

Transportation Information Update*

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AIR TRANSPORTATION

1. Aviation Industry Leaders to Review Airport Security Screening Speed

Members of the Canadian Airports Council and airlines have established a high level steering committee: the Airport Pre-Board Screening Efficiency Team. This team will conduct an industry-led study focused on identifying possible ways to speed up screening at security screening checkpoints by reviewing processes and technology without compromising the security of travelers.

2. WestJet reports record full-year net earnings and earnings per share

WestJet on February 4, 2014 announced its fourth quarter and year-end results for 2013. For 2013, it indicated record net earnings of \$268.7 million, or \$2.03 per diluted share, up from the net earnings of \$242.4 million, or \$1.78 per diluted share reported for the 2012 full-year. For the fourth quarter, the airline reported diluted earnings per share of \$0.52, up from \$0.46 reported last year. This represents WestJet's 35th consecutive quarter of profitability, and based on the trailing twelve months, the airline achieved a return on invested capital of 13.9 per cent in the fourth quarter of 2013, compared with the 13.8 per cent reported in the previous quarter.

3. WestJet boosts payout as profit, revenue take off

WestJet Canada's second-largest air carrier, reported a 11 per cent rise in fourth-quarter profit as costs fell, and the company raised its dividend. The airline said net earnings rose to C\$67.8-million (US\$61.3-million), or 52 Canadian cents per share, in the quarter ended December 31, from C\$60.9-million, or 46 Canadian cents per share, a year earlier. It plans to introduce trans-Atlantic flights by mid 2014 and does not plan on introducing a currency surcharge. Nevertheless, the shares of WestJet fell 11 percent in 2013.

4. WestJet reports January load factor of 80.9

WestJet on February 5, 2014 announced January 2014 traffic results with a load factor of 80.9 per cent, unchanged from January 2013. Revenue passenger miles (RPMs), or traffic, increased 8.4 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 8.3 per cent over the same period. WestJet President and CEO Gregg Saretsky said "We have had a great start to the year by tying our load factor record for January, as we saw strong traffic growth and welcomed more guests into our growing network."

5. Moderate Growth for Air Cargo in 2013 - Full Year Performance Statistics Released

The International Air Transport Association (IATA) released figures showing a 1.4% expansion of global freight tonne kilometers (FTKs) in 2013 when compared to 2012. Cargo markets made very slow progress during the first half of the year. Acceleration in the trend took root in the latter half of 2013, placing air freight volumes on a steadily

AIR TRANSPORTATION

Canada

1. Aviation Industry Leaders to Review Airport Security Screening Speed, January 31, 2014, www.tc.gc.ca
2. WestJet reports record full-year net earnings and earnings per share, February 4, 2013, www.westjet.ca
3. WestJet boosts payout as profit, revenue take off, February 4, 2014, www.globeandmail.ca
4. WestJet reports January load factor of 80.9, February 5, 2014, www.westjet.ca
5. Moderate Growth for Air Cargo in 2013 - Full Year Performance Statistics Released, February 5, 2014, www.iata.org
6. Air Canada Reports Record January Load Factor, February 5, 2014, www.aircanada.ca
7. Passenger Demand Maintains Historic Growth Rates in 2013, February 7, 2014, www.iata.org
8. The Canadian Airports Council and National Airlines Council of Canada support improvements to improve travel and tourism competitiveness, February 6, 2014, www.cac.ca
9. Canada-Mexico air travel accord set to boost tourism and business links, February 10, 2014, www.globeandmail.ca
10. Air Canada sees first-quarter chill from bad weather, weaker loonie, February 12, 2014, www.globeandmail.ca
11. Government of Canada introduces changes to pilot licensing, February 12, 2014, www.tc.gc.ca
12. WestJet to unveil in-flight WiFi, new tablet-based entertainment system, February 13, 2014, www.nationalpost.ca
13. November 2013 U.S. Airline Systemwide Passengers Down 2.2 Percent from November 2012, February 13, 2014, www.dot.gov
14. Cathay Pacific settles price-fixing suit for \$65 million, February 17, 2014, www.americanshipper.com
15. Aircraft movement statistics: Major airports, December 2013, February 18, 2014, www.statcan.gc.ca
16. Air Canada Welcomes Agreement to Expand Air Services between Canada and Mexico, Feb. 18, 2014, www.aircanada.ca
17. Air Fares, 2012, February 19, 2014, www.statcan.gc.ca
18. Civil aviation operating statistics, December 2013, February 19, 2014,

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

increasing trajectory. Capacity grew faster than demand at 2.6% and load factors were weak at 45.3%.

6. Air Canada Reports Record January Load Factor

For the month of January 2014, Air Canada reported a record system load factor of 80.0 per cent, versus 79.4 per cent in January 2013, an increase of 0.6 percentage points on a system-wide capacity increase of 3.0 per cent. On this additional capacity, system traffic for January increased 3.7 per cent. Calin Rovinescu, President and Chief Executive Officer said "I am pleased to report a record load factor of 80 per cent for the month of January."

7. Passenger Demand Maintains Historic Growth Rates in 2013

The International Air Transport Association (IATA) announced full-year traffic results for 2013 showing a 5.2% increase in passenger demand compared to 2012. The 2013 performance aligns with the average annual growth rate of the past 30 years. Capacity rose 4.8% and load factor averaged 79.5% up 0.4 percentage points over 2012.

8. The Canadian Airports Council and National Airlines Council of Canada support improvements to improve travel and tourism competitiveness

The Canadian Airports Council and National Airlines Council of Canada on February 6, 2014 welcomed the Canadian Chamber of Commerce's continued recognition of 'uncompetitive travel and tourism strategies' as one of the Top 10 Barriers to Competitiveness for 2014. "There is no doubt that high transportation fees, and added government taxes represent significant challenges for the aviation industry. Canada's aviation sector welcomes the Chamber's continued focus to improve Canada's competitiveness in travel and tourism," said Canadian Airports Council President Daniel-Robert Gooch. "In addition to revisiting the aviation industry's cost structure, there are several policy areas worth exploring that have a significant role to play in improving the industry's competitiveness, such as increasing access to Canada for transiting passengers by expanding the current Transit Without Visa program, allocating additional resources for border services, and securing adequate funding for security screening."

9. Canada-Mexico air travel accord set to boost tourism and business links

Canada and Mexico are putting new air travel measures in place that should boost tourism and business opportunities between the two countries, Mexico's ambassador says. The ambassador says that the requirement by Mexicans to obtain a visa to visit Canada is one of the major barriers to boosting the market. He indicated that attempts should be made to reduce the length of time it takes to obtain a visa.

10. Air Canada sees first-quarter chill from bad weather, weaker loonie

Air Canada reported record adjusted profit in 2013, on February 12, 2014. Adjusted net income grew to \$340-million up from \$55-million in 2012. That translated into adjusted profit of \$1.20 a share compared with 20 cents a year earlier. The fourth quarter results affected yearly profit due to bad weather and a decline in the Canadian dollar.

11. Government of Canada introduces changes to pilot licensing

The Honourable Lisa Raitt on February 12, 2014 announced amendments to *the Canadian Aviation Regulations* which will set the groundwork for the introduction of the Multi-crew Pilot Licence (MPL), extend the validity period of medical certificates associated with certain pilot licences and modify the requirements regarding credits of co-pilot flight time.

12. WestJet to unveil in-flight WiFi, new tablet-based entertainment system

WestJet penned a deal last week to use Panasonic's new exW inflight entertainment system on its flights. The new system, when it is installed later this year, will stream content, enable live TV and WiFi on the personal electronic devices, tablets and laptops of guests. It will also rent tablets to them for a small fee, WestJet says.

13. November 2013 U.S. Airline Systemwide Passengers Down 2.2 Percent from November 2012

www.statcan.gc.ca

19. Safety Investment at Region of Waterloo International Airport, February 20, 2014, www.tc.gc.ca

20. Scheduled air passenger origin and destination: Canada-United States, 2011 and 2012, February 21, 2014, www.statcan.gc.ca

21. Aircraft movement statistics: Small airports, November 2013, February 24, 2014, www.statcan.gc.ca

US

1. Partnering to Shape Commercial Aviation's Next Century, February 10, 2014, www.iata.org

2. 2013 Airline Consumer Complaints Down From Previous Year, February 11, 2014, www.dot.gov

3. December 2013 Passenger Airline Employment Up 0.3 Percent from December 2012, February 20, 2014, www.dot.gov

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on February 13, 2014 that U.S. airlines carried 57.5 million systemwide (domestic + international) scheduled service passengers in November 2013, 2.2 percent fewer than in November 2012. The systemwide total was the result of a 2.7 percent decrease in the number of domestic passengers (50.4 million) and a 2.2 percent increase in international passengers (7.0 million).

14. Cathay Pacific settles price-fixing suit for \$65 million

Hong Kong airline Cathay Pacific has agreed to pay shippers \$65 million to settle a private class-action lawsuit alleging price fixing of air cargo transportation between 2000 and 2006, according to Hausfeld LLP, one of the law firms representing the claimants. The investigation began eight years ago and more than 24 airlines have been involved.

15. Aircraft movement statistics: Major airports, December 2013

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 2.6% in December 2013 from the same month a year earlier. These 92 airports reported 321,127 movements in December compared with 329,573 movements at 93 airports in December 2012.

16. Air Canada Welcomes Agreement to Expand Air Services between Canada and Mexico

Air Canada on February 18, 2014 welcomed the signing of an expanded Canada-Mexico Air Transport Agreement that will facilitate flying between the two countries and benefit business, travelers and shippers. Air Canada said "Mexico is an important market for Air Canada and this expanded agreement will further strengthen air linkages between Canada and our NAFTA partner...."

17. Air Fares, 2012

Air fares (domestic and international combined) averaged \$248.60 in 2012, down 0.4% from \$249.70 in 2011. This decrease was mainly a result of year-over-year declines in the second and fourth quarters. The average domestic air fare paid by passengers was \$192.20 in 2012, up 0.8% from a year earlier. The average international air fare was \$321.50, down 1.6%.

18. Civil aviation operating statistics, December 2013

Operating data on civil aviation for December 2013 are now available on Statistics Canada website.

19. Safety Investment at Region of Waterloo International Airport

The Government of Canada is investing \$27,215 from the Airports Capital Assistance Program (ACAP) for the purchase of a runway condition reporting system which will provide timely, accurate and precise wireless reporting and recording of runway conditions.

20. Scheduled air passenger origin and destination: Canada–United States, 2011 and 2012

Over 19.6 million passengers travelled on scheduled air services between Canada and the United States in 2012, up 4.0% compared with 2011. Alberta posted the largest gain in transborder passenger traffic.

21. Aircraft movement statistics: Small airports, November 2013

In November 2013, 131 airports without air traffic control towers reported 46,286 movements (take-offs and landings). Moosonee, Ontario (4,074 movements) and Goose Bay, Newfoundland and Labrador (2,382 movements) were the most active sites.

WATER TRANSPORTATION

1. Prince Rupert Port Authority – Monthly Traffic Report – January 2014

The Port of Prince Rupert released its traffic results for January 2014. Total traffic in terms of TEUs was 49,191.75 containers for January 2014 compared to 51,923.50 for the same month a year ago, a 5.26% decline. Imports increased by 1.21 percent and exports decreased by 14.20 percent.

2. Increasing monitoring of ships to detect pollution in Canada's waters

The Honourable Lisa Raitt, Minister of Transport, on February 19, 2014 announced new funding to increase the number of flights to monitor and detect pollution from ships in Canada's waters. The Government of Canada is now approximately doubling funding for the program, to \$47.6M over the next five years. This funding allows for significantly more flight hours to detect pollution.

3. Statistics Overview 2013

The Port of Metro Vancouver reported that the total number of containers moved in 2013 was 2,825,475 TEUs a 4% increase from 2,713,160 TEUs in 2012. The port handled 135 million tonnes of cargo (i.e., auto, bulk, breakbulk and container) in 2013 up 9% from 124 million tonnes in 2012. The number of cruise passengers increased by 22% to 812,398 in 2013 from 666,240 in 2012.

4. Port Metro Vancouver 2013 Statistics: Maintaining Balance Amongst Growth

Canada's largest and most diverse port has released its 2013 year-end results showing continued growth, including a repeat of record volumes in the container and bulk sectors. In 2013, Port Metro Vancouver also advanced several ongoing capacity building infrastructure projects, updated and extended environmental initiatives, and participated in substantial community engagement activities.

5. Port Metro Vancouver Truckers Threaten Strike

Port Metro Vancouver in Canada is bracing for a threatened two-day strike by harbor truck drivers, and companies that work in the harbor say the impact could be immediate and severe.

6. Truckers stage work stoppage at Vancouver

Scores of container drivers in Vancouver downed tools on February 26, 2014 to protest what they see as unfair shipping practices. According to local reports, the organization called The United Truckers Association (UTA) informed the port management Monday via email that the work stoppage is a response to what the truckers see as the port operators' refusal to make necessary changes.

7. Port Metro Vancouver actively monitoring work stoppage by truckers

The Port Metro Vancouver said that we encourage trucking companies to work with truckers to reach some common ground and to return the port back to full operation in the interest of all stakeholders. We are actively monitoring the situation and remain open for business. We are committed to ensuring the safety of the Port and will take any steps necessary to keep port users safe. Anyone who believes they have been the victim of violence or intimidation is encouraged to contact the police.

WATER TRANSPORTATION Canada

1. Prince Rupert Port Authority – Monthly Traffic Report – January 2014
2. Increasing monitoring of ships to detect pollution in Canada's waters, February 19, 2014, www.tc.gc.ca
3. Statistics Overview 2013, Feb. 24, 2014, www.metroportvancouver.com
4. Port Metro Vancouver 2013 Statistics: Maintaining Balance Amongst Growth, February 24, 2014, www.portmetrovancover.com
5. Port Metro Vancouver Truckers Threaten Strike, February 25, 2014, www.joc.com
6. Truckers stage work stoppage at Vancouver, February 27, 2014, www.todaystruckiing.com
7. Port Metro Vancouver actively monitoring work stoppage by truckers, February 26, 2014, www.portmetrovancover.com

RAIL TRANSPORTATION

1. CN reports Q4-2013 net income of C\$635 million, or C\$0.76 per diluted share

On January 30, 2014, CN reported its financial and operating results for the fourth quarter and year ended Dec. 31, 2013. For the fourth quarter of 2013 CN indicated that: 1. Fourth-quarter 2013 net income was C\$635 million, or C\$0.76 per diluted share, compared with net income of C\$610 million or, C\$0.71 per diluted share, for the year-earlier quarter. 2. Q4-2013 operating income increased five per cent to C\$967 million, and full-year 2013 operating income also rose five per cent to C\$3,873 million; and 3. Fourth-quarter 2013 operating ratio increased by 1.2 points to 64.8 per cent. For the full calendar of 2013, CN reported that: 1. Full-year 2013 net income was C\$2,612 million, or C\$3.09 per diluted share, compared with net income of C\$2,680 million, or C\$3.06 per diluted share, for 2012. 2. Full-year 2013 adjusted diluted EPS increased nine per cent to C\$3.06, with adjusted 2013 net income of C\$2,582 million versus adjusted net income of C\$2,456 million in 2012. 3. Full-year 2013 operating ratio was 63.4 per cent, compared with 62.9 per cent for 2012. 4. 2013 free cash flow totaled C\$1,623 million, compared with free cash flow of C\$1,661 million for 2012. Claude Mongeau, president and chief executive officer, said: "CN's agenda of Operational and Service Excellence delivered record volumes and revenues in 2013. Key operating and service metrics remained solid, and we continued to drive incremental improvement in our broad safety record." Carloadings for the year increased three per cent to 5,190 thousand. Revenue ton-miles increased by four per cent over 2012, while rail freight revenue per revenue ton-mile increased by three per cent.

2. CN announces 16 per cent increase in quarterly cash dividend

CN announced on January 30, 2014 that its Board of Directors has approved a 16 per cent increase in the Company's cash dividend. With this increase, the Company's dividend on an annualized basis is C\$1.00 per common share. A quarterly dividend of twenty-five cents (C\$0.25) per common share will be paid on March 31, 2014, to shareholders of record at the close of business on March 10, 2014.

3. CN Rail earnings feel chill of harsh winter, but year's record volumes prompt 16% dividend hike

Canadian National Railway Co. delivered its fourth quarter result on January 30, 2014 that fell just shy of analysts' expectations as the country's largest railway battled through tough winter weather, in late December 2013 and early January 2013. But CN said the fourth quarter capped a record year of volume and sales at the railroad, prompting a 16% hike to its dividend as momentum continues into 2014.

4. CP's Harrison Expects Rail Consolidation Within Six Years

Canadian Pacific Railway CEO and President E. Hunter Harrison doesn't think the Class I industry will go another five to six year without some consolidation.

5. CN to meet with union after yard and train workers reject deal

Canadian National Railway Co. says it will meet with the leadership of the union representing 3,000 of its conductors, yard and train workers after its membership rejected a new labour pact negotiated last fall. The Teamsters Canada Rail Conference, which represents the workers, is now in a position to serve 72-hour strike notice.

6. Speaking notes for The Honourable Lisa Raitt, Minister of Transport, to the Canadian Club of Ottawa

On February 3, 2013, the Minister of transport addressed issues on

RAIL TRANSPORTATION Canada

1. CN reports Q4-2013 net income of C\$635 million, or C\$0.76 per diluted share, January 30, 2014, www.cn.ca
2. CN announces 16 per cent increase in quarterly cash dividend, January 30, 2014, www.cn.ca
3. CN Rail earnings feel chill of harsh winter, but year's record volumes prompt 16% dividend hike, January 30, 2014, www.nationalpost.ca
4. CP's Harrison Expects Rail Consolidation Within Six Years, January 30, 2014, www.joc.com
5. CN to meet with union after yard and train workers reject deal, February 2, 2014, www.nationalpost.ca
6. Speaking notes for The Honourable Lisa Raitt, Minister of Transport, to the Canadian Club of Ottawa, February 3, 2014, www.tc.gc.ca
7. CN receives strike notice from union representing train conductors in Canada, February 5, 2014, www.cn.ca
8. CN conductors' strike averted after company and Teamsters union reach new tentative labour agreement, February 5, 2014, www.cn.ca
9. Confederation Line tunnel construction reaches ten percent milestone, Feb. 5, 2014, www.tc.gc.ca
10. Transport Canada proposing new rail regulations, February 7, 2014, www.ctfc.ca
11. CN announces C\$250 million debt offering, February 11, 2014, www.cn.ca
12. The Keystone effect? Farmers blaming grain backlog on oil-by-rail surge, February 13, 2014, www.nationalpost.ca
13. Canadian Pacific follows CN with surcharge on older oil tank cars, Feb. 14, 2014, www.globeandmail.ca
14. CP's Harrison pushes for big shift in rail safety, Globe and Mail, February 18, 2014, www.globeandmail.ca
15. CN targets C\$2.1 billion in 2014 capital investments to raise network safety and efficiency, improve service and grow the business, February 19, 2014, www.cn.ca
16. Canadian Pacific Railway Limited declares dividend, February 20, 2014, www.cpr.ca
17. Railroads agree to voluntary U.S. measures to make crude shipments safer, February 21, 2014, www.globeandmail.ca
18. CN Western Canada Covered Hopper Fleet Integration Program for grain shippers, February 24, 2014, www.cn.ca
19. DOT Issues Emergency Order Requiring Stricter Standards to Transport Crude Oil by Rail, February 25, 2014, www.dot.gov
20. Railway carloadings, December

safety in two areas of transportation: rail and marine transportation. She indicated that Canadians have one of the safest transportation systems in the world and we continue to address safety so that Canadians can trust their system. In rail transportation there is need to base our actions on three fundamental elements of safety: prevention; preparedness and response; and liability and compensation. They are meeting with various parties and progress is being made. In marine transportation, the government has introduced a world-class safety plan for tankers in Canadian waters based on three principles: stop spills from happening in the first place; clean them up should they ever happen; and make polluters pay for clean-up and compensate those affected by spills.

7. CN receives strike notice from union representing train conductors in Canada

CN said on February 5, 2014 that the Teamsters Canada Rail Conference – Conductors, Trainpersons and Yardpersons (TCRC-CTY), which represents approximately 3,000 CN train and yard operations employees in Canada, has given the company 72 hours' notice of its intention to strike the railway at 0001 hours Eastern Standard Time on Feb. 8, 2014.

8. CN conductors' strike averted after company and Teamsters union reach new tentative labour agreement

CN announced on February 5, 2014 that it has reached a new tentative collective agreement with the Teamsters Canada Rail Conference – Conductors, Trainpersons and Yardpersons (TCRC-CTY). The parties' negotiation of a new tentative agreement averts a threatened strike by the union at 0001 hours Eastern Standard Time Feb. 8, 2014. The TCRC-CTY represents approximately 3,000 CN train conductors, trainpersons, yardpersons and traffic coordinators on CN's network in Canada. Details of the three-year labour contract are being withheld pending ratification.

9. Confederation Line tunnel construction reaches ten percent milestone

The Confederation Line Light Rail Transit project in Ottawa is proceeding on time and on budget with 10% of the tunnel excavation now complete. This project is the first stage in Ottawa's future rail network. The 12.5-kilometre electric light rail system replaces existing diesel powered buses, providing rapid transit between Blair Station in the east and Tunney's Pasture in the west. The route includes 13 stations and a 2.5-kilometre tunnel that will alleviate congestion through the downtown core. The Confederation Line is a \$2.1-billion project that is jointly funded by the Government of Canada, the Province of Ontario and the City of Ottawa.

10. Transport Canada proposing new rail regulations

The federal government is proposing new rail regulations to improve the safety of railway crossings. The Honourable Lisa Raitt, Minister of Transport, announced the proposed Grade Crossings Regulations on February 7, 2014.

11. CN announces C\$250 million debt offering

CN announced on February 11, 2014 a public debt offering of C\$250 million 2.75% Notes due 2021. CN expects to close the offering on Feb. 18, 2014, subject to customary closing conditions. CN plans to use the net proceeds from the offering for general corporate purposes, including the redemption and refinancing of outstanding indebtedness, and share repurchases.

12. The Keystone effect? Farmers blaming grain backlog on oil-by-rail surge

Saskatchewan Premier Brad Wall has appointed a delegation of provincial cabinet ministers on February 12, 2014 to meet with grain and rail companies and solve an "urgent matter"- the grain transportation backlog. "This grain movement backlog is a very serious situation for the entire province and it is a high priority for our government," Mr. Wall said in a statement. Many are blaming a backlog in Western Canadian grain movements on the surge in oil transportation by rail, resulting in insufficient pipeline capacity, caused by environmental opposition to oil sands growth.

13. Canadian Pacific follows CN with surcharge on older oil tank cars

Canadian Pacific Railway Ltd. is adding a \$325 surcharge on customers who transport crude in older tank cars. This follows CN rail that is seeking to deter shippers from using the tanker car model involved in a series of fiery crashes.

14. CP's Harrison pushes for big shift in rail safety

The head of Canadian Pacific Railway Ltd. called for an immediate ban of the type of older rail cars that

2013, February 26, 2014,
www.statcan.gc.ca

21. CN reviews safety practices, shares dangerous goods information through structured community outreach program, February 26, 2014, www.cn.ca

US

1. STB to "Explore" competitive switching issues in March, February 3, 2014, www.joc.com

exploded in the Lac-Mégantic disaster and suggested that trains will become more attractive targets for terrorists if rail companies are forced to tell the public what dangerous goods they are carrying.

15. CN targets C\$2.1 billion in 2014 capital investments to raise network safety and efficiency, improve service and grow the business

CN announced on February 19, 2014, a 2014 plan to invest approximately C\$2.1 billion to continue to raise network safety and efficiency, improve service and grow the business. Claude Mongeau, president and chief executive officer, said: “CN is committed to making continued improvements in its safety performance – infrastructure investments are critical to this, as well as to driving improvements in customer service and taking advantage of freight opportunities to grow the business at low incremental cost...”

16. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on February 20, 2014 declared a quarterly dividend of thirty-five cents (\$0.35) Canadian per share on the outstanding Common Shares.

17. Railroads agree to voluntary U.S. measures to make crude shipments safer

Railroads that haul volatile crude shipments have reached an agreement with U.S. transportation officials to adopt wide-ranging voluntary safety measures after a string of explosive and deadly accidents.

18. CN Western Canada Covered Hopper Fleet Integration Program for grain shippers

CN is offering a Fleet Integration Program for grain, oilseed and special crop shippers who wish to enter agreements to supply privately owned, covered hopper cars for integration into CN’s Western Canadian common fleet. In addition to receiving weekly allotments to order cars from CN’s fleet for 25-car block shipments from CN-served loading locations in Western Canada to non-port destinations in the US, Eastern Canada or Western Canada participants will also benefit in other ways. For example: year-round supply from CN’s common Western fleet for shipping to commercial destinations in US and Canada; cars incremental to general distribution from CN’s common fleet; priority in weekly car order confirmation and train service planning processes; and having CN manage participants’ private cars within CN’s common fleet.

19. DOT Issues Emergency Order Requiring Stricter Standards to Transport Crude Oil by Rail

The U.S. Department of Transportation (DOT) on February 25, 2014 issued an Emergency Order requiring all shippers to test product from the Bakken region to ensure the proper classification of crude oil before it is transported by rail, while also prohibiting the transportation of crude oil in the lowest-strength packing group.

20. Railway carloadings, December 2013

The Canadian railway industry carried 26.0 million tonnes of freight in December 2013, an amount virtually unchanged from the same month last year. The industry benefited from strong growth in shipments received from the United States, which helped to offset a decline in domestic shipments. Intermodal freight loadings rose 3.7% to 153,000 units in December 2013. The gain was spurred by increased containerized cargo shipments and trailers loaded onto flat cars. From a tonnage perspective, intermodal traffic rose 2.9% to 2.3 million tonnes.

21. CN reviews safety practices, shares dangerous goods information through structured community outreach program

CN is reaching out to municipalities along its North American rail network to review its safety practices, share relevant information on dangerous goods traffic and discuss emergency response planning. Claude Mongeau, president and chief executive, said: “A full 99.998 per cent of CN and rail industry movements of dangerous goods – many of which are essential to the North American economy and communities across the continent arrive at their destination without an accident. That being said, CN understands that municipalities feel they need more transparency and information sharing from railways about the dangerous commodities moving through their communities. And that’s why we launched a comprehensive outreach program last fall with communities along our network in Canada, and are now launching a similar program this year in the United States.”

HIGHWAY TRANSPORTATION

1. Ottawa to buy Detroit land for cross-border bridge project, official says

The Canadian government plans to start buying land in Detroit for the U.S. portion of a new bridge linking the two countries, a Canadian official said in a recent report. It is a \$2-billion-plus project to add a second span across the Detroit River between Detroit and Windsor.

2. U.S. Department of Transportation Announces Decision to Move Forward with Vehicle-to-Vehicle Communication Technology for Light Vehicles

The U.S. Department of Transportation's (DOT) National Highway Traffic Safety Administration (NHTSA) announced on February 3, 2014 that it will begin taking steps to enable vehicle-to-vehicle (V2V) communication technology for light vehicles. This technology would improve safety by allowing vehicles to "talk" to each other and ultimately avoid many crashes altogether by exchanging basic safety data, such as speed and position, ten times per second.

3. PHMSA's Ongoing Bakken Investigation Shows Crude Oil Lacking Proper Testing, Classification

The Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) on February 4, 2014 announced the first results from its 2013 investigation into the transportation of Bakken oil, known as Operation Classification, which show that crude oil taken from cargo tanks en route to rail loading facilities was not properly classified.

4. Freight Shipments Fell 1.0% in December from November

According to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS) the amount of freight carried by the for-hire transportation industry fell 1.0 percent in December 2013 from the previous month. The December 2013 index level (116.5) was 23.0 percent above the April 2009 low during the most recent recession and 4.4 percent above the same month in 2012.

5. Year end merger activity up 57%

Global transportation and logistics mergers and acquisitions rose by 57 percent in the fourth quarter, while the value of those deals increased by 100 percent, according to a study by PwC US. The firm, which publishes a quarterly analysis of mergers, said there were 66 transportation and logistics transactions deals worth \$50 million or more in the fourth quarter, which totalled \$23.2 billion. Third-quarter deals in 2013 were worth \$10.7 billion.

6. Study: Fuel Efficient Trucks Help Households Save Money

A group representing more than 260 non-profit consumer organizations says continuing to increase the fuel efficiency of medium and heavy-duty trucks will save the average household \$250 a year in the cost of consumer goods and services.

7. Canadian Spot Freight Volumes Skyrocket

TransCore Link Logistics Canadian Freight Index opened the new year (2014) with never seen before highs in load volumes. After closing last year (2013) setting a record high for December, January 2014 volumes climbed sharply by 43 percent month-over-month, marking its volumes the highest ever recorded for the month of January in any year. Cross-border load volumes accounted for much of the increase.

8. Large Urban Transit, December 2013

In December 2013, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems decreased 1.9% from the same month in 2012 to \$272.7 million. Over the same period, ridership levels fell 4.2% to 133.4 million passenger trips.

9. Strobel Starostka Transfer Canada LTD to acquire Simba Industries Transload LTD

Strobel Starostka Transfer Canada LTD (SSTC) will acquire Alberta-based Simba Industries Transload LTD (Simba), rail terminal transload and logistics providers, for an undisclosed amount.

10. Roadrunner Acquisitions Expand Truckload Business

Roadrunner, one of the fastest growing large trucking companies, is expanding its truckload business faster thanks to acquisitions, including its purchase of Rich Logistics.

HIGHWAY TRANSPORTATION Canada

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2. U.S. Department of Transportation Announces Decision to Move Forward with Vehicle-to-Vehicle Communication Technology for Light Vehicles, February 3, 2014, www.dot.gov

3. PHMSA's Ongoing Bakken Investigation Shows Crude Oil Lacking Proper Testing, Classification, February 4, 2014, www.dot.gov

4. Freight Shipments Fell 1.0% in December from November, February 12, 2014, www.bts.gov

5. Year end merger activity up 57%, February 17, 2014, www.americanshipper.com

6. Study: Fuel Efficient Trucks Help Households Save Money, February 17, 2014, www.ontruck.ca

7. Canadian Spot Freight Volumes Skyrocket, February 21, 2014, www.cantruck.ca

8. Large Urban Transit, December 2013, February 25, 2014, www.statcan.gc.ca

9. Strobel Starostka Transfer Canada LTD to acquire Simba Industries Transload LTD, February 25, 2014, www.ctl.ca

10. Roadrunner Acquisitions Expand Truckload Business, February 26, 2014, www.joc.com

GENERAL TRANSPORTATION

Canada

1. Breaking News: Federal budget highlights infrastructure spending, dedicated gas tax fund

The 2014 budget offers dedicated funds for infrastructure, public private partnerships and gas taxes. The St. Lawrence Bridge, Detroit-Windsor crossing, and PPPs were prioritized. The budget proposes measures to ensure the construction of the new St. Lawrence Bridge by 2018, including \$165 million over two years on a cash basis for procurement and project delivery activities for the Bridge.

2. US Shippers Expect Freight Growth to Outpace Economy

U.S. shippers on average expect that for the first time in roughly two years freight growth in 2014 will steadily outpace the expansion of the general economy.

3. Travel between Canada and other countries, December 2013

Travel from Canada to the United States decreased 0.1% in December 2013 from the previous month. In the opposite direction, travel to Canada from the United States decreased 0.2% in December 2013 despite a 1.3% increase in overnight travel. Travel from overseas countries declined 0.4% in December to 406,000 trips. Among the top 12 overseas markets, 7 recorded decreases. The largest percentage decline was in travel from Hong Kong and China.

4. Characteristics of international overnight travellers, second quarter 2013

Preliminary data on the characteristics of international overnight travellers are now available for the second quarter of 2013 on Statistics Canada's website.

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1. Breaking News: Federal budget highlights infrastructure spending, dedicated gas tax fund, February 11, 2014, www.ctl.ca

2. US Shippers Expect Freight Growth to Outpace Economy, February 13, 2014, www.joc.com

3. Travel between Canada and other countries, December 2013, February 18, 2014, www.statcan.gc.ca

4. Characteristics of international overnight travellers, second quarter 2013, February 25, www.statcan.gc.ca

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Publications

1. International Transportation Forum, February Newsletter, February 2014, www.cemt.org