

Transportation Information Update*

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1. Prime Minister announces new measures to enhance the safety of Canadians

Prime Minister Stephen Harper announced on June 16, 2006 new measures to help increase Canada's capability to detect and respond to a potential terrorist attack. The measures announced are: conducting a thorough review of our country's anti-terrorism legislation; improving security at our borders; and introducing new measures to better protect our transportation systems. Regarding the latter, security at Canada's airports - Passenger luggage and air cargo - will be bolstered; resources for the Canadian Air Transport Security Authority will be increased; protection for our rail system will be boosted; and marine port security will be improved. These comprehensive and important actions will cost over a quarter of a billion dollars over the next 2 years.

2. Notes for an address by the Honourable Lawrence Cannon Minister of Transport, Infrastructure and Communities to the Federation of Canadian Municipalities, Montréal, Quebec, June 4, 2006

The Minister spoke of the new Transport, Infrastructure and Communities portfolio. He spoke about the synergy it creates. The speech consisted of five sections: 1. Budget 2006; 2. Transport, Infrastructure and Communities – an integrated portfolio; 3. The fiscal balance and consultations; 4. Vision for the Future; 5. Conclusion.

The unprecedented federal support for infrastructure is outlined in Budget 2006: a new Highways and Border Infrastructure Fund, to which \$2.4 billion will be allocated over the next five years; an additional \$2 billion for renewal of the Canada Strategic Infrastructure Fund; a sum of \$2.2 billion over the next five years to renew the Municipal Rural Infrastructure Fund; a sum of \$1.3 billion for public transit (part of which is subject to confirmation of a budget surplus of over \$2 billion); \$370 million in tax credits over two years for people who buy monthly passes; a 100% rebate on the Goods and Services Tax (GST), to support our cities and communities; and a sharing of the federal excise tax on gasoline. In total an unprecedented federal investment in infrastructure, totalling \$16.5 billion over the next four years. In addition, an investment of \$800 million in the Affordable Housing Trust and \$300 million for affordable housing in the territories and \$95 million to increase security in the public transit and rail systems. To provide a more integrated portfolio he provided this plan: global recognition; four tools to deal with these challenges; and a strategy of action.

AIR TRANSPORTATION

1. Westjet and Air Canada issue joint press release

According to a joint press release by Air Canada on May 29, 2006, in 2003-2004, certain members of WestJet management engaged in an extensive practice of covertly accessing a password protected proprietary employee web site maintained by Air Canada to download detailed and commercially sensitive information without authorization or consent from Air Canada. As a full settlement to this unethical conduct, Westjet has agreed to pay Air Canada's investigation and litigation costs of \$5.5 million and has accepted Air Canada's request that WestJet make a donation in the amount of \$10 million in the name of Air Canada and WestJet to children's charities across the country.

2. WestJet announces Fall schedule announcements

WestJet announced on May 31, 2006 several schedule enhancements, with increased frequencies between cities across Canada and the United States. The effective dates begin on September 7 through to October 29, 2006.

3. WestJet chief talks exit strategy

The co-founder of Calgary-based WestJet plans to gradually relinquish day-to-day management duties and give up his titles of president and chief executive officer at WestJet Airlines Ltd. However, he remains committed to piloting the airline as executive chairman. He indicated that he had an exit strategy in place before the airline apologized this week for spying on Air Canada.

Current Developments in Brief

1. Prime Minister announces new measures to enhance the safety of Canadians, June 16, 2006, www.tc.gc.ca
2. Notes for an address by the Honourable Lawrence Cannon Minister of Transport, Infrastructure and Communities to the Federation of Canadian Municipalities, Montréal, Quebec, June 4, 2006, June 4, 2006, www.tc.gc.ca

Air Transportation CANADA

1. Westjet and Air Canada issue joint press release, May 29, 2006, www.aircanada.ca
2. WestJet announces Fall schedule announcements, May 31, 2006, www.westjet.ca
3. WestJet chief talks exit strategy, June 1, 2006, www.globeandmail.ca
4. Canadian Transportation Agency Fines Aircraft Operator, May 31, 2006, www.cta-otc.gc.ca
5. Aircraft movement statistics: Major airports, May 30, 2006, www.statcan.ca
6. Strong Demand and High Load Factors, June 1, 2006, www.iata.org
7. Colography: US air exports shipments, revenue best ever in 2005, June 1, 2006, www.americanshipper.com

* The CTRF is not responsible for the information provided in this Update.

** The information provided is from the Authors and neither the Competition Bureau or Industry Canada is responsible for it.

4. Canadian Transportation Agency Fines Aircraft Operator

The Canadian Transportation Agency's Enforcement Division has imposed a \$13,000 fine on a Red Lake, Ontario aircraft operator for illegally transporting passengers and baggage in a two-day period in 2004.

5. Aircraft movement statistics: Major airports

The activity at major Canadian airports was up in March 2006 but remained below the peak reached in 1999. In March 2006, the 98 Canadian airports with NAV CANADA air traffic control towers or flight service stations reported 466,697 aircraft take-offs and landings, an increase of 3.4% compared to March 2005 (451,442 movements).

6. Strong Demand and High Load Factors

The International Air Transport Association (IATA) released international traffic data for January to April 2006 showing 6.9% growth in passenger demand and 5.7% growth for freight over the same period in 2005. Load factors for the first four months of the year achieved an average of 74.8%.

7. Colography: US air exports shipments, revenue best ever in 2005

According to the Colography Company Inc., an Atlanta based cargo company, US air cargo shipments and revenue passed record levels of \$9.5 billion in 2005 beating the record level of \$8.4 billion set in 2004.

8. Milton seeks WestJet's help on landing fees

President of Air Canada says he would like to form a common front against excessive airport landing fees with WestJet Airlines Ltd. so that the carriers speak with one voice would be more effective. He indicated that Canadian carriers operate at a competitive disadvantage to their US counterparts due to their high landing fees and that Ottawa should help by lowering the ground rent that it levies on Canadian airports. If Toronto loses, Canada loses and if costs are cut dramatically down, it will benefit the consumer.

9. WestJet Announces the Launch of WestJet Vacations Inc.

On June 1, 2006, WestJet launched its new subsidiary WestJet Vacations Inc., to provide guests with affordable, reliable and easy-to-book travel packages to 33 destinations in North America.

10. BA to target Canada with more flights, lower fares

British Airways plans to provide more competition to Air Canada by increasing its flights to major Canadian cities this summer and by reducing fares on routes to European destinations via London. British Airways, UK's largest airline known for its sterling first and business class services, will increase its flights to Toronto, Vancouver and Montreal by an average of 30% this summer as a record number of Canadians travel to Europe thanks to the increased purchasing power of the Canadian dollar abroad.

11. Strong Demand and High Load Factors

The International Air Transport Association's (IATA) international traffic data for January to April 2006 showed a 6.9% growth in passenger demand and 5.7% growth for freight over the same period in 2005. Load factors for the first four months of the year achieved an average of 74.8%. In April, the load factors reached their highest point—76.5%—in the past decade. Strong economies are supporting strong demand growth for both freight and passenger traffic.

12. Cautious Optimism: State of the Air Transport Industry

The Director General and CEO of the International Air Transport Association, at the opening of the World Air Transport Summit and IATA Annual General Meeting in Paris, indicated cautious optimism. He noted that "Labour productivity improved 33%. Sales and distribution costs dropped 10% and non-fuel unit costs reduced 13%," since the crisis struck the industry in 2001. The industry's responsible achievements were outlined in three critical areas: safety, simplifying the business and the environment. Finally, a series of challenges to industry stakeholders in the form of 8 wake-up calls were outlined.

13. Airline association wants airlines to phase out paper tickets by end of 2007

International Air Transport Association (IATA) said that it would like to phase out the use of paper tickets. It indicated that it would penalize members that failed to introduce electronic tickets by the end of next year. It said nearly 50% of tickets were electronic now, but it was aiming for 70% by the end of 2006 and 100% by the end of 2007. This could

8. Milton seeks WestJet's help on landing fees, *Globe and Mail*, May 31, 2006, p. B3.

9. WestJet Announces the Launch of WestJet Vacations Inc. June 1, 2006, www.westjet.ca

10. BA to target Canada with more flights, lower fares, June 2, 2006, www.nationalpost.ca

11. Strong Demand and High Load Factors, June 1, 2006, www.iata.org

12. Cautious Optimism: State of the Air Transport Industry, June 5, 2006, www.iata.org

13. Airline association wants airlines to phase out paper tickets by end of 2007, June 6, 2006, www.nationalpost.ca

14. Airline association to tackle fuel-cost issue, *Globe and Mail*, June 5, 2006, p. B6

15. Milton lets Air Canada soar again, *National Post*, June 3, 2006, p. FP3.

16. Pearson landing fees tops globally, *Globe and Mail*, June 6, 2006, p. B5.

17. Once-hostile suitors have BAA's ear, *Globe and Mail*, June 6, 2006, p. B13.

18. BAA accepts \$19 billion bid from Ferrovial, June 7, 2006, www.joc.com

19. Reports say Cathay Pacific on brink of Dragonair purchase, June 7, 2006, www.americanshipper.ca

20. Cathay's \$1 billion deal for Dragonair agreed, June 12, 2006, www.americanshipper.ca

21. Air Canada reports 26 consecutive months of record system load factors, June 7, 2006, www.aircanada.ca

22. Air Canada and Tourism Vancouver welcome the selection of Vancouver as host city for the International Air Transport Association's 63rd Annual General meeting, June 7, 2006, www.aircanada.ca

23. Air Canada Jazz launches daily year-round service between Toronto and Salt Lake City, June 8, 2006, www.aircanada.ca

24. Air Canada, pilots head to mediation, June 12, 2006, www.globeandmail.ca

25. WestJet Announces Triple Play of Success for May, June 7, 2006, www.westjet.ca

26. Air Transat earnings soar by 12%, June 9, 2006, www.nationalpost.ca

27. Airports may seize leased planes, June 12, 2006, www.nationalpost.ca

save the industry more than US\$3-billion. Electronic tickets costs US\$1 to issue, versus US\$10 for a paper ticket.

14. Airline association to tackle fuel-cost issue

The airlines under IATA lost \$6 billion in 2005. It is forecasting a 10% increase in fuel bills for 2006 after a doubling of fuel costs in 2005 and a \$2.2 billion forecasted loss in 2006. The Director General at IATA indicated that returning to profitability will depend on the price of oil. Delegates from the industry are meeting in Paris during the week of June 5, 2006 and are expected to consider cost cutting measures. They are under pressure to improve capacity utilization and could consider surcharges on ticket prices which could add 15 to 20 percent to the cost of a ticket. Other measures to improve efficiency are: use of electronic tickets and baggage handling, reduced work forces and lower airport charges.

15. Milton lets Air Canada soar again

The recent public apology to Air Canada from WestJet Airlines is the latest personal and professional victory for ACE Aviation CEO, Robert Milton. Mr. Milton has not only turned the air carrier from loss to profitability but also has a list of other achievements. However, a professor, at the University of British Columbia says that a lot has still be to be done: building up international routes, improving customer service and lowering costs.

16. Pearson landing fees tops globally

According to an annual survey, Toronto's Pearson International Airport is now the most expensive place to land a plane. The rise in the Canadian dollar contributed to making Pearson the most expensive of the 134 airports. A Professor at the University of British Columbia indicated that Pearson did poorly in terms of operating efficiency. In defence, its operator indicated that airlines get more service for their money. The airlines urged Ottawa for a rent break but the Minister of Transport indicated that no rent breaks are planned. The study shows that Pearson's fees are more than double those charged at the second-priciest airport in North America - New York's LaGuardia - placing them at a competitive disadvantage.

17. Once-hostile suitors have BAA's ear

BAA plc, the world's largest airport owner, has indicated that it might agree to a takeover by Group Ferrovial SA of Spain or a team led by Goldman Sachs Group Inc.

18. BAA accepts \$19 billion bid from Ferrovial

BAA, the world's biggest airport operator, accepted an improved takeover offer of \$19.3 billion from Ferrovial, Spain's second-largest construction company, and rejected a higher bid from U.S. investment bank Goldman Sachs on June 26. Ferrovial is also taking on BAA's net debt, which increases the value of the deal to \$29.4 billion, the largest-ever transaction in the global airports industry.

19. Reports say Cathay Pacific on brink of Dragonair purchase

Preliminary reports indicate that Cathay Pacific Airways is about to spend about HK\$10 billion (\$1.3 billion) to gain all shares in fellow Hong Kong airline Dragonair, according to various media sources. The deal would make

Cathay the biggest airline in Asia by offering it far greater access to the mainland China market.

20. Cathay's \$1 billion deal for [Hong Kong Dragon Airlines Ltd.] Dragonair agreed

Hong Kong-based Cathay Pacific Airways reached an agreement on June 12, 2006 to purchase the outstanding shares (82.21%) in Dragonair that it does not already own for US\$1.06 billion. The deal, subject to shareholder approval, would make Cathay Asia's biggest airline by providing it greater access to the mainland China market.

21. Air Canada reports 26 consecutive months of record system load factors

Air Canada reported its twenty sixth consecutive month of record load factors (system) for May 2006 compared to May a year ago. The system passenger load factor in May 2006 was 83.2%, this represents a 3.3 increase in percentage points compared to a year ago. Overall capacity decreased by 1.4 % points for May 2006 compared to a year earlier. The

28. Air Canada comments on U.S. DoJ [Department of Justice] cargo investigation, June 12, 2006, www.aircanada.ca
29. Transport Minister Introduces Canada Airports Act, June 15, 2006, www.tc.gc.ca
30. WestJet Announces More Convenient Gates within Terminal 3 in Toronto, June 15, 2006, www.westjet.ca
31. Air Canada inaugurates daily non-stop Montréal-Denver service, June 16, 2006, www.aircanada.ca
32. Air Canada launches non-stop flights between Abbotsford and Toronto, June 16, 2006, www.aircanada.ca
33. Air Canada launches daily non-stop service between Montreal and Mexico city, June 17, 2006, www.aircanada.ca
34. Air Canada expands service to China with launch of new non-stop, Toronto-Shanghai flights, June 17, 2006, www.aircanada.ca
35. Government Takes Step to Improve Airport Governance, June 15, 2006, www.atac.ca
36. EL AL to reduce Toronto flights due to fees, *National Post*, June 17, 2006, p. FP6.
37. Canada and Portugal Conclude New Air Transport Agreement, June 19, 2006, www.tc.gc.ca
38. Aircraft movement statistics, *The Daily*, June 20, 2006, www.statcan.ca
39. Air Canada continues route expansion with more flights from western Canada to the United States, June 21, 2006, www.aircanada.ca
40. Air Canada CEO says roaring growth means more flights coming to Alberta, June 21, 2006, www.globeandmail.ca
41. WestJet and Penauille Servisair Lounges are Making Business Travel Better Lounges open in Ottawa, Winnipeg, with More Opening Soon Across Canada, June 22, 2006, www.westjet.ca
42. British Airways being probed for alleged price fixing, June 23, 2005, www.globeandmail.ca
43. Aircraft movement statistics, Airports without air traffic control towers, June 26, 2006, www.statcan.ca
44. Porter Airlines to offer Toronto-Ottawa service, *Globe and Mail*, June 28, 2006, p. B8.

US/EU

1. Airline On-Time Performance in April Better Than March But Slips From Previous Year, June 1, 2006, www.dot.gov
2. State of the Industry Annual General Meeting and World Air Transport Summit 2006, Giovanni Bisignani, Director General and CEO, International Air Transport, June 5, www.iata.org
3. BTS Releases Transportation Services Index (TSI); Index Rose 0.1 Percent in April from March, June 12, 2006, www.dot.gov
4. BTS Releases First Quarter 2006 Airline Financial Data; Regional and Low-Cost Passenger Airlines Report Domestic Profit; Network Carriers Report Smaller Loss, June 19, 2006, www.dot.gov
5. U.S. Department of Transportation Proposes Three Airlines For New U.S.-Mexico Service, June 21, 2006, www.dot.gov

domestic load factor was 80%, this represents a 1.6% decrease in percentage points compared to April 2005. For Jazz, capacity increased by 66.9% resulting in a load factor of 72.6% a decrease of 0.2 percentage points compared to April of 2005.

22. Air Canada and Tourism Vancouver welcome the selection of Vancouver as host city for the International Air Transport Association's 63rd Annual General meeting

It was announced that Vancouver had been chosen as the host city for the 63rd IATA AGM and World Air Transport Summit in 2007 at the closing of IATA's Annual General Meeting.

23. Air Canada Jazz launches daily year-round service between Toronto and Salt Lake City

Air Canada introduced daily non-stop service to Salt Lake City, Utah via their main hub in Toronto. Air Canada Jazz operates the daily, non-stop service with next-generation, made-in-Canada Bombardier CRJ-705 jet aircraft.

24. Air Canada, pilots head to mediation

Air Canada and its pilots are headed for mediation after talks over wage increases broke off Friday over the terms of the negotiation. The initial debate centered around the meaning of wages and overtime. In addition, pilots want a reversal of the concessions given to the Airline during their bankruptcy crisis.

25. WestJet Announces Triple Play of Success for May

WestJet announced on June 7, 2006 that its traffic statistics for May 2006 revealed a record-breaking load factor of 76.9% for the month of May, an on-time performance (OTP) of 93.4% and a completion rate of 99.8%. Its load factor in May 2006 of 76.9% surpassed its previous high of 70.6% in May 2005. Available seat miles increased 21% to 1023.7 million in May 2006, up from 845.4 million in May 2005. Revenue passenger miles increased 32% to 787.5 million for this period up from 597.2 million in May 2005.

26. Air Transat earnings soar by 12%

Holiday tour operator Transat A.T. Inc. reported that earnings soared by 12% reaching a near record. The results were due to Canadian travellers turning to Europe for their vacation, the strong value of the Canadian dollar and Transat's specialization in European tour operations.

27. Airports may seize leased planes

Canada's Supreme Court has ruled that airports and other providers of aircraft services should be allowed to recoup unpaid fees from failing airlines by seizing their aircraft, even if the planes are being leased from another company.

28. Air Canada comments on U.S. DOJ [Department of Justice] cargo investigation

Air Canada indicated on June 12, 2006 that the U.S. Department of Justice recently sought information from it as part of its investigation on air cargo. The DOJ did not seek the information at the start of the investigation a few months ago. Air Canada said that it is cooperating fully with this investigation.

29. Transport Minister Introduces Canada Airports Act

On June 15, 2006, the Minister of Transport, Infrastructure and Communities tabled the Canada Airports Act bill in the House of Commons. The bill provides an accountability framework for Canada's largest airports, as well as a modern corporate governance regime for the airport authorities. It includes a new declaration of Canadian airports policy and sets out the roles and obligations of the Minister and the affected airport operators. It will initially affect the 28 largest airports and later medium sized airports. It also includes a fee-setting regime for affected airports, with basic charging principles and notice requirements for setting aeronautical and passenger fees together with avenues for public response. It also provides the federal government with authority to audit the business affairs of airport authorities and to give direction on matters such as equitable access measures, allocation of slots to airlines, and compliance with environmental requirements.

30. WestJet Announces More Convenient Gates within Terminal 3 in Toronto

On June 15, 2006, Westjet announced that it will be consolidating its domestic and international charter Toronto operations in Concourse C at Terminal 3 in Toronto Pearson International Airport as of June 16, 2006. The gates provided in Concourse C will provide additional convenience for those guests making connections on WestJet's domestic flights as their location enables travellers to do so more quickly.

31. Air Canada inaugurates daily non-stop Montréal-Denver service

Air Canada inaugurated daily non-stop service from Montréal to Denver on June 16, 2006, becoming the only airline to offer this direct service. The service will be operated using 120-seat Airbus A319.

32. Air Canada launches non-stop flights between Abbotsford and Toronto

Air Canada launched a non-stop service from Abbotsford, BC to Toronto using the new Embraer E190 jet on June 16, 2006.

33. Air Canada launches daily non-stop service between Montreal and Mexico city

On June 17, 2006, Air Canada began non-stop daily service linking Montréal and its extensive eastern Canada network, with the Mexican capital. The service will be operated using 120-seat Airbus A319.

34. Air Canada expands service to China with launch of new non-stop, Toronto-Shanghai flights

Air Canada introduced new non-stop service between Toronto and Shanghai. With the addition of this service Air Canada now flies 13 routes to eight major Asian cities.

35. Government Takes Step to Improve Airport Governance

The Air Transport Association of Canada (ATAC) on June 15, 2006 welcomed the introduction of legislation to improve governance at Canada's airports. It welcomed provisions to improve pricing transparency, mandate consultation with air service providers, empower the Minister to audit and give direction to airports on key issues, as well as providing for carrier representation on the boards of the country's largest airports but calls upon Parliamentarians to go further to deliver true accountability to the passenger.

36. EL AL to reduce Toronto flights due to fees

According to a report by *Globe and Mail*, Israel airline EL AL has decided to cut Toronto out of its North American expansion plans because of sky-high fees at Pearson International Airport. It has decided as of July 23, 2006 to reduce the number of flights from eight to five which will be further reduced to 3 on September 1, 2006. The airline hopes it will save about \$2 million annually. This has raised fears that other foreign airlines may soon decide to follow.

37. Canada and Portugal Conclude New Air Transport Agreement

The governments of Canada and Portugal have established a new air transport agreement that will allow for a significant expansion of air services between both countries. Access will be open to all destinations in each country to the airlines of either country and there will be no limitations on frequency of service. Airlines will also enjoy greater pricing flexibility. Carriers will also be allowed to provide code sharing services. The agreement will allow airlines to better meet the needs of travellers and shippers together with increasing commercial ties and trade links.

38. Aircraft movement statistics

The 42 Canadian airports with NAV CANADA air traffic control towers reported 396,572 aircraft take-offs and landings in May 2006. This was the fifth consecutive monthly increase, however, the level recorded was 2.8% lower than compared to a year earlier. Year-over-year increases in aircraft movements were reported by 22 of the airports in May 2006.

39. Air Canada continues route expansion with more flights from western Canada to the United States

Air Canada announced on June 21, 2006 that it is increasing its U.S. transborder flights from western Canada. It will provide: two weekly, non-stop flights from Edmonton-Las Vegas starting September; two weekly, non-stop flights from Winnipeg-Las Vegas starting September; and daily seasonal flights from Calgary-Palm Springs starting December 15, 2006.

40. Air Canada CEO says roaring growth means more flights coming to Alberta

Speaking to a business crowd in Calgary Air Canada CEO Monte Brewer said on June 21, 2006 that continued growth in Alberta was inevitable and Air Canada will continue to add flights into the roaring Alberta economy and may still find a way to overturn a controversial decision to cancel its direct flight from St. John's, N.L., to England.

41. WestJet and Penauille Servisair Lounges are Making Business Travel Better Lounges open in Ottawa, Winnipeg, with More Opening Soon Across Canada

WestJet announced on June 22, 2006 a partnership with Penauille Servisair to open guest lounges in airports across Canada. WestJet Lounges indicated that it is an innovative approach to airport lounges.

42. British Airways being probed for alleged price fixing

On June 22, 2006, British Airways PLC indicated that British and U.S. authorities are investigating alleged price-fixing in passenger fares and fuel surcharges by it and other airlines. British Airways said it was assisting the Office of Fair Trading and the U.S. Department of Justice, but it provided no other details. Other airlines including Virgin Atlantic, United Airlines and American Airlines said they were co-operating with the probe.

43. Aircraft movement statistics, Airports without air traffic control towers

The number of landings and takeoff at airports without air traffic control towers totalled 29,772 in February 2006. This was a 17.2% decline compared to February 2005. On a year-over-year basis, the decrease was 7.3%.

44. Porter Airlines to offer Toronto-Ottawa service

Porter Airlines Inc. plans to launch daily service between Toronto and Ottawa in the Fall of 2006 with ten one way flights in each direction. It is hoping to attract business travellers by offering greater weekday frequency, convenient service (i.e., Toronto City Centre Airport), a loyalty program and more leg room. Transport Canada has not yet issued an air operator certificate to Porter.

WATER TRANSPORTATION

1. Temporary Measure to Provide Ferry Service Between Quebec and Prince Edward Island

Transport Canada announced that the *MV Voyageur* ferry will be used to provide essential services between Cap-aux-Meules, Quebec, and Souris, Prince Edward Island on a temporary basis while the *MV Madeleine* ferry undergoes modifications. Further to Transport Canada's announcement awarding a contract for the modifications, the Minister of Transport, Infrastructure and Communities announced on June 1, 2006, that "This temporary measure will ensure that essential services are continued until such time as the *MV Madeleine* is brought back into service."

2. Vancouver terminals facing new capacity issues

Two of Canada's ports at Vancouver is faced with container capacity problems and rising costs due to Asian trade. Capacity has been reached at Vanterm and has been exceeded at Deltaport according to its operator TSI Terminal Systems. Volumes at these two ports increased 28 percent in the first quarter of this year from the same period a year ago. Demurrage for export and import containers would rise from \$24.60 to \$100 per TEU per day beginning July 1, 2006.

3. European shippers, liners square off over information exchange

Given their different approaches to the EC's repeal of the block antitrust exemption granted to ocean carriers, the European Shippers Council and the European Shippers Association entered into an argument about the kind of arrangement carriers should be allowed to set up in its place. The ESC attacked the ELAA for its refusal to provide it with the details of their proposals for an exchange of information system to replace the liner conference system. The ELAA said it has been in discussion with the European Commission's Directorate for Competition. ESC's concern is that they will not provide individual shippers the whole story.

4. Transport Canada Advises Against Using Water Toys for Boating

Transport Canada is advising Canadians not to use inflatable self-propelled water toys for boating.

5. Supreme Court Upholds Appeal in Lantau Peak Case

The Supreme Court of Canada has upheld the previous decision of the Federal Court of Canada. The decision concludes the case by: reaffirming the authority of Transport Canada inspectors to inspect and detain ships under the *Canada Shipping Act*; respecting the decisions of Transport Canada inspectors, and affirming that they are entitled to be cautious so as to maintain the safe operation of marine vessels in Canada's waters; and confirming the earlier decision of the Federal Court of Appeal. The Minister of Transport, Infrastructure and Communities said he is pleased with this decision, as it enables enforcement action against shipowners that do not comply with our safety and environmental requirements.

6. Blust to step down as FMC chairman

On June 15, 2006, Steven R. Blust, chairman of the U.S. Federal Maritime Commission, said he will leave his post shortly after his replacement has been confirmed by the Senate. Blust has served as FMC chairman since August 2002.

7. Spirit of Cooperation Called for in Laurentian Pilotage Region

On June 16, 2006, Transport Canada called upon the Laurentian Pilotage Authority and its Corporation des pilotes du Saint-Laurent Central Inc. pilots to implement the following measures to ensure the Pilotage Authority's financial stability and to

guarantee fair and reasonable prices for high-quality service for users. These issues include: the quality and reliability of the service principally night navigation in the winter and double pilotage; the negotiation of a five-year service contract, including annual increases that do not exceed the consumer price index; the elimination of the productivity

Water Transportation

Canada

1. Temporary Measure to Provide Ferry Service Between Quebec and Prince Edward Island, June 2, 2006, www.tc.gc.ca
2. Vancouver terminals facing new capacity issues, June 6, 2006, www.joc.com
3. European shippers, liners square off over information exchange, June 12, 2006, www.joc.com
4. Transport Canada Advises Against Using Water Toys for Boating, June 9, 2006, www.tc.gc.ca
5. Supreme Court Upholds Appeal in Lantau Peak Case, June 9, 2006, www.tc.gc.ca
6. Blust to step down as FMC chairman, June 15, 2006, www.americanshipper.com
7. Spirit of Cooperation Called for in Laurentian Pilotage Region, June 16, 2006, www.tc.gc.ca
8. Proposed Regulations to Prevent Pollution from Ships and to Control the Carriage of Dangerous Chemicals on Ships, June 16, 2006, www.tc.gc.ca
9. Government of Canada Supports International Marine Security Efforts, June 23, 2006, www.tc.gc.ca
10. Tripartite Shippers' Group repeats call for conference abolition, June 26, 2006, www.americanshipper.com
11. Ports of Busan, Vancouver struggle to cope with flow, *Globe and Mail*, June 27, 2006, p. B12.
12. Port of Vancouver, Accumulated Container Traffic Report, May 2006, www.portvancouver.ca
13. Port of Montreal, Cumulative containerized traffic summary January to May, June 28, 2006, www.portofmontreal.ca
14. Transport Canada Proposes Amendments to Boost Port Security, June 28, 2006, www.tc.gc.ca
15. Government of Canada Announces Ballast Water Regulations, June 28, 2006, www.tc.gc.ca

US/EU

1. West Coast container volume up 8.3% through April [in the first four months of 2006], June 5, 2006, www.joc.com
2. US East Coast port capacity strained by growth, June 19, 2006, www.joc.com
3. Japanese regulators to propose withdrawing antitrust carrier exemption, June 19, 2006, www.americanshipper.com

clause in the service contract; a two per cent reduction in the service contract, and the publishing of a new tariff of pilotage charges to reflect the cost reduction; and the harmonization of the contracts of the two pilot corporations in order to avoid rising costs. The Minister also announced that the Government of Canada is rescinding a binding decision made in October 2005 by the Canadian Transportation Authority which disallowed a tariff increase for pilotage fees.

8. Proposed Regulations to Prevent Pollution from Ships and to Control the Carriage of Dangerous Chemicals on Ships

Transport Canada announced on June 16, 2006 proposed regulations that will update and augment the current program to prevent shippers from polluting waters under Canadian jurisdiction. In addition to current requirements, the proposed regulations include: requiring new oily water filtering equipment and bilge alarms to meet stricter approval standards; requiring any vessel fitted with a toilet to have a holding tank etc., to keep records of operations involving sewage and to obtain receipts for discharges to shore pump-out stations; changing the definition of 'garbage' and specifying the requirements for record-keeping for garbage-related operations on commercial carriers; requiring ships to be inspected and certified for compliance, banning the release of ozone-depleting substances, substances in ships' incinerators, and specifying the quality of fuel that can be burned by ships; and banning the use of organotins in anti-fouling systems on ships, and requiring ships' anti-fouling.

9. Government of Canada Supports International Marine Security Efforts

The Honourable Ministers Lawrence Cannon and Peter MacKay, on June 23, 2006 announced that the Government of Canada is contributing \$500,000 to the International Maritime Organization's International Maritime Security Trust Fund. Canada's contribution is the largest contribution ever made to the fund by a single member state. It demonstrates the Government of Canada's commitment to fighting terrorism and strengthening security around the world.

10. Tripartite Shippers' Group repeats call for conference abolition

The Tripartite Shippers' Group, comprising shippers organizations from North America, Europe and Asia, has repeated its call for the outright elimination of the liner carriers' antitrust immunity that permits liner conferences and discussion agreements to collectively set rates and surcharges. This was done notwithstanding the European Liner Affairs Association's, revised proposals for a post-liner conference system in Europe, to the European Commission.

11. Ports of Busan, Vancouver struggle to cope with flow

An analysis of gateway initiatives released last week by the Asia Pacific Foundation found that port development on Canada's West Coast could place it at risk of not getting a fair share of increased international trade. The major causes cited were environmental assessments and lack of co-ordinating road and rail developments. This observation was not uncorroborated as Vancouver is struggling to cope with the increase in traffic and plans to double its capacity by 2020 from six berths to twelve. On the other side, Busan in South Korea is also planning its first re-development in 40 years and plans to add 30 new berths from 22 within the next five years. The possibility of a railway line that would cut access time to Europe and Russia does not appear to be operable yet till the connection through North Korea is settled.

12. Port of Vancouver, Accumulated Container Traffic Report

The accumulated container traffic report for the Port of Vancouver indicates that total container traffic (in terms of TEUs) increased by 22% for the month of May 2006 over the month of May 2005. Imports increased by 28% and exports by 16%.

13. Port of Montreal, Cumulative containerized traffic summary January to May

The accumulated container traffic report for the Port of Montreal indicates that total container traffic (in terms of TEUs) increased by 0.2% for the months of January 2006 to May 2006 over the same period in 2005. Imports decreased by 2.2% and exports increased by 2.5%.

14. Transport Canada Proposes Amendments to Boost Port Security

On June 28, 2006 proposed amendments to the Marine Transportation Security Regulations that will strengthen marine security by requiring background checks for port workers through the Marine Transportation Security Clearance Program were announced. The proposed program would reduce the risk of security threats to the transportation system.

15. Government of Canada Announces Ballast Water Regulations

On June 28, 2006, the Minister of Transport, Infrastructure and Communities, announced publication of Ballast Water Control and Management Regulations. These regulations will further reduce the risk of harmful aquatic species and pathogens being introduced into Canadian waters through ships' ballast water.

RAIL TRANSPORTATION

1. Manitoba Railway Line Transferred to First Nations Company

On May 25, 2006, a railway line in northern Manitoba (Pukatawagan) was transferred to Keewatin Railway Company. The railway company (the First Nations-owned) received \$4.9 million from the Government of Canada, \$1.25 million from the Province of Manitoba and \$500,000 from three First Nations communities for the railway line purchase. Federal funding comes from the Regional and Remote Passenger Rail Services Contribution Program administered by Transport Canada.

2. Work Begins on the Go Transit Stouffville Line

The Government of Canada, the Province of Ontario, and GO Transit announced on May 25, 2006 the start of construction on GO Transit's Stouffville train line. The expansion is part of the GO Transit Rail Improvement Program (GO TRIP), a billion-dollar expansion funded by the governments of Canada, Ontario, and the municipalities through the Canada Strategic Infrastructure Fund.

3. Canadian Pacific Railway [CPR] completes sale of Indiana rail line to Indiana Rail Road Co.

The sale of CPR's Latta Subdivision to Indiana Rail Road Co. was approved by the Surface Transportation Board in a decision that was effective May 11, 2006. The subdivision consists of 92.3 miles of track from Fayette, which is near Terre Haute, to Bedford, Ind. The sale includes trackage rights over CSX from Chicago to Terre Haute and from Bedford to Louisville, Ky.

4. Canadian Pacific Railway Limited [CPR] renews share repurchase program

CPR announced on June 1, 2006 that it has made the necessary filings to renew its

normal course issuer bid to permit the purchase for cancellation up to 3,936,000 of its outstanding common shares, or approximately 2.5 percent of the approximately 158,321,252 common shares outstanding at May 31, 2006.

5. CN addressing environmental impact of Quebec derailment

Fourteen cars of CN were derailed at Joliette Subdivision near Charette, Que., in the Mauricie Region, about 140 kilometres northeast of Montreal. Included were four tank cars that leaked fuel product into the river. CN is assessing the amount of fuel release and is taking immediate steps to contain the spill and recover lost product.

6. Canadian Pacific Railway [CPR] announces long-term agreement with Toyota

CPR announced on June 8, 2006 that it has entered into a long-term agreement with Toyota Motor Sales to provide rail service to Toyota's new automotive plant at Woodstock, Ontario. CPR has been supplying rail service to Toyota's Cambridge plant for more than 17 years.

7. Merger drumbeat goes on

An analyst for RBC Capital Markets is of the opinion that mergers in the freight transportation sector are not over yet and that in the near future Canadian Pacific Railway Co. is the biggest probable acquisition target among railways.

8. CN acquiring 50 high-horsepower locomotives from Electro-Motive Diesel, Inc.

CN announced on June 14, 2006 that it will acquire 50 high-horsepower locomotives from Electro-Motive Diesel, Inc. (EMD) for delivery in the second half of 2007. These locomotives will prepare CN to handle new international freight traffic to and from the Port of Prince Rupert, B.C., intermodal terminal, which is scheduled to open for business in the second half of 2007.

9. Railway carloadings

Railways loaded 24.2 million metric tonnes of freight in April 2006, down 1.0 million metric tonnes or 3.6% from March 2006. A number of factors contributed to this decline such as local disturbance in Ontario and the fewer number

Rail Transportation

Canada

1. Manitoba Railway Line Transferred to First Nations Company, May 25, 2006, www.tc.gc.ca

2. Work Begins on the Go Transit Stouffville Line, May 25, 2006, www.tc.gc.ca

3. Canadian Pacific Railway [CPR] completes sale of Indiana rail line to Indiana Rail Road Co. May 30, 2006, www.ctl.ca

4. Canadian Pacific Railway Limited [CPR] renews share repurchase program, June 1, 2006, www.cpr.ca

5. CN addressing environmental impact of Quebec derailment, June 4, 2006, www.cn.ca

6. Canadian Pacific Railway [CPR] announces long-term agreement with Toyota, June 8, 2006, www.cpr.ca

7. Merger drumbeat goes on, June 13, 2006, www.nationalpost.ca

8. CN acquiring 50 high-horsepower locomotives from Electro-Motive Diesel, Inc., June 15, 2006, www.cnr.ca

9. Railway carloadings, June 23, 2006, www.statcan.ca

10. CN applies for court injunction to prevent First Nations' rail blockades on company's lines in Manitoba, June 22, 2006, www.cn.ca

11. Government of Canada Provides Operating and Fleet Renewal Funding for Remote Northern Ontario Passenger Rail Service, June 23, 2006, www.tc.gc.ca

of days in April. Intermodal, non-intermodal and US freight all declined.

10. CN applies for court injunction to prevent First Nations' rail blockades on company's lines in Manitoba

CN sought an injunction on June 22, 2006 to prevent Manitoba First Nations from illegally blocking its rail lines to protest the Canadian government's handling of native land claims negotiations. CN indicated that it has no authority to resolve First Nations' land claims disputes with the federal government.

11. Government of Canada Provides Operating and Fleet Renewal Funding for Remote Northern Ontario Passenger Rail Service

On June 23, 2006, it was announced that the Government of Canada will provide Algoma Central Railway with \$2.1 million in operating funding until March 31, 2007 in order to continue its remote passenger rail service between Sault Ste. Marie and Hearst, Ontario. It will also provide approximately \$1.5 million to replace Algoma Central Railway's passenger rail fleet. Algoma Central Railway is a wholly owned subsidiary of CN.

HIGHWAY TRANSPORTATION

1. Agreement signed for urban bypass projects in Greater Moncton

Three levels of government, federal, provincial and municipal, have agreed to invest in the construction of urban bypasses located in Moncton, Dieppe and Riverview. It will ensure safer and less traffic congestion in the Greater Moncton Area. The governments of Canada and New Brunswick will each contribute up to \$11.5 million for the completion of the three projects. The municipalities of Moncton, Dieppe and Riverview are also contributing to these projects.

2. Investment of \$5 Million to Construct Noise Screen at the Maloney Exit of Highway 50

The Construction of the noise screen along the Maloney Exit of Highway 50 in Gatineau was unveiled on May 25, 2006 by government officials. Funding for the screen, estimated at approximately \$5 million will be shared between the three levels of government. Transport Canada will contribute a maximum of \$1.5 million, while Transport Quebec and the City of Gatineau will cover the remaining costs equally.

3. Large urban transit

Combined ridership on 10 large urban transit systems in Canada was 4.1% higher in March 2006 than it was in March 2005. Approximately, 125.4 million passenger trips were taken on these transit systems or 80% of total urban transit. The trips generated \$187.8 million in revenue (excluding subsidies) a increase of 3.4% over March 2005.

4. New Ridematching System Helps Federal Employees Carpool

On May 26, 2006, the Minister of Transport, Infrastructure and Communities and the Mayor of Ottawa, launched the City of Ottawa's new ridematching system. The Government of Canada has provided \$25,000 towards the Internet-based system, which allows for enhanced capabilities for Government of Canada employees working in Ottawa, Ontario, and

Gatineau, Quebec, to find potential carpooling matches based on proximity to home and work, and similar working hours.

5. Minister Cannon Announces Safer School Bus Travel for Small Children

Transport Canada takes the safety of children very seriously; therefore, as of April 1, 2007, all new school buses will have the tools needed to be able to accommodate infant and child seats.

Highway Transportation

Canada

1. Agreement signed for urban bypass projects in Greater Moncton, May 23, 2006, www.tc.gc.ca
2. Investment of \$5 Million to Construct Noise Screen at the Maloney Exit of Highway 50, May 25, 2006, www.tc.gc.ca
3. Large urban transit, May 26, 2006, www.statcan.ca
4. New Ridematching System Helps Federal Employees Carpool, May 26, 2006, www.tc.gc.ca
5. Minister Cannon Announces Safer School Bus Travel for Small Children, June 2, 2006, www.tc.gc.ca
6. Trans-Canada Highway's 'unfulfilled promise', *National Post*, June 3, 2006, p. FP3.
7. Taxi and limousine service industry, June 7, 2006, www.statcan.ca
8. Tunnel Boring Begins on Canada Line in Vancouver, June 12, 2006, www.tc.gc.ca
9. For-hire motor carriers of freight, top carriers, June 12, 2006, www.statcan.ca
10. Speed Limiters on Trucks get Quebec support, June 16, 2006, www.ctl.ca
11. Large urban transit, *The Daily*, June 20, 2006, www.statcan.ca
12. Canada and Ontario Improving Highway 401 in Essex County, June 22, 2006, www.tc.gc.ca
13. Canada and Ontario Improving Roads in Windsor-Detroit Gateway, June 23, 2006, www.tc.gc.ca
14. Canada and Ontario Improving Highway 401 in London, June 26, 2006, www.tc.gc.ca
15. 13 Winning Transportation Planning and Modal Integration Projects Announced, June 26, www.tc.gc.ca

6. Trans-Canada Highway's 'unfulfilled promise'

English Professor says that though Trans-Canada was opened as a symbol of Canadian Unity and geographically mandated to be a physical connector, it should not be regarded as a practical means for gaining a national understanding. The highway has not been able to achieve the cultural resonance of America's route 66. Part of the explanation may be that the Highway is long and too remote for all but a few to travel from one end to the other. He says "If we think the point of the road is to offer some kind of glorious connection in Canada between various locales and between various landscapes, we're not realizing it."

7. Taxi and limousine service industry][Preliminary 2004]

In 2004, overall operating revenue in the taxi and limousine service industry was \$1.3 billion an increase of less than 1% from 2003. Operating expenses increased 2%, resulting in a decline of operating margin of 4%. The taxi and limousine industry is divided into two major segments: associations and companies, and self-employed drivers. Associations and companies realized operating revenues of \$530 million in 2004, down 1% from the previous year. Operating revenue of self-employed drivers was \$735 million, up 3% from 2003.

8. Tunnel Boring Begins on Canada Line in Vancouver

A ceremony at the future False Creek South station on June 12, 2006 marked the start of tunnel boring construction for the Canada Line from False Creek to the downtown core. Canada will provide \$450 million and the Province will provide \$435 million for this project.

9. For-hire motor carriers of freight, top carriers

The top 91 (\$25 million revenue or more) for-hire Canadian motor carriers of freight generated operating revenue of \$2.37 billion and expenses of \$2.21 billion in the first quarter of 2006. Average per-carrier revenue increased 6.8% to \$26.1 million in the first quarter of 2006 from the first quarter of 2005. Average per-carrier expenses increased 6.5% to \$24.3 million. The operating ratio (operating expenses divided by operating revenue) improved to 0.93 in the first quarter of 2006 from the same quarter a year earlier.

10. Speed Limiters on Trucks get Quebec support

An all-party committee of the Quebec National Assembly is recommending that it be mandatory that speed limiters be activated on all trucks and buses and that the maximum speed be set at 105 km/hr, said a Canadian Trucking Alliance release.

11. Large urban transit

In April 2006, combined ridership on 10 large urban transit systems in Canada was 3.5 % higher than it was for the same month in 2005. Approximately 108.5 million passenger trips were taken on these transit systems in April. These systems account for about 80% of total urban transit in Canada. The trips generated \$172 million in revenue in April 2006 (excluding subsidies), a 0.3% increase over April 2005.

12. Canada and Ontario Improving Highway 401 in Essex County

Federal Minister of Transport, Infrastructure and Communities, announced on June 22, 2006 the start of phase three improvements to Highway 401 in Essex County. The two levels of government are investing more than \$61 million to improve a 10 kilometre stretch of Highway 401 between Highway 77 and Essex Road 27. This project will improve traffic flow and provide safety improvements.

13. Canada and Ontario Improving Roads in Windsor-Detroit Gateway

The governments of Canada and Ontario, in partnership with the City of Windsor, on June 23, 2006, announced \$357,000 in road improvements on Huron Church Road at Industrial Drive, as part of the *Let's Get Windsor-Essex Moving* strategy to improve traffic flow at Canada's busiest border crossing. Funding for this strategy comes from the Canada-Ontario Border Infrastructure Fund.

14. Canada and Ontario Improving Highway 401 in London

On June 26, 2006, the governments of Canada and Ontario and the City of London announced the start of construction to widen and improve Highway 401 in London, which leads to Canada's two busiest international border crossings at Windsor and Sarnia. Infrastructure improvements help reduce traffic congestion, cutting the time Canadians have to spend in their cars and reducing pollution. This investment of more than \$36 million is being co-shared by the

governments of Canada and Ontario and the City of London. The Government of Canada's funding for the London project comes from the \$600-million Border Infrastructure Fund.

15. 13 Winning Transportation Planning and Modal Integration Projects Announced

The Government of Canada will award over \$1 million to 13 projects that advance transportation planning and enhance integration and connections between transportation modes. The projects are being funded under the Transportation Planning and Modal Integration initiatives. To date, approximately \$5 million in funding has been granted to a total of 45 projects across the country, including the 13 projects announced on June 26, 2006.

GENERAL

1. The 90th Ministerial Session of the European Conference of Ministers of Transport

The 90th Ministerial Session of the European Conference of Ministers of Transport (ECMT) took place in Dublin, Ireland on May 17 and 18, 2006. The meeting was marked by a major event in the history of the ECMT, namely the decision by Ministers to transform this organisation into an international Transport Forum dealing with global issues. It will also be open to participation by non-European as well as major economic actors.

2. Freight sustainability projects to test ways to reduce greenhouse gas emissions

Lawrence Cannon, Minister of Transport, Infrastructure and Communities, announced funding totalling approximately \$582,000 for five projects designed to reduce greenhouse gas emissions in the freight transportation sector under Transport Canada's Freight Sustainability Demonstration Program.

3. Minister of Transport, Infrastructure and Communities Issues Statement for Environment Week

The Minister of Transport, Infrastructure and Communities today released a statement on the occasion of Environment Week: He indicated that "The unprecedented federal support for infrastructure outlined in Budget 2006 will help ensure, for example, that citizens have access to safe and reliable water systems, and that traffic congestion is reduced, contributing to an improved environment.

Additional investments to encourage the use of public transit will further help communities improve their quality of life. Examples are \$1.3 billion and \$370 million in tax credits.

4. Transportation industry: Year in review

On June 14, 2006, Statistics Canada reported that Canada's transportation sector posted strong growth for 2005 in economic activity in three major modes (trucking, rail and aviation). Air transportation experienced the fastest growth in economic output of the three as its GDP jumped 11.8%. It was followed by the railways with an increase of 5% and by a 4.4% increase in trucking. This growth in GDP output in this sector was reported after a substantial increase in 2004. Employment also showed some growth.

5. Travel between Canada and other countries

Overall, Canadian residents took almost 3.955 million trips outside Canada in April 2006. About 3.398 million of those trips were to the United States, with all modes of transportation posting increases and 557,000 were to overseas countries. The latter represented a 1.4% gain from March, and the fifth consecutive monthly increase. The number of visitors from overseas countries to Canada dropped 2.9% to about 380,000. The number of overnight trips to the United States reached 1.3 million in April, up 1.2% compared to March 2006.

6. Speaking Notes for Brian Jean Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities to the Alberta Urban Municipalities Association Calgary, Alberta, June 16, 2006

CANADA

1. The 90th Ministerial Session of the European Conference of Ministers of Transport, May 23, 2006, www.oecd.org
2. Freight sustainability projects to test ways to reduce greenhouse gas emissions, June 6, www.ctl.ca
3. Minister of Transport, Infrastructure and Communities Issues Statement for Environment Week, June 6, www.tc.gc.ca
4. Transportation industry: Year in review, June 14, 2006, www.statcan.ca
5. Travel between Canada and other countries, June 19, 2006, www.statcan.ca
6. Speaking Notes for Brian Jean Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities to the Alberta Urban Municipalities Association Calgary, Alberta, June 16, 2006, June 19, 2006, www.tc.gc.ca
7. Funding for Environmentally Friendly Transportation Projects, June 27, 2006, www.tc.gc.ca

US

1. EU takes 'green' ocean policy to U.S., June 19, 2006, www.joc.com
2. Letter of Resignation from Secretary Norman Y. Mineta to President Bush, June 23, 2006, www.dot.gov
3. Bush nominates Connaughton to head Marad, June 29, 2006, www.joc.com

The theme of the speech was the President's Summit on Municipal Sustainability and was divided into: 1. Setting the course in Ottawa; 2. The Budget; 3. Integrated Portfolio; 4. Integrated Community Sustainability Plans; and 5. Conclusion. In brief, the Prime Minister has set a clear course for our government: the five priorities campaigned on. The government is committed to working with you and the recent budget is an indication of it. It's a good budget for municipalities - community sustainability. It includes: unprecedented funding for infrastructure; funding for immigrant settlement and support, because we know that municipalities, particularly larger ones, attract most of our immigrant population; funding to tackle crime, which will contribute to safe and secure communities; and funding for affordable housing and for the environment. In addition, there is the gas transfer tax and GST rebates to municipal governments. These are some of the areas that the federal government is investing in so as to maintain the quality of life in our cities and communities, and the competitiveness and sustainability of Canada's economy.

7. Funding for Environmentally Friendly Transportation Projects

Five projects designed to contribute to a more environmentally friendly transportation system have been selected to receive funding totalling \$110,000 under the program Moving On Sustainable Transportation.