

Transportation Information Update*

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AIR TRANSPORTATION

1. Porter welcomes its passengers to new Billy Bishop Toronto City Airport pedestrian tunnel

The official opening of the pedestrian tunnel at Billy Bishop Toronto City Airport is being welcomed by Porter Airlines. The tunnel is an important complement to existing ferry service that connects the airport, located on Toronto Island, with the mainland. “This is a highly anticipated day for our passengers and team members,” said Robert Deluce, president and CEO of Porter Airlines. “The airport is now even more convenient for everyone who uses it. It’s already strong contribution to economic development and tourism will continue as it becomes increasingly successful.”

2. Canada’s Airports Welcome Further Expansion of China Transit Program to Five New Cities

The Canadian Airports Council (CAC) on July 30, 2015 welcomed further expansion of the China Transit Program (CTP) to eligible Chinese travellers with the addition of five new cities: Xiamen, Fuzhou, Chengdu, Shenyang and Harbin. The CAC supports economy-boosting initiatives like CTP that encourage air service development by increasing the number of visa-free travellers transiting through Canadian airports en route to and from U.S. destinations—at little cost and no threat to Canada’s national security. “Expansion of visa-free travel to more cities in Asia is good not only for Canada’s international hub airports but also for the wider airports community that can benefit from increased connectivity to new destinations,” said Daniel-Robert Gooch, president of the Canadian Airports Council.

3. TNT, FedEx bullish on merger despite EU investigation

FedEx and TNT Express said they still expect to merge in the first half of 2016 despite the European Commission’s decision to launch an in-depth investigation of the US firm’s 4.4 billion euro (\$4.8 billion) acquisition of its smaller Dutch rival.

4. Hamilton International Airport celebrates cargo centre grand opening

The federal and Ontario governments joined with Hamilton’s Municipal Government, TradePort International Corporation and Cargojet Airways to celebrate the grand opening of the \$12 million Air Cargo Centre at John C. Munro Hamilton International Airport. Joint funding of the 77,000 square foot facility was announced in January 2013 and will support the expansion of cargo operation at the airport, and stimulate job creation and economic development for the City of Hamilton and greater region.

5. IATA Disappointed by Aéroports de Paris 2016-2020 Airport Charges Agreement

The International Air Transport Association (IATA) criticized the

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1. Porter welcomes its passengers to new Billy Bishop Toronto City Airport pedestrian tunnel, July 30, 2015, www.flyporter.com
2. Canada’s Airports Welcome Further Expansion of China Transit Program to Five New Cities, July 30, 2015, www.cac.ca
3. TNT, FedEx bullish on merger despite EU investigation, August 3, 2015, www.joc.com
4. Hamilton International Airport celebrates cargo centre grand opening, July 30, 2015, www.ctl.ca
5. IATA Disappointed by Aéroports de Paris 2016-2020 Airport Charges Agreement, July 31, 2015, www.iata.org
6. Air Canada Serving Record Numbers of Customers, July 31, 2015, www.aircanada.ca
7. Deviation from approved procedure during training flight led to 2013 helicopter crash at Sept-Îles Airport, August 4, 2015, www.stacan.gc.ca
8. Air Freight Slowdown Continues - Several Regions in Decline, August 5, 2015, www.iata.org
9. WestJet statement regarding outcome of unionization vote among pilots, August 5, 2015, www.westjet.ca
10. Passenger Demand Remains Strong, August 6, 2015, www.iata.org
11. WestJet reports July load factor of 82.8 per cent, August 6, 2015, www.westjet.ca
12. Air Canada Reports Record July Traffic Results, August 6, 2015, www.aircanada.ca
13. Largest airline group in Latin America rebrands as “LATAM”, August 7, 2015, www.ctl.ca
14. Air Canada reports record second quarter 2015 results, August 12, 2015, www.aircanada.ca
15. Airline Consumer Complaints Up From Previous Year, August 11, 2015, www.dot.gov
16. Air Canada Cargo launches e-booking tool; makes e-AWB accessible, August 13, 2015, www.ctl.ca

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

decision by the French Government to allow the operator of Paris-Charles de Gaulle (CDG) and Paris-Orly (ORY) airports to continue increasing airport charges for each year of the 2016-2020 period.

6. Air Canada Serving Record Numbers of Customers

Air Canada said it achieved a single-day record for passengers carried on July 30, 2015 and expects to surpass its record again on July 31 as Canadians take to the skies for the August holiday long weekend.

7. Deviation from approved procedure during training flight led to 2013 helicopter crash at Sept-Îles Airport

The Transportation Safety Board of Canada (TSB) on August 4, 2015 published its investigation report (A13Q0021) into an accident involving a helicopter training flight at the Sept-Îles Airport on 3 February 2013. The pilot instructor sustained serious injuries and the 2 pilots in training sustained minor injuries. The helicopter was heavily damaged. The investigation found that the approved procedure to complete this manoeuvre was not followed. As a result, the helicopter's flight profile deviated from the flight profile recommended by the manufacturer when the hydraulic system is depressurized. The investigation also found that in the absence of specific instructions for pilots regarding restoration of hydraulic pressure in the event of deviation from the flight profile, there is a risk that pilots will not be able to re-engage the hydraulic system while applying considerable effort to the helicopter controls.

17. May 2015 U.S. Airline Traffic Data, August 13, 2015, www.bts.gov
18. 1st-Quarter 2015 Air Fare Data, August 15, 2015, www.bts.gov
19. Civil aviation operating statistics, June 2015, August 20, 2015, www.statcan.gc.ca
20. June 2015 Passenger Airline Employment Data, August 20, 2015, www.bts.gov
21. Freight handling deal signed between BBE and Air China Cargo, Edmonton, August 24, 2015, www.cfl.ca
22. WestJet's first wide-body aircraft touches down today, August 27, 2015, www.westjet.ca
23. Air cargo in Asia slumps in July, regional data shows, August 27, 2015, www.joc.com
24. Cargojet, UPS enter into long-term air cargo services agreement, August 28, 2015, www.cfl.ca
25. Asia slowdown impacts Schiphol first half cargo tonnages, August 28, 2015, www.transportweekly.com

8. Air Freight Slowdown Continues - Several Regions in Decline

The International Air Transport Association (IATA) released data for global air freight markets showing a slowdown in growth for air cargo demand in June 2015. Air freight volumes measured in freight tonne kilometers (FTK) rose just 1.2% compared to a year ago. This is consistent with falling trade activity and weaker than expected global growth. Regional performance varied widely. Asia-Pacific, North American and Latin American carriers reported year-on-year declines (-0.3%, -3.3%, and -1.6% respectively) while European carriers reported that markets were flat. This was offset by the strong performance of Middle Eastern (+15.3%) and African (+6.7%) carriers to keep growth in positive territory.

9. WestJet statement regarding outcome of unionization vote among pilots

WestJet issued the following statement from President and CEO Gregg Saretsky regarding the outcome of the unionization vote among its Boeing 737 pilots. "We are pleased that the majority of our pilots who voted have voted against union representation. Our model of cooperation and employee representation through the WestJet Pilots' Association has allowed for the continued success of our pilots and our airline. Despite the positive outcome, there is continued work that needs to take place to better understand some of the issues for our pilot group and we can now turn our efforts to that goal."

10. Passenger Demand Remains Strong

The International Air Transport Association (IATA) announced global passenger traffic results (revenue passenger kilometers or RPKs) for June 2015 showing a 5.7% increase in demand compared to June 2014. This was a slowdown compared to the 6.9% year-over-year growth recorded in May 2015, in part owing to the timing of Ramadan, which depressed travel demand in the Middle East. June 2015 capacity (available seat kilometers or ASKs) climbed 6.0%, and load factor dipped 0.2 percentage points to 81.1%. "June was another healthy month for demand for air connectivity, although slower trade activity in emerging Asia-Pacific markets and the impact of the Greek debt crisis on European travel remain worrisome," said Tony Tyler, IATA's Director General and CEO.

11. WestJet reports July load factor of 82.8 per cent

WestJet on August 6, 2015 announced July 2015 traffic results with a load factor of 82.8 per cent down 0.5 points compared to the same month a year ago. Revenue passenger miles (RPMs), or traffic, increased 5.0 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 5.6 per cent over the same period. The airline flew a record 1.9 million guests in July 2015, a year-over-year increase of 6.5 per cent or more than 117,000 additional guests, and achieved an on-time performance rate of 83.8 per cent in the month, an improvement of 2.3 percentage points year over year.

12. Air Canada Reports Record July Traffic Results

For the month of July 2015, Air Canada reported a system-wide capacity increase of 9.7 per cent and a record system load factor of 87.3 per cent, versus 86.7 per cent in July 2014. On this additional capacity, system wide traffic for July 2015 increased 10.5 per cent. Air Canada reports traffic results on a system-wide basis, including regional airlines from which Air Canada purchases capacity and Air Canada *rouge*[®].

13. Largest airline group in Latin America rebrands as “LATAM”

SAO PAULO and SANTIAGO, Brazil—LATAM Airlines Group has decided to adopt a single name and identity and announces that the new brand for the largest airline group in Latin America and its affiliates will be LATAM. The new LATAM branded airline group will unite all the passenger and cargo airlines for LATAM Airlines Group: LAN Airlines and its affiliates in Peru, Argentina, Colombia and Ecuador; in addition to TAM Linhas Aereas S.A., and its subsidiary TAM Air Transport Mercosur S.A. (TAM Airlines (Paraguay), and the cargo carriers comprised of LAN CARGO, LAN CARGO Colombia, ABSA (TAM Cargo) and Mas Air, said a release.

14. Air Canada reports record second quarter 2015 results

Air Canada on August 12, 2015 reported record second quarter adjusted net income of \$250 million or \$0.85 per diluted share compared to adjusted net income of \$139 million or \$0.47 per diluted share in the second quarter of 2014, an improvement of \$111 million or approximately 80 per cent. EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rent) amounted to \$591 million compared to EBITDAR of \$456 million in the same quarter in 2014, an increase of \$135 million or approximately 30 per cent year-over-year. The airline recorded an EBITDAR margin of 17.3 per cent compared to an EBITDAR margin of 13.8 per cent in the second quarter of 2014, an improvement of 3.5 percentage points. "I am very pleased to report that Air Canada achieved record EBITDAR results for a fifth consecutive quarter in addition to record operating income and adjusted net income results and significant year-over-year improvements to operating margin and EBITDAR margin," said Calin Rovinescu, President and CEO.

15. Airline Consumer Complaints Up From Previous Year

US Airline consumer complaints filed with DOT's (Department of Transport) Aviation Consumer Protection Division during the first six months of 2015 were up 20.3 percent from the first six months of 2014, according to the U.S. Department of Transportation's Air Travel Consumer Report released on August 12, 2015.

16. Air Canada Cargo launches e-booking tool; makes e-AWB accessible

Air Canada Cargo customers can now book shipments directly on aircanadacargo.com thanks to the introduction of a new e-booking and management tool for air freight shipments. Launched this week on the company's updated website, e-booking provides a simple, intuitive interface with a user login allowing Air Canada Cargo account holders to book and manage shipments online, including those requiring specialized shipping solutions.

17. May 2015 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on August 13, 2015 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – fell to 82.6 percent in May 2015, seasonally adjusted, declining for the third consecutive month.

18. 1st-Quarter 2015 Air Fare Data

The average US domestic air fare increased to \$388 in the first quarter of 2015, up 1.7 percent from \$382 in the first quarter of 2014, adjusted for inflation, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on August 17, 2015.

19. Civil aviation operating statistics, June 2015

The two major Canadian air carriers flew 4.1 million passengers on scheduled and charter services in June 2015, up 8.0% from the same month in 2014. On average, each passenger travelled 2 896 kilometres, up 1.7% compared with June 2014. Both Air Canada and WestJet increased their passenger capacity and traffic in June 2015. Capacity advanced 10.5% year over year to 14.2 billion available seat-kilometres, as international growth (+12.9%) for scheduled services outstripped domestic growth (+6.1%). Traffic totalled 11.9 billion passenger-kilometres, up 9.9%.

20. June 2015 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 3.0 percent more workers in June 2015 than in June 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on August 20, 2015.

21. Freight handling deal signed between BBE and Air China Cargo, Edmonton

Braden-Burry Expediting Ltd. and Air China Cargo have signed a multi-year cargo handling agreement at Edmonton International Airport. The inaugural flight is September 3rd, 2015 connecting Shanghai, Edmonton and Dallas-Fort Worth.

22. WestJet's first wide-body aircraft touches down today

WestJet on August 27, 2015 ushers in a new era in the airline's 19-year history with the arrival early this morning of the first of four Boeing 767-300 extended range aircraft, allowing the airline to begin serving Europe and other regions of the world from Canada on a non-stop basis. Inaugural wide-body flights will begin in early September 2015.

23. Air cargo in Asia slumps in July, regional data shows

Air cargo demand among Asian carriers weakened in July 2015 as demand for exports fell along with global trade, according to the latest data from the Association of Asia Pacific Airlines (AAPA).

24. Cargojet, UPS enter into long-term air cargo services agreement

Cargojet announced it has entered into a new Air Cargo Service Agreement with United Parcel Service Canada Ltd. (UPS). This Agreement replaces the agreement originally entered into in 2003 to provide domestic overnight air cargo services throughout Canada.

25. Asia slowdown impacts Schiphol first half cargo tonnages

Amsterdam Airport Schiphol handled 784,567 tonnes in the first six months of 2015, down 2.1% on 2014. The figures were mainly impacted by declines in Asia traffic (down 3.8% at 293,293 tonnes) and Europe (down 16.2% to 64,198 tonnes).

WATER TRANSPORTATION

1. Port of Montreal to install shore power for cruise ship terminal and wintering ships

Government officials on July 31, 2015 announced new funding for the installation of shore power at the Port of Montreal. Shore power is a highly effective way to reduce marine diesel air emissions. Shore power improves local air quality by enabling ships to shut down their engines and connect to the electrical grid in order to provide necessary power while docked. Two types of systems will be installed at the Port of Montreal with this project. One is a shore power connection for cruise ships at the Alexandra Pier and the other is a four connection shore power system for wintering ships. Installation of shore power for cruise ships at the Port of Quebec was also announced.

2. Radar Investment Reinforces Marine Safety at Port of Prince Rupert

The Port of Prince Rupert on July 31, 2015 announced that a federal investment will enable a shore-based radar regime designed to accommodate growth in vessel traffic occurring because of historic levels of trade between Canada and Asia-Pacific markets.

3. China slowdown poses risk for ocean carriers

The slowdown in China's economy poses some risks for container shipping, according to Drewry Maritime Research.

4. FMC fines six companies \$1.2 million

The U.S. Federal Maritime Commission has collected \$1.2 million in civil penalties from six companies for alleged Shipping Act violations, the agency announced August 4, 2015.

5. Court rejects new bid to kill Jones Act cabotage

Hawaiian shippers frustrated with high freight rates had their hopes for change dashed last week after a U.S. federal court rejected their bid to strike cabotage provisions from the U.S. Merchant Marine Act.

6. Standard & Poor's affirms Halifax Port Authority's Credit Rating of 'A+', Outlook Stable

Standard & Poor's has affirmed Halifax Port Authority's investment-

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1. Port of Montreal to install shore power for cruise ship terminal and wintering ships, July 31, 2015, www.tc.gc.ca
2. Radar Investment Reinforces Marine Safety at Port of Prince Rupert, July 31, 2015, www.rupertport.com
3. China slowdown poses risk for ocean carriers, August 3, 2015, www.joc.com
4. FMC fines six companies \$1.2 million, August 4, 2015, www.joc.com
5. Court rejects new bid to kill Jones Act cabotage, August 3, 2015, www.joc.com
6. Standard & Poor's affirms Halifax Port Authority's Credit Rating of 'A+', Outlook Stable, August 6, 2015, www.portofhalifax.com
7. St. Lawrence Seaway cargo shipments sink 7 percent, August 12, 2015, www.Americanshipper.com
8. No liner exemption until competition law passed, HK authority says, August 14, 2015, www.joc.com
9. Quebec to invest US\$1.14 billion in infrastructure in Port of Montreal, August 17, 2015, www.transportweekly.com
10. Port Metro Vancouver Sees Jump in Cargo Volume, August 18, 2015, www.portvancouver.com
11. Port Metro Vancouver – Accumulated Container Statistics: January 2015 to June 2015, August 18, 2015, www.portmetrovancover.com

grade credit rating of 'A+', outlook stable. The Halifax Port Authority has developed, and currently operates from a diversified revenue base generating strong and consistent cash flow. "The diverse revenue streams at the Port of Halifax help to provide long term stability," said Paul MacIsaac, Senior Vice President, Halifax Port Authority. "Our diversification strategy involves the development of all core business lines – cargo, cruise and real estate."

7. St. Lawrence Seaway cargo shipments sink 7 percent

The St. Lawrence Seaway reported that a total of 14.5 million metric tons of cargo were shipped through the seaway between its seasonal opening on April 2, 2015 and July 31, 2015, a year-over-year drop of 7 percent. Coal volumes fell significantly by 38 percent. In addition, iron and general cargo both slipped 8 percent and liquid bulk dropped 3 percent. Although overall shipments decreased significantly, several industries have thrived so far this year.

8. No liner exemption until competition law passed, HK authority says

No decision on a block exemption for Hong Kong's container shipping industry will be made before the new competition law comes into effect on December 14, leaving the container shipping industry in the bizarre position where its activity will be illegal from that date.

9. Quebec to invest US\$1.14 billion in infrastructure in Port of Montreal

The Port of Montreal is investing US\$1.14 billion in infrastructure development after receiving funding from the Government of Quebec, to turn the trade gateway into a key cargo port for the eastern part of North America, according to Shipping Gazette. According to the development plan, \$380 million will be used to improve marine infrastructure, \$60 million for modernisation of the road approaches to container terminals, and \$300 million for construction of two new logistics centres in the port area, reported Maritime News online.

10. Port Metro Vancouver Sees Jump in Cargo Volume

The amount of cargo moving through Canada's largest port shows continued growth in trade through the Pacific gateway. Total cargo handled at Port Metro Vancouver was 70.3 million metric tons in the first half of 2015, an increase of 1.5 percent over the same period in 2014. Trade using containers showed substantial growth, with an 8 percent jump in the number of 20-foot equivalent units (TEUs).

11. Port Metro Vancouver – Accumulated Container Statistics: January 2015 to June 2015

The Port of Metro Vancouver reported its container statistics for the period January 2015 to June 2015 on August 18, 2015. Total container traffic increased 8.3% to 1,520,315 TEUs compared to 1,403,467 TEUs a year ago. Imports increased 3.8% to 789,451 TEUs from 760,817 TEUs and exports increased 13.7% to 730,865 TEUs from 642,650 TEUs. The 2015 **Cruise** season is projected to be strong, on par with previous years, with an estimated 805,000 passengers on 228 visits by 32 vessels.

12. Port Metro Vancouver – Accumulated Container Statistics: January 2015 to July 2015

The Port of Metro Vancouver reported its container statistics for the period January 2015 to July 2015 on August 18, 2015. Total container traffic increased 6.7% to 1,785,346 TEUs compared to 1,673,198 TEUs a year ago. Imports increased 2.4% to 930,278 TEUs and exports increased 11.8% to 855,068 TEUs.

13. G6 shipping Alliance voids Asia-Europe sailings

The G6 shipping Alliance will void four additional sailings in response to low demand by shippers in the Asia-Europe trade lane, according to a statement from its ocean carrier members. In addition, the alliance said it would continue to review its "product portfolio." G6 member carriers have reported week demand on the route. OOCL, for example, said it carried 224,004 TEUs between Asia and Europe in the second quarter of 2015, 11.8 percent fewer than in the same 2014 period.

14. Hapag-Lloyd invests in growing reefer market

Hapag-Lloyd is investing a double-digit million amount in its container fleet and has ordered 6,000 (12,000 TEU) of the latest generation of reefer containers, said a release. The company is already one of the largest reefer carriers in the world in 2015. This will enable HapagLloyd to benefit from increasing transport volumes not just on East-West trades, but also on North-South and Latin American trades.

15. Port Metro Vancouver – Accumulated Cruise Statistics: January 2015 to July 2015

12. Port Metro Vancouver – Accumulated Container Statistics: January 2015 to July 2015, August 18, 2015, www.portmetrovancover.com
13. G6 shipping Alliance voids Asia-Europe sailings, August 18, 2015, www.americanshipper.com
14. Hapag-Lloyd invests in growing reefer market, August 19, 2015, www.cfl.ca
15. Port Metro Vancouver – Accumulated Cruise Statistics: January 2015 to July 2015, August 18, 2015, www.portmetrovancover.com
16. Washington ports grab market share from Canadian rivals, August 20, 2015, www.joc.com
17. Prince Rupert Port Authority, Monthly Traffic Statistics: January 2015 to July 2015, August 20, 2015, www.rupertport.com
18. New Marine Carrier Will Expand Prince Rupert's Reach in Transpacific Trade, August 25, 2015, www.rupertport.com
19. Canada's PM promises port funds to Quebec, August 27, 2015, www.cargonews.com

The Port of Metro Vancouver reported its cruise statistics for the period January 2015 to July 2015 on August 18, 2015. Total revenue passengers 468,485 compared to 471,506 for the same period a year ago, a decline of -.6%. The number of vessels called were 137 compared to 145 for the same period a year ago, a 5.5% decline. For the month of July 2015, total revenue passengers declined by 3.7% compared to the same month in 2014. The number of vessel calling declined by 4.2% for the month of July 2015.

16. Washington ports grab market share from Canadian rivals

The newly-formed alliance of the ports of Seattle and Tacoma increased their container throughput nearly 8 percent in July 2015 and grabbed a bit of market share from their Canadian competitors.

17. Prince Rupert Port Authority, Monthly Traffic Statistics: January 2015 to July 2015

The Port of Prince Authority released its year to date traffic statistics for January 2015 to July 2015 and July 2015 statistics on August 20, 2015. For this period, total container traffic in terms of TEUs grew 30.73% to 451,576.50 compared to 345,425.75 a year ago. Inbound traffic increased by 22.56% (to 253,193) and outbound traffic increased by 42.89% (to 198,383.50). For the month of July 2015 total container traffic (TEUs) decreased by 7.54%, imports decreased by 14.44 % and exports increased by 4.32%

18. New Marine Carrier Will Expand Prince Rupert's Reach in Transpacific Trade

The Prince Rupert Port Authority on March 25, 2015 welcomed Maersk Line as the newest marine carrier to add a weekly service at the Fairview Container Terminal. Maersk Line, a unit of the A.P. Moller-Maersk Group based in Copenhagen, has added the Port of Prince Rupert as the first North American port of call to its amended TP8 transpacific service, which will make its first call in Prince Rupert this autumn. The addition of this containerized cargo service expands the reach of Asia-North American trade through the Port of Prince Rupert to new markets and shippers, supporting further growth and expansion of the west coast's leading edge gateway.

19. Canada's PM promises port funds to Quebec

Canadian Prime Minister Stephen Harper is promising to boost port facilities in Quebec as part of what he terms a maritime prosperity initiative. Harper said a re-elected Conservative government would provide funding for a new marine terminal at the Alexandra Pier in the port of Montreal. Harper is also promising a new cruise ship terminal in Quebec City. He said better facilities for cruise liners will attract more tourists, which is critical for the prosperity of Quebec and the country.

RAIL TRANSPORTATION

1. Strengthening handbrake requirements and preventing runaway trains

Transport Canada issued the following statement on train securement on July 29, 2015: "Transport Canada has approved revisions to Rule 112 of the Canadian Railway Operating Rules, establishing multiple layers of defence to secure trains and further reduce the risk of runaways. "Following the accident in Lac-Mégantic the department imposed stricter rules for securing unattended trains by issuing an emergency directive which set a standard on the number of applied handbrakes and a subsequent directive which also required additional physical securement measures to prevent runaway trains..."

2. Rail industry expects US intermodal traffic acceleration

After modest intermodal growth in the second quarter, railroads and the top intermodal trade association maintain intermodal growth will kick into a higher gear before the end of the year.

3. CN investing in cold chain capacity

Canadian National Railway plans to invest C\$20 million to expand its cold supply chain capacity to help producers and distributors of chilled and frozen foods increase business in North American and overseas markets.

4. Quarterly Canada-US international railway box volume up 4.5%: IANA

RAIL TRANSPORTATION Canada

1. Strengthening handbrake requirements and preventing runaway trains, July 31, 2015, www.tc.gc.ca
2. Rail industry expects US intermodal traffic acceleration, August 5, 2015, www.joc.com
3. CN investing in cold chain capacity, August 8, 2015, www.joc.com
4. Quarterly Canada-US international railway box volume up 4.5%: IANA, August 10, 2015, www.ctl.ca
5. Canadian Pacific ready to provide best-in-class service for upcoming crop-year, August 11, 2015, www.cpr.ca
6. CN Rail downgraded as traffic weakens, August 12, 2015, www.nationalpost.ca
7. Shipping oil through pipelines safer than by rail, report says, August 13, 2015, www.globeandmail.ca
8. Railway carloadings, June 2015, August 26, 2015, www.statcan.gc.ca

International intermodal container volumes are growing three times faster than domestic intermodal business, up 4.5 per cent year on year to 4,362,049 units in the 2015 second quarter, according to the Intermodal Association of North America (IANA). The group said international ISO container volumes were 2,270,328 units in the second quarter of 2015, 6.8 per cent ahead of the second quarter in 2014. In comparison, total domestic traffic – both domestic containers and trailers on flat cars – were 2,091,721 units, up just 2.2 per cent.

5. Canadian Pacific ready to provide best-in-class service for upcoming crop-year

Canadian Pacific is well positioned to provide best-in-class service to western Canadian grain shippers during the 2015-2016 crop-year. CP's service offering to grain customers is driven by efficiency and creating velocity in the rail portion of the complex grain supply chain. CP's Dedicated Train Program (DTP), which was introduced last-crop year, provides customers with greater clarity and control of car supply to manage their supply chain. CP anticipates adding more trains to the program this crop year as it responds to greater demand to move grain and grain products from western Canada. In the 2014-2015 crop year, CP moved a record 276,154 carloads (27,849,434 MT) of Canadian grain and grain products from western Canadian origins, up from the previous record crop year of 2013-2014.

6. CN Rail downgraded as traffic weakens

Canadian National Railway Co.'s persistently weak third-quarter traffic data, coupled with the strong performance of its share price, prompted a downgrade at Raymond James on August 12, 2015. An analyst reduced his rating on CN to market perform from outperform, while leaving his price target unchanged at \$85 per share. The stock is up almost 13 per cent in the past month alone, outperforming both its North American Class 1 peers and the S&P/TSX composite index.

7. Shipping oil through pipelines safer than by rail, report says

Transporting oil and gas by rail is more dangerous than moving it by pipeline, a new study has found. Oil shipments by rail are 4 ½ times more likely to have a spill or incident than those pumped through a pipeline, says a report from the Fraser Institute, which examined data from Canada's Transportation Safety Board and Transport Canada between 2003 and 2013.

8. Railway carloadings, June 2015

The volume of rail freight carried in Canada totalled 29.8 million tonnes in June 2015, down 2.4% from the same month a year earlier. Freight originating in Canada and destined within Canada and to other parts of the world declined 1.5% to 26.9 million tonnes. Intermodal freight loadings rose 5.2% to 184,000 units in June 2015. Freight traffic received from the United States fell 9.7% to 2.9 million tonnes, as a result of decreases in both non-intermodal and intermodal shipments.

HIGHWAY TRANSPORTATION

1. May 2015 North American Freight Numbers

The value of U.S.-NAFTA freight totaled \$92.7 billion in May 2015 as all modes carried less U.S.-NAFTA freight than in May 2014, according to the TransBorder Freight Data released on July 30, 2015 by the U.S. Department of Transportation's Bureau of Transportation Statistics. The value of U.S.-Canada freight totaled \$48.9 billion in May 2015, down 15.2 percent from May 2014, as all modes of transportation carried a lower value of U.S.-Canada freight than a year earlier. Lower mineral fuel prices contributed to a year-over-year decrease in the value of rail freight, down 12.9 percent. Trucks carried 57.3 percent of the \$48.9 billion of freight to and from Canada, followed by rail, 16.9 percent; pipeline, 8.5 percent; vessel, 6.0 percent; and air, 4.4 percent. The surface transportation modes of truck, rail and pipeline carried 82.7 percent of the total U.S.-Canada freight.

2. Cross-border transportation and logistics deals drive increase in M&A records: PwC

Merger and acquisition (M&A) activity in the transportation and logistics industry continued to improve in the first half of 2015, exceeding the 10 percent growth rate recorded in the first half of 2014, according to *Intersections*, a quarterly analysis of global deal activity in the transportation and logistics industry by PwC US. Robust deal activity in the first half of 2015 drove gains of 15 percent in volume and 55 percent in value, compared to the same period last year, said the analysis.

3. EU initiates Phase II review on FedEx offer to acquire TNT Express

FedEx Corp. has confirmed that the European Commission has initiated a Phase II review in connection with FedEx's intended public offer to acquire all the issued and outstanding shares of TNT Express N.V. This is the next step in the process where the European Commission conducts an in-depth analysis under the EU Merger Regulation before coming to a decision. The transaction is also being reviewed by other antitrust agencies, including the Ministry of Commerce (MOFCOM) in China and Conselho Administrativo de Defesa Econômica (CADE) in Brazil.

4. Report: Logistics M&A booming in first half of 2015

Merger and acquisition activity in the transportation and logistics industry increased substantially in terms of both volume and value in the first half of 2015 compared to the first half of 2014, according to a quarterly analysis of global deal activity in the sector by PwC US, a subsidiary of multinational professional services and consulting firm PricewaterhouseCoopers.

HIGHWAY TRANSPORTATION Canada

1. May 2015 North American Freight Numbers, July 30, 2015, www.bts.gov
2. Cross-border transportation and logistics deals drive increase in M&A records: PwC, August 4, 2015, www.ctl.ca
3. EU initiates Phase II review on FedEx offer to acquire TNT Express, August 6, 2015, www.ctl.ca
4. Report: Logistics M&A booming in first half of 2015, August 6, 2015, www.americanshipper.com
5. K + N closes ReTrans Acquisition, August 5, 2015, www.americanshipper.com
6. June 2015 Freight Transportation Services Index (TSI), August 12, 2015, www.bts.gov
7. Spot Freight Rates, Volume Post July Decline, August 14, 2015, www.todaystrucking.com
8. Travel between Canada and other countries, June 2015, August 19, 2015, www.statcan.gc.ca
9. US domestic intermodal rates fall as truck prices rise, Cass says, August 18, 2015, www.joc.com
10. 'Calm Before the Storm' For Trucking Conditions, August 19, 2015, www.cantruck.ca
11. Large Urban Transit, June 2015, August 25, 2015, www.statcan.gc.ca
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13. Characteristics of international overnight travellers, first quarter 2015, August 27, 2015, www.statcan.gc.ca
14. June 2015 North American Freight Numbers, August 27, 2015, www.bts.gov
15. Couriers and Messengers Services Price Index, July 2015, August 28, 2015, www.statcan.gc.ca
16. Shipping Rates Increase for Second Straight Month, August 27, 2015, www.todaystrucking.com
17. U.S. Fleet Expands Expedited Service into Canada, August 27, 2015, www.todaystrucking.com
18. FTR June Shippers Conditions Index reflects "amicable conditions" for shippers, August 27, 2015, www.ctl.ca

5. K + N closes ReTrans Acquisition

Third party logistics provider Kuehne + Nagel Group said on August 4, 2015 that it has completed an agreement with Memphis, Tenn.-based ReTrans Inc. to acquire 100 percent of the intermodal and truck brokerage's shares. Financial terms of the deal, initially announced in June, were not disclosed, but the transportation and logistics group of the investment bank Stifel said in an advisory note it estimates the transaction to be valued at \$180 million to \$200 million.

6. June 2015 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 0.3 percent in June 2015 from May 2015, falling after a single month of growth, according to the U.S. Department of Transportation's Bureau of Transportation Statistics.

7. Spot Freight Rates, Volume Post July Decline

Spot market freight volume and rates declined during July 2015, following a typical seasonal pattern, according to the DAT Solutions' network of load boards in Canada and the United States.

8. Travel between Canada and other countries, June 2015

United States residents made 1.9 million trips to Canada in June 2015, up 3.3% from May 2015. This was the highest level in over seven years. Residents of overseas countries made 458,000 trips to Canada in June 2015, down 1.0% from May 2015. While travel from Canada to overseas countries was stable, travel from Canada to the United States fell 1.3% from May to 3.8 million trips.

9. US domestic intermodal rates fall as truck prices rise, Cass says

U.S. truckload rates continued to rise in July 2015 and domestic intermodal pricing dropped, as shippers continued to find it more and more difficult to justify converting business from highway to rail, according to Cass Information Systems and Avondale Partners.

10. 'Calm Before the Storm' For Trucking Conditions

Current US trucking market conditions could be the calm before next year's storm (i.e. 2016), which could bring a major shift in capacity availability – as much as 10% either way — as a result of economic and regulatory forces, says a senior transportation economist at FTR.

11. Large Urban Transit, June 2015

In June 2015, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 1.0% from the same month in 2014 to \$296.1 million. Over the same period, ridership fell 0.1% to 139.7 million passenger trips.

12. Canada-U.S. Truck Border Crossing Figures Reveal Surprises

New analysis of data shows truck traffic between Canada and the U.S. has declined while it has increased between the U.S. and Mexico. The *Journal of Commerce* reports U.S. Transportation Department figures show since the second quarter of 2005, truck crossings between Canada and the U.S. decreased 16 percent but grew 19 percent between the U.S. and its neighbour to the south.

13. Characteristics of international overnight travellers, first quarter 2015

Canadian residents made 8.6 million overnight trips abroad in the 2015 first quarter, with spending totalling \$10.0 billion. Of these trips, 5.1 million had the United States as its destination, accounting for \$5.2 billion worth of spending. US residents made 1.6 million overnight trips to Canada in the first quarter, spending \$0.9 billion during their trips, while overseas residents made 0.7 million overnight trips to Canada, spending \$1.2 billion.

14. June 2015 North American Freight Numbers

The value of U.S.-NAFTA freight totaled \$99.0 billion in June 2015 as all modes except truck carried less U.S.-NAFTA freight than in June 2014, according to the TransBorder Freight Data released on August 27, 2015 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). Year-over-year, the value of U.S.-NAFTA freight flows by all modes decreased by 3.8 percent. In June 2015 compared to June 2014, the value of commodities moving by truck increased by 5.1 percent, while rail decreased by 4.5 percent and air by 8.9 percent. Trucks carried 65.0 percent of U.S.-NAFTA freight and are the most heavily utilized mode for moving goods to and from both U.S.-NAFTA partners. The value of U.S.-Canada freight totaled \$52.0 billion in June 2015, down 10.3 percent from June 2014, as all modes of transportation carried a lower value of U.S.-Canada freight than a year earlier. A recession in Canada likely contributed to the decrease of U.S.-Canada freight flows. Trucks carried 59.7 percent of the \$52.0 billion of freight to and from Canada, followed by rail.

15. Couriers and Messengers Services Price Index, July 2015

The Couriers and Messengers Services Price Index (CMSPI) declined 0.1% in July 2015, after falling 0.1% in June 2015. The 0.2% decline in the couriers' component was partly offset by a 0.1% rise in the local

messengers and local delivery component. On a year-over-year basis, the CMSPI decreased 1.2% in July 2015 compared with the same month a year earlier. The couriers component (-0.6%) and the local messengers and local delivery component (-3.7%) both posted declines.

16. Shipping Rates Increase for Second Straight Month

Newly released figures by the Canadian General Freight Index (CGFI) indicate that the total cost of ground transportation for Canadian shippers increased by 0.3 percent in June 2015 from May 2015, the second consecutive monthly increase. When compared to June 2014, the index is 7.1 percent higher, up from May's year-over-year gain of 4.86 percent and is the biggest year-over-year increase so far in 2015.

17. U.S. Fleet Expands Expedited Service into Canada

RL Carriers has expanded its time critical shipping services to and from the Canadian marketplace by offering expedited services via their exclusive partnership with Day & Ross Freight (Canada's 5th largest LTL carrier). According to RL, the two offer eight strategically located gateways and 40 terminals in all 10 Canadian provinces for direct coverage to over 90 percent of the Canadian marketplace.

18. FTR June Shippers Conditions Index reflects "amicable conditions" for shippers

FTR's Shippers' Conditions Index (SCI) for June 2015, at -2.0, reflects soft market conditions which have slowed, for the time being, rate increases that negatively impact shipper costs. Slowing GDP growth and a change in growth towards services has dramatically softened freight markets for both truckload and rail.

GENERAL TRANSPORTATION

Canada

1. Canadian exports rebound in June with biggest gain since 2006

Exports rose 6.3 per cent in June 2015 from the previous month, the biggest gain since December 2006 and ending five straight months of declines, Statistics Canada said on August 4, 2015 in Ottawa.

2. News Digest

The News Digest reports that: 1. MARAD Announces New Exhaust Gas Scrubber Guide for Maritime Applications. 2. DOT Fines Spirit Airlines for Tarmac Delay Rule Violations. 3. DOT's Advisory Committee for Aviation Consumer Protection to Hold Ninth Meeting on September 1.

Canada

1. Canadian exports rebound in June with biggest gain since 2006, August 5, 2015, www.globeandmail.ca
2. News Digest, August 28, 2015, www.dot.gov