looking at peak season volume figures for U.S. inbound containerized cargo, provided to American Shipper by the trade intelligence firm Zepol Corp., the pattern is clear to see.

#### **13. Eastcoast Transpacific carriers seek large rate hikes**

The 15 shipping lines that are members of the Transpacific Stabilization Agreement (TSA) have adopted guideline rate and ancillary charge adjustments that they intend to apply to all new and renewed service contracts for cargo moving from Asia to the United States. The group, which includes some of the largest carriers in the world, is recommending rate increases of \$800 per 40-foot container (FEU) to the U.S. West Coast, \$1,000 per FEU via all-water to the U.S. East and Gulf Coast.

#### **14. 2012 ship-operating costs up 2.1%**

Total annual operating costs in the shipping industry increased by an average 2.1 percent in 2011 compared to 2.2 percent in 2010, according to the accountant and shipping consultant Moore Stephens. It said crew

13. Eastcoast Transpacific carriers seek large rate hikes, September 25, 2012, [www.americanshipper.com](http://www.americanshipper.com)  
14. 2012 ship-operating costs up 2.1%, Sept. 27, 2012, [www.americanshipper.com](http://www.americanshipper.com)

#### **US**

1. Kirby to acquire Allied Transportation, September 6, 2012, [www.americanshipper.com](http://www.americanshipper.com)  
2. Mixed August volumes for SoCal Ports, September 17, 2012, [www.americanshipper.com](http://www.americanshipper.com)  
3. Infringement proceedings in the field of maritime transport, September 28, 2012, [www.europa.eu](http://www.europa.eu)

costs were the main reason for the overall increase in 2011, while the cost of insurance fell for the second year in a row.

## RAIL TRANSPORTATION

### 1. Investors urged to go long on CP Rail

Canadian Pacific Railway Ltd.'s shares have jumped by more than 8% since its second quarter results in late July 2012. But an Scotiabank analyst, is encouraging investors to go long on the stock with plenty of potential ahead. The reason is because Mr. Harrison remains confident that his goal of reducing the railway's operating ratio to 65% by 2015 is achievable. In the absence of further details, the analyst said he is currently carrying a more conservative estimate of it achieving an operating ratio in the low 70s by 2015.

### 2. CN to acquire 2,200 new freight cars, 1,300 containers this year

CN is acquiring more than 2,200 new freight cars in 2012, as well as 1,300 new containers in a move to support traffic growth and improve customer service, the company announced.

### 3. CN to invest C\$12 million in expansion of Prince George, B.C., locomotive shop as freight traffic increases along Edmonton-Prince Rupert corridor

CN announced on September 5, 2012, a C\$12-million expansion of its Locomotive Reliability Centre (LRC) in Prince Rupert. CN will increase floor space at the Prince George locomotive shop by 50 per cent to nearly 50,000 square feet, permitting the addition of four repair bays with pits to handle the forecast increase in locomotive inspections and repairs. CN will also spend more than C\$4 million this year to extend two key sidings north of Prince George on the line toward Chetwynd, B.C., to efficiently and safely accommodate 10,000-foot coal trains serving mines in northeastern region of the province.

### 4. Canadian Pacific Railway declares dividend

The Board of Directors of Canadian Pacific Railway Limited on September 6, 2012 declared a quarterly dividend of thirty-five cents Canadian per share on the outstanding Common Shares. It is payable on October 29, 2012.

### 5. Harper government launches the Canadian Rail Research Laboratory in Edmonton

On September 7, 2012, government officials launched a new partnership that will support jobs and long-term success in the Canadian rail sector. This new partnership, the Canadian Rail Research Laboratory, is a joint initiative between the Government of Canada, Alberta Innovates - Technology Futures (AITF), the Association of American Railroads (AAR), Canadian Pacific (CP), CN and the University of Alberta. It will conduct research specifically related to ground hazards and winter service reliability – issues that directly impact the safety and efficiency of Canada's rail network. It will enhance safety, examine ground hazards, such as erosion, landslides, rock slides including winter weather conditions.

### 6. MP Kramp and VIA Rail Officially Open New Belleville Station

Government officials opened the new Belleville train station, overhead walkway and island platform on September 12, 2012. Funding for this \$18M project came from the Government of Canada's nearly \$1B investment in VIA Rail since 2007 to create jobs and economic growth while improving VIA Rail's facilities, equipment and infrastructure, and included \$2.5M from Canada's Economic Action Plan.

### 7. Rail gains steam as crude oil movers

## RAIL TRANSPORTATION

### Canada

1. Investors urged to go long on CP Rail, August 31, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)
2. CN to acquire 2,200 new freight cars, 1,300 containers this year, September 4, 2012, [www.ctl.ca](http://www.ctl.ca)
3. CN to invest C\$12 million in expansion of Prince George, B.C., locomotive shop as freight traffic increases along Edmonton-Prince Rupert corridor, September 5, 2012, [www.cn.ca](http://www.cn.ca)
4. Canadian Pacific Railway declares dividend, September 6, 2012, [www.cp.ca](http://www.cp.ca)
5. Harper government launches the Canadian Rail Research Laboratory in Edmonton, Sept. 7, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
6. MP Kramp and VIA Rail Officially Open New Belleville Station, September 12, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
7. Rail gains steam as crude oil movers, Sept. 17, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
8. CP speeds Vancouver trains to Chicago, Toronto, September 12, 2012, [www.americanshipper.com](http://www.americanshipper.com)
9. Railway shares slide after earnings warning, September 21, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
10. Red tape could hit rail service: CN boss, September 21, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)
11. Alberta county seeking proposals for logistics park development, September 24, 2012, [www.americanshipper.com](http://www.americanshipper.com)
12. Railway carloadings, July 2012, September 26, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
13. CN to announce major facility, September 26, 2012, [www.cn.ca](http://www.cn.ca)
14. STB Orders Berkshire Hathaway to Divest Two Railroads, September 27, 2012, [www.americanshipper.com](http://www.americanshipper.com)

### US

1. US Intermodal Volume Rises, Carload Traffic Falls, September 13, 2012, [www.joc.com](http://www.joc.com)
2. North American [US] intermodal volume rises, September 20, 2012, [www.joc.com](http://www.joc.com)

Alberta is quietly sending large new volumes of oil on rail cars. Industry sources say upward of 80,000 barrels a day of Canadian oil is now moving to market on rail cars. It's a small fraction of the 2.3 million barrels a day the country exports, overwhelmingly by pipeline. But rail transportation of crude oil is rising fast: last year at this time, some 5,000 barrels a day left Alberta on trains. By next year, executives, oil producers and energy traders estimate it will exceed 200,000 barrels a day.

#### **8. CP speeds Vancouver trains to Chicago, Toronto**

Canadian Pacific said it has launched new, faster intermodal train services connecting Vancouver to Toronto or Chicago. CP said the new schedules shave a day from the 2,600-mile Toronto-to-Vancouver transcontinental trains and two days from the 2,200-mile Vancouver- to-Chicago train service. "With lower dwell times in our terminals, more efficient transit times, and optimized asset utilization, we can provide this improved service," said Jane O'Hagan one of CP's executives.

#### **9. Railway shares slide after earnings warning**

A surprise profit warning from Norfolk Southern Corp. (NSF) sent shares tumbling across the entire North American railway industry, hammering Canadian carriers along with their U.S. counterparts. The third quarter 2012 earnings predicted by NSF is well below that of the second quarter 2012 earnings.

#### **10. Red tape could hit rail service: CN boss**

Claude Mongeau, Canadian National Railway Co. chief executive, says he is "deeply concerned" about the potential impact increased regulation will have on the rail industry and the Canadian economy as a whole. The federal government is in the midst of drafting new legislation that will be tabled in Parliament this fall, which, among other things, aims to give greater recourse to the customers of both CN and its smaller rival Canadian Pacific Railway Ltd. in their disputes with the railways.

#### **11. Alberta county seeking proposals for logistics park development**

The County of Grande Prairie is asking interested parties to submit a proposal for the development of a 107-acre Multi-Modal Logistics Park. The rail-to-truck, truck-to-rail service depot is scheduled to be located within the County, neighbouring the Canadian National Railway where Highways 2 and 43 converge.

#### **12. Railway carloadings, July 2012**

Canadian railways carried 27.5 million tonnes of freight in July 2012, up 6.2% from July 2011. The gain was the result of increases in both domestic and international cargo loadings. Intermodal freight loadings rose 5.6% to 2.5 million tonnes. The increase occurred solely on the strength of containerized cargo shipments, as trailers loaded onto flat cars declined.

#### **13. CN to announce major facility**

CN will build a new major CN facility at Transcona. The news was announced by CN executives and Manitoba Premier Greg Selinger and Winnipeg Mayor Sam Katz to announce a major CN facility to be built at Transcona.

#### **14. STB Orders Berkshire Hathaway to Divest Two Railroads**

Berkshire Hathaway has roughly a week to explain to the federal government how it will divest itself of two railroads, after the company revealed it owns two carriers other than BNSF Railway. The company had other railroads and then it acquired BNSF Railway without STB (Surface Transport Board) approval. Hathaway replied that it was not a railway company and did not think it required STB approval.

## HIGHWAY TRANSPORTATION

### 1. Construction begins on final phase of Highway 104 Antigonish bypass

On August 31, 2012, government officials marked the start of work on phase 2 of the Highway 104 project. When construction is completed, drivers will benefit from a new four-lane highway around the Town of Antigonish.

### 2. Global Natgas Truck Demand to Rise 14% This Decade

The global market for natural gas-powered heavy trucks will expand 14 percent a year through 2019, according to a new report by *Pike Research*. The survey says natural gas vehicle investments will mostly be concentrated in Asia, (which currently accounts for 75 percent of global natural gas truck and bus sales), but North America and Europe will also see increasing natural gas vehicle sales because of emissions restrictions and rising diesel costs.

### 3. Ryder System opens first-ever B.C.-based sales centre

Ryder System has opened its first-ever sales centre in British Columbia. Located at 9616 188th Street in Surrey, the centre is situated along the 57 Trans-Canada Highway and just down the street from Ryder's full service maintenance facility on 190th street. Darryl Wood will serve as the facility's used vehicle sales manager.

### 4. Potholes Ahead: Survey Says Economy No. 1 Concern For Carriers

Even though the busiest shipping season of the 2012 year is underway, more Ontario carriers continue to be skeptical about near-term growth prospects and only the issue of tight capacity appears to be maintaining the decent levels of trucking pricing seen in the last several quarters.

### 5. North American spot market surges 8.4% year-over-year in August

TransCore's DAT North American Freight Index outpaced August 2011 volume by 8.4%, marking the sixth time in 2012 that volume has exceeded prior year levels. Freight volume on the spot market, month-over-month, edged above July 2012 by 1.1%, following a typical seasonal pattern, TransCore said.

### 6. Study: Truckers understating sleep apnea symptoms?

Many truck drivers could be incorrectly reporting symptoms of sleep apnea because of fears it could impact their employment, according to a new study released at the European Respiratory Society's (ERS) Annual Congress in Vienna.

### 7. Spot market freight steady in August: Transcore

Spot market freight shipments both within Canada and cross-border remained steady in August 2012 with an increase of 1% from July 2012, according to the latest results from TransCore's Canadian Freight Index. However, year-over-year load volumes were down 13%. Cross-border volume accounted for 71% of overall loads while intra-Canada freight made up 25% of the total load volumes.

### 8. Study: Mobile fleet devices to double by 2015

More than 9 million GPS and wireless devices used to manage fleet vehicles, trailers, construction equipment and mobile workers will be in use by 2015, representing a \$3 billion market. According to a study by C.J. Driscoll & Associates, the growth will be led by the GPS fleet-tracking sector, which is currently seeing an annual growth rate of between 15 percent and 20 percent.

### 9. Glass Half Full for Freight Market: TCP

Much like 2011, optimism expressed by carriers at the start of this year waned as the year wore on, according to Transport Capital Partners' (TCP) Third Quarter 2012 Business Expectations Survey.

## HIGHWAY TRANSPORTATION Canada

1. Construction begins on final phase of Highway 104 Antigonish bypass, August 31, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)

2. Global Natgas Truck Demand to Rise 14% This Decade, September 5, 2012, [www.ontruck.ca](http://www.ontruck.ca)

3. Ryder System opens first-ever B.C.-based sales centre, September 6, 2012, [www.ctl.ca](http://www.ctl.ca)

4. Potholes Ahead: Survey Says Economy No. 1 Concern For Carriers, September 10, 2012, [www.ontruck.ca](http://www.ontruck.ca)

5. North American spot market surges 8.4% year-over-year in August, September 12, 2012, [www.ctl.ca](http://www.ctl.ca)

6. Study: Truckers understating sleep apnea symptoms?, Sept.12, 2012, [www.ontruck.ca](http://www.ontruck.ca)

7. Spot market freight steady in August: Transcore, September 13, 2012, [www.ctl.ca](http://www.ctl.ca)

8. Study: Mobile fleet devices to double by 2015, Sept. 14, [www.americanshipper.com](http://www.americanshipper.com)

9. Glass Half Full for Freight Market: TCP, September 14, 2012, [www.ontruck.ca](http://www.ontruck.ca)

10. Trucking Operating Costs Back on Upswing: ATRI, September 18, 2012, [www.ontruck.ca](http://www.ontruck.ca)

11. Canada and Ontario begin improvements at Windsor-Detroit tunnel, September 24, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)

12. Large Urban Transit, July 2012, September 24, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

13. Seatbelts and Child Car Seats Saves Lives, September 24, 2012, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

14. The cost of ground transportation for Canadian shippers drops in July: CGFI, September 26, 2012, [www.ctl.ca](http://www.ctl.ca)

15. Mullen Group partners to develop oil and gas fields in Northwest Territories, September 27, 2012, [www.ctl.ca](http://www.ctl.ca)

16. 10 Things to Know about Trucks Coming from the U.S., September 27, 2012, [www.todaystrucking.com](http://www.todaystrucking.com)

## US

1. Freight Shipments [US] rose 0.1% in July from June, September 13, 2012, [www.dot.gov](http://www.dot.gov)

2. US truck tonnage falls in August: ATA report, September 25, 2012, [www.ctl.ca](http://www.ctl.ca)



## **10. Trucking Operating Costs Back on Upswing: ATRI**

The average marginal cost per mile for trucking in 2011 was \$1.71, the highest rate since 2008, says the American Transportation Research Institute's (ATRI) Analysis of the Operational Costs of Trucking. The study, which identifies trucking costs for U.S. carriers from 2008 to 2011, found that a sharp decline in fuel prices resulted in decreased industry costs between 2008 and 2009 but costs have steadily risen since then. Fuel and driver wages continued to be the largest cost centers for carriers, together constituting 62 percent of the average operating cost in 2011.

## **11. Canada and Ontario begin improvements at Windsor-Detroit tunnel**

The Governments of Canada and Ontario on September 21, 2012 announced the start of construction for upgrades to the Windsor-Detroit Tunnel Canadian Plaza. This project will create approximately 150 jobs in the region and improve capacity for growth in vehicle traffic and cross-border trade through the Windsor-Detroit corridor. The successful bidder on the \$16.6-million contract, Coco Paving (1990) Inc., will begin Stage 1 work with sewer and water main installation, demolition of parking areas, and installation of temporary traffic signals.

## **12. Large Urban Transit, July 2012**

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 4.4% from July 2011 to \$241.3 million in July 2012. These 10 systems represent about 80% of total urban transit activity across the country. Over the same period, ridership levels increased 2.0% to 120.4 million passenger trips.

## **13. Seatbelts and Child Car Seats Saves Lives**

Ontario is launching its annual seatbelt campaign to remind drivers and passengers to buckle up and make sure children are properly secured in the correct child car seat. Since 2003, the McGuinty government has expanded seatbelt laws to help keep Ontarians safe.

## **14. The cost of ground transportation for Canadian shippers drops in July: CGFI**

The cost of ground transportation for Canadian shippers decreased by 0.5 % in July 2012 compared with June 2012 results, according to results published today by the Canadian General Freight Index (CGFI).

## **15. Mullen Group partners to develop oil and gas fields in Northwest Territories**

Mullen Group has entered into a Memorandum of Understanding with two northern business partners to provide oilfield services, transportation and logistics services in the Sahtu Settlement Area of the Northwest Territories.

## **16. 10 Things to Know about Trucks Coming from the U.S.**

As of November 12, 2012, all trucks entering Canada from the U.S.A. will be required to submit an eManifest to the Canadian Border Services Agency (CBSA) at least one hour before the truck arrives at the border. The problem is the vast majority of carriers haven't even registered for the new system yet. There are nine other requirements besides this one.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. Travel between Canada and other countries, July 2012**

Travel to Canada declined 2.5% to 2.1 million trips in July 2012 compared with June 2012, mostly because of a 2.8% decline in American visitors. In the opposite direction, Canadian residents made 5.4 million trips abroad in July 2012, down 0.9% from June 2012. Most of these trips, 4.6 million, were to the United States, a 0.8% decrease. Overseas travel (other than US) to Canada and from Canada declined for July 2012 compared to the previous month.

#### **2. Pedestrian Death Review**

The Pedestrian Death Review made 26 recommendations in the areas of leadership, legislation, education, engineering and enforcement. These include: creating a Walking Strategy for Ontarians; adopting a 'complete streets' approach to guide the development of new communities and the re-development of existing communities in Ontario; installing side guards on heavy trucks; providing municipalities greater flexibility to adjust speed limits and create more pedestrian crossings; educating drivers on the scenarios that can lead to a pedestrian collision; and increasing enforcement.

### **Canada**

1. Travel between Canada and other countries, July 2012, September 18, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Pedestrian Death Review, September 19, 2012, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

### **US**

#### **Publications**

1. *Port of Prince Rupert Economic Impact Study* (Version 2), Intervistas, September 19, 2012, [www.rupertport.com](http://www.rupertport.com)
2. *Port of Vancouver, Newsletter*, Sept. 9, 2012, [www.portvancouver.com](http://www.portvancouver.com)