

Transportation Information Update*

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AIR TRANSPORTATION

1. New Code of Practice to Increase Accessibility of Non-National Airports System Air Terminals

The Canadian Transportation Agency on March 28, 2013 released a new *Accessibility Code of Practice and Resource Tool* to improve the accessibility of non-National Airports System (**non-NAS**) air terminals for persons with disabilities.

2. Multilateral e-air waybill adopted

The International Air Transport Association and International Federation of Freight Forwarders (FIATA) have approved the standard for the multilateral electronic air waybill, making bilateral agreements between airlines and freight forwarders unnecessary. Airlines and forwarders can now enter into a single agreement with their respective agencies that permits acceptance of e-air waybills from the other party.

3. WestJet eases restrictions on pets in Cabin

Starting April 1, 2013, WestJet will ease the restriction on the carriage of pets on its airlines. It will allow all pets in the cabin there is however a safety proviso. WestJet takes a more liberal approach to the definition of pets i.e., dog, cat, etc. However, it does not provide any specific list.

4. Should airlines start charging passengers by the pound?

Removing excess weight from an aircraft can have a tremendous impact on overall profitability and allows it to be more competitive by keeping fares lower. Both airlines are reducing the amount of water — even the amount of fuel — they carry on shorter flights to lighten the load. The benefits are clear — Air Canada estimates that for each kilogram it removes from one of its Boeing 763 aircraft, it will save 3,925 kilograms of fuel every year. This raises the question should passengers be charged if they are obese since it cost the airlines more to fly them? Though the Supreme Court has ruled in favour of the use of the one-passenger-one-fare policy, questions continue to be raised whether there should be 'fat taxes' given that the airlines objective is to maximize profits. Some countries are using the 'fat taxes' approach. Should international conventions and international laws take precedent over national laws in the name of international comity? What type of pricing model do we want?

5. WestJet reports March load factor of 86.1

On April 3, 2013, WestJet reported its results for March 2013. Its load factor, capacity or available seat miles and revenue passenger miles were: 86.1, 2.124 billion and \$1.830 billion. This was 0.1 point lower, 8.4% and 8.2% higher than the results for the same month in 2012, respectively. It was WestJet's record load factor for the first quarter of 84.3% up from 83% of 2012.

6. Passenger Growth Accelerates on Rising Business Confidence

The International Air Transport Association (IATA) announced global

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1. New Code of Practice to Increase Accessibility of Non-National Airports System Air Terminals, March 28, 2013, www.cta-otc.gc.ca
2. Multilateral e-air waybill adopted, Mar 28, 2013, www.americanshipper.com
3. WestJet eases restrictions on pets in Cabin, April 1, 2013, www.westjet.ca
4. Should airlines start charging passengers by the pound?, April 1, 2013, www.nationalpost.ca
5. WestJet reports March load factor of 86.1, April 3, 2013, www.westjet.ca
6. Passenger Growth Accelerates on Rising Business Confidence, April 3, 2013, www.iata.org
7. IATA: Air freight improving slowly, April 2, 2013, www.americanshipper.com
8. Samoa Air introduces 'pay as you weigh' fare pricing, April 2, 2013, www.globeandmail.ca
9. Air Canada Reports Record March Load Factor, April 3, 2013, www.aircanada.ca
10. CanJet ponders launching itself as scheduled airline as client Transat scales back relationship, April 4, 2013, www.nationalpost.ca
11. Porter Airlines releases February statistics, April 5, 2013, www.flyporter.com
12. H7N9 Outbreak not a Threat to Travel or Trade, April 8, 2013, www.iata.org
13. Travel Advisory: Air Canada Modifies Check-in Deadline on Flights within Canada to Minimum 45 Minutes Prior to Departure, April 8, 2013, www.aircanada.ca
14. Air fares first quarter 2012, April 10, 2013, www.statcan.gc.ca
15. Aircraft movement statistics: Major airports, January 2013, April 10, 2013, www.statcan.gc.ca
16. Government of Canada invests in safety at Windsor International Airport, April 10, 2013, www.tc.gc.ca
17. Porter's plan faces turbulence on the runway, April 11, 2013, www.globeandmail.ca
18. Porter Airlines ready to spread wings across North America, April 10, 2013, www.flyporter.com

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

passenger traffic results for February 2013 showing that demand growth is accelerating on the back of stronger business confidence, particularly in emerging regions. Passenger demand rose 3.7% compared to February 2012. The 3.7% growth masks improvements in recent months. October 2012 appears to have been a turning point for air travel markets. Since October, passenger demand has been growing at an annualized rate of 9%. This is almost double the growth trend over the first 9 months of 2012.

7. IATA: Air freight improving slowly

Air cargo volumes grew modestly in February 2013, hitting a 2.5-percent rise over last October's low point and showing an adjusted 2-percent year-over-year growth. Before the shifting date of the Chinese New Year and the impact of 2012's leap day were taken into account, year-over-year volumes showed a 6.2-percent decline in February. In the first two months of the year, international volumes are down by 1 percent on a 0.8-percent decline in capacity, year over year.

8. Samoa Air introduces 'pay as you weigh' fare pricing

Pay-by-weight flights are the way of the future, according to Samoa Air, which has adopted the policy. Under the new pricing plan, Samoa Air passengers pay for the combined weight of themselves and their luggage, the BBC reported.

9. Air Canada Reports Record March Load Factor

For the month of March 2013, Air Canada reported a record system load factor of 83.5 per cent, versus 81.5 per cent in March 2012, an increase of 2.0 percentage points. System traffic increased 3.4 per cent on a system-wide capacity increase of 1.0 per cent. Air Canada reports traffic results on a system-wide basis, including regional airlines from which Air Canada purchases capacity.

10. CanJet ponders launching itself as scheduled airline as client Transat scales back relationship

The head of CanJet Airlines says his airline will be exploring its options – including the possibility of launching a new scheduled airline in Canada – after Transat A.T. announced it will scale back its partnership with the Halifax-based carrier in 2014.

11. Porter Airlines releases February statistics

Porter Airlines reported a load factor of 54 per cent in February 2013. This represents a decline of 2.1 points compared to 2012. Figures for the month show 104.9 million Available Seat Miles (ASMs) and 56.6 million Revenue Passenger Miles (RPMs), compared to 110.4 million ASMs and 61.9 million RPMs in 2012. Porter Airlines explains some of the difference to the fact that 2012 was a leap year.

12. H7N9 Outbreak not a Threat to Travel or Trade

The World Health Organization (WHO) is not recommending any travel or trade restrictions as a result of the recent outbreak of the influenza A(H7N9) virus in China.

13. Travel Advisory: Air Canada Modifies Check-in Deadline on Flights within Canada to Minimum 45 Minutes Prior to Departure

Air Canada reminds customers that starting April 10, 2013 the domestic cut off check-in and baggage drop off deadline (latest time after which customers can no longer check in or drop off their baggage) will be increased from 30 minutes to 45 minutes before flight departure.

14. Air fares first quarter 2012

Average domestic air fares increased in 7 of the 10 selected Canadian cities of enplanement in the first 2012 quarter compared with the first quarter of 2011. Domestic air fares averaged \$215.50 in Toronto, the highest level, followed by Vancouver (\$208.30), Ottawa (\$190.90) and

19. Air Canada, WestJet want in on Toronto Island airport if Ottawa approves Porter plan, April 11, 2013, www.nationalpost.ca

20. Canadian Air Transportation Industry: A \$34.9 billion economic footprint, April 11, 2013, www.cacairports.ca

21. Aircraft movement statistics: Small airports, December 2012, April 12, 2013, www.statcan.gc.ca

22. International Air Transport Association announces restructuring, April 12, 2013, www.ctl.ca

23. WestJet expands codeshare with AA, April 15, 2013, www.westjet.ca

24. Harper government invests in safety at Campbell River Airport, April 15, 2013, www.tc.gc.ca

25. Harper Government announces new software to enhance passenger privacy at airports, April 16, 2013, www.tc.gc.ca

26. Quarterly civil aviation statistics, first quarter 2012, April 17, 2013, www.statcan.gc.ca

27. Porter Airlines likely angling for takeover by bigger rival, analysts say, April 18, 2013, www.nationalpost.ca

28. Civil aviation operating statistics, February 2013, April 18, 2013, www.statcan.gc.ca

29. Ottawa urged to end airport rent fees, April 18, 2013, www.globeandmail.ca

30. ICAO, TIACA to collaborate on air cargo issues, April 19, 2013, www.americanshipper.com

31. Air Canada Provides First Quarter Preliminary Results and Updated Full Year 2013 Guidance, April 22, 2013, www.aircanada.ca

32. Air Canada Toronto-Dublin Flights to be Extended Year-round in 2014 with Introduction of Air Canada rouge Service, April 23, 2013, www.aircanada.ca

33. Three Airlines Settle Price-Fixing Case With New Zealand, April 23, 2013, www.joc.com

34. An Agenda for US Aviation, April 23, 2013, www.iata.org

35. Porter Airlines boosts service to Boston, Chicago, April 24, 2013, www.flyporter.com

36. Porter warns that time is short, offers to fund airport jet study, April 25, 2013, www.globeandmail.ca

37. Etihad Airways and Air Canada to Introduce Codeshare Services, April 25, 2013, www.aircanada.ca

38. Air Transat to restructure operations, eliminate 47 jobs, April 25, 2013, www.nationalpost.ca

39. Aircraft movement statistics: Major airports, February 2013, April 29, 2013, www.statcan.gc.ca

Winnipeg (\$189.60).

15. Aircraft movement statistics: Major airports, January 2013

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 1.2% in January 2013 from January 2012. These airports reported 359,540 movements in January 2013.

16. Government of Canada invests in safety at Windsor International Airport

Jeff Watson, Member of Parliament for Essex, on behalf of the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, on April 10, 2013 announced \$827,738 in funding for three safety improvement projects at the Windsor International Airport. The Windsor International Airport is receiving funding through the Airports Capital Assistance Program (ACAP).

17. Porter's plan faces turbulence on the runway

Porter announced its conditional purchase of as many as 30 Bombardier CS100 planes in a flashy news conference on April 10, 2013 at the island airport, an announcement that took many city councillors – whose support could make or break the plan – by surprise. It also plans to

extend the runway airport at Billy Bishop airport. Porter's plan to start a third national carrier was looked on favourably by those who want more competition and lower prices.

18. Porter Airlines ready to spread wings across North America

Porter Airlines has signed a conditional purchase order for 12 Bombardier CS100 aircraft, with options for an additional 18 CS100 aircraft. The agreement also includes purchase rights for six Q400 NextGen aircraft. Delivery of Porter's first CS100 aircraft would be in 2016. Robert Deluce, president and CEO of Porter Airlines said "We have determined that the CS100 airliner with a 107 seat configuration is the ideal aircraft to operate from our home base at Billy Bishop Toronto City Airport and will make it possible for Porter to open up new destinations, such as Vancouver, Edmonton, Calgary, Winnipeg, Los Angeles, Florida and the Caribbean". "Bombardier has developed an environmentally friendly, state-of-the-art aircraft that will have a comparable sound level to our existing quiet Q400 turboprops, and offer passengers wider seats, larger windows and more baggage space."

19. Air Canada, WestJet want in on Toronto Island airport if Ottawa approves Porter plan

The heads of both Air Canada and WestJet Airlines Ltd. say if Porter Airlines is allowed to start flying jets into Billy Bishop Toronto City airport, then they want in too. WestJet has even punched the numbers and thinks it could land one of its larger Boeing 737s at the Toronto Island airport, if jets were allowed.

20. Canadian Air Transportation Industry: A \$34.9 billion economic footprint

At its Airports Canada 2013 Conference & Exhibition, the Canadian Airports Council on April 11, 2013 unveiled its first economic impact study in more than a decade. Canada's air transportation industry had a \$34.9 billion economic footprint in 2012, supported 405,000 jobs and personal income of more than \$17 billion and federal taxation of more than \$7 billion. This is in addition to broader economic benefits, such as supporting the livelihoods of Canadians in remote regions, economic development in the north and in the natural resources sector, and enhancing business operations and efficiency. Improving the competitiveness of the Canadian air transport industry will increase passenger and cargo traffic, support trade and jobs, boost the Canadian economy

21. Aircraft movement statistics: Small airports, December 2012

The number of take-offs and landings for 129 airports without air traffic control towers reached 36,089 movements in December 2012. Moosonee, Ontario (2,639 movements) and Goose Bay, Newfoundland and Labrador (2,174 movements) were the most active sites.

22. International Air Transport Association announces restructuring

The International Air Transport Association (IATA) announced an organizational restructuring of its main divisions and regional operations "to even better address the needs of its 240 member airlines."

23. WestJet expands codeshare with AA

US

1. BTS Releases Summary 2012 Traffic Data for U.S. Airlines and Foreign Airlines' U.S. Flights; Total Passengers Increased 1.3% from 2011, April 4, 2013, www.dot.gov
2. Airlines Report 34 Tarmac Delays Over Three Hours on Domestic Flights, None Longer Than Four Hours on International Flights in February, April 11, 2013, www.dot.gov
3. Remarks of Tony Tyler at the IATA Ops Conference in Vienna, April 15, 2013, www.iata.org
4. Aviation: Strategic Driver of African Development, April 16, 2013, www.iata.org
5. January 2013 U.S. Airline System Passengers Up 1.6% from January 2012, April 23, 2013, www.dot.gov
6. February 2013 Passenger Airline Employment Down 2.5 Percent from February 2012, April 25, 2013, www.dot.gov

WestJet expanded its codesharing with American Airlines to sixteen cities beyond Dallas-Texas. This connectivity from the Dallas hub will increase WestJet's connectivity creating opportunities and markets for the two airlines' passengers.

24. Harper government invests in safety at Campbell River Airport

The Honourable John Duncan, Member of Parliament for Vancouver Island North, on behalf of the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities and Minister of Intergovernmental Affairs, on April 15, 2013 announced \$1,331,000 in funding for an important safety improvement project at the Campbell River Airport.

25. Harper Government announces new software to enhance passenger privacy at airports

The Honourable Steven Fletcher, Minister of State (Transport), announced on April 16, 2013 that the Harper Government is deploying software on Canada's full body scanners (FBS) that will enhance passenger privacy at airports, while continuing to ensure the safety and security of Canadian air travellers.

26. Quarterly civil aviation statistics, first quarter 2012

Operational and financial data on civil aviation are now available for the first quarter of 2012 on the Statistics Canada website.

27. Porter Airlines likely angling for takeover by bigger rival, analysts say

Porter Airlines' surprise move to start flying jets off Toronto Island has left several industry observers speculating that its primary motivation is actually to solicit a takeover bid from one of its larger rivals, Air Canada or, more likely, WestJet.

28. Civil aviation operating statistics, February 2013

Operational data on civil aviation are now available for February 2013 on the Statistics Canada website.

29. Ottawa urged to end airport rent fees

Canadians are cross-border shopping for cheaper air fares – costing this country's airline industry an estimated 70 flights a day – and a Senate committee report is urging Ottawa to give carriers a fee break that could help them fight back. The Senate transport committee released a report in the third week of April 2013 that calls on the federal government to stop charging rent for the use of the country's 26 busiest airports as a means of making Canadian airlines more competitive. Ending airport rent fees would represent a break of \$250-million annually for carriers. The committee is also recommending that Ottawa hand over ownership of these airports to the authorities that currently operate them.

30. ICAO, TIACA to collaborate on air cargo issues

The International Air Cargo Association and the International Civil Aviation Organization, a U.N. standard-setting body for international regulation of the aviation industry, on April 19, 2013 cemented their burgeoning relationship by agreeing to regularly consult on security and other issues to advance the air cargo industry. Officials for the two organizations signed a Declaration of Intent in Dallas during TIACA's annual Executive Summit, which was attended by about 180 people.

31. Air Canada Provides First Quarter Preliminary Results and Updated Full Year 2013 Guidance

Air Canada on April 22, 2013 provided preliminary results for the first quarter of 2013: adjusted net loss of approximately \$143 million versus an adjusted net loss of \$162 million in the first quarter of 2012; net loss of approximately \$260 million versus a net loss of \$274 million in the first quarter of 2012; operating loss of approximately \$106 million versus an operating loss of \$91 million in the first quarter of 2012; and EBITDAR (earnings before interest, taxes, depreciation, amortization and impairment, and aircraft rent) of approximately \$145 million versus \$174 million in the first quarter of 2012

32. Air Canada Toronto-Dublin Flights to be Extended Year-round in 2014 with Introduction of Air Canada rouge Service

Air Canada on April 23, 2013 announced that its current seasonal service between Toronto and Dublin, Ireland will be converted to year-round service operated by its new leisure carrier, Air Canada *rouge*, beginning in 2014.

33. Three Airlines Settle Price-Fixing Case With New Zealand

MASKargo, Cathay Pacific and Thai Airways International have settled with the New Zealand Commerce Commission for fixing air cargo prices between February 2000 and February 2006, paying AU\$9.6 million (about US\$9.9 million) total in penalties,

34. An Agenda for US Aviation

IATA put forward four policy principles to maximize aviation's economic contribution: aviation is far too important to the US economy to be held captive to political battles or used as a piggy bank to balance the budget; regulation and operational restrictions are no substitute for infrastructure investment; the airline industry is a deregulated activity and needs to be treated as such; and government and industry stakeholders

must continue to build on their history of cooperation in critical areas such as safety, environment and security.

35. Porter Airlines boosts service to Boston, Chicago

Porter Airlines is boosting service from Billy Bishop Toronto City Airport to Boston's Logan International Airport and Chicago Midway International Airport, with one additional weekend roundtrip available immediately (April 24, 2013). Summer service to Chicago will also include an extra weekday flight, from June 24, 2013 until August 30, 2013.

36. Porter warns that time is short, offers to fund airport jet study

Porter Airlines needs Toronto city to approve its jet-powered plans for the island airport by July 2013, and the short-haul carrier with national aspirations is willing to pick up the tab for a city report if that will speed up the process. The cost is estimated to be about \$200,000 and some commentators think the time to complete the report may not be sufficient.

37. Etihad Airways and Air Canada to Introduce Codeshare Services

Etihad Airways and Air Canada have signed a Memorandum of Understanding (MOU) for a commercial cooperation agreement that will enhance travel services between the United Arab Emirates and Canada.

38. Air Transat to restructure operations, eliminate 47 jobs

Transat A.T. Inc. said on April 25, 2013 it intends to restructure the operations of its subsidiary airline, Air Transat, as part of a broader effort to cut costs.

39. Aircraft movement statistics: Major airports, February 2013

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 10.2% in February 2013 from February 2012.

WATER TRANSPORTATION

1. TSA and WTSA merger takes effect April 14

The planned merger of the Transpacific Stabilization Agreement (TSA) and Westbound Transpacific Stabilization Agreement (WTSA) is expected to go forward on April 14, 2013 said Brian Conrad, executive director of the two container carrier discussion agreements.

2. Prince Rupert Port Authority – Monthly Traffic Summary – March 2013

On April 8, 2013, the Port of Prince Rupert reported its monthly traffic statistics for March 2013. Total container traffic in terms of TEUs (35,424) was 32% lower in March 2013 than the same month a year ago.

2. Imports recorded a decrease of 43% and exports recorded a decrease of 19% compared to March 2012.

3. Hamburg Presses for Hapag-Lloyd, Hamburg Süd Merger

The city of Hamburg, Germany, is pushing for Hapag-Lloyd and Hamburg Süd to resume merger talks to increase its chances of surviving a four-year slump in the sector, according to a city official. The city is the largest shareholder of Hapag-Lloyd, with a stake of nearly 37 percent. A merger with Hamburg Süd would give the city and TUI AG, which owns 22 percent, the opportunity to reduce their holdings.

4. Harper government to help more ships reduce emissions, improve air quality

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, and Minister of Intergovernmental Affairs, on April 12, 2013 announced that the Harper government is launching a second round of funding under the Shore Power Technology for Ports Program to improve air quality at Canadian ports. Shore power is a highly effective way to reduce marine diesel air emissions by enabling ships to shut down their engines and connect to the local electrical grid in order to power their on-board systems while docked.

5. US regs a threat to Canadian short sea shipping: shipowners association

The Canadian Shipowners Association (CSA), which represents the interests of Canadian companies with domestically flagged vessels, said it is concerned with a permit published by the United States

<p>WATER TRANSPORTATION Canada</p> <ol style="list-style-type: none">1. TSA and WTSA merger takes effect April 14, April 5, 2013, www.americanshipper.com2. Prince Rupert Port Authority – Monthly Traffic Summary – March 2013, April 8, 2013, www.rupertport.com3. Hamburg Presses for Hapag-Lloyd, Hamburg Süd Merger, April 9, 2013, www.joc.com4. Harper government to help more ships reduce emissions, improve air quality, April 12, 2013, www.tc.gc.ca5. US regs a threat to Canadian short sea shipping: shipowners association, April 12, 2013, www.cfl.ca6. 2013 Cruise Season Shows Impressive Growth, April 18, 2013, www.portvancouver.com7. Government of Canada invests in efficiency and competitiveness at the Port of Halifax, April 22, 2013, www.tc.gc.ca8. Port of Halifax – Container Traffic – First Quarter 2013, April 24, 2013, www.porthalifax.ca9. Port of Montreal – Container Traffic – First Quarter 2013, April 24, 2013, www.portmontreal.ca10. Port Metro Vancouver – Accumulated Container Traffic January to March 2013, April 25, 2013, www.portvancouver.com

Environmental Protection Agency (EPA), which could threaten the commercial viability of its members' ships and impact the operations of the industries they serve. The EPA's Vessel General Permit applies to the discharge of ballast water by ships. Although the EPA has aligned its standard for international shipping with that of the United States Coast Guard, its application to Canadian domestic vessels calls into question the scientific basis for the permit, said the CSA in a release.

6. 2013 Cruise Season Shows Impressive Growth

Port Metro Vancouver's 2013 Alaska cruise season begins on April 18, 2013 and continues an upward trend with very strong growth of 23 per cent over 2012. Port Metro Vancouver estimates more than 820,000 passengers will travel through the Port's two cruise terminals, Canada Place and Ballantyne in 2013 compared to 667,000 passengers in 2012. The port expects 235 cruise calls up from 191 calls in 2012.

7. Government of Canada invests in efficiency and competitiveness at the Port of Halifax

The Government announced federal funding for new technology development at the Port of Halifax. The Government of Canada has contributed funding towards the integrated port logistics system and the air gap system. The total cost of these two Intelligent Transportation Systems (ITS) is estimated at \$660,000, with the federal government contributing up to \$330,000 under the Strategic Highway Infrastructure Program. In addition, the Port of Halifax is providing \$330,000 towards the completion of these projects.

8. Port of Halifax – Container Traffic – First Quarter 2013

The Port of Halifax reported its first quarter traffic results for 2013 on April 24, 2013. Container traffic in terms of TEUs was 112,670, a 26.3% increase from the same quarter in 2012. Imports for the quarter were 54,457 TEUs and exports were 58,213 TEUs, representing increases of 30.4% and 22.7%.

9. Port of Montreal – Container Traffic – First Quarter 2013

The Port of Montreal reported its first quarter traffic results for 2013 on April 24, 2013. Container traffic in terms of TEUs was 321,618, a 2.1% decrease from the same quarter in 2012. Imports for the quarter were 155,351 TEUs and exports were 166,267 TEUs, representing changes of -4.4% and 0.1%.

10. Port Metro Vancouver – Accumulated Container Traffic January to March 2013

Container traffic at the Port of Metro Vancouver for the first quarter of 2013 was 642,959 (TEUs) compared to 627,541 (TEUs) for the same quarter a year ago, representing an increase of 2.5%. Imports for the quarter were 351,504 (TEUs) and exports were 291,455 (TEUs) representing increases of 1.6% and 3.6% compared to the first quarter of 2012.

RAIL TRANSPORTATION

1. Canadian railways boast strongest January freight levels in 14 years

The Canadian railway industry carried 26.1 million tonnes of freight in January 2013, up 4.9% from January 2012, according to Statistics Canada. The increase occurred solely on the strength of domestic rail shipments, according to the report. The tonnage marked the largest amount of freight carried for the month of January since 1999.

2. North American Freight Railcar Grows

The size of the revenue-earning freight railcar fleet in North America rose by 1.1 percent in 2012 to 1.5 million units of equipment, but has not recovered to pre-recession population levels, according to Railinc's 2013 North American Freight Railcar Review, which provides a snapshot of the North American railcar fleet compared with the previous year and includes statistics and overall trends from the Railinc Umler system.

3. CN Rail hit by tough winter while CP Rail shines

Earnings expectations for CN is expected to be lower during the first quarter to \$1.27 a share, from \$1.30 a share previously reported according to an analyst at JP Morgan. This is because harsh winter weather is expected to have hit the operations of Canadian National Railway Co. in the first quarter while not affecting its smaller rival, Canadian Pacific Railway Ltd. Mr. Spracklin of RBC Capital Markets agrees CP carries the potential for an upside surprise in the first quarter and raised his earnings per share estimate to \$1.24, from \$1.05

RAIL TRANSPORTATION Canada

1. Canadian railways boast strongest January freight levels in 14 years, April 1, 2013, www.ctl.ca
2. North American Freight Railcar Grows, April 1, 2013, www.joc.com
3. CN Rail hit by tough winter while CP Rail shines, April 3, 2013, www.nationalpost.ca
4. CP oil spill in northern Ontario larger than first reported, April 4, 2013, www.globeandmail.ca
5. North American intermodal traffic drops, April 4, 2013, www.joc.com
6. CP Rail resumes service in Northern Ontario following derailment; cleanup continues, April 5, 2013, www.ctl.ca
7. CN earns 2012 TRANSCAER® national award for transportation emergency response training, April 17, 2013, www.cn.ca
8. Canadian National's first quarter revenue plummets, April 22, 2013, www.joc.com
9. CN reports Q1-2013 net income of C\$555 million, or C\$1.30 per diluted share, April 22, 2013, www.cn.ca
10. CN declares second-quarter 2013

previously. Thomas Wadewitz, JPMorgan analyst, said he expected one less operating day this year and the winter weather to drag on the volumes of most major railways by about a percentage point in the first quarter.

4. CP oil spill in northern Ontario larger than first reported

A northern Ontario spill of oil from a derailed train is 100 times larger than Canadian Pacific Railway Ltd. initially reported. The company said April 3, 2013 that only four barrels spilled. On the next day, it said some oil had flowed beneath the snow and gone undetected. CP now estimates 400 barrels spilled, or 63,500 litres – a slightly greater amount than the company’s spill last week in Minnesota.

5. North American intermodal traffic drops

North American intermodal volume fell by 5.3 percent year-over-year this week (first week of April 2013), the first decline since the beginning of January 2013, according to the Association of American Railroads.

6. CP Rail resumes service in Northern Ontario following derailment; cleanup continues

One day after the derailment of a Canadian Pacific eastbound train in northern Ontario, carrier Canadian Pacific announced the rail line had formally re-opened following the completion of full track repairs and mandatory inspections. CP spokesperson Ed Greenberg confirmed that the line re-opened on April 4, 2013, with clean-up operations continuing at the site.

7. CN earns 2012 TRANSCAER® national award for transportation emergency response training

CN has earned a 2012 National Achievement Award from Transportation Community Awareness and Emergency Response (TRANSCAER®) in recognition of its ongoing work to help communities understand the movement of hazardous materials and what is required in the event of transportation incidents.

8. Canadian National’s first quarter revenue plummets

Canadian National on April 22, 2013 reported net income in the first quarter of 2013 totaling C\$555 million (about US\$540.8 million), a decline of 28 percent from \$755.2 million in the first quarter of 2012. First quarter 2013 profit results included an after-tax gain of \$35.1 million, and first quarter 2012 profit included an after-tax gain of \$245.6 million from the sale of rail line segments in the Toronto area to a public transit agency. Quarterly revenue rose 5 percent compared to the same period in the previous year to \$2.4 billion, while revenue ton-miles increased 3 percent year-over-year and carloadings improved 2 percent.

9. CN reports Q1-2013 net income of C\$555 million, or C\$1.30 per diluted share

Revenues for the latest quarter increased five per cent to C\$2,466 million, while revenue ton-miles rose three per cent and carloadings increased two per cent; operating income declined two per cent to C\$780 million; the operating ratio was 68.4 per cent, a deterioration of 2.2 points from the year-earlier performance of 66.2 per cent; and the Company utilized C\$20 million of free cash flow in first-quarter 2013, while it generated C\$48 million of free cash flow in the comparable period of 2012. Claude Mongeau, president and chief executive officer, said: “CN faced a number of operational challenges in the first quarter, including extreme cold and heavy snow in Western Canada, which hampered operations, congested the network and constrained volume growth. We’ve turned the corner since then, improving train velocity and reducing freight car dwell times in yards across the network to restore the service level expected by our customers.”

10. CN declares second-quarter 2013 dividend

CN announced on April 22, 2013 that its Board of Directors has approved a second-quarter 2013 dividend on the Company’s common shares outstanding. A quarterly dividend of forty-three cents (C\$0.43) per common share will be paid on June 28, 2013, to shareholders of record at the close of business on June 7, 2013.

11. Railway carloading, February 2013

Freight carried by Canadian railways reached 25.7 million tonnes in February 2013, up 1.0% from the same month in 2012. The gain was entirely because of increased rail traffic within Canada as shipments from the United States fell during the month. Intermodal freight (that is, cargo moved via containers and trailers on flat cars) within Canada rose 1.5% to 22.7 million tonnes.

12. Canadian Pacific Railway Limited on April 23, 2013 announced record Q1 2013 results.

Canadian Pacific Railway reported that net income in the first quarter was \$217 million, or \$1.24 per diluted share, versus \$142 million, or \$0.82 per share, in the first quarter of 2012. This represents a 51 per

dividend, April 22, 2013, www.cn.ca
11. Railway carloading, February 2013, February 24, 2013, www.statcan.gc.ca
12. Canadian Pacific Railway Limited on April 23, 2013 announced record Q1 2013 results, April 23, 2013, www.cpr.ca

US

1. Norfolk Southern’s Profit Rises 10 Percent, April 23, 2013, www.ioc.com

cent year-over-year improvement in earnings per share. It results in summary are: total revenues were \$1,495 million, an increase of 9 per cent and a quarterly record; operating expenses were \$1,133 million, an increase of 3 per cent; operating income was \$362 million, an increase of 32 per cent; and operating ratio was 75.8 per cent, a 430 basis point improvement and a quarterly record. "CP delivered the best first quarter results in its history despite challenging winter conditions," said E. Hunter Harrison, Chief Executive Officer.

HIGHWAY TRANSPORTATION

1. Harper government announces new project for job-creating and export-enhancing infrastructure along BC's Highway 91

The Honourable Ed Fast, Canada's Minister of International Trade and Minister for the Asia-Pacific Gateway, on March 28, 2013 announced funding for the Highway 91 and 72nd Avenue Interchange project in Delta, British Columbia, further bolstering Canada's Asia-Pacific Gateway and Corridor Initiative (APGCI) and its world-class export facilitation and competitive advantages. "In order to create jobs, growth and prosperity across Canada, our government is committed to investing in projects that help Canadian exporters reach new, fast-growing markets throughout the Asia-Pacific region," said Minister Fast. "This new interchange along Highway 91 will help relieve congestion and allow for the free flow of goods, services and people." It has committed up to \$10 million to the project.

2. Public consultations on the environmental assessment for the new bridge for the St. Lawrence

The Government of Canada is moving forward with plans to build a new bridge for the St. Lawrence and invites interested persons to attend open houses on the environmental assessment. The open houses will be held in the Montreal region from April 14 to 22, 2013.

3. Transport Canada Announces \$80 million in Border Upgrades

On April 2, 2013, Transport Canada announced three separate border crossing improvement projects, totaling \$80 million. Ontario's Lansdowne crossing has been allocated \$60 million, while the Emerson border crossing in Manitoba and Saskatchewan's North Portal crossing will be receiving \$10 million each.

4. Harper government enhances efficiency of North Portal Border Crossing

Tom Lukiwski, Member of Parliament for Regina—Lumsden—Lake Centre, on behalf of the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, Minister of the Economic Development Agency of Canada for the Regions of Quebec and Minister of Intergovernmental Affairs, on April 2, 2013 announced funding to expand and modernize the North Portal Border Crossing. This announcement follows through on commitments in the Beyond the Border Action Plan announced by Prime Minister Stephen Harper and President Barack Obama in December 2011. Modern and efficient border crossings are essential to keeping trade moving and our economy on the right track.

5. Harper government enhances efficiency of Emerson Border Crossing

Candice Bergen, Member of Parliament for Portage—Lisgar, on

behalf of the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, Minister of the Economic Development Agency of Canada for the Regions of Quebec and Minister of Intergovernmental Affairs, on April 2, 2013 announced funding to improve infrastructure at the Emerson Border Crossing. This announcement follows through on commitments in the Beyond the Border Action Plan announced by Prime Minister Stephen Harper and President Barack Obama in December 2011. A

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1. Harper government announces new project for job-creating and export-enhancing infrastructure along BC's Highway 91, March 28, 2013, www.tc.gc.ca
2. Public consultations on the environmental assessment for the new bridge for the St. Lawrence, April 2, 2013, www.tc.gc.ca
3. Transport Canada Announces \$80 million in Border Upgrades, April 2, 2013, www.todaystrucking.com
4. Harper government enhances efficiency of North Portal Border Crossing, April 2, 2013, www.tc.gc.ca
5. Harper government enhances efficiency of Emerson Border Crossing, April 2, 2013, www.tc.gc.ca
6. UPS appeal EU block on TNT Express merger, April 8, 2013, www.joc.com
7. CTA launches new Web site dedicated to driver shortage issue, April 8, 2013, www.ctl.ca
8. Fletcher Talks EOBRs, Infrastructure, and Driver Shortage with CTA, April 9, 2013, www.todaystrucking.com
9. Manitoulin Transport moves into moving, April 9, 2013, www.todaystrucking.com
10. Government of Canada welcomes Presidential Permit for Detroit River International Crossing, April 12, 2013, www.tc.gc.ca
11. West Van Trailer Rentals Grows with Acquisition, April 17, 2013, www.todaystrucking.com
12. City of Ottawa kicks off construction of Confederation Line maintenance facility, April 19, 2013, www.tc.gc.ca
13. Large Urban Transit, February 2013, April 22, 2013, www.statcan.gc.ca
14. Bison buys Searcy; adds flatdeck to its portfolio, April 24, 2013, www.ctl.ca
15. PMAC and SCL announce plan to merge, April 24, 2013, www.ctl.ca
16. Ground transportation costs up in February: CGFI, April 24, 2013, www.ctl.ca
17. Transportation Acquisitions Drop Year Over Year, April 29, 2013, www.todaystrucking.ca

US

1. Freight Shipments Rose 1.2% in February from January, April 10, 2013, www.dot.gov

more efficient Emerson border crossing will facilitate trade and travel, while creating jobs and supporting growth and prosperity for Manitoba.

6. UPS appeal EU block on TNT Express merger

United Parcel Service is appealing the European Union's decision to block its planned 5.2 billion euro (\$6.8 billion) takeover of TNT Express. UPS pulled its bid for the Dutch express delivery firm in January 2013 after the European Commission, the EU's executive, said a merged company would have too much power in the European market. The U.S. company said it is challenging the EU's decision because it believes it was "factually and legally erroneous."

7. CTA launches new Web site dedicated to driver shortage issue

The Canadian Trucking Alliance's Blue Ribbon Task Force on the Driver Shortage (BRTF) has launched a new Web site offering information, education and research related to the shortage of qualified truck drivers.

8. Fletcher Talks EOBRs, Infrastructure, and Driver Shortage with CTA

Minister of State for Transport Steven Fletcher spoke at the Canadian Trucking Alliance's (CTA) annual spring retreat on: highway infrastructure, EOBRs, and reducing the "regulatory burden" on the industry. Fletcher has been traveling across Canada meeting trucking industry representatives to learn more about the business issues they face. Fletcher said Transport Canada has a limited role in regulating trucking, but at the same time it is responsible for a number of issues affecting the industry, including hours of service and environmental regulations and ensuring that trucking safety rules remain consistent across the country. He indicated that he will attempt to streamline current regulations.

9. Manitoulin Transport moves into moving

Manitoulin Transport has acquired Matco Transportation Systems of Edmonton. Matco provides domestic and international freight, household goods relocation services and warehousing. Its geographic focus is Edmonton and Calgary in Alberta, the Northwest Territories and Yukon. Matco is the second transportation company Manitoulin has acquired in the last four weeks and its fifth acquisition since May, 2012.

10. Government of Canada welcomes Presidential Permit for Detroit River International Crossing

Government officials on April 13, 2013 welcomed the signing of the Presidential Permit for the Detroit River International Crossing (DRIC) / New International Trade Crossing (NITC). The permit is required in the United States to allow the construction of the new publicly-owned bridge between Windsor, Ontario and Detroit, Michigan.

11. West Van Trailer Rentals Grows with Acquisition

West Van Inc. became one of the largest trailer rental providers in Canada on April 16, 2013 after it acquired all of the shares of Train Trailer Rentals from PLM trailers.

12. City of Ottawa kicks off construction of Confederation Line maintenance facility

Pre-construction work began April 19, 2013 on the Confederation Line transit project with the City of Ottawa officially handing over the site of the future maintenance and storage facility to the Rideau Transit Group.

13. Large Urban Transit, February 2013

In February 2013, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems (80% of total) rose 5.8% from February 2012 to \$266.9 million. Over the same period, ridership levels increased 2.0% to 140.4 million passenger trips.

14. Bison buys Searcy; adds flatdeck to its portfolio

Bison Transport has announced the acquisitions of Searcy Trucking and its distribution division, Universal Reload. Searcy Trucking is a family-owned carrier specializing in flatdeck transportation services. Its subsidiary Universal Reload offers 12 acres of outdoor storage and 24,000 sq.-ft of indoor space, specializing in open deck freight handling logistics. Together, they operate 72 trucks, 90 trailers and employ about 100 people. The acquisitions will continue to operate as a standalone company, Bison announced today.

15. PMAC and SCL announce plan to merge

With the support of their respective boards of directors, the Purchasing Management Association of Canada (PMAC) and Supply Chain & Logistics Association Canada (SCL) have announced their intent to merge operations.

16. Ground transportation costs up in February: CGFI

Ground transportation costs for Canadian shippers increased by 2.4 % in February 2013 when compared with January 2013 results, according to the latest figures from the Canadian General Freight Index (CGFI).

17. Transportation Acquisitions Drop Year Over Year

The first three months of 2013 have seen a total of 35 acquisitions and mergers in the transportation and logistics sector (mostly in China (11), Asia and Oceania (18)), according to PwC (Price Waterhouse Coopers), a decrease from the same period last year.

GENERAL TRANSPORTATION

Canada

1. Travel between Canada and other countries, February 2013

Canadians took 5.6 million trips abroad in February 2013, up 1.5% from January 2013. Travel to the United States rose 1.7% in February 2013 to 4.9 million trips. In addition, trips to destinations other than the United States rose 0.4% to 768,000. Travel to Canada fell 1.5% in February to 2.1 million trips, as a decrease in trips from the United States offset an increase from overseas countries. Just under 1.7

million visitors came to Canada from the United States, down 2.1% from January. This was the lowest monthly level since February 2011. Travel to Canada by overseas travelers rose 1.0% to 391,000 trips. This was driven by increases from countries in Asia, mainly, China, Japan, India and South Korea.

2. Report on Infrastructure Spending Impact to Economy, Employment and Income

A briefing published in April 2013 by the Conference Board of Canada, *The Economic Impact of Ontario's Infrastructure Investment Program*, studies the substantial benefits infrastructure spending has on Ontario's economy, employment and income of residents. The Conference Board found that for every \$100 million invested in public infrastructure, real GDP is boosted by \$114 million and creates about 1,670 jobs in one year.

Canada

1. Travel between Canada and other countries, February 2013, April 18, 2013, www.statcan.gc.ca

2. Report on Infrastructure Spending Impact to Economy, Employment and Income, April 26, 2013, www.ctf.ca