

Transportation Information Update*

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AIR TRANSPORTATION

1. WestJet Reports Record First Quarter Results

WestJet announced on April 28, 2008 that its first quarterly net earnings for 2008 increased to \$52.9 million from \$29.9 million. First quarter revenue grew 27.3% to \$599.3 million compared to \$470.7 million in the first quarter of 2007. Its load factor for the quarter was 81.9 percent an increase of 0.8 points compared to the year earlier. Available seat miles increased 17.9% and revenue seat miles increased 19.1% compared to the year earlier. Sean Durfy, WestJet President and CEO said " Our strong start to 2008 is a direct reflection of the efforts of our people."

2. WestJet Welcomes Spring With \$29 Sale on Western Triangle Flights

In celebration of spring 2008, on April 30, 2008 Westjet is offering one-way \$29 fare for guests travelling in the Western Triangle i.e., between Calgary, Edmonton and Abbotsford on Mondays, Tuesdays and Saturdays. Booking is from April 30, 2008 for travel until June 24, 2008. It is also offering \$129 airfare for guests travelling between Abbotsford and Toronto before June 24, 2008.

3. WestJet Welcomes Spring With \$29 Sale on Eastern Triangle Flights

In celebration of spring 2008, on April 30, 2008 Westjet is offering one-way \$29 fare for guests travelling in the Eastern Triangle i.e., between Toronto, Montreal and Ottawa. Booking is from April 30, 2008 for travel until September 30, 2008.

4. CHC shareholders vote to accept offer

Shareholders of CHC Helicopter Corp. have voted overwhelmingly to accept a \$3.7-billion takeover by First Reserve Capital Corp. CHC is one of the world's biggest suppliers of flight services to the offshore oil and gas industry. It also offers helicopter leasing, logistics and repair and overhaul services through its Heli-One division. First Reserve is the largest private equity firm focusing exclusively on the energy industry.

5. Government of Canada Improves Aviation Safety with New Language Requirements

New regulations will require Canadian flight crew and air traffic controllers to demonstrate proficiency in either English or French. The announcement was made on April 30, 2008 by the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities.

6. Canadian Transportation Agency Decision on Air Canada's Liability for Loss of Items Accepted As Checked Baggage

On April 30, 2008, the Canadian Transportation Agency ruled that, for international carriage, Air Canada is liable for up to the maximum amount of liability provided by the Montreal Convention, i.e. 1,000 Special Drawing Rights (SDR), in cases of loss of items contained in checked baggage that it agrees to carry while such items are in its care and control. The value of each SDR fluctuates and as of April 29, 2008, it was \$1.646830.

7. Cargojet completes acquisition of Prince Edward Air

Cargojet Income Fund announced on May 1, 2008 that Cargojet Airways, a company owned by the Fund, has acquired a 51% interest in Prince Edward Air Ltd. ("PEAL"), a privately owned regional operator of cargo aircraft based in Eastern Canada.

8. Air Canada Jazz inaugurates only daily year-round non-stop service between Toronto - Richmond, Virginia, and Toronto - Austin, Texas

On May 1, 2008, Air Canada Jazz inaugurated two new U. S. transborder services from Toronto: the only two daily new year-round non-stop service between Toronto and Richmond, Virginia, and the only daily, non-stop Toronto-Austin, Texas.

* 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.

Current Developments in Brief

Air Transportation

CANADA

1. WestJet Reports Record First Quarter Results, April 29, 2008, www.westjet.ca
2. WestJet Welcomes Spring With \$29 Sale on Western Triangle Flights, April 30, 2008, www.westjet.ca
3. WestJet Welcomes Spring With \$29 Sale on Eastern Triangle Flights, April 30, 2008, www.westjet.ca
4. CHC shareholders vote to accept offer, April 30, 2008, www.globeandmail.ca
5. Government of Canada Improves Aviation Safety with New Language Requirements, April 30, 2008, www.tc.gc.ca
6. Canadian Transportation Agency Decision on Air Canada's Liability for Loss of Items Accepted As Checked Baggage, April 30, 2008, www.cta-otc.gc.ca
7. Cargojet completes acquisition of Prince Edward Air, May 1, 2008, www.cjl.ca
8. Air Canada Jazz inaugurates only daily year-round non-stop service between Toronto - Richmond, Virginia, and Toronto - Austin, Texas, May 1, 2008, www.aircanada.ca
9. Air Canada Jazz inaugurates daily year-round non-stop services between Ottawa and Washington (Reagan National), D.C.; Saskatoon; Thunder Bay, and Charlottetown. May 1, 2008, www.aircanada.ca
10. Global Traffic Continues to Slow, May 2, 2008, www.iata.org
11. WestJet vets ready to spread wings Charter operation to connect smaller cities of 'Middle Canada' with leisure destinations, May 5, 2008, www.globeandmail.ca
12. WestJet Announces April Load Factor of 82.5 Per Cent. May 5, 2008, www.westjet.ca
13. WestJet load factor slips, May 5, 2008, www.globeandmail.ca
14. Air Canada reports record load factor for the month of April, 6/4/08, www.aircanada.ca
15. Air Canada planes fuller in April, April 6, 2008, www.globeandmail.ca
16. Air Canada reports first quarter results, May 8, 2008, www.aircanada.ca
17. Air Canada loss grows to \$288-million, May 8, 2008, www.globeandmail.ca
18. Speaking Points, Minister of Industry, The Council of the Americas 38th Washington Conference, May 7, 2008, www.ic.gc.ca
19. Airports Agree: "Make Transportation a North American Advantage", May 8, 2008, www.cacairports.ca
20. Air Canada's Dreamliners will be arriving late, May 8, 2008, www.globeandmail.ca
21. Air Canada adds fuel surcharge as oil prices soar, May, 9, '08, www.nationalpost.ca
22. Misleading ticket sales - EU tells airlines 'act now or we will', May 8, 2008, www.europa.eu
23. Open investment urged ahead of U.S.-EU air talks, May 13, 2008, www.joc.com
24. WestJet Introduces Fuel Surcharge, May 12, 2008, www.westjet.ca

11. WestJet vets ready to spread wings Charter operation to connect smaller cities of 'Middle Canada' with leisure destinations

Former WestJet Airlines Ltd. executive Tim Morgan, a WestJet co-founder who left the airline in 2005, is planning a new Calgary-based tour operation, expanding his map to include Quebec and Atlantic Canada according to the *Globe and Mail* of May 5, 2008. The tour operation, NewAir & Tours Group, will begin with three planes this fall, focusing on non-stop charter flights between several smaller cities in Western Canada and one or two U.S. leisure destinations.

12. WestJet Announces April Load Factor of 82.5 Per Cent

WestJet announced on April 5, 2008, that its traffic for April 2008 featured a load factor of 82.5%, compared with 82.8% in March 2007. Revenue passenger miles (RPMs) and available seat miles (ASMs) for April 2008 increased by 20.5% and 21.1% over April 2007, respectively. Sean Durfy WestJet's president said "...we are very pleased with April's strong load factor. Even with Easter falling in March this year, these results are a good start to the second quarter. This success is attributable to our healthy brand, engaged WestJetters and effective revenue management."

13. WestJet load factor slips

After 15-months of record load factors, WestJet Airlines Ltd.'s load factor slipped to 82.5 per cent in April 2008, compared with 82.8 per cent in April, 2007. However, its revenue passenger miles were up 20.5 per cent from a year ago, while capacity rose 21.1 per cent.

14. Air Canada reports record load factor for the month of April

Air Canada reported a load factor of 83.5 percent for April 2008, 0.3 points lower than that recorded in April 2007. The main line carrier flew 1 percent more revenue passenger miles (RPMs) in April 2008 than in April 2007. Air Canada's capacity increased by 0.6 percent for April 2008. Jazz's capacity for April 2008 decreased 2.3 per cent, resulting in a load factor of 74.9 percent, compared to 74 percent in April 2007; an increase of 0.9 percentage points. On a combined basis (Air Canada and Jazz), system traffic rose 0.8 per cent on a capacity increase of 0.4 percent, resulting in a load factor of 82.7 percent for April 2008. International traffic (RPMs) increased by 3% for the same period on a capacity increase of 3%.

15. Air Canada planes fuller in April

On May 6, 2008, the *Globe and Mail* indicated that Air Canada's planes flew with fuller loads in April 2008 as the country's biggest airline added passengers, despite higher fares driven by record fuel prices. Air Canada's stronger traffic was in contrast with its main domestic competitor, WestJet Airlines Ltd., which indicated that its 15-month record of higher load factors ended in April 2008.

16. Air Canada reports first quarter results

For the first quarter of 2008, Air Canada (excluding Jazz) reported: an operating loss (excluding special charge) of \$12 million, an improvement of \$66 million from a operating loss of \$78 million compared to the first quarter of 2007; an operating revenue of \$2.7 billion (an increase of 7.3 per cent); a passenger revenue increase of 8 per cent; a unit cost of 17.8 cents per ASM unchanged over 2007 or a unit cost decline of 4.8 per cent (excluding fuel expense and special charges) from 2007; and earnings per share (basic and diluted) of \$0.62. Its load factor was 80% (a decline of 0.2 percentage points); a RPM of 12,331 million an increase by 4.4%; and ASM of 15,407 million an increase by 4.6%. Montie Brewer, President and Chief Executive Officer said "I am extremely proud of our employees who delivered an outstanding quarterly performance in what is traditionally the industry's weakest travel demand period."

17. Air Canada loss grows to \$288-million

Air Canada has reported a first quarter net loss of \$288-million or \$0.62 per share compared to a loss of \$34-million or \$0.57 in the same period last year. The company says the losses included a provision for cargo investigations of \$125-million and net losses on foreign currency monetary items of \$89-million.

25. WestJet Celebrates First Anniversary in Saint John, May 14, 2008, www.westjet.ca
26. WestJet Offers 400-Cent Fare for 400 Years, May 14, 2008, www.westjet.ca
27. WestJet grows up, May 14, 2008, www.globeandmail.ca
28. Airlines urged to detail charges, May 14, 2008, www.nationalpost.ca
29. Progress on EU Open Skies Spells Promise for Canada, May 15, 2008, www.cacairports.ca
30. EU-US "Open Skies": The EU and the US start talks on air services agreement to reshape global aviation, May 15, 2008, www.europa.eu
31. Aircraft movement statistics: Small airports, May 16, 2008, www.statcan.ca
32. Air Canada adds non-stop flights to Grand Rapids and Dayton, May 20, 2008, www.aircanada.ca
33. Fuel costs will hurt demand, Air Canada warns, May 21, 2008, www.globeandmail.ca
34. Air Canada issues new fuel-surcharge warning, May 22, '08, www.nationalpost.ca
35. Air Canada considers additional baggage fees, May 22, 2008, www.nationalpost.ca
36. Global airline shares fall sharply, May 21, 2008, www.globeandmail.ca
37. Aircraft movement statistics: Major airports, May 23, 2008, www.statcan.ca

US

1. European Community strengthens aviation relations with Australia, April 28, 2008, www.europa.eu
2. Airport slot allocation: The Commission clarifies the existing rules, April 30, 2008, www.europa.eu
3. Airline On-Time Performance in March Better Than in February, May 7, 2008, www.dot.gov
4. First "bloc to bloc" aviation agreement: EC and UEMOA agree on a horizontal air services agreement, May 7, 2008, www.europa.eu
5. Industry Sees Fewer Fatalities, May 8, 2008, www.iata.org
6. BTS Releases February 2008 Airline Traffic Data; Two-Month 2008 System Traffic Up 1.8 Percent From 2007, May 15, 2008, www.dot.com
7. BTS Releases Fourth-Quarter 2007 System Airline Financial Data; Passenger Airlines Report First Loss Margin Since First Quarter 2006, May 19, 2008, www.dot.gov
8. BTS Releases March Passenger Airline Employment Data; March 2008 Employment Up 1.6 Percent from March 2007, May 20, 2008, www.dot.gov
9. DOT Approves Expanded Transatlantic Alliance Involving Delta, Northwest, May 22, 2008, www.dot.gov
10. Four more U.S. airlines mull charging for checked baggage, May 22, 2008, www.nationalpost.ca
11. Provision for cargo fine hits Air France-KLM earnings, May 23, 2008, www.joc.com

18. Speaking Points, Minister of Industry, The Council of the Americas 38th Washington Conference

The Minister of Industry in his speech to the Council of Americas indicated that we face renewed challenges to keep the trade and traffic moving freely while enhancing our surveillance against security threats that are very real. He focussed on three themes to meet this challenge: first, the desire to improve the security and the flow of trade through the U.S.–Canada border; second, the importance of infrastructure; and third, the need to strengthen cooperation in building energy security and protecting the environment.

19. Airports Agree: “Make Transportation a North American Advantage”

The Canadian Airports Council indicated support for the Minister of Industry’s pledge to the Council of Americas to “make transportation a North American advantage.” To that end, the CAC cited four broad areas of policy change needed to further Canada’s role: a stronger, more flexible Canada border services agency (CBSA); a coordinated clearance and point of departure determination strategy for cross border; a globally cost competitive approach to aviation in Canada; and open access to international markets. The CAC also cited seven immediate steps that the federal government could take: increase border resources to CBSA; integrate nexus, Canpass into global entry and other international trusted traveller programs; implement transit without visa and in-transit departure facility programs; modernize and enhance passenger screening; eliminate the re-screening of connecting bags; eliminate airport rent; and allow arrivals duty free.

20. Air Canada's Dreamliners will be arriving late

Air Canada faces a two-year delay in receiving Boeing 787 Dreamliners, a fuel-efficient plane that the carrier was counting on to bolster its international routes. *The Globe and Mail* indicates that the airline is likely to seek compensation from Boeing for the delay as fuel costs are weighing heavily on the airlines profitability.

21. Air Canada adds fuel surcharge as oil prices soar

Air Canada has tacked fuel surcharges on fares for domestic flights and U.S. routes to cope with crude oil prices that soared above US\$126 a barrel on May 9, 2008. According to the carrier this is the first time this has occurred. For North American flights, the surcharge is \$20, \$40 or \$60 depending on the distance flown. This is in addition to surcharges already in place for flights overseas.

22. Misleading ticket sales – EU tells airlines 'act now or we will'

A report released by the EU in May 2008 says that “Buying a plane ticket online is still fraught with risk - a third of consumers are "ripped off or misled and confused".” Of the 386 sites surveyed (in 13 EU countries and Norway), 137 were penalised — but only half of these have made any improvements.

23. Open investment urged ahead of U.S.-EU air talks

The EU and the United States held a second meeting of the Transatlantic Economic Council formed last year to lower regulatory barriers and boost trade. The EU and U.S. each held some \$1.1 trillion in the other's markets in 2006. Opening trans-Atlantic investment faces a key test. Current U.S. law caps foreign control at 25 percent of the voting stock. Some lawmakers in Washington oppose scrapping the limit.

24. WestJet Introduces Fuel Surcharge

On May 12, 2008, WestJet announced the introduction of a fuel surcharge of \$20, \$30 and \$45 on all short, medium and long-haul flights effective May 13, 2008. WestJet Executive Vice-President, Bob Cummings said, "This is not a decision we have taken lightly. ... We held off as long as economically possible but with the unrelenting and unprecedented increases in the cost of fuel over the last year, we are implementing this measure to offset the effect."

25. WestJet Celebrates First Anniversary in Saint John

In celebration of one year of service in Saint John, WestJet announced on May 14, 2008 a four-day 10 per cent off anniversary sale for Saint John guests booking summer travel. Guests can take advantage of this promotion by booking flights originating from Saint John, New Brunswick, between May 14 and May 17, 2008, for travel between May 14 and September 30, 2008.

26. WestJet Offers 400-Cent Fare for 400 Years

Westjet announced a three-day 400-cent (\$4) airfare sale for guests travelling on the inaugural flight between Toronto and Quebec City on Saturday May 17, 2008. Guests can take advantage of the 400-cent fare by booking between May 14 and May 17, 2008, for travel on May 17, 2008. WestJet announced service to Quebec City earlier this year to coincide with the celebration of the city's 400th birthday.

27. WestJet grows up

Industry experts say there's a perception that WestJet is increasingly behaving like its larger domestic rival as a result of

its recent fuel surcharge. On the other hand, it has been suggested that finding new revenue streams is the wave of the future and crucial to ensuring the Calgary-based airline's success amid surging oil prices. WestJet is charting a bold course, planning a multifare system, frequent-flier program, expansion to sun destinations and partnership deals with foreign carriers. The new fare structure, to be in place by the end of 2009, may include "fees for value-added services" such as advance seating at booking.

28. Airlines urged to detail charges

An amendment to the *Canadian Transportation Act*, which passed through Parliament last summer and would force Canadian airlines to divulge all fees, costs and taxes in the advertised price of airfares, has not been enacted. Apparently, the date when this provision would go into effect was not set. The government wanted time to consult with the industry, government and travel agents. But with the recent fuel overcharges, fliers are unhappy and want to know when the provision will go into effect as some of the airlines do not indicate the surcharges in their fares.

29. Progress on EU Open Skies Spells Promise for Canada

The Canadian Airports Council on May 15, 2008 applauded efforts achieved in reaching a new comprehensive air services agreement with the EU, as statements from both federal government and European Union officials indicate progress. The CAC's comments were based on remarks by International Trade Minister Emerson in a speech at a conference in Ottawa.

30. EU-US "Open Skies": The EU and the US start talks on air services agreement to reshape global aviation

On 15 May, talks between the European Union and the United States started in Ljubljana on a second stage agreement. It promises a new perspective on how aviation is structured in the future, potentially removing restrictions on the foreign ownership of airlines, exchanging access to domestic markets and introducing a more consensual approach to the regulation of the industry.

31. Aircraft movement statistics: Small airports

In July 2007, the number of itinerant and local movements for the 118 airports without air traffic control towers reached 84,254 take-offs and landings. This is an increase of 12.1% compared to the 75,165 take-offs and landings from 99 airports in July 2006. Guelph, Ontario was the most active site overall (down 19.5) in July 2007. Goose Bay, Newfoundland and Labrador, was the most active airport for itinerant movements (up 15.1%).

32. Air Canada adds non-stop flights to Grand Rapids and Dayton

On May 20, 2008, Air Canada announced two new U.S. transborder routes with non-stop service to Grand Rapids, Michigan, and Dayton, Ohio. Effective July 14, 2008, Air Canada will offer three non-stop flights daily to Grand Rapids, and two daily non-stop flights to Dayton.

33. Fuel costs will hurt demand, Air Canada warns

Record high fuel costs are expected to lead to a decline in demand for air travel in the second half of 2008, according to Air Canada. Fuel at the airline now accounts for 31 per cent of its total operating costs, up from 25 per cent a year ago. Every \$3 increase in the price of a barrel of crude translates into an additional \$75 in fuel costs for Air Canada. Recently, the airlines imposed a fuel surcharge. As a result, Air Canada shares closed down 54 cents to \$8.10 on the Toronto Stock Exchange.

34. Air Canada issues new fuel-surcharge warning

If price of oil goes higher, Air Canada said that it will have to rely on fuel surcharges to maintain margins. According to CEO Mountie Brewer "We're moving towards two-tier ticket pricing, one tied to operating costs and the other geared to fuel prices." He also indicated that he supports raising the ownership limits to 49 percent from the current 25 percent.

35. Air Canada considers additional baggage fees

Air Canada isn't ruling out charging customers a new fee to check a single bag after American Airlines announced a similar move in the third week of May 2008. Last month a new charge of \$25 was added each way on North American flights to check a second bag. Commentators say that this will affect air travel and passengers are becoming tired of all the additional charges.

36. Global airline shares fall sharply

On May 22, 2008, the world's top airlines warned that soaring fuel prices were affecting profits, prompting some to increase fares. Global leader American Airlines announced thousands of job cuts to counter higher costs. Oil prices have increased 170% since the beginning of this year. Not surprisingly, the share prices of world airlines fell.

37. Aircraft movement statistics: Major airports

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations increased in April 2008 compared with April 2007. These 95 airports reported 553,855 movements in April 2008, up 9.8% compared with the same month a year earlier.

WATER TRANSPORTATION

1. The Government of Canada Rolls out Regulations for River Rafting and a New Shoreline Speed Limit in Nova Scotia

The Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, announced on April 30, 2008 the coming into force of the Special-purpose Vessels Regulations and the Vessel Operation Restriction Regulations. These regulations are made under the *Canada Shipping Act, 2001* (CSA 2001). The first incorporates industry best practices by outlining the requirements for all river rafting companies to have vessel and safety equipment standards such as helmets, life jackets, etc. The second makes it possible for local authorities to apply to Transport Canada to place restrictions on the access of a vessel or class of vessels to specified waters; the mode of propulsion used; etc.

2. Port of Montreal Cumulative containerized traffic summary January to March 2008

Cumulative containerized traffic in TEUs totalled 331,480 by the end of March 2008 (i.e. for the first quarter), a 6.4% increase from 2007. Inbound and outbound containerized traffic increased 7.5% and 5.6% from the year before, respectively.

3. Cumulative traffic summary January to November (metric tonnes)

Cumulative traffic (general cargo and bulk) increased 8.8% over the period January 2008 to the end of March 2008 compared to the year earlier. Inbound traffic decreased 3.5% and outbound traffic increased 27.4%.

4. Port activity

Canadian ports handled record-breaking levels of freight for the fourth consecutive year in 2005, as international cargo hit another high. The nation's ports handled a record 470.1 million metric tonnes of cargo in 2005, up 3.7% from the previous record set in 2004.

5. Canada-U.S. Ballast Water Inspections Protect the Great Lakes and St. Lawrence Seaway Ecosystem

The Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, announced on May 5, 2008 support for a two-day event highlighting joint Canadian and American efforts to protect the Great Lakes and St. Lawrence Seaway from invasive species.

6. EC closes parcel tanker investigation

The European Commission's Competition Directorate has closed its investigation into possible collusive behaviour in the maritime transport of bulk liquids on deep sea routes. The Commission has not issued a decision providing any reason but it is believed that it lacked jurisdiction over the case due to the tramp exclusion contained in Regulation 4056/86.

7. Port of Vancouver Accumulated Traffic Report [Year to Date - April 2008]

The Port of Vancouver released its accumulated container traffic report for April 2008. Total year-to-date traffic was 796,604 TEUs for April 2008, a increase of 5% over April 2007. Year-to-date imports (TEUs) increased by 4% and exports increased by 8%.

8. ELAA happy with European liner consortia review

The European Liner Affairs Association has submitted its recommendations to the European Commission concerning the review of Reg. 823/2000, which grants block exemption for liner shipping consortia. It supports the review. The two main areas in which the current block exemption needs updating, according to the ELAA are the removal of all references to Reg. 4056/86 (the law concerning liner conferences due for repeal in October) and an extension to the scope in which consortia are allowed to operate to reflect the growth in volume and trades in the 10 years since the last review.

Water Transportation

Canada

1. The Government of Canada Rolls out Regulations for River Rafting and a New Shoreline Speed Limit in Nova Scotia, April 30, 2008, www.tc.gc.ca
2. Port of Montreal Cumulative containerized traffic summary January to November 2007, Jan. 15, 2008, www.portofmontreal.ca
3. Cumulative traffic summary January to November (metric tonnes), Jan. 15, 2008, www.portofmontreal.ca
4. Port activity, Jan. 2, 2008, www.statcan.ca
5. Canada-U.S. Ballast Water Inspections Protect the Great Lakes and St. Lawrence Seaway Ecosystem, May 5, 2008, www.tc.gc.ca
6. EC closes parcel tanker investigation, May 12, 2008, www.americanshipper.com
7. Port of Vancouver Accumulated Traffic Report [Year to Date - April 2008], May 12, 2008, www.portvancouver.ca
8. ELAA happy with European liner consortia review, May 13, 2008, www.americanshipper.com
9. "Modest" growth for Southern California ports: Study, May 14, 2008, www.joc.com
10. EU mulls maritime future, May 22, 2008, www.joc.com

US

1. FEFC increases BAF, CAF for June, May 1, 2008, www.americanshipper.com
2. Port Tracker forecasts weak peak container traffic, May 7, 2008, www.joc.com
3. Maersk trims losses, May 15, 2008, www.joc.com
4. Maersk, Hapag-Lloyd see earnings boost, May 15, 2008, www.americanshipper.com
5. Containerized exports surge at Los Angeles-Long Beach, May 15, 2008, www.joc.com
6. OSRA burns bright, The Journal of Commerce, May 5, 2008, pp. 11-13.

9. “Modest” growth for Southern California ports: Study

According to a new study, continuing increases in export volume will translate into a year of modest growth for the ports of Los Angeles and Long Beach. Import volumes are to blame for the modest growth.

10. EU mulls maritime future

The European Commission is preparing a strategic framework for the future of maritime transport in the European Union from 2008-18. The new plan will provide the strategic framework for EU policy development in the years to come.

RAIL TRANSPORTATION

Canada

1. Rail antitrust legislation passes House judiciary hurdle

The Railroad Antitrust Enforcement Act of 2007 (H.R. 1650) seeks to end antitrust immunity for railroads. The bill would also permit the Justice Department and Federal Trade Commission to review railroad mergers under antitrust law and would eliminate antitrust exemptions for mergers, acquisitions, collective ratemaking and coordination among railroads. It would also permit private class action with treble damages. The American Association of Railroads argues that this legislation will severely hamper the ability of the nation’s railroad industry to expand, and to deliver the goods and products to our economy, in addition to setting up dual regulation. The author of the bill argues that it will end rail monopoly that is driving up prices and will protect captive shippers.

2. Government of Canada on Track to Safer Railway Crossings in Ontario

In recognition of Rail Safety Week, spokesman for the Government of Canada on May 2, 2008 indicated that it is providing \$3,151,600 for 23 projects to improve safety at 21 railway crossings throughout Ontario.

3. Small town agricultural shippers take aim at rail captivity, STB

Agricultural shippers in small towns of US expressed their frustration in their testimony before the House Small Business Committee on May 1, 2008 about

the inflexible and increasingly expensive service offered by the nation's railroads. Many agricultural shippers in rural markets believe they are "captive" to the railroad and pay excessive rates. Further any attempt to challenge the rates before the STB is very expensive (\$250, 000 or more). They said that they endorse recent House and Senate bills offering improved federal oversight and commercial protections to shippers with limited rail access (H.R. 2125 and S. 953) and calling for the elimination of several antitrust exemptions for the railroads (H.R. 1650 and S. 772).

4. ecoFREIGHT Delivers ecoFRIENDLY Locomotives

Canadian Pacific will test two environmentally friendly locomotives in southern Ontario. It has ordered two high efficiency National Railway Equipment Company "GenSet" locomotives. The locomotives are unique in that instead of one 2,100 horsepower diesel locomotive engine they utilize three independent diesel engine GenSets to achieve the same amount of total horsepower, reduce fuel consumption and lower emissions. The initiative takes advantage of Transport Canada's ecoFREIGHT Program.

5. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on May 9, 2008 declared a quarterly dividend of twenty four and three quarter cents (\$0.2475) Canadian per share on the outstanding Common Shares.

6. CPR working to unplug grain bottlenecks The Canadian Press

Fred Green at the General Annual Meeting in Winnipeg on May 9, 2008 said that Canadian Pacific Railway Ltd. is taking steps to make sure grain and other high-demand commodities flow more smoothly across the continent, the company's chief executive officer. A new VP of grain has been appointed and investment in additional rail lines is being made selectively.

7. CN offers new intermodal service between Eastern Québec, Ontario and Western Canada

CN announced on May 12, 2008 a new intermodal service between the Eastern Québec region, Toronto and Western Canada. The service will be most appealing to shippers seeking cost effective service to Ontario and Western Canada.

8. Canadian Pacific announces US\$700 million debt offering

Canadian Pacific Railway Limited announced on May 14, 2008 that its wholly-owned subsidiary, Canadian Pacific

Rail Transportation

Canada

1. Rail antitrust legislation passes House judiciary hurdle, May 1, 2008, www.americanshipper.com
2. Government of Canada on Track to Safer Railway Crossings in Ontario, May 2, 2008, www.tc.gc.ca
3. Small town agricultural shippers take aim at rail captivity, STB, May 2, 2008, www.americanshipper.com
4. ecoFREIGHT Delivers ecoFRIENDLY Locomotives, May 6, 2008, www.cpr.ca
5. Canadian Pacific Railway Limited declares dividend, May 9, 2008, www.cpr.ca
6. CPR working to unplug grain bottlenecks The Canadian Press, May, 9, 2008, www.globeandmail.ca
7. CN offers new intermodal service between Eastern Québec, Ontario and Western Canada, May 12, 2008, www.cn.ca
8. Canadian Pacific announces US\$700 million debt offering, May 14, 2008, www.cpr.ca
9. CN's fight attracts a heavyweight: Obama, May 19, 2008, www.globeandmail.ca
10. New shortline rail program slated for Saskatchewan, May 21, 2008, www.ctl.ca

US/EU

1. Community guidelines on State aid for railway undertakings, April 30, 2008, www.europa.eu

Railway Company, is issuing US\$400 million of 5.75% Notes due May 15, 2013 and US\$300 million of 6.50% notes due May 15, 2018.

9. CN's fight attracts a heavyweight: Obama

The CN merger has attracted the attention of the U.S. Senator from Illinois, Mr. Obama. He wrote to the mayor of the suburban Chicago community of Barrington "I am opposed to this merger as currently proposed and will work with affected communities to make certain that their views are considered as a part of the Surface Transportation Board process."

10. New shortline rail program slated for Saskatchewan

The Government of Saskatchewan has announced that it will invest \$500,000 this fiscal year in shortline rail infrastructure to help sustain the province's thriving economy and ensure its transportation system meets current and future needs. Saskatchewan currently has eight shortline railways covering 1,411 km, which are regulated by the province and connect with the mainline railways.

HIGHWAY TRANSPORTATION

1. Couriers and Messengers Services Price Index (March 2008)

The Couriers and Messengers Services Price Index (CMSPI) remained unchanged on a monthly basis at 134.8 (2003=100) in March. The courier portion edged down 0.1%, while the local messengers component advanced 0.6%.

2. BTS Releases North American Surface Trade Numbers for February 2008

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners, Canada and Mexico, was 16.3 percent higher in February 2008 than in February 2007, reaching \$69.4 billion, according to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation. The value of U.S. surface transportation trade with Canada and Mexico rose 6.5 percent in February from January.

3. Breaking News: Major strike threatens to stall Purolator

On April 30, 2008, the Teamsters union representing Purolator Courier's drivers were involved in last ditch efforts to avoid a strike.

4. Purolator Courier Ltd. and the Teamsters union reach new tentative agreement

Purolator Courier Ltd. and Teamsters Canada report they have now reached a tentative agreement. As a result, there will be no strike.

5. Trucking slips as GDP contributor

Transportation-based GDP fell in February 2008 as lower activities in manufacturing, wholesale and retail trade led to a decline in truck transportation, while lower extraction of natural gas affected pipeline transportation.

6. Mullen closes acquisition of crude hauler

The Mullen Group Income Fund announced on May 1, 2008 the closing of its acquisition of R.E. Line Trucking and David Tuffs Holdings, private companies based in Coleville, Sask.

7. The Government of Canada Welcomes the Design Proposal for the Windsor-Essex Parkway

On May 1, 2008, the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, welcomed the proposal from the Detroit River International Crossing (DRIC) study team on the technically preferred alternative for the access road from Highway 401 to the proposed new international border crossing. The recommended proposal - the Windsor-Essex Parkway - would remove trucks from city streets and improve the flow of international trade and traffic across the border. This project would also boost the economy of the Windsor-Essex region by helping to create up to 12,000 direct and indirect jobs.

8. Details of Canada-U.S. highway project unveiled

Plans for a six-lane below-grade highway intended to speed truck traffic between Detroit and Windsor, Ontario were

Highway Transportation

Canada

1. Couriers and Messengers Services Price Index, April 30, 2008, www.statcan.ca
2. BTS Releases North American Surface Trade Numbers for February 2008, April 30, 2008, www.dot.gov
3. Breaking News: Major strike threatens to stall Purolator, April 30, 2008, www.ctl.ca
4. Purolator Courier Ltd. and the Teamsters union reach new tentative agreement, May 1, 2008, www.ctl.ca
5. Trucking slips as GDP contributor, May 1, 2008, www.todaystrucking.com
6. Mullen closes acquisition of crude hauler, May 1, 2008, www.todaystrucking.com
7. The Government of Canada Welcomes the Design Proposal for the Windsor-Essex Parkway, May 1, 2008, www.tc.gc.ca
8. Details of Canada-U.S. highway project unveiled, May 2, 2008, www.joc.com
9. Canada's largest operation continues upward trend, May 2, 2008, www.todaystrucking.ca
10. Canada Post, FedEx set to launch new international express service, May 5, 2008, www.ctl.ca
11. Mullen drops off in first quarter but increases capital budget, May 5, 2008, www.todaystrucking.com
12. Government of Canada Announces Ecofreight Funding to Reduce Greenhouse Gas Emissions from Freight Transportation, May 6, 2008, www.tc.gc.ca
13. CTA Applauds Federal Program to Enable Testing of Trucking Environmental Technology, May 6, 2008, www.cantruck.ca
14. Ontario Roads Safer, Even As Traffic Increases, May 6, 2008, www.ontruck.ca
15. Truck border crossings down across province May 15, 2008, www.todaystrucking.ca
16. Large urban transit, May 22, 2008, www.statcan.ca
17. Dialing While Driving: Do cell bans include push-to-talk functions?, May 23, 2008, www.todaystrucking.ca
18. McGuinty Government Keeps Ontario's Highways And Bridges In Top Form, May 26, 2008, www.mto.on.gov.ca

US

1. BTS Releases Freight Transportation Services Index (TSI); Freight Index Fell 1.9 Percent in March from February, May 14, 2008, www.dot.gov

announced on January 2, 2008. The C\$1.6-billion (US\$1.57-billion) project will include 11 tunnels in order to bypass congested surface traffic en route to a new bridge crossing over the Detroit River.

9. Canada's largest operation continues upward trend

TransForce Income Fund, one of Canada's largest carrier, indicated that the first quarter results for 2008 showed improvement over the same period last year. The fund increased revenues 13 percent to \$526.3 million from \$464.8 million in the first quarter of 2007. The company revealed that more acquisitions are to come in the near future.

10. Canada Post, FedEx set to launch new international express service

Canada Post Corporation and FedEx Express Canada have combined forces in the development of Priority Worldwide. Priority Worldwide will be available to customers in the fall of 2008. The new international express service will be sold through Canada Post's retail and commercial networks and delivered worldwide through the FedEx international delivery network.

11. Mullen drops off in first quarter but increases capital budget

For the first quarter of 2008, Mullen Group Income Fund reported decreased revenue but added to the capital expenditure budget to allow for internal growth. The fund's revenue of \$358.1 million for the first quarter of 2008 was a slight decrease of \$7.6 million or 2.1 percent over the same period in 2007.

12. Government of Canada Announces ecofreight Funding to Reduce Greenhouse Gas Emissions from Freight Transportation

On May 6, 2008, the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, announced the Government of Canada will help the freight transportation sector limit the emission of greenhouse gases and other air contaminants. Eight projects will receive \$2.4m in funding under Transport Canada's Freight Technology Demonstration Fund, and a further 15 projects will receive \$3.7m under the Freight Technology Incentives Program.

13. CTA Applauds Federal Program to Enable Testing of Trucking Environmental Technology

The Canadian Trucking Alliance (CTA) on May 6, 2008 applauded the announcement by Transport Canada that funding under the department's ecoFreight Program will be awarded to trucking companies across the country.

14. Ontario Roads Safer, Even As Traffic Increases

According to the provincial government, Ontario roads are getting safer, as the number of fatalities has dropped by one-fifth or 20 percent over the past decade despite a significant increase in the number of drivers. Transportation Minister Jim Bradley said "Even with more people and vehicles on our roads than ever before, Ontario has maintained an excellent road safety record year after year, thanks in part to the contributions of our road safety partners."

15. Truck border crossings down across province

According to the Ontario Trucking Association, declining rates of southbound truck crossing from Ontario reflects the province's weakening manufacturing base. The decline in the first four months of 2008 is 8.4% or 900,000 fewer truck crossings compared 2005.

16. Large urban transit (March 2008 Preliminary)

Combined ridership on 10 large urban transit systems in Canada was 0.2% lower in March 2008 than it was for the same month in 2007. Approximately 129.4 million passenger trips were taken which generated \$216.8 million in revenue.

17. Dialing While Driving: Do cell bans include push-to-talk functions?

Talking while driving -- on a cellphone -- is outlawed in Quebec and Nova Scotia. Both provinces followed the lead of Newfoundland. After June 30th 2008, using a cell will cost you about \$100 and three demerit points in Quebec and up to \$165 for a first offence in Nova Scotia.

18. McGuinty Government Keeps Ontario's Highways And Bridges In Top Form

Ontario is investing more than \$2 billion in 2008 to expand, repair and improve highways, roads and bridges across the province, 20 per cent more than last year. Key construction projects include: 1) Widening the QEW from six to eight lanes from Burloak Drive to Trafalgar Road in Oakville to add High Occupancy Vehicle lanes; 2) Repairing the northbound express lanes on Highway 427 from the QEW to Highway 401 in Toronto; 3) Widening Highway 401 from four to six lanes from Woodstock to Cambridge (final phase); and 4) Repairing the southbound lanes on Highway 400 from Forbes Road to Highway 11 in Simcoe County.

GENERAL

1. CTA calls on government to ease hurdles to proposed fuel waiver regulation

The federal government has proposed an amendment to the Canadian Environmental Protection Act (CEPA) that would allow the use of temporary fuel waivers during times of short-term supply constraints. The Canadian Trucking alliance is in general supportive of the amendment. However, it is concerned that by making the authority issue a waiver contingent on the declaration of an emergency by the federal or provincial government, the proposed regulation sets an impractically high threshold.”

2. Hot Topics: Western Canada Attitude Towards Climate Change

A recent report released by WESTAC indicates that “A new survey shows that while western Canadians are concerned about climate change and willing to take steps toward reducing GHGs, protecting the economy is a priority.”

3. Travel between Canada and other countries [March 2008]

Travel to Canada recorded a new low for the fifth consecutive month in March 2008, as a result of declines in both same-day car trips from the United States and the number of visitors from overseas nations. Foreign visitors made 2.3 million trips to Canada in March, the lowest since record keeping started in 1972. Factors responsible are the appreciation of the Canadian dollar, the price of gasoline and the weakened US economy.

4. Minister Emerson Concludes Successful Visit to China

The Honourable David Emerson, Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, concluded a successful visit to China. The visit to China accomplished two key objectives to advance trade and transportation: to strengthen the Asia-Pacific Gateway and Corridor Initiative.

5. P.E.I. gets \$2.7M for infrastructure

Federal Transport Minister Lawrence Cannon visited P.E.I. in the third week of May 2008 to announce \$270 million in federal funding for capital projects on P.E.I.

6. Transport Minister Tables Amendments to the *Transportation of Dangerous Goods Act, 1992* in Parliament

On May 26, 2008, the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, tabled amendments to the *Transportation of Dangerous Goods Act, 1992* in the House of Commons. The amendments would enhance security and safety in the transport of dangerous goods.

Canada

1. CTA calls on government to ease hurdles to proposed fuel waiver regulation, May 6, 2008, www.ct.ca
2. Hot Topics: Western Canada Attitude Towards Climate Change, April 2008, www.westac.com
3. Travel between Canada and other countries [March 2008], May 20, 2008, www.statcan.ca
4. Minister Emerson Concludes Successful Visit to China, May 23, 2008, www.tc.gc.ca
5. P.E.I. gets \$2.7M for infrastructure, May 23, 2008, www.todaystrucking.ca
6. Transport Minister Tables Amendments to the *Transportation of Dangerous Goods Act, 1992* in Parliament, May 26, 2008, www.tc.gc.ca

Conferences

1. 4th East Coast Maritime Conference, June 3-5, 2008, Georgia, Savannah, www.joc.com

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