

# Transportation Information Update\*

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May 2014, No. 117

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## AIR TRANSPORTATION

### 1. U.S. PreCheck program expands to Air Canada passengers

The U.S. Transportation Security Administration is expanding its PreCheck expedited screening program to passengers on international airlines. On April 29, 2014, Air Canada became the first international carrier to participate, with TSA officials saying other foreign airlines would soon sign on. Airlines need to first update their computer systems to embed extra information in their boarding-pass barcodes as well as printing a PreCheck logo.

### 2. Aircraft movement statistics: Small airports, January 2014

In January 2014, 126 airports without air traffic control towers reported 33,072 movements (take-offs and landings). Goose Bay, Newfoundland and Labrador (2,155 movements) and Red Lake, Ontario (1,765 movements) were the most active sites.

### 3. Quarterly civil aviation statistics, first quarter 2013

Operating and financial data on civil aviation are now available for the first quarter of 2013 on Statistics Canada website ([www.statcan.gc.ca](http://www.statcan.gc.ca))

### 4. Air Canada Opposes Proposed Ontario Budget Increases to Aviation Fuel Taxes

Air Canada on May 2, 2014 commented on the proposed Ontario budget to increase aviation excise fuel taxes as well as the decision by Ontario Opposition parties to defeat the government's proposed budget. "As one of the largest private sector employers in the province of Ontario, I can say that the proposed increase to aviation fuel taxes is bad for our industry, bad for our employees, bad for our customers and ultimately bad for the economy of Ontario," said Calin Rovinescu, President and Chief Executive Officer. "Ontario will continue to lose business to U.S. border airports and other provinces with more progressive perspectives on economic development. The approach on aviation rates, charges and taxes must go in the other direction..."

### 5. Cargo Growth Trend Pauses

The International Air Transport Association (IATA) released data showing air freight markets in March 2014 were up 5.9% compared to a year ago and capacity grew 3.4%. While this marks a significant improvement in volumes compared to March 2013, much of the growth took place in the final quarter of 2013 (over and above the usual year-end volume growth). Since the beginning of 2014, air cargo volumes have been basically flat. This plateau in volumes is consistent with the recent pause in improvements to business confidence and world trade.

### 6. WestJet reports April load factor of 82.3 per cent

WestJet on May 5, 2014 announced a load factor of 82.3 per cent for April 2014. Revenue passenger miles (RPMs), or traffic, increased 6.5 per cent year-over-year, and capacity, measured in available seat

## AIR TRANSPORTATION

### Canada

1. U.S. PreCheck program expands to Air Canada passengers, April 29, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)
2. Aircraft movement statistics: Small airports, January 2014, May 1, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Quarterly civil aviation statistics, first quarter 2013, May 1, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Air Canada Opposes Proposed Ontario Budget Increases to Aviation Fuel Taxes, May 2, 2014, [www.aircanada.ca](http://www.aircanada.ca)
5. Cargo Growth Trend Pauses, May 4, 2014, [www.iata.org](http://www.iata.org)
6. WestJet reports April load factor of 82.3 per cent, May 5, 2014, [www.westjet.ca](http://www.westjet.ca)
7. WestJet reports first quarter net earnings of \$89 million, May 6, 2014, [www.westjet.ca](http://www.westjet.ca)
8. WestJet profit beats on higher traffic, new flights, May 6, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)
9. WestJet Encore says bienvenue to Quebec City, May 5, 2014, [www.westjet.ca](http://www.westjet.ca)
10. Air Canada Reports Record April Load Factor, May 5, 2014, [www.aircanada.ca](http://www.aircanada.ca)
11. 4th-Quarter and Annual 2013 Airline Financial Data, May 5, 2014, [www.dot.gov](http://www.dot.gov)
12. Demand for Air Travel Decelerates In March, May 7, 2014, [www.iata.org](http://www.iata.org)
13. Air Canada to Launch Year-Round Service to Rio de Janeiro, May 7, 2014, [www.aircanada.ca](http://www.aircanada.ca)
14. WestJet Encore launches new Fort McMurray services, May 12, 2014, [www.westjet.ca](http://www.westjet.ca)
15. Bienvenidos A Canada: Canada's Aviation Sector Applauds Measures to Streamline Visas as a Step to Increasing Travel and Trade, May 12, 2014, [www.cacairports.ca](http://www.cacairports.ca)
16. Air Canada welcomes its first Dreamliner, May 14, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)
17. Air Canada Reports First Quarter 2014 Results, May 15, 2014, [www.aircanada.ca](http://www.aircanada.ca)
18. Air Canada loss widens on weak Canadian dollar, rough winter, May 15, 2014, [www.financialpost.ca](http://www.financialpost.ca)

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

miles (ASMs), grew 7.1 per cent over the same period. The load factor was down 0.4 points compared to the same period a year ago.

#### **7. WestJet reports first quarter net earnings of \$89 million**

WestJet on May 6, 2014 announced its first quarter results for 2014, with net earnings of \$89.3 million, or \$0.69 per diluted share. This compares with the net earnings of \$91.1 million, or \$0.68 per diluted share reported in the first quarter of 2013. Based on the trailing twelve months, the airline achieved a return on invested capital of 13.7 per cent, compared with the 13.9 per cent reported in the previous quarter. These results include pre-tax recoveries of value added taxes of \$17.6 million associated with fuel costs and \$2.5 million associated with airport costs incurred from 2009 to 2013.

#### **8. WestJet profit beats on higher traffic, new flights**

Canada's second-largest carrier, reported a better-than-expected quarterly profit on May 6, 2014, the sizable tax recovery helped offset the impact of a weaker Canadian dollar. WestJet said that net earnings for the quarter ended March 31 fell to C\$89.3-million (\$81.5-million), or 69 Canadian cents per share, from C\$91.1-million, or 68 Canadian cents per share, a year earlier. This beat analyst's expectation of 63 Canadian cents. The results include tax recoveries and airport costs. Revenue rose 7.7 per cent to C\$1.04-billion, in line with expectations.

#### **9. WestJet Encore says bienvenue to Quebec City**

WestJet announced on May 6, 2014 the launch of new, non-stop twice-daily service between Toronto and Quebec City, Quebec, effective March 15, 2015.

#### **10. Air Canada Reports Record April Load Factor**

For the month of April 2014, Air Canada reported a record system load factor of 83.3 per cent, versus 82.1 per cent in April 2013, an increase of 1.2 percentage points on a system-wide capacity increase of 7.5 per cent. On this additional capacity, system wide traffic for April increased 9.0 per cent. "I am pleased to report a record load factor of 83.3 per cent for the month of April," said Calin Rovinescu, President and Chief Executive Officer..."

#### **11. 4th-Quarter and Annual 2013 Airline Financial Data**

U.S. scheduled passenger airlines reported a net profit of \$7.3 billion in the fourth quarter of 2013, up from a loss of \$188 million in the fourth quarter of 2012, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 5, 2014 in a release of preliminary data.

#### **12. Demand for Air Travel Decelerates In March**

The International Air Transport Association (IATA) announced global passenger traffic results for March 2014 showing a moderation of the pace of growth in demand. Total revenue passenger kilometers (RPKs) increased 3.1% compared to March 2013. Although this represented a slowdown in comparison to the February year-over-year traffic increase of 5.6%, cumulative traffic growth for the first quarter of 2014 was 5.6%, which is a slight improvement over the 5.2% overall growth achieved in 2013.

#### **13. Air Canada to Launch Year-Round Service to Rio de Janeiro**

Air Canada on May 7, 2014 announced that it will launch a new, non-stop service between Toronto and Rio de Janeiro beginning December 11, 2014. The year-round flights to Brazil's "Marvelous City" will complement Air Canada's existing daily non-stop service to Sao Paulo.

#### **14. WestJet Encore launches new Fort McMurray services**

19. Air Canada's Dreamliner Touches Down in Toronto, May 18, 2014, [www.aircanada.ca](http://www.aircanada.ca)

20. Air Canada eyes Asian expansion with Dreamliner launch, May 19, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)

21. A new era for Air Canada: Airline launches major new marketing campaign May 20, May 20, 2014, [www.aircanada.ca](http://www.aircanada.ca)

22. Civil aviation operating statistics, March 2014, May 21, 2014, [www.statcan.ca](http://www.statcan.ca)

23. How WestJet's Encore could hurt Air Canada, eliminate Porter, May 22, 2014, [www.nationalpost.ca](http://www.nationalpost.ca)

24. The Harper government to allow passengers to use portable electronic devices during all phases of flight, May 26, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)

25. WestJet applauds Transport Canada decision on PEDs, May 26, 2014, [www.westjet.ca](http://www.westjet.ca)

26. Air Canada Ready to Implement Expanded Use of Portable Electronic Devices for all Phases of Flight aboard its Aircraft, May 26, 2014, [www.aircanada.ca](http://www.aircanada.ca)

27. Air Freight Markets in Modest Slowdown, May 27, 2014, [www.iata.org](http://www.iata.org)

28. Air Canada rouge Expands to Hawaii, May 27, 2014, [www.aircanada.ca](http://www.aircanada.ca)

29. Air Canada Increases Capacity to Charlottetown during Peak Summer Celebrations, May 28, 2014, [www.aircanada.ca](http://www.aircanada.ca)

30. Passenger Demand Growth Accelerates in April, April 29, 2014, [www.iata.org](http://www.iata.org)

#### **US**

1. March [US] Airline On-Time Performance Down From Previous Year, Up from February, May 13, 2014, [www.dot.gov](http://www.dot.gov)

2. February 2014 U.S. Airline Traffic Data, May 15, 2014, [www.dot.gov](http://www.dot.gov)

3. U.S. Department of Transportation Proposes Additional Consumer Protections for Air Travelers, May 21, 2014, [www.dot.gov](http://www.dot.gov)

4. BTS Releases March 2014 Passenger Airline Employment Data, May 22, 2014, [www.dot.gov](http://www.dot.gov)

WestJet on May 12, 2014 inaugurated new non-stop daily service between Kelowna, B.C., and Fort McMurray and between Vancouver and Fort McMurray. Both services are offered by WestJet Encore using its fleet of Canadian-made Bombardier Q400 NextGen aircraft.

#### **15. Bienvenidos A Canada: Canada's Aviation Sector Applauds Measures to Streamline Visas as a Step to Increasing Travel and Trade**

The National Airlines Council of Canada (NACC) and the Canadian Airports Council (CAC) welcome Citizenship and Immigration Minister Chris Alexander's announcement of the launch of a new CAN+ program which will expedite visa processing for some Mexican travellers. "This is good news and represents what we hope can be a first step toward eventually waiving the visa requirement for all Mexican travellers," said Marc-André O'Rourke, Executive Director of the NACC. "Canada's major airlines recognize that making it faster and easier to visit Canada is fundamental to expanding business, trade and travel with our partners such as Mexico. It is encouraging to see that Canada is taking steps to streamline its visa processes," added O'Rourke.

#### **16. Air Canada welcomes its first Dreamliner**

The delivery of the Dreamliner is one of the most important deliveries in the history of Air Canada. The 787 has more seats than the aged Boeing 767s it's replacing, carries those passengers farther and does it by using less fuel. Deploying the right plane on the right route is crucial to the carrier's growth strategy. The larger Boeing 777 doesn't make sense on many long-haul routes, but the Dreamliner can be profitable because it has fewer seats to fill than the 777 for secondary aviation markets such as Tel Aviv, where there isn't enough demand to fill the bigger aircraft. The Boeing 787 allows Canada's largest airline to offer flights to new destinations, upgrade existing routes and try to win back market share it has lost to international carriers and discount competitors.

#### **17. Air Canada Reports First Quarter 2014 Results**

Air Canada on May 15, 2014 reported first quarter earnings before interest, taxes, depreciation, amortization and impairment, and aircraft rent (EBITDAR) of \$147 million compared to EBITDAR of \$145 million in the first quarter of 2013. An operating loss of \$62 million in the first quarter of 2014 reflected a \$44 million improvement from the same quarter in 2013. On a GAAP (generally accepted accounting principles) basis, in the first quarter of 2014, Air Canada reported a net loss of \$341 million or \$1.20 per diluted share compared to a net loss of \$260 million or \$0.95 per diluted share in the first quarter of 2013. The net loss in the first quarter of 2014 included foreign exchange losses of \$161 million versus foreign exchange losses of \$40 million in the first quarter of 2013.

#### **18. Air Canada loss widens on weak Canadian dollar, rough winter**

Air Canada reported a bigger first-quarter loss, mainly due to foreign exchange losses of \$161 million and harsh winter weather. Canada's largest carrier said its net loss widened to \$341 million, or \$1.20 per share, in the quarter ended March 31, from \$260 million, or 95 cents per share, a year earlier. The Montreal-based company's operating revenue rose 3.8 % to \$3.07 billion.

#### **19. Air Canada's Dreamliner Touches Down in Toronto**

Air Canada has completed its first Boeing 787 Dreamliner flight with the arrival of AC7008 at Toronto's Pearson airport on May 18, 2014 carrying 100 of the airline's employees on its maiden voyage. Air Canada is the first Canadian airline to fly the new aircraft which, with its long-range and unsurpassed fuel efficiency, will play a starring role in the airline's international expansion strategy. Air Canada has orders for 37 Boeing 787 aircraft.

#### **20. Air Canada eyes Asian expansion with Dreamliner launch**

Air Canada is beefing up its existing Asian routes to lure Canadian families, while making plans for new destinations to tap into the growing middle class in emerging economies such as China and India. The country's largest airline announced on May 19, 2014, that it will deploy the 251-seat Boeing 787 Dreamliner on service between Vancouver and Tokyo's Narita Airport, and also assign the 787 on the Vancouver-Shanghai route.

#### **21. A new era for Air Canada: Airline launches major new marketing campaign May 20**

Official debut of a new brand campaign and the arrival of Air Canada's new Boeing 787 Dreamliner usher in a new era for the nation's airline. In 2009, Air Canada declared its ambition to become a true global carrier, competing against the world's best airlines. Five years later, several key elements of that strategy are now in place, including: 1) The introduction of a new International Premium Economy service; 2) Achievement of the prestigious 4 star rating from Skytrax; 3) The delivery of the first of 37 Boeing 787 Dreamliners; 4) A fleet renewal strategy that includes refurbishment; and 5) The expansion of its

international network. The integrated campaign debuts across the country with an innovative media strategy.

#### **22. Civil aviation operating statistics, March 2014**

Operating statistics for civil aviation are now available on its website ([www.statcan.ca](http://www.statcan.ca)).

#### **23. How WestJet's Encore could hurt Air Canada, eliminate Porter**

WestJet Airlines Ltd. is creating demand by entering new regional markets and lowering fares. The ongoing expansion of WestJet's Encore regional carrier represents a major threat to Porter Airlines in Eastern Canada. Prices have fallen on routes it has entered and excess capacity in the Canadian airline sector has been weighing on investors' minds for some time. Nevertheless, analysts favourably look upon WestJet's stock.

#### **24. The Harper government to allow passengers to use portable electronic devices during all phases of flight**

The Honourable Lisa Raitt, Minister of Transport, on May 26, 2014 announced an important change that will benefit travellers flying with Canadian air operators, as well as the aviation industry. Passengers will soon be able to use portable electronic devices such as cameras, electronic games, tablets and computers during all phases of flight. This can be done also while an aircraft takes off, climbs, descends and lands, provided the device is in non-transmitting, or flight mode, and that their airline has met certain safety conditions outlined by Transport Canada.

#### **25. WestJet applauds Transport Canada decision on PEDs**

WestJet announced on May 26, 2014 that it will apply to Transport Canada for an exemption to allow guests greater use of their portable electronic devices (PEDs) during flights. WestJet praised Canada for making this decision on PEDs.

#### **26. Air Canada Ready to Implement Expanded Use of Portable Electronic Devices for all Phases of Flight aboard its Aircraft**

Air Canada welcomed the announcement on May 26, 2014 by the Federal Government of Canada permitting the expanded use of Portable Electronic Devices (PEDs) by travelers aboard aircraft during all phases of flight. Air Canada, Air Canada rouge and its Air Canada Express regional partners are finalizing measures to safely implement the new procedures so customers can enjoy greater use of their PEDs in non-transmitting mode while on the airlines' flights.

#### **27. Air Freight Markets in Modest Slowdown**

The International Air Transport Association (IATA) released data for global air freight markets in April 2014 showing demand (measured in Freight Tonne Kilometers or FTKs) was 3.2% above previous year levels. Demand has not, however, grown in recent months. Traffic levels in April 2014 were slightly below those of January 2014 and 1.1% lower than what was recorded in March 2014.

#### **28. Air Canada rouge Expands to Hawaii**

Air Canada on May 27, 2014 announced that its leisure carrier subsidiary, Air Canada rouge™, is expanding service to Hawaii with the introduction of new year-round non-stop flights between Toronto and Honolulu. The new route, offering the only non-stop service between Toronto and Hawaii, will begin November 26, 2014.

#### **29. Air Canada Increases Capacity to Charlottetown during Peak Summer Celebrations**

Air Canada on May 28, 2014 announced that it will further adjust its schedule to offer more capacity to and from Charlottetown, PEI during the peak summer travel months with a 21 per cent total overall increase in available seats over last summer.

#### **30. Passenger Demand Growth Accelerates in April**

The International Air Transport Association (IATA) announced global passenger traffic results for April 2014 showing a healthy increase in demand. Total revenue passenger kilometers (RPKs) rose 7.5% compared to April 2013, an improvement over March growth of 2.9%.

## **WATER TRANSPORTATION**

### **1. Metro Vancouver trucking firms challenge federal right to set container rates**

Raising the per-container rates of pay for truck owner-operators was a big part of resolving the recent Vancouver port dispute, but the companies argue that the federal government, through Port Metro Vancouver, has no authority to set rates because trucking is a provincially regulated industry. “The port increased (rates) as a condition of licence, where the trucking companies had no involvement at all,” said Israel Chafetz, one of the lawyers on the case, which involves 33 trucking firms led by Pro West Transport and Trend Transport.

### **2. Joint Action Plan moves forward with expedited container truck GPS Program**

The Government of Canada, the Province of British Columbia, and Port Metro Vancouver on May 2, 2014 announced joint funding of \$1.71 million for an expedited initiative to outfit the remainder of the container truck fleet, approved to serve port terminals as part of Port Metro Vancouver’s Truck Licensing System (TLS), with Global Positioning System (GPS) technology. This initiative aims to reduce congestion and wait times at Port Metro Vancouver.

### **3. Trucking companies sue Port Metro Vancouver and federal government**

A group of trucking companies is taking the federal government and Port Metro Vancouver to court. The 33 businesses have filed a notice of civil claim in the Supreme Court of British Columbia. According to the lawyer representing them, Israel Chafetz of the Vancouver-based law firm Taylor Jordan Chafetz, the legal action is a direct result of the federal government’s involvement in settling the strike and work stoppage at the port earlier this year.

### **4. Prince Rupert Port Authority – Monthly Traffic Report – April 2014**

The Port of Prince Rupert released its monthly traffic statistics for April 2014 on May 6, 2014. Total number of TEUs for the month of April 2014 increased 10.8% to 48,442.75. Year-to-date traffic however is down by 1.05% to 176,811.50 TEUs. The increase in the monthly statistics was basically due to a 19.58% increase in imports. Exports increased by only 0.6%.

### **5. Harper government strengthens world-class tanker safety system**

The Government of Canada announced on May 13, 2014 that it is further strengthening Canada’s already robust tanker safety system. These measures act on recommendations by the independent Tanker

Safety Expert Panel and build on other studies, as well as input received from provincial governments, Aboriginal groups and marine stakeholders from across Canada. These safety measures are in addition to those announced by the Government of Canada in March 2013. The improvements announced on May 13, 2014 work towards preventing spills in the first place, cleaning them up quickly if they do occur, and making sure polluters pay. Implementing these new measures represents an ongoing commitment to the Canadian public towards Canada’s world-class tanker safety system, which is essential to protect our marine environments and responsibly transport our natural resources.

### **6. Montreal Port Authority announces good results in 2013**

The Port of Montreal announced that it had another very good year in 2013 despite difficult economic conditions. In fact, it managed to maintain comparable results to those of the last two years, and to put this in context, 2011 was a record year. In 2013, the Port of Montreal handled a grand total of 28.2 million tonnes of cargo, a slight decrease of 0.9% compared to 2012, the port announced. The President and CEO of the Montreal Port Authority (MPA), Ms. Sylvie Vachon, reported on the MPA’s activities in 2013 at the

## **WATER TRANSPORTATION Canada**

1. Metro Vancouver trucking firms challenge federal right to set container rates, Vancouver Sun, April 29, 2014, [www.portofmontreal.ca](http://www.portofmontreal.ca)
2. Joint Action Plan moves forward with expedited container truck GPS Program, May 2, 2014, [www.portmetrovancover.com](http://www.portmetrovancover.com)
3. Trucking companies sue Port Metro Vancouver and federal government, May 5, 2014, [www.ctl.ca](http://www.ctl.ca)
4. Prince Rupert Port Authority – Monthly Traffic Report – April 2014, May 6, 2014, [www.rupertport.com](http://www.rupertport.com)
5. Harper government strengthens world-class tanker safety system, May 13, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)
6. Montreal Port Authority announces good results in 2013, May 13, 2014, [www.ctl.ca](http://www.ctl.ca)
7. Government of Canada launches North American Safe Boating Awareness Week with new funding for
8. Port Metro Vancouver Accumulated Container Traffic Report – April 2014, May 16, 2014, [www.portmetrovancover.com](http://www.portmetrovancover.com)
9. Plans underway to expand Centerm container terminal, May 16, 2014, [www.portmetrovancover.com](http://www.portmetrovancover.com)
10. Port of Montreal – Y-T-D- Annual Container Traffic, May 26, 2014, [www.portmontreal.ca](http://www.portmontreal.ca)
11. Mediator releases recommendations for Port Metro Vancouver, May 25, 2014, [www.ctl.ca](http://www.ctl.ca)

## **US/EEC**

1. Maritime transport: Commission clarifies EU rules on cabotage and reports on developments in this sector, April 24, 2014, [www.europa.eu](http://www.europa.eu)

annual meeting held on May 13, 2014. Vachon also took the occasion to the organization's financial results.

**7. Government of Canada launches North American Safe Boating Awareness Week with new funding for boating safety projects**

The Honourable Lisa Raitt, Minister of Transport, on May 15, 2014 announced \$667,000 in funding for eleven boating safety awareness projects under Transport Canada's Boating Safety Contribution Program (BSCP) over the next three years. This funding is additional to the \$1.8 million announced under the BSCP in 2013 for projects that began in the 2013 boating season.

boating safety projects, May 15, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)

**8. Port Metro Vancouver Accumulated Container Traffic Report – April 2014**

The Port of Metro Vancouver reported its container traffic for April 2014 on May 15, 2014. The total number for TEUs shipped for the year (January to April 2014) decreased by 1.2% to 865,475 from 876,493. Imports increased by 2% and exports decreased by 5.1% year-to-date compared to the same period in 2013.

**9. Plans underway to expand Centerm container terminal**

Port Metro Vancouver will be investigating design options to expand Centerm container terminal to help address the anticipated shortfall in future container capacity. Trade to and from Canada, especially with Asia, is growing. Independent forecasts show that container traffic on Canada's west coast will double over the next 10 to 15 years to accommodate growing demand for Canadian imports and exports.

**10. Port of Montreal – Y-T-D - Annual Container Traffic**

The Port of Montreal released its container traffic for the period January 2014 to April 2014. Total traffic for this period was 433,364 TEUs an increase of 3.3% compared to the same period in 2013. Inbound traffic increased by 7.1% and outbound traffic decreased by 0.7%.

**11. Mediator releases recommendations for Port Metro Vancouver**

Vincent Ready the appointed mediator released his recommendations to end the labour stoppage by the unionized members of Unifor-Vancouver Container Truckers' Association (VCTA) and by the non-unionized owner/operators who belong to the United Truckers Alliance (UTA). Ready acknowledged that it would be difficult to implement fixes. He wrote "We make the recommendations acknowledging that some of the commitments made will have to be implemented in the shadow of the Marine Act requirements and law suits. That said, it is our view that immediate action must be taken with respect to wait times. To date, drivers have not been compensated for wait times and in our opinion, it is necessary to provide recommendations to assist in facilitating such compensation." Ready also provided a formula for paying drivers for wait times.

## RAIL TRANSPORTATION

### 1. Railway Carloadings, February 2014

The Canadian railway industry carried 24.1 million tonnes of freight in February 2014, down 5.6% from the same month last year. The decrease in shipment activity was tied to a drop in domestic loadings, which were affected by harsh winter weather. Intermodal loadings rose 3.1% to 157,000 units in February 2014. From a tonnage perspective, traffic advanced 6.7% to 2.5 million tonnes. The increase was a result of gains in both containerized cargo shipments and trailers loaded on to flat cars.

### 2. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on April 30, 2014 declared a quarterly dividend of thirty-five cents (\$0.35) Canadian per share on the outstanding Common Shares. The dividend is payable on July 28, 2014.

### 3. Shippers push for Congressional rail reforms

Congressional action is needed in order to provide shippers with competitive rail service, according to a letter sent to Congress by more than 25 shippers and shipper groups. The April 30 letter, addressed to Speaker of the House John Boehner and Minority Leader Nancy Pelosi, argued that while the Surface Transportation Board is pondering the issue of rail competition, there are substantive changes to the industry that must be made by Congress.

### 4. CP Rail to lead industry in efficiency within six months: CEO

Two years after taking control of Canadian Pacific Railway, chief executive Hunter Harrison said his aggressive overhaul of CP will transform it into North America's most efficient carrier. The country's second-largest carrier will roll into fresh territory in the next two quarters as the lowest-cost operator among Class 1 railroads. In 2013, CP improved the measure by 710 basis points to a record low 69.9 per cent. It is on track to do even better this year, eyeing 63 per cent.

### 5. Transport Minister focuses on railway safety and transportation challenges, highlights opportunities for the Greater Toronto Area

The Honourable Lisa Raitt, Minister of Transport, on May 2, 2014 reiterated the Government of Canada's strong commitment to rail safety in remarks delivered at the "[Moving Today for Tomorrow Transportation Symposium](#)" hosted by the Oakville Chamber of Commerce and the Professional Engineers Ontario Oakville Chapter. Minister Raitt reaffirmed a commitment to protect communities along Canada's railway lines, including those in the Greater Toronto Area, through a strong regulatory regime for trains travelling in both rural and urban areas.

### 6. Bill C-30 Passes Third Reading in the House of Commons

Agriculture Minister Gerry Ritz and Transport Minister Lisa Raitt on May 5, 2014 announced that the Government's *Fair Rail for Grain Farmers Act* (Bill C-30) passed third reading on May 5, 2014. The House of Commons and has been referred the bill to the Senate. Specifically, through Bill C-30, 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; 3) Better balance accountability in agreements and contracts between shippers and railways; and, 4) Help ensure the entire grain handling and transportation system is working efficiently and at top capacity. Based on the feedback heard at Parliamentary committee, the Standing Committee on Agriculture and Agri-Food passed an amendment to Bill C-30 which would also create the authority for the Canadian Transportation Agency to order a railway to compensate shippers for expenses incurred as a result of a railway's failure to fulfill its service obligations.

### 7. E. Hunter Harrison to remain with Canadian Pacific until 2017

## RAIL TRANSPORTATION Canada

1. Railway Carloadings, February 2014, April 30, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Canadian Pacific Railway Limited declares dividend, April 30, 2014, [www.cpr.ca](http://www.cpr.ca)
3. Shippers push for Congressional rail reforms, May 1, 2014, [www.americanshipper.com](http://www.americanshipper.com)
4. CP Rail to lead industry in efficiency within six months: CEO, May 1, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)
5. Transport Minister focuses on railway safety and transportation challenges, highlights opportunities for the Greater Toronto Area, May 2, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)
6. Bill C-30 Passes Third Reading in the House of Commons, May 5, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)
7. E. Hunter Harrison to remain with Canadian Pacific until 2017, May 7, 2014, [www.cpr.ca](http://www.cpr.ca)
8. U.S. DOT new emergency actions aim to keep crude oil shipments safe, regulator says, May 7, 2014, [www.ctl.ca](http://www.ctl.ca)
9. CP CEO calls for face-to-face discussions to address Canadian grain supply chain issues, May 8, 2014, [www.cpr.ca](http://www.cpr.ca)
10. Passenger rail service to continue in Northern New Brunswick, May 12, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)
11. Minister Raitt announces new monetary penalties to strengthen railway safety enforcement, May 16, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Claude Mongeau underscores CN's unwavering commitment to safety, May 22, 2014, [www.cn.ca](http://www.cn.ca)
13. North American Rail Volumes Continue to Rise, May 23, 2014, [www.joc.com](http://www.joc.com)
14. Railway Carloadings, March 2014, May 28, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)
15. CN transporting "record levels" of Canadian grain, May 28, 2014, [www.ctl.ca](http://www.ctl.ca)

The Board of Directors for Canadian Pacific Railway Limited on May 7, 2014 announced that CP Chief Executive Officer E. Hunter Harrison has agreed to a contract extension with the railway for an additional year until 2017.

#### **8. U.S. DOT new emergency actions aim to keep crude oil shipments safe, regulator says**

The US Department of Transportation (DOT) has issued an Emergency Order requiring all railroads operating trains containing large amounts of Bakken crude oil to notify State Emergency Response Commissions (SERCs) about the operation of these trains through their states. Additionally, DOT's Federal Railroad Administration (FRA) and Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Safety Advisory strongly urging those shipping or offering Bakken crude oil to use tank car designs with the highest level of integrity available in their fleets.

#### **9. CP CEO calls for face-to-face discussions to address Canadian grain supply chain issues**

Canadian Pacific Chief Executive Officer E. Hunter Harrison said on May 8, 2014 that direct face-to-face discussions based on facts are the best way to make progress on strengthening Canada's grain handling and transportation system. "We need constructive dialogue instead of the ongoing back and forth that is happening in the media among various parties," said Harrison. "CP has reached out to customers and other stakeholders, including the Western Grain Elevator Association, and look forward to further constructive dialogue in person, rather than through the media. This way, stakeholders like the WGEA, would have a better understanding of supply chain realities and everything CP is doing to continue to move record amounts of grain."

#### **10. Passenger rail service to continue in Northern New Brunswick**

The Honourable Lisa Raitt, Minister of Transport, and the New Brunswick Premier, the Honourable David Alward, were pleased to announce on May 12, 2014 that a tentative agreement has been reached between VIA Rail and the Canadian National Railway (CN), which will allow VIA's passenger rail service to continue on the Newcastle subdivision. As a result of this agreement, VIA Rail will be able to continue to offer its *Ocean* passenger rail service between Bathurst and Miramichi three days per week in each direction as part of its Montreal-Halifax service.

#### **11. Minister Raitt announces new monetary penalties to strengthen railway safety enforcement**

The Honourable Lisa Raitt, Minister of Transport, is proposing regulations that will provide Transport Canada with new enforcement tools for railway companies that violate the *Railway Safety Act*. The proposed Railway Safety Administrative Monetary Penalties Regulations, which introduce fines of up to \$250,000, will further enhance Transport Canada's ability to quickly enforce safety requirements. These types of administrative penalties—already used in the marine and aviation sectors—provide a faster alternative to prosecution.

#### **12. Claude Mongeau underscores CN's unwavering commitment to safety**

Claude Mongeau, president and chief executive officer of CN said on May 22, 2014 that dangerous goods are an integral part of everyday life and that CN has an unwavering commitment to moving all traffic safely. Mongeau, in a speech to the Edmonton Chamber of Commerce, said CN's commitment to safe operations is more than a set of principles. This is evidenced by the more than 50 per cent reduction in CN's main-track rail accidents per million train miles in Canada between 2003-2013, and the fact that 99.9% of CN movements of dangerous goods arrive at destination without a release caused by an accident.

#### **13. North American Rail Volumes Continue to Rise**

The volumes of both carloads and intermodal units on railroads in North America continued their upward trend in mid-May 2014, according to the Association of American Railroads

#### **14. Railway Carloadings, March 2014**

Canadian railways carried 27.8 million tonnes of freight in March 2014, down 1.8% from the same month last year. Shipments were affected by harsh winter weather and a strike at Port Metro Vancouver. Intermodal freight loadings rose 10.6% to 173,000 units in March. From a tonnage perspective, traffic advanced 8.8% to 2.6 million tonnes. The gain stemmed from both increased containerized cargo shipments and trailers loaded on flat cars.

#### **15. CN transporting "record levels" of Canadian grain**

CN said on May 28, 2014 that its transportation of Western Canadian grain in the 2013-2014 crop year has now surpassed its prior historical record and exceeds what it promised the Canadian government in mid-February 2014, a full month before the government's order-in-council took effect requiring railways to move specific volumes. CN's hopper car deliveries to Western Canadian grain elevators in May are expected to average 5,500 carloads per week -- a full 50 per cent more than the eight-year historical average, and 38 per cent more than the best-May ever.



## HIGHWAY TRANSPORTATION

### 1. Traffic Cost US Truckers Over \$9B Last Year

Congestion on U.S. Interstate highways added over \$9.2 billion in operational costs to the trucking industry in 2013, according to research released by the American Transportation Research Institute (ATRI). ATRI reportedly used motor carrier financial data with billions of truck GPS data points to calculate congestion delays and costs on each mile of roadway. Delays totaled over 141 million hours of lost productivity, which equals more than 51,000 truck drivers sitting idle for a working year.

### 2. EU releases summary of UPS-TNT merger decision

The European Commission has released the summary of its Jan. 30, 2013, decision that found a proposed takeover by UPS of TNT Express to be “incompatible with the internal market” and was not in the best interest of European consumers. The commission’s main argument was that “the merger would have led to a significant increase in the level of concentration of the market and a strong combined market position of the parties in a large number of [European] countries and a reduced number of competitors from four to three or three to two in some cases.

### 3. March 2014 Freight Transportation Services Index (TSI)

The amount of freight carried by the US for-hire transportation industry rose 1.6 percent in March 2014 from February 2014, rising for the second consecutive month, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS) Freight Transportation Services Index (TSI) released on May 14, 2014. The March 2014 index level (116.7) was 23.2 percent above the April 2009 low during the most recent recession.

### 4. Large Urban Transit, March 2014

In March 2014, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 1.9% from the same month in 2013 to \$296.0 million. Over the same period, ridership levels fell 0.1% to 151.8 million passenger trips.

## GENERAL TRANSPORTATION

### Canada

#### 1. Minister Raitt highlights Canadian Innovation in the Transportation Sector - Meets with colleagues at the International Transport Forum's 2014 Summit

The Honourable Lisa Raitt, Canada’s Minister of Transport, spoke on the importance of improved skills training to ensure safety as she met with global transportation leaders this week at the 2014 Summit of the International Transport Forum (ITF) held in Leipzig, Germany.

#### 2. Freight Facts and Figures 2013

The report on *Freight Facts and Figures 2013* provides an overview of US freight transportation, focusing on the volume and value of freight shipments, the extent of the freight network, industry employment and productivity patterns, and related safety, energy use, and environmental effects. It is written jointly with the Federal Highway Administration.

## HIGHWAY TRANSPORTATION Canada

1. Traffic Cost US Truckers Over \$9B Last Year, April 30, 2014, [www.ontruck.ca](http://www.ontruck.ca)
2. EU releases summary of UPS-TNT merger decision, May 7, 2014, [www.americanshipper.com](http://www.americanshipper.com)
3. March 2014 Freight Transportation Services Index (TSI), May 14, 2014, [www.dot.gov](http://www.dot.gov)
4. Large Urban Transit, March 2014, May 22, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)

### Canada

1. Minister Raitt highlights Canadian Innovation in the Transportation Sector - Meets with colleagues at the International Transport Forum's 2014 Summit, May 22, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Freight Facts and Figures 2013, May 27, 2014, [www.dot.gov](http://www.dot.gov)

### US/EEU Publications

1. Competition: Annual report shows how competition policy contributes to boosting competitiveness, May 6, 2014, [www.europa.eu](http://www.europa.eu)