

Transportation Information Update*

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AIR TRANSPORTATION

1. Canadians to benefit from expanded air transport agreement with Saudi Arabia

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, and the Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, on December 27, 2012 announced that the existing bilateral air transport agreement between Canada and Saudi Arabia was expanded. The amendments, which were recently negotiated during the ICAO Air Services Negotiation Conference in Jeddah, Saudi Arabia, will give additional flexibility for airlines of both countries to determine routings and pricing, and allow them to respond to market developments more rapidly.

2. Airlines posed for 2013 growth

After a positive 2012, U.S. airlines have room to grow and are well positioned for a strong 2013, however growth will come mainly on the passenger side, with little or no benefit from cargo. The investment firm Dahlman Rose & Co points to a number of factors fueling growth for these airlines. Improving balance sheets, traffic in the second half of December that exceeded expectations, etc.

3. Air Canada Reports Record Load Factors for December and Full Year 2012

For the month of December 2012, Air Canada reported a record system load factor of 82.1 per cent, versus 81.0 per cent in December 2011, an increase of 1.1 points. System traffic increased 3.2 per cent on a system-wide capacity increase of 1.8 per cent. For the full year 2012, load factor was a record 82.7 per cent, versus 81.6 per cent, an increase of 1.1 points. System traffic and system-wide capacity increased by 2.6% and 1.2% for the entire year. For the fourth quarter of 2012, the increase in load factor, system traffic and system-wide capacity was 2.3 points, 4.2% and 1.3%. Calin Rovinescu, President, of Air Canada said "For both the month of December and full year 2012, Air Canada achieved record load factors of 82.1 and 82.7 per cent, respectively,"

4. WestJet reports record December load factor of 81.9 percent

For December 2012, WestJet reported a record load factor of 81.9 points an increase of 1 point from the same month a year ago. Traffic and capacity increased by 6% and 7.2%. For entire year of 2012, load factor, traffic and capacity increased by 3.1 points, 8.1% and 4.1% compared to a year ago. For fourth quarter of 2012, load factor, traffic and capacity increased by 3.2 points, 7.1% and 3% compared to same quarter in 2011. WestJet President, G. Saretsky said "We are pleased to close out the year with six consecutive monthly load factor increases and record high loads in all four quarters."

AIR TRANSPORTATION

Canada

1. Canadians to benefit from expanded air transport agreement with Saudi Arabia, December 27, 2012, www.tc.gc.ca
2. Airlines posed for 2013 growth, Jan. 2, 2013, www.americanshipper.com
3. Air Canada Reports Record Load Factors for December and Full Year 2012, January 7, 2013, www.aircanada.ca
4. WestJet reports record December load factor of 81.9 percent, January 7, 2012, www.westjet.ca
5. Air Canada raised to a buy on improved outlook, January 8, 2013, www.nationalpost.ca
6. Upswing in Cargo Brightens Cautious Demand Outlook, January 9, 2013, www.iata.org
7. Air Fares, 2011, January 9, 2011, www.statcan.gc.ca
8. Porter Airlines workers going out on strike, Jan. 9, 2013, www.flyporter.com
9. UPS to Withdraw \$6.9 Billion Bid for TNT Express, January 14, 2013, www.joc.com
10. Charlottetown Airport expansion will provide economic boost, January 16, 2013, www.tc.gc.ca
11. Civil aviation operating statistics, November 2012, January 16, 2013, www.statcan.gc.ca
12. Harper Government invests in safety at Lethbridge County Airport, January 17, 2013, www.tc.gc.ca
13. Aircraft movement statistics: Major Airports October 2012, January 22, 2013, www.statcan.gc.ca
14. Aircraft Movement Statistics: Small Airports, August 2012, January 23, 2012, www.statcan.gc.ca
15. Air Canada Becomes the Only International Four-Star Airline in North America, January 24, 2013, www.aircanada.ca
16. News Brief: IATA and European Aviation Partners Launch European Action Plan for Preventing Runway Excursions, January 24, 2013, www.iata.org
17. Analysis: Air Cargo activity ramps up internationally, January 24, 2013, www.americanshipper.com

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

5. Air Canada raised to a buy on improved outlook

Air Canada was upgraded to a buy on January 8, 2013 on the expectation of its improved profitability in the coming quarters and the possibility of pension funding relief in the works. Cameron Doerksen, National Bank Financial analyst, said he felt solid demand for air travel combined with tight capacity management will boost the bottom lines of all Canadian airlines in 2013. Air Canada is also expected to benefit from its labour agreements and other concessions it may obtain regarding pension.

6. Upswing in Cargo Brightens Cautious Demand Outlook

On January 9, 2013, the International Air Transport Association (IATA) released traffic results for November 2012 which showed an improvement in both passenger and air freight demand. Air travel was 4.6% higher compared to November 2011, up on the October result of 2.9%. Air freight volumes edged up 1.6% over the same period after declining 2.6% in October, year to year. Passenger capacity rose 3.2% and load factor improved one percentage point to 77.3% compared to the year-ago period. The positive results suggested the possibility of an upswing.

7. Air Fares, 2011

The average domestic air fare (all types) paid by passengers was \$190.70, up 4.5% in 2011. The average international air fare was \$326.80, down 1.5%. Domestic air fares averaged \$214.90 in Toronto, the highest level, followed by Vancouver (\$206.70), Ottawa (\$194.80) and Montréal (\$194.10). Air fares increased in 9 of 10 Canadian cities.

8. Porter Airlines workers going out on strike

Twenty-two workers were set to go on strike January 10, 2013 at 12:01 a.m. ET after talks broke down with the airline on January 9, 2013. Porter Aviation Holdings Inc. says it will provide regular service despite a strike by employees who fuel the aircraft.

9. UPS to Withdraw \$6.9 Billion Bid for TNT Express

On January 14, 2014, UPS said it will withdraw its \$6.9 billion offer to acquire Dutch shipping company TNT Express, after competition authorities at the European Commission informed UPS that it would block the arrangement.

10. Charlottetown Airport expansion will provide economic boost

Government officials celebrated the grand opening of the expanded terminal facility at the Charlottetown Airport on January 16, 2013. The expanded terminal facilities, supporting the Atlantic Gateway, will allow the airport to accommodate projected traffic growth as well as improve the airport's level of service. As part of this project, the airport renovated and expanded airline check-in counters, enlarged passenger queuing space, developed the departure lounge and restaurant, and created new airline offices and baggage handling facilities.

11. Civil aviation operating statistics, November 2012

Operational data for civil aviation for November 2012 are now available from Statistics Canada.

12. Harper Government invests in safety at Lethbridge County Airport

Jim Hillyer, Member of Parliament for Lethbridge, on behalf of the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, on January 17, 2013 announced \$445,255 in funding for Lethbridge County Airport to make important safety improvements.

13. Aircraft movement statistics: Major Airports October 2012

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 9.3% in October 2012 from October 2011. These airports reported 443,614 movements in October 2012.

14. Aircraft Movement Statistics: Small Airports, August 2012

18. Porter Airlines and Singapore Airlines begin new interline agreement, January 28, 2013, www.flyporter.com

19. Porter Airlines finishes 2012 with record 2.45 million passengers, January 7, 2013, www.flyporter.com

20. Mergers: Commission blocks proposed acquisition of TNT Express by UPS, January 30, 2013, www.europa.eu

US

1. US airports see domestic cargo growth, December 31, 2012, www.joc.com

2. DOT Issues Two Fines Against Passenger Carriers for Tarmac Delay Violations, January 2, 2013, www.dot.gov

3. Asia-Pacific Airlines Report Growth in Cargo Demand, January 7, 2013, www.joc.com

4. [US] Freight Shipments Rose 1.7% in November [2012] from October [2012], January 9, 2013, www.dot.gov

5. Airlines Improve On-Time Performance in November [2012], January 10, 2013, www.dot.gov

6. October 2012 [US] Airline System Passengers Decline 0.6% from October 2011, January 22, 2013, www.dot.gov

7. 3rd-Quarter 2012 Domestic Air Fares Rose 1.8% from 3rd Quarter 2011, January 24, 2013, www.dot.gov

8. November 2012 [US] Passenger Airline Employment Down 2.0 Percent from November 2011, January 29, 2013, www.dot.gov

The number of take-offs and landings for 132 airports without air traffic control towers reached 70,236 movements in August 2012. Of the 128 airports for which year-over-year comparisons were possible, 64 reported decreases.

15. Air Canada Becomes the Only International Four-Star Airline in North America

Air Canada has become the only international network carrier in North America to receive a Four-Star ranking according to independent U.K. research firm Skytrax.

16. News Brief: IATA and European Aviation Partners Launch European Action Plan for Preventing Runway Excursions

The International Air Transport Association (IATA) joined with 16 other aviation stakeholder organizations in developing a European Action Plan for the Prevention of Runway Excursions. The goal is to reduce the occurrence of one of the most common types of air accidents by providing operational and system recommendations to aircraft operators, air navigation service providers, airports, and regulatory authorities.

17. Analysis: Air Cargo activity ramps up internationally

For air cargo in 2013, shippers should expect a relatively slow first quarter that gradually leads into a more active summer. Barring any macroeconomic collapses — the debt-ceiling negotiations have the potential to wreck even the most conservative predictions — volumes and yields will continue to increase toward the end of the year, with the closing months of 2013 showing good growth.

18. Porter Airlines and Singapore Airlines begin new interline agreement

Singapore Airlines and Porter Airlines have finalized an interline agreement that provides another travel option between Asia and Canada. The routing links Porter's main base at Billy Bishop Toronto City Airport with Singapore Changi Airport via a connection at Newark Liberty International Airport. The agreement is effective immediately.

19. Porter Airlines finishes 2012 with record 2.45 million passengers

Porter Airlines finished 2012 on a high, reporting a 64.3 per cent load factor for December 2012. This is an increase of 0.4 points from the same month last year. For the calendar year 2012, Porter carried 2.45 million passengers versus 2.13 million in 2011. This is an increase of 15 per cent. Load factor in 2012 improved 0.3 points to 62 per cent compared to 61.7 percent the year prior. Figures for December 2012 show 121 million Available Seat Miles (ASMs) and 77.8 million Revenue Passenger Miles (RPMs). ASMs grew 2.9 per cent from 117.6 million and RPMs increased 3.5 per cent from 75.2 million last year.

20. Mergers: Commission blocks proposed acquisition of TNT Express by UPS

The European Commission has prohibited under the EU Merger Regulation the proposed acquisition of TNT Express by UPS on January 30, 2013. The Commission found that the take-over would have restricted competition in 15 Member States when it comes to the express delivery of small packages to another European country. In these Member States, the acquisition would have reduced the number of significant players to only 3 or 2, leaving sometimes DHL as the only alternative to UPS.

WATER TRANSPORTATION

1. St. Lawrence Seaway Tonnage Rose 4 Percent in 2012

The St. Lawrence Seaway Management Corporation reported on January 14, 2013 that tonnage during the 2012 navigation season was 38.9 million metric tons, rising 4 percent from 2011's 37.5 million metric tons.

2. Port of Metro Vancouver - Accumulated Container Traffic Y-T-D December 2012

Container traffic at the Port of Metro Vancouver increased 8.2% to 2,713,160 TEUs in 2012 from 2,507,503 TEUs in 2011. Imports increased 9.9% and exports increased by 6.4%.

3. Prince Rupert Port Authority - Accumulated Container Traffic Y-T-D December 2012

Container traffic at the Port of Prince Rupert increased 37.6% to 564,856 TEUs in 2012 from 410,469 TEUs in 2011. Imports increased 35.5% and exports increased by 40.4%.

4. Port of Halifax – Container Data for the 4th Quarter of 2012

Container traffic in terms of TEUs (twenty-foot equivalent units) at the port of Halifax was 114,411 for the fourth quarter of 2012 representing an increase of 28.2% (from 89,247 TEUs) from the same quarter in 2011. Imports increased 33.2% and exports increased 24.1% in the 2012 fourth quarter compared to the 2011 fourth quarter.

5. Shore power arrives at the Port of Halifax

On January 23, 2013, Transport Canada announced that the Port of Halifax will be the first port in Atlantic Canada to implement shore power for cruise ships, beginning with the 2014 cruise season. 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 electrical grid in order to provide necessary power while docked. This initiative represents the second shore power installation for cruise ships in Canada.

6. Port of Montreal – 4th Quarter Statistics 2012

The Port of Montreal released its 4th quarter statistics on January 23, 2013. Total containerized cargo for the fourth quarter of 2012 was 3,166,448 tonnes. For the entire 2012, containerized cargo declined 3.5% compared to 2011 containerized cargo. In terms of TEUs however, the number of containers increased 0.9% to 1,375,327.

7. Harper government partners with Port Metro Vancouver to improve movement of exports through the Asia-Pacific Gateway to fast-growing Asian markets

On January 24, 2013, government officials announced that the Government of Canada is funding an important new project in Delta, B.C., which builds on its commitment to open new markets for Canadian exports and increase transportation and trade capacity through the Asia-Pacific Gateway. The Government of Canada is contributing a maximum of \$19.9 million, through its Asia-Pacific Gateway and Corridor Initiative (APGCI), to a \$45-million overpass on the Deltaport Causeway, part of Port Metro Vancouver's Deltaport Terminal, Road and Rail Improvement Project.

WATER TRANSPORTATION

Canada

1. St. Lawrence Seaway Tonnage Rose 4 Percent in 2012, January 14, 2013, www.joc.com

2. Port of Metro Vancouver - Accumulated Container Traffic Y-T-D December 2012, January 17, 2013, www.portvancouver.com

3. Prince Rupert Port Authority - Accumulated Container Traffic Y-T-D December 2012, www.rupertport.com

4. Port of Halifax – Container Data for the 4th Quarter of 2012, January 23, 2013, www.portofhalifax.ca

5. Shore power arrives at the Port of Halifax, January 23, 2013, www.tc.gc.ca

6. Port of Montreal – 4th Quarter Statistics 2012, January 23, 2013, www.portofmontreal.ca

7. Harper government partners with Port Metro Vancouver to improve movement of exports through the Asia-Pacific Gateway to fast-growing Asian markets, January 24, 2013, www.tc.gc.ca

RAIL TRANSPORTATION

1. CN reaches tentative labour agreement with union representing signals and communications employees in Canada

CN announced on December 28, 2012 that it has reached a tentative agreement with the International Brotherhood of Electrical Workers (IBEW) System Council 11 to renew the labour contract for approximately 700 CN signals and communications employees in Canada.

2. CN completes intra-corporate merger of Elgin, Joliet and Eastern into Wisconsin Central subsidiary

CN announced on January 1, 2013 that it will complete the merger of the Elgin, Joliet and Eastern Railway Company (EJ&E) into its Wisconsin Central Ltd. (WC) subsidiary, effective Jan. 1, 2013. The merger of the two rail affiliates that connect in the Chicago area will simplify CN's corporate structure and operations in the United States.

3. CP Rail oil shipment deal signals rail transport no longer stopgap measure

North American oil producers have turned increasingly to rail to reach key markets on the U.S. East and Gulf coasts as pipeline infrastructure struggles to keep pace with soaring production from previously uneconomic reservoirs of tight oil. The shipments, long considered a stopgap measure, are fast emerging as a permanent fixture in the oil business as pipelines encounter stiff resistance from environmental groups and producers seek to capitalize on the gaping spread between North American and world oil prices.

4. CN opens new intermodal terminal at Calgary Logistics Park

The first CN trains to serve the state-of-the-art intermodal terminal for containerized goods at the company's new Calgary Logistics Park arrived on January 10, 2013. Jean-Jacques Ruest, CN executive vice-president and chief marketing officer, said: "The opening of this intermodal terminal launches our logistics park operation, which will provide seamless transportation solutions to rail customers moving products and commodities into and out of Calgary -- one of the fastest growing regional markets in North America..."

5. CP's new intermodal facility in Saskatchewan's Global Transportation Hub now serving customers

Canadian Pacific on January 14, 2013 announced the opening of its new Intermodal Facility at Saskatchewan's Global Transportation Hub (GTH) in Regina. The larger and more efficient facility, located on a 300-acre industrial footprint, is strategically positioned adjacent to CP's mainline between Regina and Moose Jaw and increases capacity and service reliability for intermodal customers with enhanced and more competitive services.

6. CN, Indiana Rail road to launch intermodal service

Canadian National Railway and the Indiana Rail Road Co. have agreed to cooperate on intermodal service between Indianapolis and Canada's west coast ports, giving shippers in the Indiana-area another option for trade with Asia.

7. CN to build Joliet, Ill., intermodal ramp to give import/export customers better access to Chicagoland distribution centers

CN announced on January 17, 2013 a plan to construct an intermodal ramp at its freight yard in Joliet, Ill., to offer import/export customers key access to numerous Chicagoland distribution centers.

8. CN reports Q4-2012 net income of C\$610 million, or C\$1.41 per diluted share

On January 22, 2013, CN announced its fourth quarter and end of year results for 2012. The highlights were: 1) Record fourth-quarter and full-year 2012 carloads, revenues and revenue ton-miles. 2) Fourth-

RAIL TRANSPORTATION Canada

1. CN reaches tentative labour agreement with union representing signals and communications employees in Canada, December 28, 2012, www.cn.ca
2. CN completes intra-corporate merger of Elgin, Joliet and Eastern into Wisconsin Central subsidiary, January 1, 2013, www.cnr.ca
3. CP Rail oil shipment deal signals rail transport no longer stopgap measure, January 9, 2013, www.nationalpost.ca
4. CN opens new intermodal terminal at Calgary Logistics Park, January 10, 2013, www.cn.ca
5. CP's new intermodal facility in Saskatchewan's Global Transportation Hub now serving customers, January 14, 2013, www.cpr.ca
6. CN, Indiana Rail road to launch intermodal service, January 16, 2013, www.joc.com
7. CN to build Joliet, Ill., intermodal ramp to give import/export customers better access to Chicagoland distribution centers, January 17, 2013, www.cn.ca
8. CN reports Q4-2012 net income of C\$610 million, or C\$1.41 per diluted share, January 22, 2013, www.cn.ca
9. CN announces 15 per cent increase in quarterly cash dividend, January 22, 2013, www.cn.ca
10. CN adds intermodal capacity, January 23, 2013, www.americanshipper.com
11. CN's operating profit grew 12 percent in 2012, January 24, 2013, www.americanshipper.com
12. CSX to build \$100 million intermodal terminal in Quebec, January 25, 2013, www.joc.com
13. Canadian Pacific announces solid fourth-quarter operating performance, January 29, 2013, www.cpr.ca
14. CP Rail matches forecasts despite restructuring effort, January 29, 2013, www.globeandmail.ca
15. The Daily - Railroad carloadings, November 2012, January 30, 2013, www.statcan.gc.ca
16. European Railways at a junction: the Commission adopts proposals for a Fourth Railway Package, January 30, 2013, www.europa.eu

US

1. US Intermodal Rail Volume Nears Record in 2012, January 2, 2013, www.joc.com

quarter 2012 net income was C\$610 million, or C\$1.41 per diluted share, compared with net income of C\$592 million or, C\$1.32 per diluted share, for the year-earlier quarter. 3) Q4-2012 diluted earnings per share (EPS) of C\$1.41 increased eight per cent over year-earlier adjusted diluted EPS of C\$1.30 (adjusted net income of C\$581 million), which excluded an income tax recovery. 4) Full-year 2012 net income was C\$2,680 million, or C\$6.12 per diluted share, compared with net income of C\$2,457 million, or C\$5.41 per diluted share, for 2011. 5) Full-year 2012 adjusted diluted EPS increased 16 per cent to C\$5.61, with adjusted 2012 net income of C\$2,456 million versus adjusted net income of C\$2,194 million in 2011. 6) Q4-2012 operating income increased 10 per cent to C\$922 million, while full-year 2012 operating income rose 12 per cent to C\$3,685 million. 7) Fourth-quarter 2012 operating ratio improved by 1.1 points to 63.6 per cent; full-year 2012 operating ratio was 62.9 per cent, a 0.6-point improvement. 8) 2012 free cash flow totalled C\$1,006 million, after voluntary pension plan contributions of C\$700 million, compared with free cash flow of C\$1,175 million for 2011.

9. CN announces 15 per cent increase in quarterly cash dividend

CN announced on January 22, 2012 that its Board of Directors has approved a 15 per cent increase in the Company's quarterly cash dividend. A quarterly dividend of forty-three cents (C\$0.43) per common share will be paid on March 28, 2013, to shareholders of record at the close of business on March 7, 2013.

10. CN adds intermodal capacity

Canadian National Railway is investing in two intermodal facilities in the Midwest to help shippers access the West Coast ports of Vancouver and Prince Rupert, the company said in the second week of January 2013. The facilities are scheduled to open in June 2013. The railroad also announced the arrival of the first trains at its new, C\$200 million (\$151 million) logistics park in Calgary, Alberta.

11. CN's operating profit grew 12 percent in 2012

The Canadian National Railway set volume, revenue, earnings and safety records in 2012. The company's full-year profit was C\$2.68 billion (US\$2 billion), up from C\$2.46 billion. During the quarter ended Dec. 31, net income was C\$610 million (US\$461 million) versus C\$592 million for the prior-year quarter. Montreal-based CN credited its end-to-end supply chain approach and strong revenue growth related to oil and gas development, particularly shipments for the success.

12. CSX to build \$100 million intermodal terminal in Quebec

CSX will build a new 89-acre, \$100 million intermodal rail terminal in the Perron Industrial Park in Salaberry-de-Valleyfield, Quebec, to connect the region with CSX Transportation's rail network in the U.S. Michael J. Ward, CSX's chairman, president and CEO, announced the project at a press conference on January 25, 2013 with Quebec's Transport Minister Sylvain Gaudreault and Salaberry-de-Valleyfield Mayor Denis Lapointe.

13. Canadian Pacific announces solid fourth-quarter operating performance

Canadian Pacific Railway Limited announced its fourth-quarter 2012 results on January 29, 2013. CP's diluted earnings per share, excluding significant items comprised of labour restructuring and asset impairment charges was \$1.28. This compares favourably with fourth quarter of 2011 diluted earnings per share, exclusive of significant items of \$1.11, an improvement of 15 per cent. Reported diluted earnings per share for the fourth-quarter 2012, inclusive of significant items, was \$0.08. Reported diluted earnings per share in fourth-quarter 2011, inclusive of significant items, was \$1.30. CP's operating ratio, excluding significant items was 74.8 per cent for fourth-quarter 2012, which compares favourably to 2011's operating ratio of 78.5 per cent. "Canadian Pacific is moving forward on our transformational journey to become the most efficient railroad in North America," said E. Hunter Harrison, President and Chief Executive Officer. "This quarter, CP saw strong operating performance as we continued to implement significant changes to how we run the railroad."

14. CP Rail matches forecasts despite restructuring effort

With Canadian Pacific Railway Ltd. still in heavy restructuring mode, the company met analysts' expectations with gradual signs of improvement in the last quarter. The efficiency improvements have come at cost. Labour restructuring charges came to \$53-million, impacting earnings per share by 22 cents, the company said. Meanwhile, the asset impairment of CP's Powder River Basin operations and some of the railway's locomotives cost \$185-million and \$80-million respectively. These efficiencies, however, have helped inch CP's operating ratio improve to 74.8 per cent in the fourth quarter, as opposed to 2011's ratio of 78.5 per cent, the company reported.

15. The Daily – Railroad carloadings, November 2012

Canadian railways carried 27.4 million tonnes of freight in November 2012, up 0.8% from November 2011 and the third consecutive year-over-year increase for the month. The gain occurred almost entirely on the strength of international rail traffic shipments. Domestic intermodal freight loadings rose 4.2% to 2.5

million tonnes, solely attributed to increased loadings of freight in containers as freight moved via trailers on flat cars dropped.

16. European Railways at a junction: the Commission adopts proposals for a Fourth Railway Package

The European Commission on January 30, 2013 announced a comprehensive package of measures to deliver better quality and more choice in railway services in Europe. Rail is a vital part of EU transport, with a key role in addressing rising traffic demand, congestion, fuel security and decarbonisation. But many European rail markets are currently facing stagnation or decline. Faced with this reality, the Commission is proposing far reaching measures to encourage more innovation in EU railways by opening EU domestic passenger markets to competition, as well as substantial accompanying technical and structural reforms.

HIGHWAY TRANSPORTATION

1. Fuel Surcharges push ground transportation higher in October

The cost of ground transportation for Canadian shippers increased by 0.45% in October 2012 when compared with September 2012 results, according to the latest results from the Canadian General Freight Index.

2. October 2012 U.S. Surface Transportation Trade with Canada and Mexico Totaled \$85.3 Billion

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners, Canada and Mexico, rose 7.9 percent in October 2012 compared to October 2011, totaling \$85.3 billion, unadjusted for inflation or up 7.6 percent when adjusted for inflation. U.S.-Canada trade for October 2012 was \$48.4 billion, a 4.3 percent increase compared to a year ago. For this month, Michigan led all US states in surface trade with Canada

3. Livingston International Acquires MBLX

North American customs broker Livingston International has acquired New Orleans-based MBLX and MBLX Resources, according to Peter Luit, Livingston's president and CEO.

4. Transforce buys Velocity Express

TransForce has purchased Stafford, Texas-based Velocity Express and its subsidiaries, which include 80 locations across the US and Western Canada, employing about 2,600 staff and independent contractors. Velocity provides same-day regional delivery services. The acquisition is expected to add \$160 million in revenue for TransForce and should be concluded by the end of January, the company announced on January 18, 2013.

5. Large Urban Transit, November 2012

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems (80% of total) rose 5.8% from November 2011 to \$268.8 million. Over the same period, ridership levels increased 2.5% to 145.0 million passenger trips.

6. EU launches clean fuel strategy

The European Commission on January 24, 2013 announced an ambitious package of measures to ensure the build-up of alternative fuel stations across Europe with common standards for their design and use. Policy initiatives so far have mostly addressed the actual fuels and vehicles, without considering fuels distribution. Efforts to provide incentives have been un-co-ordinated and insufficient.

7. Transforce buying up Vitran shares

TransForce has recently purchased shares of Vitran Corp., to the tune of some 1.763 million shares, representing about 10.75% of the

HIGHWAY TRANSPORTATION Canada

1. Fuel Surcharges push ground transportation higher in October, December 28, 2012, www.ctl.ca
2. October 2012 U.S. Surface Transportation Trade with Canada and Mexico Totaled \$85.3 Billion, January 4, 2013, www.dot.gov
3. Livingston International Acquires MBLX, January 14, 2013, www.joc.com
4. Transforce buys Velocity Express, January 18, 2013, www.ctl.ca
5. Large Urban Transit, November 2012, January 23, 2012, www.statcan.gc.ca
6. EU launches clean fuel strategy, January 24, 2013, www.europa.eu
7. Transforce buying up Vitran shares, January 24, 2013, www.ctl.ca
8. LTL ripe for consolidation: Conmark's David Newman, January 25, 2013, www.ltl.ca
9. Fuel and freight costs decrease: CFGI shows, January 30, 2013, www.ctl.ca

US

1. Survey [by BTS] Reveals Public Open to Ban on Hand-Held Cell Phone Use and Texting, January 2, 2013, www.dot.gov
2. Robert L. Johnson Acquires R. Thompson Trucking, January 2, 2013, www.joc.com

company's issued and outstanding common shares. The purchases were made by TransForce subsidiary TFI Holdings between Dec. 17, 2012 and Jan. 24, 2013.

8. LTL ripe for consolidation: Conmark's David Newman

Canada's Less-than-truckload sector is ripe for consolidation, Cormark transportation market analyst David Newman told transportation industry professionals in the third week of January 2013 during a webinar on industry trends.

9. Fuel and freight costs decrease: CFGI shows

Results published on January 30, 2013 by the Canadian General Freight Index (CGFI) indicate that the total cost of ground transportation for Canadian shippers declined by 0.86 % in November 2012 when compared with October 2012 results. The Base Rate Index, which excludes the impact of accessorial charges assessed by carriers, decreased by 1.2% when compared to October.

GENERAL TRANSPORTATION

Canada

1. National Tourism Indicators, Third Quarter 2012

Tourism spending in Canada rose 1.0% in the 2012 third quarter following a 0.1% increase in the previous quarter. Higher tourism spending by Canadians at home more than offset a decline in spending by international visitors in Canada.

2. Travel between Canada and other countries, November 2012

Travel to Canada fell 0.6% to 2.1 million trips in November 2012 from October 2012, as a decline in trips from the United States more than offset an increase from overseas countries. In the opposite direction, Canadian residents took 5.5 million trips abroad in November, up 0.3% from October. Most of these trips, 4.7 million, were to the United States, a 0.3% increase. The top overseas markets were United Kingdom and France in November 2012.

3. Canadian transportation stocks to stay strong in 2013: CIBC Report

Canada's railway, airline and trucking sector earnings should stay strong this year despite forecasts of modest economic growth on both sides of the Canada-US border, according to a report from the Canadian Press. Sluggish economic growth wasn't able to slow Canadian transportation stocks last year, which outperformed the TSX benchmark with a return of 21%.

4. Resolution of Disputes through Mediation - A Resource Tool

On January 23, 2013, the Canadian Transport Agency released its document on resolution of disputes through mediation which should guide the industry in resolving its disputes through mediation.

Canada

1. National Tourism Indicators, Third Quarter 2012, January 9, 2013, www.statcan.gc.ca
2. Travel between Canada and other countries, November 2012, January 21, 2013, www.statcan.gc.ca
3. Canadian transportation stocks to stay strong in 2013: CIBC Report, January 21, 2013, www.ctl.ca
4. Resolution of Disputes through Mediation - A Resource Tool, January 23, 2013, www.cta-otc.gc.ca

US

1. Pocket Guide to transportation 2013, January 2, 2013, www.bts.gov

Publications