

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Managing Cargo in Crisis - IATA Calls for a Supply Chain Approach

The air cargo industry showed a decline of 23.2% in January 2009 after a decline of 22.6% in December 2008. Giovanni Bisignani, IATA's Director General and CEO called on the cargo supply chain to battle the current air cargo crisis by improving security, delivering a better product and boosting efficiency. Air cargo represents about 10% of industry revenues and 35% of the value of goods traded and is a barometer of global economic health.

### 2. WestJet announces February load factor of 82.6 per cent

On March 4, 2009, WestJet announced traffic results for February 2009 - a load factor of 82.6 per cent, revenue passenger miles of 1.116 billion and available seat miles of 1.350 billion. Sean Durfy noted "The pricing environment has not improved and we are anticipating a decline in year-over-year first quarter revenue per available seat mile (RASM) of 10 to 12 per cent. ... We are seeing cost relief, due primarily to declines in fuel costs, that is helping to partially offset the decline in RASM."

### 3. WestJet expects to feel economic pinch in first quarter

WestJet Airlines Ltd. says passenger traffic improved in February 2009 over February 2008 but it expects the weak economy will have an impact on its first quarter. Its revenue passenger miles increased 5.5 per cent over February 2008, available seat miles increased by 5.7 per cent, and its load factor was down from 0.2 per cent a year earlier. "Our strong load factor is, in part, a reflection of our strong growth into Mexico and the Caribbean," Sean Durfy, WestJet president and CEO, said in a statement. "Our international expansion and continued focus on transborder routes are key to driving the success of our strategic plan." Compared with the first quarter of 2008, crude oil prices — which affects the cost of jet fuel — have fallen to about \$44 (U.S.) a barrel currently from about \$102 a year ago.

### 4. Air Canada reports February traffic; Load factor of 79.6 per cent matches February 2007 record

On March 4, 2009, Air Canada reported its traffic for February 2009: a load factor of 80.7% (compared to 79.5% for February 2008, a 1.2 points increase); revenue passenger miles 3,130 million (9.8% lower); and available seat miles or capacity 3,879 million (11.1% lower). For the combined carriers (Air Canada and Jazz), statistics for February 2009 were: a load factor of 79.6% (compared to 79.2% for January 2008); revenue passenger miles 3,409 million (10.5% lower); and available seat miles or capacity 4,280 million (11% lower). Montie Brewer, CEO said "Our strong load factor, matching the previous record set in February 2007, shows that we are managing capacity well in this difficult economic environment. ... Capacity adjustments are on track and we ... fine tuning capacity as required. ..."

### 5. Aircraft movement statistics: Major airports [2008]

For 2008, the number of aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and/or flight service stations continued to increase. These 95 airports reported 6.21 million movements in 2008 compared with 6.07 million movements in 2007, up 2.3%

### 6. Air Transat suspends dividend as loss widens

Travel operator Transat A.T. Inc. reported that its first quarterly loss for 2008 jumped to \$29.4-million, or 90 cents per share, from a loss of \$7.9-million, or 23 cents per

## Current Developments in Brief

### Air Transportation

#### CANADA

1. Managing Cargo in Crisis - IATA Calls for a Supply Chain Approach, March 3, 2009, [www.iata.org](http://www.iata.org)
2. WestJet announces February load factor of 82.6 per cent, March 5, 2009, [www.westjet.ca](http://www.westjet.ca)
3. WestJet expects to feel economic pinch in first quarter, March 4, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
4. Air Canada reports February traffic; Load factor of 79.6 per cent matches February 2007 record, March 4, 2009, [www.aircanada.com](http://www.aircanada.com)
5. Aircraft movement statistics: Major airports [2008], March 5, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)
6. Air Transat suspends dividend as loss widens, March 11, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
7. Air Canada completes aircraft sale and leaseback transaction providing liquidity of US\$38 million, March 13, 2009, [www.aircanada.com](http://www.aircanada.com)
8. World's biggest plane coming soon to an airport near you, March 16, 2009, [www.nationalpost.com](http://www.nationalpost.com)
9. Aircraft movement statistics: Small airports [December 2008], March 18, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)
10. Major firms push Ottawa for pension reforms, March 18, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
11. Cargojet to buy out remaining interest in Prince Edward Air Ltd., March 19, 2009, [www.ctl.ca](http://www.ctl.ca)
12. Canada and Turkey successfully conclude air transport agreement, March 20, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
13. Aircraft movement statistics: Major airports [February 2009], March 20, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)
14. BAA Must Sell Stansted, Gatwick, One Other, March 19, 2009, [www.joc.com](http://www.joc.com)
15. Proposed regulations for safer winter travel, March 23, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
16. Airlines will lose \$4.7-billion in 2009, March 24, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
17. Risk of more airlines going under in 2009: IATA, March 24, 2009, [www.nationalpost.com](http://www.nationalpost.com)

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share in the same period the year before. Though travel increased by 11% this did not compensate fully for the lower prices and the lower margins.

#### **7. Air Canada completes aircraft sale and leaseback transaction providing liquidity of US\$38 million**

Air Canada announced on March 13, 2009, the completion of the sale and leaseback transaction of one Boeing 777-300ER aircraft with GE Commercial Aviation Services (GECAS), a division of General Electric Capital Corporation (GECC). This 12 year sale and leaseback transaction provides Air Canada with US\$38 million of funding (approximately C\$48 million).

#### **8. World's biggest plane coming soon to an airport near you**

Emirates says it will become the first carrier to fly Airbus's new double-decker A380, the world's largest plane, to Canada in the summer 2009. They indicate that there is need for more flights and increased access, however Canadian carriers point out that the market is not large enough and that the carrier is being subsidized by Abu Dhabi, their state government.

#### **9. Aircraft movement statistics: Small airports [December 2008]**

The number of take-offs and landings at the 120 airports without air traffic control towers reached 34,418 movements in December 2008, down 1% compared with the 34,780 take-offs and landings for the 120 airports reported for the same month a year before.

#### **10. Major firms push Ottawa for pension reforms**

Air Canada, Canadian Pacific Railway Ltd. and other four companies, are urging Ottawa to ease rules on pension plans, saying they are too onerous. This is forcing huge contributions by corporations. Mr. Brewer, CEO of Air Canada said that it effectively funnels revenue from the first four passengers boarding a plane toward pension payments, and the figure could increase to the first six travellers as the airline's pension deficit widens. He is hoping Ottawa has a solution.

#### **11. Cargojet to buy out remaining interest in Prince Edward Air Ltd.**

Cargojet Airways has agreed to acquire the remaining 49% interest in Prince Edward Air Ltd. (PEAL), the operator of cargo aircraft in Eastern Canada. PEAL is a specialized air cargo operator serving numerous Canadian cities since 1989 and provides dedicated cargo lift to major couriers and transportation companies. Cargojet launched its own Cargojet Regional brand in October 2007 to extend the reach and coverage of its national air cargo network. The combined regional business operates 21 aircraft in Ontario, Quebec and Eastern Canada and employs approximately 130 employees. Annual combined revenues of the regional business are approximately \$21 million.

#### **12. Canada and Turkey successfully conclude air transport agreement**

For the first time, an air transport agreement is in place to allow scheduled flights to operate between Canada and the Republic of Turkey, Canada's Transport Minister announced on March 20, 2009. The agreement, part of Canada's Blue Sky policy, provides rights that will allow airlines initially to operate passenger and/or all-cargo air services with discretion to choose routings and the cities in each other's territory they chose to serve. Airlines will also have flexibility in the setting of their prices allowing them to react quickly to changing market conditions.

#### **13. Aircraft movement statistics: Major airports [February 2009]**

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 3.7% in February 2009 compared with the same month a year earlier. These 93 airports reported 419,281 movements in February compared with 435,196 movements at 95 airports in February 2008.

#### **14. BAA [British Airways Authority] Must Sell Stansted, Gatwick, One Other**

UK Competition Commission orders break-up of world's largest airport operator, BAA, by selling London Stansted airport, one of the UK's top freighter and express hubs. The UK's Competition Commission also ordered BAA to sell London Gatwick and either Glasgow or Edinburgh airport within two years.

#### **15. Proposed regulations for safer winter travel**

Canada's Transport Minister, John Baird, announced on March 23, 2009 proposed changes to the *Canadian Aviation Regulations*. These changes would standardize winter runway maintenance service requirements at certified airports in Canada and require more consistent reporting of runway surface information during severe winter weather. It is intended

18. Air Canada Extends Unisys Contracts, March 24, 2009, [www.ioc.com](http://www.ioc.com)
19. Freight Stabilizes, Passenger Drops, March 26, 2009, [www.iata.org](http://www.iata.org)
20. Air Canada to launch only daily Vancouver-Paris service, March 26, 2009, [www.aircanada.com](http://www.aircanada.com)
21. Canada's Airports Welcome New Border Service Policy, March 30, 2009, [www.cacairports.ca](http://www.cacairports.ca)
22. Air Canada announces appointment of Calin Rovinescu as President & Chief Executive Officer; Michael Green appointed to Board of Directors, March 30, 2009, [www.aircanada.com](http://www.aircanada.com)
23. CEO resigns in surprise shake-up at Air Canada, March 31, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)

#### **US**

1. Airline On-Time Performance Improves In January, March 11, 2009, [www.dot.gov](http://www.dot.gov)
2. December 2008 Airline Traffic Data: System Traffic Down 5.7 Percent in December from 2007 and Down 3.7 Percent in 2008, March 12, 2009, [www.dot.gov](http://www.dot.gov)
3. The Commission proposes making rights to slots more flexible in order to counteract the impact of the crisis on air transport, March 13, 2009, [www.europa.eu](http://www.europa.eu)
4. January 2009 Passenger Airline Employment Down 6.9 Percent from January 2008, March 17, 2009, [www.bts.gov](http://www.bts.gov)
5. DOT Proposes Continental, US Airways for New U.S.-Brazil Air Services, March 20, 2009, [www.dot.gov](http://www.dot.gov)

to improve the safety of air passengers and flight crews travelling during the winter.

#### **16. Airlines will lose \$4.7-billion in 2009**

World airlines will lose \$4.7-billion (U.S.) this year due to the economic crisis. IATA CEO Giovanni Bisignani said “The state of the airline industry today is grim, ... Demand has deteriorated much more rapidly with the economic slowdown than could have been anticipated even a few months ago.”

#### **17. Risk of more airlines going under in 2009: IATA**

Giovanni Bisignani, chief executive officer of IATA, said more airlines could become bankrupt in 2009. Two factors were cited for this belief: 1. declining demand for air travel and 2. unforgiving financial sector due to the heavy debt of airlines in the world and the need for extensive collateral to obtain loans. If his beliefs materialize, it could lead to more mergers and concentration in this sector.

#### **18. Air Canada Extends Unisys Contracts**

Air Canada extended its existing contracts for two Unisys air cargo solutions. The company’s hosting and integration services agreement with it will last another five years and the cargo portal services pact will run three more years.

#### **19. Freight Stabilizes, Passenger Drops**

The International Air Transport Association (IATA) announced on March 26, 2009 that the international traffic statistics for the month of February 2009 showed continuing deterioration in demand. Passenger volumes fell sharply (10.1%) below 2008 levels despite a 5.9% reduction in capacity. February international freight volumes were 22.1% below 2008 levels, the third consecutive month of more than 20% below previous year levels.

#### **20. Air Canada to launch only daily Vancouver-Paris service**

Air Canada announced on March 26, 2009 that it will launch the only daily service between Vancouver and Paris to meet seasonal travel demand. It will operate daily one-stop same plane flights linking Vancouver with the French capital during the busy summer season (July 1, 2009, and September 29, 2009).

#### **21. Canada’s Airports Welcome New Border Service Policy**

The Canadian Airports Council welcomed the Government of Canada’s new *Air Services Policy Framework* that will be effective April 1, 2009. It will mean increased border service hours for several Canadian communities and improved clarity around the provision of new or increased airport border services in the future. Expanded hours will allow airports to attract more international air service.

#### **22. Air Canada announces appointment of Calin Rovinescu as President & Chief Executive Officer; Michael Green appointed to Board of Directors**

David Richardson, Chairman of the Board of Directors of Air Canada, announced on March 30, 2009 the resignation of Montie Brewer as President and Chief Executive Officer effective April 1, 2009. Calin Rovinescu, a former senior executive with the airline, will succeed Mr. Brewer as President and Chief Executive Officer.

#### **23. CEO resigns in surprise shake-up at Air Canada**

Fears of bankruptcy filing reignited as Air Canada faces mounting debt and pension shortfall. Air Canada is facing a cash crunch, and some industry analysts have speculated that it could be forced to file for bankruptcy protection for the second time in six years. Not surprisingly, Montie Brewer, President and Chief Executive Officer, resigned and Mr. Rovinescu a Canadian lawyer who helped restructure the carrier in 2003-04 will take his position.

## **WATER TRANSPORTATION**

### **1. Cumulative containerized traffic summary January 2009 - Port of Montreal**

Cumulative containerized traffic (TEUs) at the Port of Montreal for the month of January 2009 compared to the same month a year earlier was down 14.7%. Inbound traffic (TEUs) declined 14.8% and outbound traffic declined 15.5%. In terms of metric tonnes in containers the decline was even steeper with a total decline of 24.1%.

### **2. Cumulative traffic summary January 2009 - Port of Montreal**

Cumulative traffic (metric tonnes) at the Port of Montreal for the month of January 2009 compared to the same month a year earlier was down 24.9%. General cargo declined 24.3% and bulk cargo dropped 25.5%. Total inbound traffic (metric tonnes) declined 36% and total outbound traffic declined 6.6%.

### **3. Descartes dials up another deal**

Descartes Systems Group of Waterloo acquired the logistics business of privately held Oceanwide Inc of Montreal for \$8.4million. According to the companies, the acquisition makes sense as it will now be able to offer the services of the other company that it previously did not offer. This is Descartes' thirteenth acquisition in five years.

### **4. A glimmer of hope**

The Baltic Dry Index is viewed by some shipping experts as a barometer of global trade. Its latest rally – four straight days – offers a glimmer of hope. The index is still down 82 per cent from its record high of 11,793 in May 2008. But shipping experts say there's reason for optimism because of the sharp improvement from dizzying lows. With China's expected stimulus package and expected growth, there is a possibility of recovery in the second half of 2009.

### **5. B.C. ports workers, employers ratify collective agreement**

The B.C. Maritime Employers Association and the International Longshore and Warehouse Union ratified a collective agreement that averted a costly strike threat. Data show that every day of a work stoppage in the ports of B.C. imposes a cost of \$124-million to the Canadian economy. A strike could cripple ports on the West coast and cause diversion of traffic to the US.

### **6. Halifax, Seaway Talk Short Sea**

Officials from the Halifax Port Authority and the St. Lawrence Seaway Management Corporation met in Halifax in March 2009 to discuss ways of increasing short sea-shipping trade between Halifax and ports along the Seaway system. The potential for break-bulk cargo appears good. The intent of a memorandum of understanding that Halifax has with the Seaway is to align possibilities of development. The Seaway has 41 ports serving 150 million people and offers opportunity for a variety of cargo. To encourage new firms to use shortsea shipping it has reduced tolls by 20% last year and frozen tolls for two years. Lack of availability of vessels and the 25% tariff on foreign vessels entering Canadian waters is part of the problem.

### **7. Halifax and Churchill Gateways collaborate to ship grain east**

Two major Canadian Gateways at Halifax and Churchill have signed an agreement to jointly pursue mutual opportunities for grain exports and northern business ventures. The agreement was welcomed by exporters of wheat.

### **8. Adoption of the Third Maritime Safety Package**

The European Parliament has adopted the third maritime package on March 11, 2009. The main objective of the package is to restore the competitiveness of the sector while benefiting only those operators who respect the safety standards, in particular by increasing the pressure on owners of sub-standard ships.

### **9. Port of Halifax to mark 2nd millionth cruise passenger in 2009**

In 2009, the Port of Halifax will mark a milestone in the cruise season when it welcomes the 2 millionth visitor since the first season back in 1980. Between 1980 and 2004, Halifax welcomed 1 million cruise passengers. In just the past 5 years, Halifax has attracted another 1 million passengers.

### **10. Two European Shipper Groups to Merge**

The European Shippers' Council and the European Rail Freight Customers' Platform agreed on March 16, 2009 to merge into a single organization. They have both worked to represent interest of shippers. The two associations say combination will bring efficiency and effective use of resources.

## **Water Transportation**

### **Canada**

1. Cumulative containerized traffic summary January 2009, March 2, 2009, [www.portofmontreal.ca](http://www.portofmontreal.ca)
2. Cumulative traffic summary January 2009 - Port of Montreal, March 2, 2009, [www.portofmontreal.ca](http://www.portofmontreal.ca)
3. Descartes dials up another deal, *The Journal of Commerce*, February 16, 2009, p. 30.
4. A glimmer of hope, March 5, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
5. B.C. ports workers, employers ratify collective agreement, March 7, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
6. Halifax, Seaway Talk Short Sea, March 10, 2009, [www.joc.com](http://www.joc.com)
7. Halifax and Churchill Gateways collaborate to ship grain east, March 10, 2009, [www.ctl.ca](http://www.ctl.ca)
8. Adoption of the Third Maritime Safety Package, March 11, 2009, [www.eurpa.eu](http://www.eurpa.eu)
9. Port of Halifax to mark 2nd millionth cruise passenger in 2009, March 11, 2009, [www.portofhalifax.ca](http://www.portofhalifax.ca)
10. Two European Shipper Groups to Merge, March 16, 2009, [www.joc.com](http://www.joc.com)
11. Port Metro Vancouver environmental requirements extended to 2017, March 16, 2009, [www.ctl.ca](http://www.ctl.ca)
12. Pelletier out as Port of Montreal CEO, March 18, 2009, [www.joc.com](http://www.joc.com)
13. Port of Halifax, Halifax Employers Association reach agreement, March 18, 2009, [www.ctl.ca](http://www.ctl.ca)
14. Accumulated containerized traffic report YTD February 2009 - Port Metro Vancouver, March 19, 2008, [www.portvancouver.com](http://www.portvancouver.com)
15. Federal Government takes action to protect Canada's waters, March 20, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
16. Canada to Upgrade Blue Water Bridge, March 20, 2009, [www.joc.com](http://www.joc.com)
17. Global cruise industry navigates rough waters, March 21, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
18. Marine Atlantic sinks fuel surcharge, March 27, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)

### **11. Port Metro Vancouver environmental requirements extended to 2017**

Port Metro Vancouver (PMV) announced on March 16, 2009 that it will implement the next phase of its Truck Licensing System (TLS) environmental requirements – effective April 1 2009 and extending to 2017. Trucks older than 1994 will require a truck age exception application approved before April 1 and an acceptable opacity test result of 20% or less. Trucks 10 years and older will be suspended from port property, unless an acceptable opacity test measured at 20% or less has been submitted to and approved by the TLS Administrator by March 31, 2009.

### **12. Pelletier out as Port of Montreal CEO**

The Montreal Port Authority is looking for a new president and CEO following the departure of Patrice Pelletier on March 17, 2009.

### **13. Port of Halifax, Halifax Employers Association reach agreement**

The Council of ILA Locals for the Port of Halifax and the Halifax Employers Association have ratified a new three year (2009-2011) collective agreement.

### **14. Accumulated containerized traffic report YTD February 2009 - Port Metro Vancouver**

Accumulated containerized traffic (TEUs) at the Port Metro Vancouver till the end of February 2009 was down 22% compared to the same month a year earlier. Inbound traffic or imports (TEUs) declined 27% and outbound traffic or exports declined 15%.

### **15. Federal Government takes action to protect Canada's waters**

On March 20, 2009, the Government of Canada announced that it has introduced a regulatory amendment to protect Atlantic waters and to improve navigation safety by amending the *Regulations Amending the Atlantic Pilotage Authority Regulations*. This will help protect the waters surrounding Saint John, New Brunswick, and Placentia Bay, Newfoundland and Labrador. The regulatory changes extend the compulsory pilotage area for oil tankers and liquefied natural gas vessels approaching the Canaport facility at the new area limit. In Placentia Bay, vessels that call at the proposed nickel receiving terminal at Long Harbour must now have pilots on board.

### **16. Canada to Upgrade Blue Water Bridge**

Prime Minister Stephen Harper announced on March 20, 2009, a \$10.9 million contribution to speed up the current \$110 million plaza improvement plan of the Blue Water Bridge Authority for the Canadian half of the crossing between Point Edward, Ont., and Port Huron, Mich.

### **17. Global cruise industry navigates rough waters**

The global downturn in tourism is having an impact on the world's cruise industry. Cruise operators are trying to attract passengers for 2009, slashing prices, offering last-minute deals, two-for-one pricing, shorter cruises, etc. Carnival, the world's largest cruise ship operator, posted a 3.6-per-cent rise in profit in the fourth quarter of 2008 in contrast to expectation but Royal Caribbean Cruises Ltd., the world's second-largest cruise operator, reported a profit collapse in the fourth quarter of 2008. The Cruise Lines International Association (CLIA), North America's largest cruise industry body, estimates 2009 will see only a 5-per-cent rise in passengers to about 13.35 million. The buyer's market is having an effect on the industries profitability.

### **18. Marine Atlantic sinks fuel surcharge**

Marine Atlantic, Crown ferry service (the North Sydney-Port aux Basques), has removed its fuel surcharge beginning April 1, 2009 for commercial vehicles after reviewing its fuel costs in the last quarter.

### **US**

1. A bright spot, Food exports are [US] economy's good news, Cool cargoes, *A supplement to the Journal of Commerce*, Spring 2009.
2. Adoption of third European Marine Safety Package, March 11, 2009, [www.europa.eu](http://www.europa.eu)
3. LA/LB Box Volumes Plunge, March 17, 2009, [www.joc.com](http://www.joc.com)
4. EU Clears European Ports Deal, March 18, 2009, [www.joc.com](http://www.joc.com)
5. NY/NJ Boxes Dropped Slightly in 2008, March 23, 2009, [www.joc.com](http://www.joc.com)
6. DP World Profits Surged, March 25, 2009, [www.joc.com](http://www.joc.com)

## **RAIL TRANSPORTATION**

### **Canada**

#### **1. Québec City-Windsor high-speed rail study**

A three million dollar contract has been awarded to update high-speed rail feasibility studies in the Québec City-Windsor corridor. A contract has been awarded to the EcoTrain Consortium (five firms) by the Governments of Québec, Ontario and Canada.

#### **2. CN reaches mitigation agreement for EJ&E acquisition with West Chicago, Illinois**

CN announced on March 4, 2009 a mitigation agreement with the City of West Chicago, Ill., addressing the municipality's concerns with CN's acquisition of the principal lines of the Elgin, Joliet & Eastern Railway Company (EJ&E).

### 3. Committee approves Kohl bill; AAR warns of threat to transport

The Senate Judiciary Committee approved a bill on March 5, 2009 to repeal limited antitrust exemptions for U.S. railroads, prompting the top rail trade group to warn this could help produce a regulatory structure that would threaten the transportation system. It would remove obsolete provisions that protect railroads from competition and lack of protection of captive shippers. Kohl said "Our bill will ensure that railroads play by the same rules as all businesses in our economy and give those injured by anti-competitive conduct strong remedies under antitrust law, ... Over the past several years, railroad shippers of vital commodities have faced spiking rail rates. Rail customers are forced to pass these price increases are passed along into the price of their products, and ultimately, to consumers." But the AAR warned that overlapping regulation would be a major setback as another bill is expected from the Senate Commerce Committee to put railroads under tougher regulation by the Surface Transportation Board. The bill would also allow the federal government, state attorneys general or private parties to sue railroads to block "anti-competitive mergers and acquisitions," and put rail merger reviews back under the Justice Department's Antitrust Division and the Federal Trade Commission. It would also make it easier for rail customers to fight rail rates, and tell district courts they do not have to defer to STB jurisdiction.

### 4. Halifax, Memphis Ink Cargo-Boosting Pact

The cities of Halifax, Nova Scotia, Canada and Memphis, Tenn., signed an agreement to pursue ways to build stronger cargo connections. It has both rail connections and air cargo connected hubs.

### 5. CN Begins Using EJE Chicago Bypass

CN "began re-routing a pair of trains" onto tracks of what was formerly Elgin, Joliet & Eastern Railway, which runs in a semi-circle west of the downtown. The two daily mixed-freight trains will be joined "in the coming days and weeks" by two additional trains moving in each direction, for a total of six that CN will shift in this initial phase off its center-city route.

### 6. Canada-BC partnership to expand transit and create jobs

Government officials announced on March 20, 2009 that the Lower Mainland transit users in Vancouver will benefit from SkyTrain and West Coast Express enhancements, as a result of a private and public partnership. The federal government is setting aside up to \$88.3 million for the transit projects. The BC Public Transit Investment will create up to 1,700 direct and indirect jobs.

### 7. Large urban transit [January 2009 (preliminary)]

Combined ridership and revenue levels for the 10 largest urban transit systems in Canada (accounting for 80%) decreased in January 2009 compared with the same month last year. Ridership levels fell 7.6% to 111.9 million passenger trips in January 2009 from January 2008 levels and with it revenue decreased 7.6% for the period to \$189.9 million.

### 8. Canadian National getting back on the rails

Canadian National Railway Co. says it's beginning to see early signs of recovery after months of dramatically declining volumes. Grain and coal shipments from the U.S. Midwest are starting to come back online. Canadian Pacific Railway is a lot more cautious in its outlook.

### 9. Railway carloadings [January 2009]

The Canadian railway industry loaded 18.6 million metric tonnes in January 2009, down 17.9% from January 2008. Non-intermodal loadings fell 18.5% and intermodal loadings fell 13.2% for January 2009 compared to the same period a year earlier. Rail freight traffic received from the United States fell 10.0%.

### 10. CN sues protesters over blockades

Canadian National Railways is suing three aboriginal activists for disrupting its flow of business in 2007. It alleges the blockades intimidated employees, dislocated the flow of rail traffic, precipitated layoffs and caused "significant economic damages due to compounded delays in delivery of bulk commodities and goods."

### 11. Canada, B.C. Celebrate near completion of Canada Line

On March 27, 2009, government officials announced that the Canada Line in Vancouver is on track and will open by the Labour Day 2009 weekend, about three months earlier than originally scheduled. This will help improve public transit in one of the Greater Vancouver Area's busiest corridors.

## Rail Transportation

### Canada

1. Québec City-Windsor high-speed rail study, March 2, 2009, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
2. CN reaches mitigation agreement for EJ&E acquisition with West Chicago, Illinois, May 4, 2009, [www.cn.ca](http://www.cn.ca)
3. Committee approves Kohl bill; AAR warns of threat to transport, March 5, 2009, [www.joc.com](http://www.joc.com)
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5. CN Begins Using EJE Chicago Bypass, March 12, 2009, [www.joc.com](http://www.joc.com)
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7. Large urban transit [January 2009 (preliminary)], March 20, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)
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10. CN sues protesters over blockades, March 27, 2009, [www.globeandmail.ca](http://www.globeandmail.ca)
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12. Canadian railway carloadings drop in January, March 27, 2009, [www.ctl.ca](http://www.ctl.ca)
13. Ontario Merging GO Transit and Metrolinx, March 30, 2009, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

### US

1. U.S. Rail Freight Traffic Drops, March 12, 2009, [www.joc.com](http://www.joc.com)

## 12. Canadian railway carloadings drop in January

In January 2009, rail freight fell 17.9% compared to January 2008, according to Statistics Canada. The Canadian railway industry loaded 18.6 million metric tonnes. Non-intermodal loading dropped 18.5% and intermodal loadings dropped 13.2%. Rail freight from the US also dropped 10%.

## 13. Ontario Merging GO Transit and Metrolinx

Ontario would merge GO Transit and Metrolinx to build transit faster, ease congestion and create jobs under legislation introduced on March 30, 2009.

## HIGHWAY TRANSPORTATION

### 1. Project office opening launches Evergreen Line

Government officials announced on February 28, 2009 that Construction of the Evergreen Line is taking a major step forward with the opening of the Evergreen Line Project Office. The completion of the line will vastly improve the quality of life for the residents of the three cities (Burnaby, Port Moody and Coquitlam) by providing fast, efficient service linking it to downtown and at the same time reducing traffic and cutting pollution. Construction of the Line is scheduled to begin in late 2010 and be completed in late 2014. It is a jointly funded by the Government of Canada (up to \$416.7 million), the Government of British Columbia (\$410 million) and TransLink (\$400 million). The \$1.4-billion project is a key component of the Provincial Transit Plan.

### 2. Security Programs In Need of Coordination

The House of Commons Standing Committee on Transport, Infrastructure and Communities is holding hearings on Bill C-9, *An Act to Amend the Transportation of Dangerous Goods Act, 1992*. The Canadian Trucking Alliance appeared at the Hearing and asked the federal government to avoid further duplication and overlap as it rolls out new transportation security measures.

### 3. Speed limiter protest rolls today; West still not on board

On March 2, 2009, truckers protested Ontario and Quebec's passage of mandatory speed limiter legislation at Queen's Park, Toronto. With limits set at 105 km per hour, truckers argue that the speed differential between cars and trucks could lead to accidents. Other provinces have not yet passed such a law.

### 4. December 2008 Surface Trade with Canada and Mexico Fell 13.1 Percent from December 2007

Trade using surface transportation between the United States and Canada and Mexico was 13.1 percent lower in December 2008 than in December 2007, dropping to \$52.9 billion. U.S.-Canada surface transportation trade totalled \$32.9 billion in December, down 17.0 percent compared to December 2007. The value of imports carried by truck was 15.4 percent lower in December 2008 compared to December 2007, while the value of exports carried by truck was 13.7 percent lower.

### 5. Governments of Canada and Alberta fund Edmonton ring road interchange

Government officials announced the construction on a roadway interchange at Anthony Henday Drive SW (ring road) and Stony Plain Road in Edmonton is set to begin on April 1 2009 at a cost of \$168.6 million on March 6, 2009. The interchange will be a full systems interchange with free flow in all directions and will include seven bridges. The project will relieve considerable congestion and improve safety at this location.

### 6. Gas Tax Fuels Better Public Transit

In 2009, 89 municipal transit systems, serving 111 municipalities, will share \$321 million in gas tax revenue to improve public transit. It will allow transit systems to increase hours of service, expand routes, and upgrade transit infrastructure. Better transit means more Ontarians than ever are leaving their cars at home.

### 7. Stakeholders pitch 'border ambassadors' idea

The purpose of NAFTA meant reducing barriers but with increasing security this is becoming questionable. A group is proposing that 'special ambassadors' for the U.S. and Canada be appointed to specifically address longstanding issues that lead to "thickening" trade at international crossings. The group would take matters right to the Prime Minister and

## Highway Transportation Canada

1. Project office opening launches Evergreen Line, Feb. 28, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Security Programs In Need of Coordination, February 27, 2009, [www.cantruck.ca](http://www.cantruck.ca)
3. Speed limiter protest rolls today; West still not on board, March 2, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
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7. Stakeholders pitch 'border ambassadors' idea, March 9, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
8. Saskatchewan springs into intermodal action, March 9, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
9. Federal government making transit safer for Canadians, March 11, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
10. For-hire motor carriers of freight, all carriers [Third quarter 2008], March 12, 2009, [www.statcan.gc.ca](http://www.statcan.gc.ca)
11. Canada and B.C. improve highway safety, create jobs, March 12, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Government of Canada endorses life-saving technology for Canadian vehicles, March 13, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
13. TransForce tightens purse strings to increase bottom line, March 13, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
14. Trucking to lead long-term freight growth: ATA, March 16, 2009, [www.todaystrucking.ca](http://www.todaystrucking.ca)
15. 2008 Surface Trade with Canada and Mexico Rose 4.1 Percent from 2007, March 18, 2009, [www.dot.gov](http://www.dot.gov)
16. Plan for a twinned Ambassador Bridge advances, March 20, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
17. OTA makes case for leniency on cell phone ban and vehicle impoundment, March 23, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
18. APTA increases opposition to tolls, March 25, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)
19. Ontario taxation changes will benefit the industry, March 26, 2009, [www.todaystrucking.com](http://www.todaystrucking.com)

President. CEO of Canada's Trucking Alliance called for a 'border czar'. He argues that Homeland Security is an ever-expanding bureaucracy unable to keep up with problems carriers face day-to-day; and in Canada, there may be too many departments dealing with the same issue.

#### **8. Saskatchewan springs into intermodal action**

Saskatchewan is hoping for a Global Transportation Hub. But for this to occur roads need to be improved. It has made public the plan to upgrade and expand Pinkie Road and Dewdney Avenue as stage I of the plan and it will cost an estimated \$22 million. Several parties are working to build the intermodal facility.

#### **US**

1. Freight Transportation Services Index (TSI) Fell 2.3 Percent in January from December, March 11, 2009, [www.dot.gov](http://www.dot.gov)

#### **9. Federal government making transit safer for Canadians**

An amendment to the *Commercial Vehicle Drivers Hours of Service Regulations* has been proposed. It would make work-rest rules mandatory for drivers of the Ottawa transit service and Transit Windsor. This would limit the number of hours a person can drive a commercial motor vehicle. Federally regulated transit authorities have been exempt from the Commercial Vehicle Drivers Hours of Service Regulations since 1989.

#### **10. For-hire motor carriers of freight, all carriers [Third quarter 2008]**

For-hire trucking companies based in Canada (annual revenue of \$1 million or more) generated operating revenue of \$7.6 billion in the third quarter of 2009, up 7.1% from the same quarter in 2008. Overall, trucking companies reported operating expenses of \$7.1 billion in the third quarter, up 6.7% compared with the same quarter a year earlier. The operating ratio (operating expenses divided by operating revenue) of 0.94 was the same as the quarter a year earlier.

#### **11. Canada and B.C. improve highway safety, create jobs**

Government officials announced on March 12, 2009 an accelerated investment of \$174 million for highway improvements in B.C.'s interior. The B.C. government is contributing over \$96 million for these projects with the rest being contributed by the federal government. These projects are important improvements to safety and an important stimulus to local economies.

#### **12. Government of Canada endorses life-saving technology for Canadian vehicles**

In recognition of safety, the Government of Canada is proposing a new safety regulation, requiring that Electronic Stability Control (ESC) be installed as standard equipment on all light-duty vehicles for sale in Canada, beginning September 1, 2011. Data collected indicates that it reduces severe collisions by 30 percent implying that it would cut deaths by 225 and injuries by 775 people each year.

#### **13. TransForce tightens purse strings to increase bottom line**

Canada's largest trucking operation managed to do well in the fourth quarter of 2008 by diversification and acquisition. During the fourth quarter of 2008, TransForce increased revenues by 10 percent to \$544.5 million from \$493.5 million in the same period of 2007. For 2008 as a whole, TransForce increased revenues to a record \$2.3 billion from \$1.9 billion in 2007. Hiring and salary freezes also played a key role in the company keeping their operating expenses within a manageable range.

#### **14. Trucking to lead long-term freight growth: ATA**

A recent study by the American Trucking Associations suggest that trucking will benefit when the recovery begins. By 2020 total freight tonnage will grow more than 26 percent and total freight transportation revenue will grow 68 percent. Trucking's share will rise gradually from 68.8 percent in 2008 to 70.9 percent by 2020 at the expense mostly of rail.

#### **15. 2008 Surface Trade with Canada and Mexico Rose 4.1 Percent from 2007**

U.S.-Canada surface transportation trade totalled \$537 billion in 2008, up 5.1 percent compared to 2007. The value of imports carried by truck was 6.0 percent lower in 2008 than 2007 while the value of exports carried by truck was 2.4 percent higher. Viewing all NAFTA partners (U.S., Canada and Mexico) surface transportation trade was 4.1 percent higher in 2008 than in 2007, reaching \$830 billion. This 4.1 percent rate of growth was the smallest year-to-year growth rate since 2003.

#### **16. Plan for a twinned Ambassador Bridge advances**

The Michigan Strategic Fund has approved up to \$787 million to build a second span of the Ambassador Bridge. The Ambassador Bridge is privately owned.

#### **17. OTA makes case for leniency on cell phone ban and vehicle impoundment**

A member of the Ontario Trucking Association appeared before the Ontario Legislature's Standing Committee on Bill 118 (which bans use of cell phones when driving) and Bill 126 (which impounds vehicle). It was pointed out that all cars are

not trucks and rules applicable to one should not be automatically applicable to the other. Further, that the OTA wanted exemption on certain types of electronic telecommunications and two amendments to the impounding policy. The first was creation of due diligence process and the second was that a truck not be impounded with its load. The truck should be allowed to complete its delivery and that the driver could surrender its plates.

#### **18. APTA increases opposition to tolls**

The Atlantic Provinces Trucking Association executive director Peter Nelson says the bridge toll booths are one of six "choke points" in Atlantic Canada slowly strangling the industry. He says any new tolls would cripple the maritime trucking industry. He is advocating removing existing tolls.

#### **19. Ontario taxation changes will benefit the industry**

The Ontario Trucking Association is applauding the province's budget move that will harmonize the provincial sales tax (PST) with the federal goods and services tax (GST). OTA president David Bradley points to the tax on inputs in trucking, the three different tax regimes and the application of PST to maintenance and repair were longstanding complaints of this industry in Ontario. He is hoping that the harmonization and further discussion will level the playing field of Ontario trucking with other provinces.

### **GENERAL**

#### **1. Government of Canada stimulates economies through green transportation**

The Government of Canada announced Round Two of its ecoMOBILITY program (\$10 million) at the 7th Annual Urban Transportation Summit in Toronto. Municipalities and regional transportation authorities can now apply for federal funding to encourage and promote green public transit or other alternatives to driving in their communities.

#### **2. Province nixes truck-train container corridor**

The intermodal train-truck intermodal highway into Halifax isn't going to happen as the government said the \$220 million price tag for such a system is a lot more than the province could afford right now. This was part of the Atlantic Gateway initiative which called for existing rail lines into Halifax as a route for both truck and container traffic to and from the port.

#### **3. Minister Day Announces Crucial Step Forward on Canada-EU Comprehensive Economic Agreement**

The Honourable Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway, announced on March 5, 2009 that Canada and the European Union have agreed on the areas to be negotiated in a possible comprehensive economic agreement. These areas include trade in goods and services, as well as areas such as investment, technical barriers to trade and regulatory cooperation. An economic agreement has the potential to give a \$12-billion boost to the Canadian economy and increase bilateral trade by over 20 percent. The Minister said "Advancing our economic relationship with the EU is a priority for our government. It will contribute to the prosperity of all Canadians."

#### **4. Western Canada sets itself apart**

On March 13, 2009, Saskatchewan joined Alberta and BC which established a trade and labour mobility pact a few years ago for expanding trade, investment and job creation.

#### **5. Sask budget offers record amount for construction spending**

The Saskatchewan government's 2009-10 provincial budget boosts transportation spending to \$630 million - the largest transportation budget in the province's history. The investment concentrates on strategic links to help the countries' growing economy.

#### **6. Travel between Canada and other countries [January 2009]**

Overall, travel both to and from Canada declined in January 2009 compared with December 2008. Canadian residents took 3.8 million trips abroad in January, down 2.4% from December. Trips to overseas countries, declined 6.6%, whereas, the number of Canadian trips to the United States decreased 1.4%. In terms of inbound travel, residents from other countries took 2.2 million trips to Canada in January, down 2.5% from December. Travel from the United States declined 3.3% whereas, travel from other countries increased 1.7%.

#### **7. Governments of Canada, British Columbia and partners deliver new infrastructure funding**

In excess of \$225 million in five infrastructure improvements is being partnered on the North Shore in B.C. It will enhance rail and port operations and build Canada's Pacific Gateway in a public and private partnership project. The federal

### **General Canada**

1. Government of Canada stimulates economies through green transportation, March 3, 2009, [www.tc.gc.ca](http://www.tc.gc.ca)
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1. OECD predicts 'Terrible Year', March 27, 2009, [www.ioc.com](http://www.ioc.com)
2. WTO expects big decline in global trade, March 27, 2009, [www.ioc.com](http://www.ioc.com)

government will commit upto \$75 million to this project along Burrard Inlet's North Shore through which most exports and imports move.

#### **8. Fourth quarter 2008 and year 2008**

Tourism spending in Canada edged down 0.1% in real terms in the fourth quarter of 2008, as outlays by Canadians continued to fall, while spending by international visitors to Canada was flat. For the year 2008, Tourism spending in Canada increased 1.9% in real terms, as outlays by Canadians at home continued to rise, while those by international visitors decreased.

#### [Conferences](#)

#### [Publications](#)

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