

Transportation Information Update*

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August 2013 No. 108

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AIR TRANSPORTATION

1. Air Canada Introduces Halifax - Fort Lauderdale Seasonal Flights

Air Canada announced on July 31 that it will launch weekly seasonal flights between Halifax and Fort Lauderdale, Florida, beginning December 14, 2013 until the end of April, 2014.

2. Robust Air Passenger Growth in June

The International Air Transport Association (IATA) released June 2013 passenger demand figures showing year-on-year growth of 6.0%. The robust growth, measured in revenue passenger kilometers (RPK), is ahead of the 4.8% demand growth reported over the first six months of 2013 compared to the same period in 2012. It is also ahead of the 5.6% expansion in capacity for June over the previous year. This pushed the passenger load factor to 81.7%.

3. WestJet sets new single-day traffic record

On August 1, 2013, WestJet announced it flew 60,441 guests on Wednesday, July 31, 2013, setting a new single-day record for guests travelling with the airline. The previous single-day record was 57,474, set in December 21, 2012.

4. Air Canada and Airbus win Eco-Partnership award for North America's first "Perfect Flight"

On August 1, 2013, it was announced that Air Canada and Airbus have received the 2013 Eco-partnership award from the leading monthly aeronautical publication Air Transport World (ATW) for the first ever North American "Perfect Flight" that took place in June 2012. On the 18th June 2012, Air Canada and Airbus together achieved an over 40 per cent reduction in CO² emissions using an Airbus A319 on a commercial flight from Toronto to Mexico.

5. EU approves US Airways, American merger

AMR Corp. and US Airways Group have received permission from the European Commission for the \$11 billion merger of American Airlines and US Airways conditional upon the release of a daily slot pair at Heathrow Airport. The commission approved the deal, but said the merger would lead to a monopoly on the London-Philadelphia passenger route, where the carriers have paired up in a joint venture with British Airways and Iberia, so it is calling for the slot release and other concessions.

6. WestJet reports July load factor of 83.1 percent

WestJet on August 7, 2013 announced July 2013 traffic results with a load factor of 83.1 per cent. Revenue passenger miles (RPMs), or traffic, increased 8.3 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 11.1 per cent over the same period. The airline flew nearly 1.7 million guests in July 2013, a year-over-year increase of 6.5 per cent or approximately 103,000 additional guests. The load factor was down 2.2 points compared to the load

AIR TRANSPORTATION

Canada

1. Air Canada Introduces Halifax - Fort Lauderdale Seasonal Flights, July 31, 2013, www.aircanada.ca
2. Robust Air Passenger Growth in June, July 31, 2013, www.iata.org
3. WestJet sets new single-day traffic record, August 1, 2013, www.westjet.ca
4. Air Canada and Airbus win Eco-Partnership award for North America's first "Perfect Flight", August 1, 2013, www.aircanada.ca
5. EU approves US Airways, American merger, August 5, 2013, www.americanshipper.com
6. WestJet reports July load factor of 83.1 percent, August 6, 2013, www.westjet.ca
7. WestJet, Southern China move to code sharing, August 6, 2013, www.westjet.ca
8. Air Canada Reports July Load Factor, August 7, 2013, www.aircanada.ca
9. Air Canada reports record second quarter 2013 results, August 7, 2013, www.aircanada.ca
10. Air Canada Further Expands Service to Sydney, Nova Scotia with Daily, Year-Round Flights to Toronto, August 8, 2013, www.aircanada.ca
11. Air Canada Extends Montreal-San Francisco Flights Year-Round, August 8, 2013, www.aircanda.ca
12. DOJ files suit to block American-US Airways merger, August 13, 2013, www.americanshipper.com
13. Airline shares drop as U.S. challenges AMR-US airline merger, August 13, 2013, www.globeandmail.ca
14. US American vow to press on with merger, August 15, 2013, www.americanshipper.com
15. Government of Canada invests in safety at Lethbridge Airport, August, 2013, www.tc.gc.ca
16. Civil aviation operating statistics, June 2013, August 19, 2013, www.statcan.gc.ca
17. WestJet introduces Plus, August 19, 2013, www.westjet.ca
18. Air Canada's Cargo Slipped 0.8 Percent in June, August 20, 2013, www.joc.com
19. Aircraft movement statistics: Small airports, May 2013, August 21, 2013, www.statcan.gc.ca

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

factor last July (2012), however, it was the second highest load factor for July on record

7. WestJet, Southern China move to code sharing

WestJet on August 6, 2013 announced it has entered into a code-sharing agreement with China Southern Airlines (CZ). China Southern Airlines will now begin marketing and distributing WestJet-operated flights.

8. Air Canada Reports July Load Factor

For the month of July 2013, Air Canada reported a system load factor of 85.6 per cent, versus 85.9 per cent in July 2012, a decrease of 0.3 percentage points. System traffic increased 1.9 per cent on a system-wide capacity increase of 2.3 per cent.

9. Air Canada reports record second quarter 2013 results

Air Canada on August 7, 2013 reported adjusted net income of \$115 million or \$0.41 per diluted share in the second quarter of 2013 compared to an adjusted net loss of \$7 million or \$0.02 per diluted share in the second quarter of 2012. Second quarter EBITDAR amounted to \$385 million compared to EBITDAR of \$312 million in the second quarter of 2012, an increase of \$73 million or 23 per cent. It reported an operating income of \$174 million versus operating income of \$63 million in the second quarter of 2012, an improvement of \$111 million. Calin Rovinescu, President and Chief Executive Officer said "Air Canada delivered its best second quarter financial performance in the Corporation's history, with records reported in all three measures of operating income, adjusted net income and EBITDAR."

10. Air Canada Further Expands Service to Sydney, Nova Scotia with Daily, Year-Round Flights to Toronto

Air Canada on August 8, 2013 announced that in response to growing customer demand it will launch daily, year-round service between Sydney, Nova Scotia and Toronto beginning December 18, 2013.

11. Air Canada Extends Montreal-San Francisco Flights Year-Round

Air Canada on August 8, 2013 announced that its current seasonal flights between Montreal and San Francisco will be extended to year-round flights beginning in November 2013.

12. DOJ files suit to block American-US Airways merger

The U.S. Justice Department and attorneys general for six states, including the District of Columbia, have challenged the proposed merger between AMR Corp., the parent company of American Airlines, and US Airways, saying the combined airlines would result in higher airfares and lower service for passengers. In a news release, the Justice Department said the proposed \$11 billion merger "would substantially lessen competition for commercial air travel" Earlier in the month the EU Commission approved the merger subject to certain conditions.

13. Airline shares drop as U.S. challenges AMR-US airline merger

US Airways fell 7.4 per cent to \$17.43 on the New York Stock Exchange. American shares were down 46 per cent at \$3.14 in Pink Sheets trading. The Justice Department said its lawsuit seeks to preserve competition, especially because the two airlines have said they can succeed as independent companies. "Consumers deserve the benefit of that continuing competitive dynamic," Bill Baer, head of the Justice Department Antitrust Division, said in a statement.

14. US American vow to press on with merger

Despite the decision by the Department of Justice to challenge the proposed \$11-billion merger of American Airlines and US Airways, officials are still optimistic they will close the deal by the end of 2013. "In light of today's announcement, the companies no longer expect the merger to close during the third quarter of 2013," US Airways Chief Executive Officer Doug Parker wrote in a letter to employees. They are hopeful the litigation will be successful.

15. Government of Canada invests in safety at Lethbridge Airport

Jim Hillyer, Member of Parliament for Lethbridge, on behalf of the Honourable Lisa Raitt, Minister of Transport, August 14, 2013 announced funding for an important safety improvement project at the Lethbridge Airport. The Lethbridge Airport is receiving \$187, 944, through the Airports Capital Assistance Program.

20. LATAM fined for Canadian price fixing, August 21, 2013, www.americanshipper.com

21. Government of Canada invests in safety at West Kootenay Regional Airport, August 22, 2013, www.tc.gc.ca

22. American, US request date for anti-trust trial, August 23, 2013, www.americanshipper.com

23. June 2013 Passenger Airline Employment Down 2.4 Percent from June 2012, August 27, 2013, www.dot.gov

23. Canada announces a first air transport agreement with Bangladesh, August 28, 2013, www.tc.gc.ca

24. Quarterly civil aviation statistics, fourth quarter 2012, August 28, 2013, www.statcan.gc.ca

25. WestJet announces intent to purchase 65 Boeing 737 MAX aircraft, August 28, 2013, www.westjet.ca

26. Air Canada ordered to pay more to passengers bumped from domestic flights, August 29, 2013, www.nationalpost.ca

27. DOT Fines Ticket Agents for Code-Share Disclosure Violations, August 29, 2013, www.dot.gov

16. Civil aviation operating statistics, June 2013

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

17. WestJet introduces Plus

WestJet on August 19, 2013 announced the market launch of Plus, an important part of the airline's fare bundle roll-out offering additional flexibility, comfort and convenience to guests looking for more options. Plus includes: extra baggage allowance (two free checked bags; extra legroom (36-inch seat pitch); advance booking and overhead bin space; and priority security screening at available airports.

18. Air Canada's Cargo Slipped 0.8 Percent in June

Air Canada reported cargo traffic of 130.5 million metric ton-kilometers in June 2013, down 0.8 percent compared with the same month last year, according to Statistics Canada. Cargo volume for Canada's largest airline was 20.5 million kilograms in June, falling 1.5 percent year-over-year. With regard to cargo, Air Canada's load factor was 86.4 percent. WestJet's monthly cargo traffic dropped 16.5 percent year-over-year to 0.9 million metric ton-kilometers. However, cargo volume for the second-largest Canadian airline totaled 0.4 million kilograms, a jump of 26.9 percent. The load factor was 76.8 percent.

19. Aircraft movement statistics: Small airports, May 2013

The number of take-offs and landings for 118 airports without air traffic control towers reached 61,249 movements in May. This was an increase from April 2013 of 51,823. Moosonee, Ontario (3,929 movements) and Peterborough, Ontario (3,329 movements) were the most active sites.

20. LATAM fined for Canadian price fixing

LATAM Airlines Group, the parent company of LAN Cargo, has been fined C\$975,000 (US\$934,000) after pleading guilty to air cargo price fixing. LATAM is the ninth carrier to plead guilty in Canada's ongoing investigation, which has so far generated C\$25 million. The fines relates to the carrier's operation between Canada and South America. Cathay Pacific, Air France, Martinair, KLM, British Airways, Qantas, Korean Air and Cargolux have also pleaded guilty to price fixing conspiracies, a violation of Canada's competition law.

21. Government of Canada invests in safety at West Kootenay Regional Airport

The Honourable John Duncan, Minister of State and Chief Government Whip and Member of Parliament for Vancouver Island North, on behalf of the Honourable Lisa Raitt, Minister of Transport, on August 22, 2013 announced more than \$630,000 in funding for three safety improvement projects at the West Kootenay Regional Airport.

22. American, US request date for anti-trust trial

AMR Corp., the parent company of American Airlines, and US Airways have filed a motion to start their trial over anti-trust matters on November 12, 2013. On August 13, the Department of Justice, backed by the attorneys general of six states and the District of Columbia, announced its intention to file a lawsuit against the carriers to stop a \$11 billion merger, which would create a combined carrier under the American flag.

23. Canada announces a first air transport agreement with Bangladesh

The Honourable Lisa Raitt, Minister of Transport, and the Honourable Ed Fast, Minister of International Trade, on August 28, 2013 announced that Canada has successfully concluded a first-ever air transport agreement with Bangladesh, allowing direct scheduled air services between the two countries. This is a air travel market that is growing rapidly. The agreement provides flexibility for airlines to access all points in Canada and Bangladesh, both for passenger and all-cargo services. Airlines may also choose to offer air services by sharing space on the flights of other airlines, an industry practice commonly known as code-sharing.

24. Quarterly civil aviation statistics, fourth quarter 2012

Civil aviation data for the fourth quarter of 2012 will appear later in Statistics Canada's service bulletin *Aviation* (51-004-X). This can be found on its website.

25. WestJet announces intent to purchase 65 Boeing 737 MAX aircraft

WestJet announced on August 28, 2013 that it has entered into a letter of intent to purchase 65 737 MAX aircraft from Boeing, consisting of 40 737 MAX 8 and 25 737 MAX 7 aircraft, with delivery scheduled to begin in September 2017. This aircraft is very fuel efficient.

26. Air Canada ordered to pay more to passengers bumped from domestic flights

Federal regulators have ordered Air Canada to increase the level of compensation it offers passengers who have been denied boarding from domestic flights. The new rules imposed by the Canadian Transportation Agency require the country's largest carrier to compensate bumped passengers \$200, \$400, and \$800 in cash for delays less than two hours, between two and six hours, and longer than six hours, respectively.

The compensation applies solely to those who are involuntarily denied boarding on their schedule flight, and does not apply to situations where a passenger volunteers to be bumped for whatever compensation Air Canada wishes to offer, the regulator said.

27. DOT Fines Ticket Agents for Code-Share Disclosure Violations

The U.S. Department of Transportation (DOT) on August 29, 2013 fined three ticket agents for violating the Department's rules on disclosure of code-share flights. These consent orders are part of an ongoing effort by DOT to ensure that ticket agents comply with the code-share disclosure rules.

WATER TRANSPORTATION

1. Port Rupert Prince Authority – Monthly Traffic Report – July 2013

The Port of Prince Rupert released its monthly traffic statistics for July 2013 on August 7, 2013. Total container traffic in terms of TEUs was down 11.8% for July 2013 compared to the same month in 2012. Total TEUs were 43,219 for July 2013. Total imports were down 14.4% and total exports were down 8.4% in terms of TEUs.

2. New Container Crane will increase reliability and efficiency of Prince Rupert Terminal

A new container handling gantry crane arrived at the Port of Prince Rupert's Fairview Container Terminal August 3, 2013 aboard the heavy cargo vessel Zheng Hua 11, concluding its 8,300-kilometre journey from manufacturer ZPMC in Shanghai, China.

3. NYK set to defend Canada Price-Fixing lawsuit

NYK Line (Canada) Inc. (CA) has received notice of a class action civil complaint filed against them along with several other companies on July 4, 2013. NYK Group has also been informed that they are named defendants in the suit served on CA and will likely be named in other suits with CA. The lawsuit was filed to seek compensation for alleged damages, injunctive relief and other relief alleging a conspiracy to fix price of services for the ocean transportation of vehicles to or from Canada in Roll-on/Roll-off vessels.

4. Port of Metro Vancouver – Accumulated Container Traffic, July 2013

On August 16, 2013, the Port of Metro Vancouver released accumulated container traffic for the period from January 2013 to July 2013. Total TEUs increased 2.7% for this period compared to the same period a year ago. Total TEUs for this period were 1,588,995. Imports increased 1.6% and exports increased 4.1% for the above period. Imports were 858,325 TEUs and exports were 730,670 TEUs for the first seven months of 2013.

5. Canada, California Ports Grow West Coast Market Share

North America west coast container ports experienced a decline in year-over-year traffic in the second quarter of 2013. Overall throughput to major west coast ports in the U.S., Mexico, and Canada fell 2.3 percent from 6,114,834 TEUs (20-foot-equivalent units) in the second quarter of 2012 to 5,975,881 TEUs in the second quarter of 2013. Among North America west coast ports, U.S. ports continue to hold the largest market share, with 81.6 percent share of overall traffic during the second quarter of 2013. This is up one-tenth of a percentage point from the same quarter a year ago. The major west coast Canadian ports, which include Vancouver and Prince Rupert, British Columbia, saw throughput volume totaling 825,788 TEUs in the second quarter of 2013, up 1.0 percent from 817,579 TEUs in 2012. Vancouver's throughput rose 3.5 percent year-over-year to 696,917 and Prince Rupert's throughput declined 10.7%

6. Senators seek fee to replace harbor maintenance tax

WATER TRANSPORTATION Canada

1. Port Rupert Prince Authority – Monthly Traffic Report– July 2013, August 7, 2013, www.princerupert.com
2. New Container Crane will increase reliability and efficiency of Prince Rupert Terminal, August 7, 2013, www.princerupertport.com
3. NYK set to defend Canada Price-Fixing lawsuit, *Maritime Global News*, August 13, 2013.
4. Port of Metro Vancouver – Accumulated Container Traffic, July 2013, August 16, 2013, www.portmetrovancover.com
5. Canada, California Ports Grow West Coast Market Share, August 18, 2013, www.joc.com
6. Senators seek fee to replace harbor maintenance tax, August 16, 2013, www.americanshipper.com
7. Tax proposal threatens Canadian Ports, August 19, 2013, www.globeandmail.ca
8. Minister Raitt stresses importance of ports in the Canadian transportation system and economy in speech to the Association of Canadian Port Authorities, August 19, 2013, www.tc.gc.ca
9. 'Big Four' terminal companies handle quarter of boxes, August 27, 2013, www.americanshipper.com
10. 2013 Mid-Year Cargo Volumes Show Strength, August 27, 2013, www.portmetrovancover.com

US

1. US Bill Would Expand States' Ability to Regulate Ports, August 12, 2013, www.ontruck.ca
2. Year-to-Date Container Traffic Up 24 Percent at Tacoma, August 21, 2013, www.joc.com
3. May 2013 U.S. Airline System Passengers Up 1.7% from May 2012, August 22, 2013, www.dot.gov

U.S. Senators Patty Murray and Maria Cantwell say they will introduce legislation when the Senate returns in September 2013 that would repeal the harbor maintenance tax (HMT) on imports. They say the tax is diverting American-bound cargo to ports in Canada. They are proposing to replace the HMT with what they call the "Maritime Goods Movement User Fee," which would apply to all points of entry for U.S.-bound cargo.

7. Tax proposal threatens Canadian Ports

The new bill (Harbour maintenance Tax) would scrap the tax in favour of one that applies to all containers entering the United States, whether shipped through the U.S., Canada or Mexico. "It is of great concern, no doubt about it," said Wendy Zatylny, executive director of the Association of Canadian Port Authorities. "It would have a big impact on the container ports here in Canada, and it'll have an impact as well on consumers." She indicated that the bill proposed in the US is not right. "I don't think that what shippers are doing is purposefully routing through Canada to avoid the tax," she said. "Shippers have decided to route through Canadian ports more as a result of improved efficiency, reduced dwell times, and faster time to market."

8. Minister Raitt stresses importance of ports in the Canadian transportation system and economy in speech to the Association of Canadian Port Authorities

The Honourable Lisa Raitt, Minister of Transport, on August 19, 2013 spoke of the important role played by ports in the economic well-being of Canadians. Minister Raitt noted some of the programs Canada has undertaken e.g. the World-Class Tanker Safety System announced this year to strengthen the safety of tankers in Canada; the Clean Transportation Initiatives that address a concern that ports face of having too many trucks idling in queues; and the Shore Power Technology for Ports Program that enables ships to turn off their diesel engines while docked and connected to an electric power supply at the port facility. It all illustrates how the Government of Canada is doing more to protect Canadians and communities while also protecting the environment.

9. 'Big Four' terminal companies handle quarter of boxes

The big four global container terminal operators remain PSA International, Hutchison Ports, APM Terminals and DP World, but with varying levels of activity according to Drewry's Annual Review of Global Container Terminals Operators . The four have about 26 percent of global throughput. The London-based consultants said "DP World and APM Terminals are highly active in terms of acquisitions, divestments and greenfield developments...."

10. 2013 Mid-Year Cargo Volumes Show Strength

Canada's largest and most diverse port has released its 2013 mid-year cargo volume results that show strong growth of six per cent over the same period last year, including new records in key sectors and an exceptional 2013 cruise season. The 2013 mid-year cargo volume statistics report shows that Port Metro Vancouver handled 66.4 million tonnes of cargo through the end of June. The 2013 mid-year throughput volumes reflect continuing demand for high quality Canadian commodities by Asian economies as well as strength in the Canadian economy.

RAIL TRANSPORTATION

1. Railway carloadings, May 2013

Freight carried by Canadian railways rose 12.9% to 29.3 million tonnes in May 2013 as the industry saw a strong increase in domestic freight traffic over May 2012 levels. Domestic shipments more than offset a decline in traffic received from United States connections. Intermodal loadings rose 12.3% to 2.7 million tonnes. The increase was tied to gains in both containerized cargo shipments and trailers loaded onto flat cars.

2. Railroad Files for Bankruptcy After Quebec Disaster

Montreal, Maine and Atlantic, the Maine-based railroad whose oil train caused the explosion in July 2013 that claimed 47 lives in Lac-Mégantic, Quebec, filed for Chapter 11 bankruptcy protection on August 7, 2013.

3. Court Reverses Class Action Status in Rail Price-Fixing Lawsuit

The U.S. Court of Appeals in Washington on August 9, 2013 reversed a ruling that turned a price-fixing lawsuit against four U.S.-based Class I railroads into a class action. The three-judge panel said the lower court's decision to grant the lawsuit against BNSF Railway, Union Pacific Railroad, Norfolk Southern Railway and CSX Transportation

RAIL TRANSPORTATION Canada

1. Railway carloadings, May 2013, July 31, 2013, www.statcan.gc.ca
2. Railroad Files for Bankruptcy After Quebec Disaster, August 7, 2013, www.joc.com
3. Court Reverses Class Action Status in Rail Price-Fixing Lawsuit, August 9, 2013, www.joc.com
4. Rail oil terminal capacity to rise by 700,000 bpd, rivaling Keystone XL, August 13, 2013, www.financialpost.ca
5. Canadian Transportation Agency Suspends MMA/MMAC's Certificate of Fitness, August 13, 2013, www.cta-otc.gc.ca
6. Substantial Growth in G&W's Traffic, August 13, 2013, www.joc.com
7. Quebec targets CP Railway for Lac-Mégantic cleanup costs, August 14,

didn't fully consider the potential harm to the railroads, Circuit Judge Janice Rogers Brown wrote in the opinion filing.

4. Rail oil terminal capacity to rise by 700,000 bpd, rivaling Keystone XL

More than 700,000 barrels per day of new rail terminal oil capacity is expected to be built by 2015, rivaling the 850,000 bpd being proposed by TransCanada Corp. for the Keystone XL pipeline, according to an Arc Financial Corp. report. Once dismissed as an expensive alternative to pipelines, the rail industry has stepped up to meet the rising needs of Alberta producers as new pipeline proposals are entangled in intense regulatory and environmental scrutiny.

5. Canadian Transportation Agency Suspends MMA/MMAC's Certificate of Fitness

In an order issued on August 13, 2013, the Canadian Transportation Agency suspended the certificate of fitness for Montreal, Maine & Atlantic Railway Ltd (MMA) and its wholly-owned subsidiary Montreal, Maine & Atlantic Canada Co. (MMAC), finding that the railroads have not demonstrated that their third party liability insurance is adequate for ongoing operations.

6. Substantial Growth in G&W's Traffic

Genesee & Wyoming, a major owner of short line and regional railroads in North America with significant operations in Australia as well, saw more positive results in July 2013, with its traffic increasing month-to-month, year-over-year before the Rail America acquisition. Its 2013 numbers, when compared to 2012, show extremely large increases because of that purchase. However, July 2013's volume still was higher than the combined total of G&W and RailAmerica's separate numbers for July 2012 by 8.8 percent. This indicates that the sharp increase was not only because of the acquisition.

7. Quebec targets CP Railway for Lac-Mégantic cleanup costs

The Quebec government added the Canadian Pacific Railway to its list of legal targets on August 14, 2013, casting a wider net to recover millions of dollars in cleanup costs from the Lac-Mégantic disaster. CPR was included as one of the defendants because, the government said, it was the main contractor responsible for the fateful shipment that was supposed to send the cargo from North Dakota to a New Brunswick oil refinery.

8. Canadian Pacific rejects order to pay for Lac-Mégantic cleanup

Canadian Pacific Railway Ltd. says it holds no financial responsibility for the Lac-Mégantic rail disaster and has rejected a legal demand by the Quebec government that it help pay for the cleanup in the devastated town. The railway announced on August 15, 2013 that it will appeal the province's legal order.

9. Railway at centre of Lac-Mégantic tragedy given extension to operate in Canada until October

The railway at the centre of Lac-Mégantic train crash in July 2013 will be allowed to continue operations into the fall. Earlier this month its licence was cancelled. The railway's licence is now valid until Oct. 1, 2013.

10. CP reluctantly agrees to lift embargo against MM&A

Canadian Pacific Railway Ltd. has significant concerns about the ability of Montreal, Maine & Atlantic Railway to ship oil safely, warning regulators in Ottawa that there are "serious and alarming risks" in allowing the railway at the heart of the Lac-Mégantic, Que., disaster to resume transporting crude. The Canadian Transportation Agency ordered CP on August 21, 2013 to lift its embargo on handing off oil tankers and other rail cars to MM&A, saying the freeze would cause irreparable harm to the small railway, which has filed for bankruptcy protection in Canada and the United States. CP has reluctantly agreed to lift the embargo against MM&A to comply with the Agency's order.

11. North American Intermodal Traffic Continues to Hit New Highs

North American intermodal volume for the week ending Aug. 17, 2013 increased 3.6 percent year-over-year, according to the Association of American Railroads. This was the seventh straight yearly increase, and volume reached its highest level in 46 weeks. Combined North American carload volume for the three

2013, www.cpr.ca

8. Canadian Pacific rejects order to pay for Lac-Mégantic cleanup, August 15, 2013, www.globeandmail.ca

9. Railway at centre of Lac-Mégantic tragedy given extension to operate in Canada until October, August 18, 2013, www.nationalpost.ca

10. CP reluctantly agrees to lift embargo against MM&A, August 22, 2013, www.globeandmail.ca

11. North American Intermodal Traffic Continues to Hit New Highs, August 22, 2013, www.joc.com

12. Railway Carloadings, June 2013, August 28, 2013, www.statcan.gc.ca

13. Vancouver port rail project moves forward, August 27, 2013, www.americanshipper.com

US

1. US intermodal volume falls in second quarter, August 6, 2013, www.americanshipper.com

2. U.S. agencies issue new rail oil guidelines, August 6, 2013, www.americanshipper.com

North American Free Trade Agreement partners totaled 390,103 carloads, climbing 1.2 percent year-over-year and 2.5 percent from August 10, 2013.

12. Railway Carloadings, June 2013

Freight carried by Canadian railways fell 3.4% to 26.2 million tonnes in June 2013 compared with June 2012. The drop marks the first decline in freight loadings for the month of June since 2009. Intermodal loadings decreased 5.4% to 2.5 million tonnes. The decline was the result of a drop in containerized cargo shipments, which offset robust growth from trailers loaded onto flat cars. Rail traffic received from the United States rose 1.9% to 3.5 million tonnes. The gain in tonnage occurred mainly on the strength of intermodal freight, particularly containerized cargo shipments.

13. Vancouver port rail project moves forward

Crews have broken ground on the second phase of the three-phase West Vancouver Freight Access Trench, which will bring added capacity to Washington state's Port of Vancouver by adding a new rail entrance on the southeast side. When complete in 2014, the access trench will allow trains to enter the port without using the existing BNSF track, which is in use by passenger and freight trains on a nearly constant basis each day.

HIGHWAY TRANSPORTATION

1. TransForce, Mullen, and Vitran Post Q2 Revenue Drops, Set 2013 Strategy

The top three carriers in the For-Hire Canadian fleets — TransForce, Mullen Group, and Vitran — have finished reporting their second-quarter 2013 results. Each company reported revenue drops of various sizes, with certain segments doing well while others not so well. The economy continues to be a problem, and the market tough to read. But if there's anything to take away from the big three, it's that 2013 will continue to be about discipline and improving efficiency.

2. Trucks Transported 60.8% of U.S.-NAFTA Trade in May 2013

The Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation on July 31, 2013, released May 2013 North American Free Trade Agreement (NAFTA) freight numbers showing that trucks carried 60.8 percent of the \$98.6 billion of freight moved in May 2013 between the United States and its NAFTA partners, Canada and Mexico. Trucks were followed by rail at 15.1 percent, vessels at 8.6 percent, pipelines at 6.8 percent and air at 3.9 percent. The surface transportation modes of truck, rail and

pipeline carried 82.7 percent of the total NAFTA freight flows. The value of goods moving between the U.S. and its NAFTA partners by all modes of transportation increased 1.8 percent from May 2012 and rose 77.5 percent from May 2009. For freight flows for May 2013 with Canada, trucks carried 55.2 percent of the \$54.8 billion of the freight, followed by rail at 16.5 percent, pipelines at 11.4 percent, vessels at 6.4 percent and air at 4.6 percent. The surface transportation modes of truck, rail and pipeline carried 83.2 percent of the total U.S.-Canada freight flows.

3. OTA Freight Forecast: Partly Sunny With Reduced Chance of Showers

The trucking forecast is the brightest it's been in Ontario this year as motor carriers are expressing more optimism and much less uncertainty about where the industry is headed in the short-term. According to results of the Ontario Trucking Association's third quarter survey of business conditions in the bellwether sector, freight volumes as well as pricing in most of the lane segments monitored by OTA continue to stabilize and/or appear primed for growth.

4. Eastern Ontario Transportation Needs Analysis, Industry Priorities

Ontario carriers call for infrastructure upgrades for LCV vehicles, highway expansion and upgrades as some ways to improve Eastern Ontario transportation and goods movement. Carriers listed "logistics and distribution" as well as "physical infrastructure maintenance and upgrades" as the top "economic / business development priorities that should have the greatest bearing on regional transport."

5. Large Urban Transit, June 2013

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems (i.e., 80% of

HIGHWAY TRANSPORTATION Canada

1. TransForce, Mullen, and Vitran Post Q2 Revenue Drops, Set 2013 Strategy, July 31, 2013, www.todaystrucking.com
2. Trucks Transported 60.8% of U.S.-NAFTA Trade in May 2013, July 31, 2013, www.dot.gov
3. OTA Freight Forecast: Partly Sunny With Reduced Chance of Showers, August 2, 2013, www.ontruck.org
4. Eastern Ontario Transportation Needs Analysis, Industry Priorities, August 8, 2013, www.ontruck.ca
5. Large Urban Transit, June 2013, August 23, 2013, www.tc.gc.ca

US

1. Freight Shipments Fell 0.2% in June from May, August 14, 2013, www.dot.gov

total) rose 3.3% to \$277.7 million in June 2013 from the same month a year earlier. Over the same period, ridership levels decreased 0.9% to 136.6 million passenger trips.

GENERAL TRANSPORTATION

Canada

1. Global Freight Volumes Indicate Increasing Dependency on Asia-led Growth

The latest update of global freight data collected by the International Transport Forum at the OECD through April 2013 indicates that the overall picture for global freight continues to be uncertain: US and EU27 dependency on Asia-led growth increases; Sea freight data indicate weak import demand both in US and EU27; Data on inland road and rail freight indicate weak domestic activity; and China's imports by sea from North Atlantic economies decline.

2. Travel between Canada and other countries, June 2013

Travel from Canada to the United States increased in June 2013, while travel to Canada decreased in almost every trip category. Travel from Canada to overseas countries decreased 0.4% from May 2013 to 792,000 trips. Travel from overseas countries to Canada was down 0.5% from May 2013.

3. NAFTA Trade stagnated in June

The value of freight carried between the United States, Canada and Mexico by surface transportation modes in June 2013 dipped 1 percent from June 2012 to \$77.6 billion. Overall, freight values moved by all modes between North American trading partners dipped 0.8 percent to \$93.5 billion, according to the U.S. Bureau of Transportation Statistics.

Canada

1. Global Freight Volumes Indicate Increasing Dependency on Asia-led Growth, July 31, 2013, www.cemt.org
2. Travel between Canada and other countries, June 2013, August 20, 2013, www.statcan.gc.ca
3. NAFTA Trade stagnated in June, August 29, 2013, www.americanshipper.com

US

Publications-Conferences

1. CILTNA Conference - September 18, 2013, *Port Metro Vancouver Logistics Interface: Looking to the Future*, Terminal City Club, Vancouver, www.westac.ca
2. CILTNA Conference – September 25, 2013, *Canadian Transportation Challenges and Opportunities: Outlook for 2014 and Beyond*, August 7, 2013, www.ciltna.com
3. Multimodal Transportation Indicators August 2013, August 23, 2013, www.bts.gov
4. Canadian Transportation Report, Annual Report 2012-2013, August 29, 2013, www.cta-otc.gc.ca