

Transportation Information Update*

"This attached Transportation Information Update was prepared by Joseph Monteiro and Gerald Robertson for the Canadian Transportation Research Forum and distributed to CILTNA's members with permission"

Editor: Joseph Monteiro*

March 2014, No. 115

Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air Freight Markets Make Strong Start to Year

The International Air Transport Association (IATA) released January 2014 performance data showing a strong rise in air freight growth compared to a year ago. Global freight tonne kilometers (FTKs) rose 4.5% in January 2014 compared to January 2013. This is a significant acceleration on the 2.2% year-on-year growth rate recorded in December 2013, and is well above the 1.4% full-year growth reported for 2013 as compared to 2012. Growth was solid across all regions,

2. CanJet president announces company's plan to launch its own travel tour operator

CanJet Airlines has announced to its employees that it plans to launch its own travel tour operator in Canada starting next winter. CanJet, a subsidiary of Halifax-based IMP Group, currently provides charter flights primarily on behalf of Transat A.T. to vacation destinations using a fleet of Boeing 737s.

3. WestJet ranked in top 100 Canadian brands

WestJet announced on March 6, 2014 that Brand Finance, one of the world's leading brand valuation consultancies, has ranked WestJet 74th among the top 100 Canadian brands.

4. Non-stop flights to non-stop sun

WestJet on March 6, 2014 announced new daily, non-stop service between Toronto and Phoenix beginning October 26, 2014. Same-day connections are also available to and from Montreal, Ottawa, Halifax, and Moncton, New Brunswick.

5. Major Tourism Groups support Porter proposal

Tourism industry leaders support Air Porter's proposal to add service to more destinations from Billy Bishop Toronto City Airport, saying it will benefit the tourism and hospitality sector in Toronto and throughout Ontario.

6. Strong Start for Passenger Demand in 2014

The International Air Transport Association (IATA) announced global passenger traffic results for January 2014 showing a strong increase in demand. Total revenue passenger kilometers (RPKs) rose 8.0% compared to January 2013, an improvement over the December 2013 growth of 6.8% and the full year 2013 growth of 5.2%. January's 2014 capacity increased 6.7%, pushing load factor up 0.9 percentage points to 78.1%

7. Air Canada Reports February Traffic Results

For the month of February 2014, Air Canada reported system wide traffic growth of 3.8 per cent on a capacity increase of 4.9 per cent. Air Canada's system load factor was 79 per cent, versus 79.8 per cent in February 2013, a decrease of 0.8 percentage points.

8. WestJet reports February load factor of 84.6 per cent

WestJet on March 7, 2014 announced February 2014 traffic results with a load factor of 84.6 per cent. Revenue passenger miles (RPMs),

AIR TRANSPORTATION

Canada

1. Air Freight Markets Make Strong Start to Year, March 4, 2014, www.iata.org
2. CanJet president announces company's plan to launch its own travel tour operator, March 3, 2014, www.financialpost.ca
3. WestJet ranked in top 100 Canadian brands, March 6, 2014, www.westjet.ca
4. Non-stop flights to non-stop sun, March 6, 2014, www.westjet.ca
5. Major Tourism Groups support Porter proposal, Mar. 6, 2014, www.flyporter.ca
6. Strong Start for Passenger Demand in 2014, March 5, 2014, www.iata.org
7. Air Canada Reports February Traffic Results, Mar. 7, 2014, www.aircanada.ca
8. WestJet reports February load factor of 84.6 per cent, March 7, 2014, www.westjet.ca
9. Transat expected to post first-quarter loss, Mar. 9, 2014, www.globeandmail.ca
10. News Brief: Eighth World Cargo Symposium Begins with Call for Cut in Transit Times, March 12, 2014, www.iata.org
11. Industry on Track for Second Year of Improving Profits - Rising Fuel Costs Largely Offset by Increased Demand, March 12, 2014, www.iata.org
12. Tour operator Transat suffers bigger loss as weak loonie pushes up operating expenses, March 13, 2014, www.nationalpost.ca
13. Media advisory: British Airways fined for non-compliance with order to provide more reasonable terms and conditions, March 14, 2014, www.cta-otc.gc.ca
14. Air Canada is betting less legroom for passengers will lift profit. Customers might complain but investors love it, March 18, 2014, www.nationalpost.ca
15. Civil aviation operating statistics, January 2014, March 20, 2014, www.statcan.gc.ca
16. Air Canada rouge Expands to Western Canada, March 25, 2014, www.aircanada.ca
17. Governments Must Close Legal Loopholes on Unruly Passengers, March 25, 2014, www.iata.org
18. Vancouver International ranked in world's top 10 airports, beating London's

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

or traffic, increased 7.3 percent compared to February 2013, and capacity, measured in available seat miles (ASMs), grew 9.2 per cent over the same period. The load factor was down 1.5 points compared to the same month in 2013.

9. Transat expected to post first-quarter loss

With the cold weather one would expect tour operators to do well. Unfortunately this is not always the case, bad weather leading to flight cancellations, the slide in the Canadian dollar and intense competition make the results uncertain. Analysts, therefore expect Transat to post a first quarter loss.

10. News Brief: Eighth World Cargo Symposium Begins with Call for Cut in Transit Times

The International Air Transport Association (IATA) commenced its 8th World Cargo Symposium in Los Angeles with a call for the average end-to-end cargo transit time to be cut by up to 48 hours by the end of the decade.

11. Industry on Track for Second Year of Improving Profits - Rising Fuel Costs Largely Offset by Increased Demand

The International Air Transport Association (IATA) announced that the airline industry remains on track to deliver a second consecutive year of improved profitability. This forecast is made despite a slight downward revision to its industry outlook for 2014 i.e. an industry profit of \$18.7 billion from the previously forecast \$19.7 billion. The downward driver is the rise in fuel costs and the upward driver is ancillary revenues.

12. Tour operator Transat suffers bigger loss as weak loonie pushes up operating expenses

The weak loonie has had an effect on Transat A.T. On March 13, 2014 the travel tour operator reported a first quarter loss that fell short of expectations and said it expected its troubles to persist throughout the first half of 2014. The Montreal-based company reported a loss of \$25.6-million, or 60¢ a share, to a loss of \$15.1-million, compared to 56¢ a share, a year ago. Analysts had been expecting a loss of 45¢ a share.

13. Media advisory: British Airways fined for non-compliance with order to provide more reasonable terms and conditions

The Canadian Transportation Agency has fined British Airways \$15,000 for contravening an order to provide more reasonable terms and conditions to passengers.

14. Air Canada is betting less legroom for passengers will lift profit. Customers might complain but investors love it

Air Canada is betting less legroom for passengers translates into higher profit. It figures that adding at least 22 seats on jets of its Rouge carrier turns money-losing routes to destinations such as the Caribbean profitable. Air Canada's main carrier has also begun flying five "high-density" Boeing Co. 777 jets with more than 100 additional seats than standard models. "Densed-up" aircraft are a key part of a plan by Chief Executive Officer Calin Rovinescu to cut expenses for each seat flown a mile by 15% over five years

15. Civil aviation operating statistics, January 2014

Operational data on civil aviation are now available for January 2014 on Statistics Canada website.

16. Air Canada rouge Expands to Western Canada

Air Canada on March 25, 2014 announced that its leisure carrier subsidiary, Air Canada rouge™, is expanding to Western Canada to serve a number of predominantly leisure markets from Vancouver and Calgary to Los Angeles, San Francisco, Las Vegas and Anchorage. Flights on these routes, currently operated by Air Canada, will be converted to Air Canada rouge service beginning this spring, as will flights to San Diego from Toronto.

17. Governments Must Close Legal Loopholes on Unruly Passengers

The International Air Transport Association (IATA) urged governments to close legal loopholes that allow unruly passengers to escape law enforcement for serious offences committed on board aircraft.

18. Vancouver International ranked in world's top 10 airports, beating London's Heathrow

Skytrax has released the results of its annual *World Airport Awards* and, once again, *Singapore's Changi Airport* has taken the top spot. It's no surprise that Changi came out on top again. The international transit

Heathrow, March 27, 2014, www.nationalpost.ca

US

1. December 2013 U.S. Airline Systemwide Passengers Up 6.1 Percent from December 2012, March 13, 2014, www.dot.gov

2. January 2014 [US] Airline On-Time Performance Down From Previous Year, December, March 18, 2014, www.dot.gov

3. Total Passengers on U.S Airlines and Foreign Airlines Serving the U.S. Increased 1.3% in 2013 from 2012, March 19, 2014, www.dot.gov

hub has incredible amenities, such as a butterfly garden, rooftop pool, movie theaters, hotels, spas, and showers — and even a four-storey slide. Vancouver International was the only Canadian airport to make the global top 10 list. At 18-million passengers a year, it's the least busiest hub, but it offers visitors an impressive collection of Pacific Northwest native art.

WATER TRANSPORTATION

1. Antitrust: Commission consults on prolongation of special competition regime for liner shipping consortia

The European Commission is inviting comments on a proposal to prolong an exemption of liner shipping consortia from the application of EU antitrust rules that prohibit certain agreements between companies. The maritime *consortia block exemption regulation* allows shipping lines to enter into cooperation for the purpose of providing a joint service (so-called "consortia"). In light of the comments received, the Commission will then adopt a new Regulation before the expiry of the current Regulation in April 2015.

2. Port Metro Vancouver to Take Action Against Truckers Who Disrupt Port Operations

There are now allegations and evidence that some protestors are disrupting port operations, including violence, intimidation and sabotage of trucks and property. These individuals will be identified and their licenses to access port property will be terminated. With the support of industry, government, law enforcement and other truckers, Port Metro Vancouver is intent on returning the port to regular operations as soon as possible.

3. Unionized Truckers Port Metro Vancouver Issue Strike Notice

Unionized truckers at Port Metro Vancouver issued a 72-hour notice at the weekend (March 1, 2014) that they are prepared to strike unless measures are taken to reduce long truck lines at marine terminals at Canada's largest container port.

4. Shippers and truckers propose eight-point plan to resolve work stoppage

Port Metro Vancouver has agreed in principle to a proposal provided by the BC Trucking Association and the shipping industry. The intent of the proposal is to address concerns raised by some truckers who have been protesting since February 26, 2014. Among the recommended approaches is to extend operating hours, change how fees are charged and conduct audits of trucking companies. The proposal is now being circulated by trucking company owners throughout the owner/operator trucking community.

5. Vince Ready Appointed to Review Port Metro Vancouver Trucking Issues

The Honourable Lisa Raitt, Minister of Transport, on March 6, 2014 appointed Mr. Vince Ready to conduct an independent review directed at resolving issues that have contributed to disruption of trucking operations at Port Metro Vancouver.

6. Union, non-union truckers reach deal with Port Metro Vancouver

Truckers have the makings of a deal with Port Metro Vancouver. The meeting this morning between representatives for union and non union truckers, and Vince Ready, who was appointed as mediator in the dispute by Port Metro Vancouver, took hours but finally ended on a positive note. The details of the agreement are not made public yet.

7. Container truckers reject deal at Port Metro Vancouver

Starting on March 10, 2014, unionized container truck drivers will be

WATER TRANSPORTATION Canada

1. Antitrust: Commission consults on prolongation of special competition regime for liner shipping consortia, February 27, www.europa.eu

2. Port Metro Vancouver to Take Action Against Truckers Who Disrupt Port Operations, Daily Exchange, Feb. 28, 2014, www.portofmontreal.ca

3. Unionized Truckers Port Metro Vancouver Issue Strike Notice, March 3, 2014, www.joc.com

4. Shippers and truckers propose eight-point plan to resolve work stoppage, March 3, 2014, www.portmetrovancover.com

5. Vince Ready Appointed to Review Port Metro Vancouver Trucking Issues, March 6, 2014, www.tc.gc.ca

6. Union, non-union truckers reach deal with Port Metro Vancouver, March 6, 2014, www.portmontreal.ca

7. Container truckers reject deal at Port Metro Vancouver, March 9, 2014, www.ctl.ca

8. Truck Drivers Go On Strike in Vancouver, March 10, 2014, www.joc.com

9. Port of Metro Vancouver – Accumulated Container Traffic Y-T-D January 2014, March 11, 2014, www.portmetrovancover.com

10. Port of Prince Rupert – Accumulated Container Traffic Y-T-D February 2014, March 7, 2014, www.rupertport.com

11. FMC: Seattle-Tacoma post agreement in effect, March 11, 2014, www.americanshipper.com

12. Port Metro Vancouver Applauds Canada—South Korea Free Trade Agreement, March 11, 2014, www.portmetrovancover.com

13. Governments and Port Metro Vancouver Take Action to End Trucking Dispute, March 13, 2014, www.tc.gc.ca

14. Truckers reject 14-point plan, March 17, 2014, www.ctl.ca

15. Vancouver Truckers' Strike Hits Shippers, March 17, 2014, www.joc.com

16. Construction Underway for Cruise vessel shore power system at port of Halifax, March 7, 2014, www.portofhalifax.ca

17. Canada Shipping Report Q2 2014 - New Market Study Published, March

walking the picket line at Port Metro Vancouver. Drivers represented by Unifor-Vancouver Container Truckers' Association (VCTA) won't be alone in their protest, as members of the non-unionized United Truckers Association (UTA) have been protesting at the port since February 26, 2014. Members of both organizations voted on Saturday to reject a deal created with the goal of establishing a temporary labour peace.

8. Truck Drivers Go On Strike in Vancouver

Truck drivers at Port Metro Vancouver carried out their threat to go on strike to protest extensive delays at marine terminals that the truckers say are making their economic situation intolerable. This has stopped 90% of container truck traffic.

9. Port of Metro Vancouver – Accumulated Container Traffic Y-T-D January 2014

The Port of Metro Vancouver reported its container traffic for January 2014. Total number of TEUs for the month of January 2014 was 239,633, an increase of 6% compared to the same month a year ago. Imports increased by 8.3% and exports increase by 2.8% in terms of TEUs.

10. Port of Prince Rupert – Accumulated Container Traffic Y-T-D February 2014

The Port of Metro Prince Rupert reported its container traffic for February 2014. Total number of TEUs for the month of January 2014 was 35,725.50, a decrease of 24.99% compared to the same month a year ago. Imports decreased by 15.26% and exports decreased by 37.53% in terms of TEUs. Total year to date (i.e. to February) traffic decreased 14.70% in terms of TEUs.

11. FMC: Seattle-Tacoma post agreement in effect

The Federal Maritime Commission last week “unanimously voted to effectively allow the Ports of Seattle and Tacoma to move forward on a cooperative agreement to exchange information and work together to find synergies,” Commissioner William Doyle said on March 11, 2014.

12. Port Metro Vancouver Applauds Canada—South Korea Free Trade Agreement

Port Metro Vancouver welcomed the announcement on March 11, 2014 of a free trade agreement between Canada and South Korea. The agreement, which will significantly strengthen the trading relationship between both countries, is an important development for Port Metro Vancouver, which serves as a key link in the Asia-Pacific Gateway.

13. Governments and Port Metro Vancouver Take Action to End Trucking Dispute

The Honourable Lisa Raitt, Minister of Transport, the Honourable Todd Stone British Columbia Minister of Transportation and Infrastructure, and Robin Silvester, President & Chief Executive Officer, Port Metro Vancouver, on March 13, 2014 announced concrete action to end the trucking dispute in Port Metro Vancouver. A 14-point action plan has been collectively agreed upon to return the port to normal operations. This plan will help ensure truck drivers are paid fair compensation. It also includes rapid implementation of pilot measures to help reduce wait times at container terminals and the creation of an industry oversight committee.

14. Truckers reject 14-point plan

A plan created with the intention of getting striking container truck drivers back to work at Port Metro Vancouver has failed to convince truckers to halt their strike. VCTA issued a statement saying the proposal didn't address the right issues. "After meeting with representatives of the port and the provincial and federal governments, container truck drivers say that basic concerns about minimum rates for all drivers have still not been addressed..."

15. Vancouver Truckers' Strike Hits Shippers

The delivery of local imported cargo at Port Metro Vancouver is being interrupted as the standoff between striking truckers and the Canadian government showed no signs of ending on March 17, 2014.

16. Construction Underway for Cruise vessel shore power system at port of Halifax

The Halifax Port Authority (HPA) would like to advise that construction for a shore power system for cruise vessels is now underway. HPA remains committed to allowing cruise vessels to connect to shore power during the 2014 cruise season.

17. Canada Shipping Report Q2 2014 - New Market Study Published

In 2014, the tonnage throughput picture is mixed in Canada. The out performer in purely year-on-year terms is set to be the port of Prince Rupert (8.31%), while the port of St John is expected to see the smallest

18, 2014, www.portofmontreal.ca

18. Vancouver trucker strike causes cargo diversion to U.S., March 19, 2014, www.americanshipper.com

19. Port Metro Vancouver containers on the move, March 20, 2014, www.metroportvancouver.com

20. Port says container traffic continued to pick up on Friday, March 23, 2014, www.ctl.ca

21. Agreement to resume full operations at Port Metro Vancouver, Mar. 26, 2014, www.portofmontreal.ca

22. Canada addresses marine, rail tanker safety, March 27, 2014, www.americanshipper.com

23. Great Lakes shipping industry to inject \$500-million into infrastructure, March 27, 2014, www.globeandmail.ca

annual rise (0.56%). In 2014, the Port of Vancouver tonnage throughput is expected to grow 6.0%. Projected throughput is expected to reach 176mm tonnes in 2018. At this port, container throughput is forecasted to grow 4.50% to reach 2.95mm twenty-foot equivalent units (TEUs). Over the medium term the report projected throughput to reach 3.69mm TEUs. At the port of Montreal larger vessels will be handled this will boost throughput.

18. Vancouver trucker strike causes cargo diversion to U.S.

Ocean carriers are making plans to divert cargo to U.S. ports in the Pacific Northwest from Port Metro Vancouver, where a strike by truckers upset about driving rates has severely handicapped operations, according to U.S. Customs and Border Protection.

19. Port Metro Vancouver containers on the move

The trucking disruption is affecting the movement of containers by truck to and from Port Metro Vancouver's four container terminals. In general, 70% of containers arrive at and depart from Port Metro Vancouver container terminals by rail and 30% by truck. Following yesterday's clear actions by Canada, B.C. and Port Metro Vancouver to protect the economy, we are seeing significant truck activity at Port Metro Vancouver terminals.

20. Port says container traffic continued to pick up on Friday

Port Metro Vancouver says container trucking activity continues to recover, even as many truck drivers remain off the job. The port said on March 21, 2014 container movements surpassed those from March 20, 2014, which set a new high since the labour disruption was initiated.

21. Agreement to resume full operations at Port Metro Vancouver

The governments of Canada and British Columbia and Port Metro Vancouver have reached agreement with members of the United Truckers Association and Unifor to end the 28-day work disruption at Port Metro Vancouver and resume full operations as of March 27, 2014. The agreement was reached following extensive discussions between all parties, and the joint adoption of a refined joint action plan to address truckers concerns.

22. Canada addresses marine, rail tanker safety

Expected increases in tanker traffic from British Columbia and a deadly accident involving an oil train has caused the government of Canada to look for ways to beef up tanker safety standards in both modes, Canadian Transport Minister Lisa Raitt told North American port officials gathered in Washington on March 25, 2014. Canadian oil exports, including oil shipped from the Alberta oil sands, are rising.

23. Great Lakes shipping industry to inject \$500-million into infrastructure

The Great Lakes shipping industry is launching a major upgrade, buoyed by an improving economy. Operators of the route that connects the heart of North America with the Atlantic Ocean and the world are embarking on an ambitious program designed to capitalize on free trade with Europe and rebounding U.S. business.

RAIL TRANSPORTATION

1. CN sells Deux-Montagnes rail line to Agence métropolitaine de transports for commuter rail service for C\$97 million

CN on February 28, 2014 closed the sale of a rail line principally used by Agence métropolitaine de transports (AMT) commuter trains between Deux-Montagnes and Montreal's Central Station to AMT for C\$97 million.

2. Grain Boom Busting Canada Farmers on Clogged Rails: Commodities

Canada's grain-supply boom is turning into a bust for farmers as record harvests and railroad logjams make sales almost impossible. Consider one farmer. He has yet to collect one cent on the wheat, canola, barley and oats harvested last year on the 1,000-acre farm in Warren, Manitoba, he has run since 1960. He has called the local grain elevator every 10 days since October. The answer since is always the same. No thanks. We're full. "This is crazy," He normally has unloaded half his crop by March. The delays mean C\$200,000 (\$180,000) in lost revenue as prices slumped, and he needs a C\$100,000 loan to cover expenses. "We're bloody strapped."

3. Spike in crude oil trains rumbling through heart of Toronto raises concerns

The rail line owned by CP Rail carries crude oil through the centre of Toronto. Councillor and other officials wanted the oil tank carriers routed around the city. After what happened in Quebec, the transportation of crude oil via the most densely populated places in Canada has raised concern among the officials. The officials met with CP to discuss the risks. They agreed that older cars transporting the crude should be replaced.

4. CN Looks to Build Network Resiliency As It Grapples With Severe Winter

Canadian National Railway CEO and President Claude Mongeau on March 4, 2014 said the railroad is looking at ways to build more resiliency into its network as it grapples with traffic delays caused by the severest winter in decades.

5. Saskatchewan passes motion on grain backlog

Saskatchewan lawmakers have passed a motion to support the federal government if it brings in emergency legislation to deal with the grain transportation backlog that has been hurting farmers. Premier Brad Wall introduced the motion on the first day of the spring sitting at the Saskatchewan legislature. The motion could involve mandating service agreements or mandating the number of rail cars to get the grain moving. The Premier also said maybe the federal government can do something by regulation or through an order-in-council.

6. Harper government acts to get grain moving in Western Canada

Transport Minister Lisa Raitt and Agriculture Minister Gerry Ritz announced on March 7, 2014 that concrete measures are being taken by the Harper Government to move more grain through the transportation system and maintain Canada's reputation as a supplier to world markets. Minister Raitt announced an Order in Council (OIC) to take immediate effect, setting out minimum volumes of grain that Canadian National Railway Company and Canadian Pacific Railway Company are each required to move. The railways face fines of \$100,000 if they fail to comply.

7. Canadian Pacific Railway Limited announces share repurchase program

RAIL TRANSPORTATION Canada

1. CN sells Deux-Montagnes rail line to Agence métropolitaine de transports for commuter rail service for C\$97 million, February 28, 2014, www.cn.ca
2. Grain Boom Busting Canada Farmers on Clogged Rails: Commodities, March 4, 2014, www.portofmontreal.ca
3. Spike in crude oil trains rumbling through heart of Toronto raises concerns, March 5, 2014, www.torontostar.ca
4. CN Looks to Build Network Resiliency As It Grapples With Severe Winter, March 4, 2014, www.joc.com
5. Saskatchewan passes motion on grain backlog, March 5, 2014, www.ctl.ca
6. Harper government acts to get grain moving in Western Canada, March 7, 2014, www.tc.gc.ca
7. Canadian Pacific Railway Limited announces share repurchase program, March 11, 2014, www.cpr.ca
8. Minister Raitt Addresses the Saskatchewan Association of Rural Municipalities on Important Rail Initiatives, Safety and Infrastructure, March 12, 2014, www.tc.gc.ca
9. Railways fire back over grain shipments, March 13, 2014, www.globeandmail.ca
10. Crude rail transport up 74 percent in 2013, March 17, 2014, www.americanshipper.com
11. Transport Canada proposes new regulations to strengthen railway safety oversight, March 17, 2013, www.ctl.ca
12. CN obtains injunction against striking truckers, March 18, 2014, www.ctl.ca
13. Rail transportation, 2012, March 20, 2014, www.statcan.gc.ca
14. CN proposes binding arbitration to reach contract settlement after train conductors' union in Canada narrowly fails to ratify second tentative labour agreement, March 20, 2014, www.cn.ca
15. Conductors' union in Canada accepts CN's offer to enter bargaining on condition binding arbitration applies if talks fail, March 22, 2014, www.cn.ca
16. Railway Carloadings, January 2014, March 26, 2014, www.statcan.gc.ca
17. Railroads, NITL clash over reciprocal interswitching, March 25, 2014, www.joc.com
18. Harper Government Introduces Legislation to Address Rail Capacity Challenges, March 26, 2014, www.tc.gc.ca
19. CN disturbed by Canadian government legislation introducing heavy-handed regulatory intrusion into rail grain transportation, March 26, 2014, www.cn.ca

Canadian Pacific Railway Limited announced that the Toronto Stock Exchange has accepted CP's notice to implement a normal course issuer bid (NCIB) to purchase, for cancellation, up to 5,270,374 common shares, being 3 percent of the common shares outstanding as at March 4th, 2014.

8. Minister Raitt Addresses the Saskatchewan Association of Rural Municipalities on Important Rail Initiatives, Safety and Infrastructure

The Honourable Lisa Raitt, Minister of Transport, addressed the Saskatchewan Association of Rural Municipalities on March 12, 2014 on the Government of Canada's commitment to get grain moving quickly. Minister Raitt said the government is ensuring the efficient export of grain by specifying the minimum volumes to be carried by each railway and by planning additional legislation to ensure Canada maintains a world-class logistics system when Parliament returns in the week of March 24, 2014.

9. Railways fire back over grain shipments

The railways, CP more than CN, are upset over the government regarding implied accusations about the movement of grain. The railways blame the problem to the harsh winter and indicated that they are prepared to meet with government officials to discuss the problem. The grain industry retaliated by saying that the problem began long before winter started. CN indicated that the solution of the problem requires cooperation by all players in the supply chain.

10. Crude rail transport up 74 percent in 2013

Domestic US Class I railroads carried 407,642 carloads of crude oil during 2013, a 74-percent increase over 2012's result, according to the Association of American Railroads. For the full year, crude oil originations represented 1.4 percent of all carloads carried by Class I railroads. During the fourth quarter of 2013, railroads originated 108,590 carloads of crude.

11. Transport Canada proposes new regulations to strengthen railway safety oversight

The Honourable Lisa Raitt, Minister of Transport, is proposing new regulations to enhance railway safety oversight in Canada. Under the proposed regulations, companies will be required to hold a valid Railway Operating Certificate in order to operate on federally regulated railways in Canada. Railways are required to meet essential safety standards, and Railway Operating Certificates will serve as another tool to ensure they maintain the highest level of safety. If a serious safety violation is identified, Transport Canada could put an immediate stop to a company's operations by suspending or cancelling a company's certificate, the government said in a release.

12. CN obtains injunction against striking truckers

CN Rail has obtained an injunction against striking truckers at Port Metro Vancouver. CBC reported CN Rail sought an injunction to stop striking Vancouver container truck drivers from blocking access to its container yard in Surrey, B.C. "The railway says the Surrey yard is not part of the striking truckers' dispute with Port Metro Vancouver, but since March 11 it has been 'unlawfully' included in the job action," the railway argued, according to the CBC.

13. Rail transportation, 2012

Data on rail transportation in Canada are now available for 2012.

14. CN proposes binding arbitration to reach contract settlement after train conductors' union in Canada narrowly fails to ratify second tentative labour agreement

CN said on March 20, 2014 that it has proposed binding arbitration to reach a contract settlement with the Teamsters Canada Rail Conference – Conductors, Trainpersons and Yardpersons (TCRC-CTY) after the union advised that the tentative labour agreement negotiated with CN on Feb. 5, 2014, failed to ratify. This is the second tentative contract that the TCRC-CTY has not ratified this year. The TCRC-CTY represents approximately 3,000 CN train conductors, trainpersons, yardpersons and traffic coordinators on CN's network in Canada.

15. Conductors' union in Canada accepts CN's offer to enter bargaining on condition binding arbitration applies if talks fail

CN said on March 22, 2014 that the Teamsters Canada Rail Conference – Conductors, Trainpersons and Yardpersons (TCRC-CTY) has accepted CN's offer to enter labour negotiations for a contract settlement on the condition that final and binding arbitration will apply if the parties cannot reach agreement. The TCRC-CTY represents approximately 3,000 CN train conductors, trainpersons, yardpersons and traffic coordinators on CN's network in Canada.

16. Railway Carloadings, January 2014

Canadian railways carried 25.3 million tonnes of freight in January 2014, down 2.7% from the same month last year. The drop in shipments occurred despite the strong growth in traffic received from the United States. Intermodal loadings fell 7.2% to 150,000 units in January. The drop was solely based on decreased

containerized cargo shipments, which declined 8.1% to 144,000 units. From a tonnage perspective, intermodal traffic was down 5.6% to 2.3 million tonnes. Rail traffic received from the United States rose 15.6% to 3.2 million tonnes as a result of higher non-intermodal shipments.

17. US Railroads, NITL clash over reciprocal interswitching

The U.S. rail industry and the nation's largest shipper group, the NITL (National Industrial Transportation League) on March 25, 2014 presented to the Surface Transportation Board widely disparate scenarios about what would happen if the rail regulatory agency mandated reciprocal switching for certain railroad customers.

18. Harper Government Introduces Legislation to Address Rail Capacity Challenges

Agriculture Minister Gerry Ritz and Transport Minister Lisa Raitt on March 26, 2014 introduced in Parliament *the Fair Rail for Grain Farmers Act*, to respond to the challenges currently facing Western Canada's rail shipping system. This legislation amends the *Canada Transportation Act* and the *Canada Grain Act*, providing additional measures designed to help the entire grain transportation system reach the goal of getting product to market quickly and more efficiently following a record crop year for Canadian farmers. The Government of Canada is taking immediate, concrete action to get grain moving faster through legislation and regulations designed to: 1) increase supply chain transparency; 2) strengthen contracts between producers and shippers; and, 3) help ensure the entire grain handling and transportation system is working efficiently at the top of its capacity.

19. CN disturbed by Canadian government legislation introducing heavy-handed regulatory intrusion into rail grain transportation

CN expressed disappointment with Canadian government legislation tabled on March 26, 2014 by Agriculture Minister Gerry Ritz and Transportation Minister Lisa Raitt to increase regulatory intrusion and oversight for rail grain transportation, and to introduce new rules for the extension of interswitching limits in the rail industry. CN is particularly disturbed by proposed interswitching changes that could undermine rail viability, investment and harm the Canadian economy. The interswitching limits will be increased to 160 kilometres from 30 kilometres under the new bill. It means grain shippers, on behalf of farmers, can look farther afield for rail companies able to ship their product – roughly 150 primary elevators across the Prairies will have the chance to be served by more than one railway, up from 14 elevators that currently have that option.

HIGHWAY TRANSPORTATION

1. Three of Five Modes Carried More U.S.-NAFTA Trade in December 2013 than in December 2012

Three of the five transportation modes – truck, vessel and pipeline – carried more U.S.-NAFTA trade in December 2013 than in December 2012, according to the December TransBorder Freight Data released on February 27, 2014 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). BTS reported that pipelines showed the most year-to-year growth at 21.7 percent as the value of overall U.S. trade with its North American Free Trade Agreement (NAFTA) partners Canada and Mexico rose 6.4 percent from year to year. The value of US-NAFTA trade flows was 2.6% higher in 2013 than in 2012, i.e. \$1,138,931 million compared to \$1,109,998 million.

2. Couriers and Messengers Services Price Index, January 2014

The Couriers and Messengers Services Price Index increased 1.7% in January 2014 compared with December 2013. The courier portion rose 2.0% while the local messenger component edged up 0.1%. The index increased 2.2% in January 2014 compared with the same month in 2013.

3. Ontario Lengthens B-trains; Gives Tow Trucks Right of Way

B-trains in Ontario will have an extra half-meter added to their compliant length. Also, motorists in Ontario will soon be required to pull over for and give the right-of-way to tow trucks flashing red or red-and-blue emergency lights. Until now, drivers were only required to pull over and give way to police, ambulance and fire vehicles. The new rules are part of a comprehensive bill called "Keeping Ontario's Roads Safe Act," which was introduced by the province's Minister of Transportation Glen Murray on March 17, 2014

4. Value of 2013 U.S.-NAFTA Freight on Surface Modes Rose from 2012; Declined on Air and Vessel

Three of the five transportation modes – the surface transportation modes of truck, rail and pipeline – carried more U.S. trade with North American Free Trade Agreement (NAFTA) partners Canada and Mexico by value in 2013 than in 2012 while the value of freight transported by air and vessel decreased, according to the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS).

5. Large Urban Transit, January 2014

In January 2014, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems was unchanged from January 2013 at \$280.7 million. Over the same period, ridership levels fell 0.8% to 142.8 million passenger trips.

6. Trucking Commodity Origin and Destination Survey, 2012

Trucking companies in Canada with annual revenues of \$1.3 million or more hauled 651 million tonnes in 2012, up 8.3% from 2011. The increase was primarily a result of the growth of freight hauled domestically, which rose 7.9% to 562 million tonnes. Transborder shipments, hauled between Canada and the United States or Mexico, increased 10.6% from 2011 to 89 million tonnes in 2012. Ontario remained the principal origin for freight shipped by truck within Canada.

7. Couriers and Messengers Services Price Index, February 2014

The Couriers and Messengers Services Price Index (CMSPI) increased 0.7% in February 2014 compared with January 2014. The courier portion rose 0.9% while the local messenger component edged down 0.1%. On a year-over-year basis, the CMSPI increased 3.1% in February.

8. Passenger bus and urban transit, 2012

HIGHWAY TRANSPORTATION Canada

1. Three of Five Modes Carried More U.S.-NAFTA Trade in December 2013 than in December 2012, February 27, 2014, www.dot.gov

2. Couriers and Messengers Services Price Index, January 2014, February 28, 2014, www.statcan.gc.ca

3. Ontario Lengthens B-trains; Gives Tow Trucks Right of Way, March 18, 2014, www.todaystrucking.com

4. Value of 2013 U.S.-NAFTA Freight on Surface Modes Rose from 2012; Declined on Air and Vessel, March 20, 2014, www.dot.gov

5. Large Urban Transit, January 2014, March 24, 2014, www.statcan.gc.ca

6. Trucking Commodity Origin and Destination Survey, 2012, March 25, 2014, www.statcan.gc.ca

7. Couriers and Messengers Services Price Index, February 2014, March 28, 2014, www.statcan.gc.ca

8. Passenger bus and urban transit, 2012, March 27, 2014, www.statcan.gc.ca

9. TransForce Gets Green Light in \$136M Takeover of Vitran, March 27, 2014, www.todaystrucking.com

10. Severe weather impacted January 2014 U.S.-Canada freight flows, March 27, 2014, www.dot.gov

US

1. Freight Shipments Fell 2.8% in January from December, March 12, 2014, www.dot.gov

Data from the Passenger Bus and Urban Transit Survey are now available for 2012 on Statistics Canada website.

9. TransForce Gets Green Light in \$136M Takeover of Vitran

TransForce deal to buy less-than-truckload transportation company, Vitran, was approved under the *Competition Act*. Under the deal, which is valued at US\$136 million, including Vitran's US\$29 million debt, TransForce will acquire all Vitran shares that it does not already own.

10. Severe weather impacted January 2014 U.S.-Canada freight flows

Severe weather in January 2014 impacted freight transportation, contributing to a decline in U.S.-Canada trade for January 2014. Freight moving across the northern border in January 2014 was down 3.4 percent from January 2013, the first decline from the same month of the previous year since June 2013 and the largest year-to-year decline since November 2009, according to the U.S. Department of Transportation's Bureau of Transportation Statistics. Trade using truck, the largest mode, declined 4.9 percent while rail dropped 9.9 percent. Air trade also declined while pipeline and vessel increased.

GENERAL TRANSPORTATION

Canada

1. Canada needs infrastructure iBanks: Van Horne Institute

With the huge "infrastructure deficit" facing this country, Canada needs to debate whether infrastructure banks (iBanks) should be created to help federal, provincial and municipal governments build a backlog of roads, schools, and public transportation, said a report issued on February 27, 2014 by the Van Horne Institute (VHI).

2. Consumers and farmers "would prosper from reformed dairy policy": Conference Board

Consumers would enjoy a long-term reduction in dairy prices and the industry could be even more profitable than it is under the existing supply management system, under a reform proposal released today by The Conference Board of Canada. The report, *Reforming Dairy Supply Management: The Case for Growth*, proposes a three-part reform in which Canadian consumers could eventually save an estimated \$2.4 billion annually, and farmers could gain almost \$2.5 billion from exporting high-quality dairy products to markets where demand is growing rapidly. "Supply management reform must coordinate the three major aspects of supply management: price setting, quota, and trade barriers. Cutting out any single part of the reform makes the entire system unstable,"

3. Terence Corcoran: Finally, a way to kill the sacred subsidized cow

On March 6, 2014. Canadians have before them what appears to be the first coherent, top-to-bottom supply management reform plan. If adopted, the plan could relieve Canadian consumers of high dairy prices, eliminate obstacles to free trade and create an opportunity for growth. Imagine Canada as an exporter of dairy products, part of a growing global industry rather than a stagnant backwater. Imagine milk and cheese selling at discounts of maybe 30%, more in many cases. It is believed that the entire supply-management could be replaced in three years.

4. Minister Raitt highlights importance of international trade and reliable transportation infrastructure in remarks at Toronto Region Board of Trade

The Honourable Lisa Raitt, Minister of Transport, in her remarks to the Toronto Region Board of Trade announced promotion of the role of transportation in Canada's economic future. Two priority transportation infrastructure projects for the government were highlighted — the new bridge for the St. Lawrence corridor project in

Canada

1. Canada needs infrastructure iBanks: Van Horne Institute, February 27, 2014, www.ctl.ca
2. Consumers and farmers "would prosper from reformed dairy policy": Conference Board, March 6, 2014, www.ctl.ca
3. Terence Corcoran: Finally, a way to kill the sacred subsidized cow, March 6, 2014, www.nationalpost.ca
4. Minister Raitt highlights importance of international trade and reliable transportation infrastructure in remarks at Toronto Region Board of Trade, March 18, 2014, www.tc.gc.ca
5. Travel between Canada and other countries, January 2014, March 19, 2014, www.statcan.gc.ca
6. Canadian Wheat Board announces construction of high throughput facility in Bloom, Manitoba, March 25, 2014, www.ctl.ca
7. Canadian freight costs continue to soar, March 26, 2014, www.ctl.ca

Publications

1. **Multimodal Transport Indicators**, February 2014, www.bts.gov
2. **Peer Review of Mexican Railways Released**, March 5, 2014, www.cemt.org
3. **Rising Freight Rail Premiums Suggest Lack of Competition**, Study Says, March 17, 2014, www.joc.com
4. **Travelling with an Attendant in the Federal Transportation System: A Resource Tool for Persons with Disabilities and Carriers**, March 19, 2014, www.cta-otc.gc.ca

Montreal and the new Detroit River International Crossing in Windsor. She put the spotlight on the recently announced Canada-Korea Free Trade Agreement. She also spoke about Canada's efforts to ensure the safe development and transport of our energy exports. Minister Raitt also discussed the New Building Canada Plan, which will see the Government of Canada invest \$53 billion in infrastructure across the country over the next 10 years.

5. Travel between Canada and other countries, January 2014

Travel by Canadian residents abroad and travel to Canada from abroad both decreased by 2.1% in January, 2014, according to Statistics Canada.

6. Canadian Wheat Board announces construction of high throughput facility in Bloom, Manitoba

The Canadian Wheat Board (CWB) announced the construction of its first state-of-the-art grain elevator west of Portage La Prairie in Bloom, Manitoba. The elevator is expected to be ready to receive grain for the 2015 harvest. Once completed, the facility will feature industry-leading railcar loading times and 33,900 metric tonnes (mT) of storage.

7. Canadian freight costs continue to soar

The total cost of transportation for Canadian shippers has risen 1.6% from December 2013 to January 2014 according to research published today from the Canadian General Freight Index (CGFI).