

Transportation Information Update*

Editor: Joseph Monteiro**

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Associate Editor: Gerald Robertson**

Speech from the Throne - Protecting Canada's Future

The throne speech of November 19, 2008, referred to transportation through its reference to public infrastructure and indirectly through competition. The speech stated: "Public infrastructure is vital not only to create jobs for today, but also to create the links between communities and regions to help generate jobs for the future. Our Government is committed to expediting our Building Canada plan to ensure that projects are delivered as quickly as possible." ... "Our Government will continue to invest in expanding gateways on our Atlantic and Pacific coasts, and in vital border corridors such as the Detroit River International Crossing, to ensure that Canadian goods and services can reach markets in Europe, Asia and the United States." ... "It will continue to establish effective policies that give a competitive advantage to this country."

Speech from the Throne - Protecting Canada's Future, November 19, 2008, www.sft-ddt.gc.ca

AIR TRANSPORTATION

1. Qantas pays Australian regulator \$12 million for cargo price fixing

Qantas Airways Ltd. said on October 28, 2008 that it had agreed to pay Australia's competition watchdog a 20 million Australian dollar (US \$12m.) fine for the airline's part in a price-fixing cartel in the global air freight industry. U.S. authorities fined the airline \$61m last year over the same price-fixing scandal and sentenced a Qantas executive to eight months in jail. This would settle the airline's liability in Australia once it was accepted by the Australian Federal Court.

2. Air Canada's "On My Way" program ruled just and reasonable by Canadian Transportation Agency

On November 3, 2008, the Canadian Transportation Agency ruled that terms of Air Canada's "On My Way" assistance program to travellers are just and reasonable. For supplementary fees of \$25 or \$35 the airline offers additional services to passengers when there is a disruption of one of their flights.

3. Oneworld and WestJet introduce global travel program for businesses in Canada

Oneworld, the leading quality global airline alliance, is linking up with WestJet, Canada's leading high-value low-cost airline, to help businesses throughout Canada make their budgets for worldwide travel stretch as far as possible. It provides flights to almost 600 destinations in nearly 130 countries from 25 cities in Canada.

4. EC Regulation 1008/2008 - Price transparency and improved safety: more competition and better quality for the air transport sector

The new Regulation on the single market for air transport which entered into force on 1 November 2008, provides for improved safety and price transparency. It lays down rules for the granting of licences, control of airlines and market access, thereby ensuring more competition in the air transport field and better quality for the public. The new legislation requires airlines to include all taxes and charges in their published ticket prices. This will enable passengers throughout the European Union to be better informed about prices and to compare offers. Price discrimination based on place of residence is banned.

5. Air Canada reports third quarter results

Air Canada on November 7, 2008 reported operating income of \$112 million for the third quarter of 2008 compared to a record operating income of \$351 million in the third quarter of 2007. Fuel expense increased \$348 million in the third quarter to \$1.1 billion due to record high fuel prices, a 49% increase from the third quarter of 2007. Partly offsetting this increase was solid operating revenue growth of \$121 million or

Current Developments in Brief

Air Transportation

CANADA

1. Qantas pays Australian regulator \$12 million for cargo price fixing, *News Brief*, October 2008.
2. Air Canada's "On My Way" program ruled just and reasonable by Canadian Transportation Agency, November 3, 2008, www.cta-otc.gc.ca
3. Oneworld and WestJet introduce global travel program for businesses in Canada, November 5, 2008, www.westjet.com
4. EC Regulation 1008/2008 - Price transparency and improved safety: more competition and better quality for the air transport sector, Nov. 4, 2008, www.europa.eu
5. Air Canada reports third quarter results, November 6, 2008, <http://www.aircanada.com/en/about/media/facts/index.html>
6. Community Observatory on Airport Capacity, Nov. 6, 2008, www.europa.eu
7. WestJet announces increase in revenue passenger miles of 9.5 per cent, Nov. 10, 2008, www.westjet.ca
8. WestJet Reports Third Quarter Results, Nov. 10, 2008, www.westjet.ca
9. WestJet profit falls to \$54.7-million, Nov. 10, 2008, www.globeandmail.ca
10. Aircraft movement statistics: Small airports [July 2008], Nov. 12, 2008, www.statcan.ca
11. UPS to build new facility at Calgary International Airport, Nov. 12, 2008, www.ctl.ca
12. WestJet's Clive Beddoe receives honorary degree, Nov. 13, 2008, www.westjet.ca
13. Air Canada sell-off overdone: Research Capital, Nov. 17, 2008, www.nationalpost.ca
14. Air Canada to launch non-stop Montreal-Geneva service; StarAlliance partner SWISS to codeshare, Nov. 17, 2008, www.aircanada.com/en/about/media/facts/index.html

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

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4% compared to the third quarter of 2007. The company recorded a net loss of \$132 million in the third quarter of 2008 compared to net income of \$273 million in the third quarter of 2007. Montie Brewer, President and CEO said "Against a backdrop of unprecedented fuel costs, Air Canada is one of the few North American carriers to report a third quarter operating profit, ... for the second consecutive quarter, on-time performance targets, achieving our best operational performance in over ten years."

6. Community Observatory on Airport Capacity

On 4 November 2008, the new Community Observatory on Airport Capacity was inaugurated in the EU. The observatory will advise the Commission on developing measures to ameliorate the capacity of the **European airport network**.

7. WestJet announces increase in revenue passenger miles of 9.5 per cent

WestJet on November 10, 2008 announced its October 2008 traffic results: a load factor of 75.8 per cent (a decline of 2.3 points compared to October 2007); available seat miles of 1.439 billion miles (a capacity increase of 12.9 per cent compared to October 2007); and revenue passenger seat miles of 1.090 billion miles (an increase of 9.5 per cent compared to October, 2007). The CEO for WestJet, Sean Durfy, stated "We are pleased with our October results reporting a healthy load factor and strong increases in guest traffic as we continued to add capacity."

8. WestJet Reports Third Quarter Results

On November 10, 2008, WestJet announced its third quarter results. For the third quarter of 2008, net earnings were \$54.7 million compared to \$71.6 million over the same period in 2007. Available seat miles and revenue passenger miles for the third quarter increased 20.1% and 17.6% compared to the same quarter in 2007. Its "load factor" was 75.8 per cent, up 0.3 percent from 75.5 per cent in September 2008, but down 2.3 points from October 2007. Despite the slowdown in the economy, Sean Durfy, WestJet President and CEO chose to accentuate the positive. He said "Based on airlines that have reported, our third-quarter results are among the best worldwide."

9. WestJet profit falls to \$54.7-million

WestJet Airlines Ltd. profits fell to \$54.7-million or 42 cents a share in the third quarter of 2008, down from \$76.1-million or 58 cents a year earlier. According to the survey by Bloomberg, analysts had forecasted a share profit of 40 cents for the period, which ended Sept. 30, 2008. An analyst at CIBC World markets in Toronto said WestJet's third-quarter results were pretty much in line with his forecast. He has a "buy" recommendation and 12-month price target of \$19 on WestJet's stock.

10. Aircraft movement statistics: Small airports [July 2008]

Statistics Canada reports that for July 2008, the number of take-offs and landings at the 116 airports without air traffic control towers reached 66,792 movements down 21.3% from July 2007 (for 119 airports). Goose Bay, Newfoundland and Labrador, was the most active site in July 2008.

11. UPS to build new facility at Calgary International Airport

UPS Canada is building a 150,000-sq. ft. consolidated distribution facility at the Calgary International Airport. The new facility being constructed is a response to a 60% increase in shipping volumes since 2003.

12. WestJet's Clive Beddoe receives honorary degree

Mr. Clive Beddoe, former President and CEO of Westjet, received the honorary doctorate of law degree for his commitment to the airline profession and to his community from the University of Calgary.

13. Air Canada sell-off overdone: Research Capital

According to Jacques Kavafian, Research Capital analyst, the sell-off of Air Canada based on growing fears of the carrier's liquidity this winter are "exaggerated." The lack of credit ensures that Air Canada will exercise prudence and will be diligent in cutting expenses in order to not only preserve cash but to increase it. His target price on the stock is \$4. He therefore recommends a buy of the stock based on the current price (Nov. 14, 2008) of \$2.28. **14. Air Canada to launch non-stop Montreal-Geneva service; Star Alliance partner SWISS to codeshare**

On November 17, 2008, Air Canada announced that it will introduce year-round non-stop service between Montreal and Geneva, beginning June 2, 2009, with same-plane service continuing on to/from Toronto. The carrier's Star Alliance partner, Swiss International Air Lines, will offer seats on a codeshare basis on the new route.

15. ACCC proposes to deny authorisation to Air New Zealand and Air Canada's Cooperation Agreement

The Australian Competition and Consumer Commission (ACCC) has issued a draft determination proposing to deny authorisation to Air New Zealand and Air Canada to give effect to a Cooperation Agreement. The Cooperation Agreement

15. ACCC proposes to deny authorisation to Air New Zealand and Air Canada's Cooperation Agreement, Nov. 19, 2008, www.accc.gov.au

16. Airlines lose in appeal against disabled, Nov. 20, 2008, www.globeandmail.ca

17. WestJet offers \$79 fares to Toronto, Nov. 20, 2008, www.westjet.ca

18. WestJet upgraded to buy, eight reasons why, Nov. 24, 2008, www.nationalpost.ca

19. Traffic Decline Continues - Second Month of Global Contraction, Nov. 27, 2008, www.iata.org

20. Arriba! Non-stop from Manitoba to Mexico!, Nov. 27, 2008, www.westjet.ca

21. Non-stop gondola ride to the "Venice of America", Nov. 27, 2008, www.westjet.ca

22. WestJet offers more ways to escape the cold, Nov. 27, 2008, www.westjet.ca

US

1. Major drop for [US] rail traffic, October 31, 2008, www.joc.com

2. Boeing: Air cargo will recover over long term November 4, 2008. www.americanshipper.com

3. [US] Airline On-Time Performance Improves in September, Nov. 7, 2008, www.dot.gov

4. [US] Air cargo traffic plunges, Nov. 7, 2008, www.joc.com

5. August 2008 [US] Airline Traffic Data: Eight-Month 2008 System Traffic Down 1.4 Percent from 2007 and Down 5.1 Percent in August, Nov. 14, 2008, www.dot.gov

6. Development of Integrated Ticketing for Air and Rail Transport, Nov. 19, 2008, www.europa.eu

7. TIACA [The International Air Cargo Association] calls for separate cargo, passenger air liberalization, November 25, 2009, www.americanshipper.com

would involve the two airlines jointly promoting and selling direct flights between Sydney and Vancouver (operated by Air Canada) and Auckland and Vancouver (operated by Air New Zealand). The ACCC considers that the public benefits of the Cooperation Agreement are not likely to outweigh the public detriments.

16. Airlines lose in appeal against disabled

The Supreme Court of Canada has put its stamp of approval on a regulatory order forcing major airlines to provide an extra seat for free to disabled or obese passengers who need the room. The agency ordered the companies last January to adopt a policy of "one person, one fare."

17. WestJet offers \$79 fares to Toronto

On November 20, 2008, WestJet announced one-way fares as low as \$79 (Nov. 26 to February 28) for guests travelling from Quebec City to Toronto. Fares to Florida for \$129 one-way and \$159 one-way to the Caribbean are available for the same period.

18. WestJet upgraded to buy, eight reasons why

According to an analyst in Versant Partners, WestJet stock has lost more than 40% of its value in the past three months and now trades around \$8.70 per share, the lowest level since the 9/11 crisis. Eight reasons were provided why the stock is a buy such as drop in fuel prices, reduction in domestic capacity, price below book value, etc.

19. Traffic Decline Continues - Second Month of Global Contraction

The International Air Transport Association (IATA) announced that international global air traffic for October 2008 declined for the second consecutive month. International passenger traffic declined by 1.3% compared to the same month in the previous year, though by a smaller percent than that in September 2008. International air freight traffic contracted by 7.9% in October for a fifth consecutive month of increasingly severe drops.

20. Arriba! Non-stop from Manitoba to Mexico!

On November 27, 2008, WestJet announced the introduction of new non-stop seasonal service from Winnipeg to two international sun destinations in Mexico - Mazatlan (January 6, 2009) and Puerto Vallarta (January 8, 2009).

21. Non-stop gondola ride to the "Venice of America"

WestJet announced on November 27, 2008 that it will fly new non-stop short-season service from Ottawa to Fort Lauderdale, Florida, beginning January 8, 2009 (twice weekly). One-way fares, start at \$89 until January 26, 2009 (must be booked by December 10, 2008).

22. WestJet offers more ways to escape the cold

WestJet announced on November 27, 2008 enhancements to its current winter schedule with the addition of increased flight frequencies from Montréal, Calgary and Vancouver to popular sun destinations.

WATER TRANSPORTATION

1. Port of Montreal Accumulated Traffic Report [YTD-September 2008]

The Port of Montreal released its accumulated container traffic report for January to September 2008. Total year-to-date traffic was 1,116,764 TEUs to September 2008, an increase of 9.9% over the same period in 2007. Year-to-date imports (TEUs) increased by 10.4% and exports increased by 9.4%.

2. Port of Prince Rupert tonnage steady

The Port of Prince Rupert handled 7,736,935 metric tonnes of cargo to the end of the third quarter of 2008, a slight increase of 70,000 tonnes compared to the same period in 2007. Grain traffic, however, was down 28% for the above period.

3. EU to review reactions to consortia proposals

In an attempt to revise the block exemption for consortia, EU invited submissions a few weeks ago. Next week it will begin analyzing ocean carriers' and shippers' response to plans to tighten conditions governing container

Water Transportation

Canada

1. Port of Vancouver Accumulated Traffic Report [Year to Date - September 3, 2008], November 3, 2008, www.portmontreal.ca
2. Port of Prince Rupert tonnage steady, November 6, 2008, www.ctl.ca
3. EU to review reactions to consortia proposals, November 21, 2008, www.joc.com
4. Global shipping industry braces for rough waters, November 23, 2008, www.globeandmail.ca
5. Port of Vancouver Accumulated Traffic Report [Year to Date - October 2008], November 25, 2008, www.portvancouver.com
6. Georgian College Celebrates Grand Opening of Marine Simulation and Research Centre, November 21, 2008, www.tc.gc.ca
7. Vancouver port plans big spending for expansion, Nov. 26, 2008, www.joc.com
8. Hamilton Port Authority conducts container feeder shipping trial, Nov. 27, 2008, www.ctl.ca

shipping consortia's exemption from anti-trust rules. The Commission's ban on rate setting conferences went into effect on October 18, 2008.

4. Global shipping industry braces for rough waters

Global shipping is facing its worst crisis in decades. The global economic crash has slashed demand for transport of commodities to fast-growing nations like China and India. On top of that, the credit crunch has made banks reluctant to lend money to ship owners and to provide financial guarantees to allow their ships to sail, leaving some stuck in harbour. Dry cargo vessels that commanded \$150,000 a day in May 2008 are now earning \$7,000 or less. Prices could fall even further. The cargo vessel of 1980, which would have sold for \$18-million in 2007, are being sold for just over \$3-million in 2008. Smaller companies with older vessels will be hit the worse.

5. Port of Vancouver Accumulated Traffic Report [Year to Date - October 2008]

The Port of Vancouver released its accumulated container traffic report for October 2008. Total year-to-date traffic was 2, 115, 744 TEUs to October 2008, an increase of 2% over October 2007. Year-to-date imports (TEUs) increased by 1% and exports increased by 3%.

6. Georgian College Celebrates Grand Opening of Marine Simulation and Research Centre

On November 21, 2008, the most advanced marine simulation and research centre in Canada officially opened at the Owen Sound Campus of Georgian College. This state-of-the-art facility will provide a realistic training experience like no other that will make Canada a leader on the world stage in the marine industry.

7. Vancouver port plans big spending for expansion

A consultant's report released on November 24, 2008 indicates that the Port Metro Vancouver plans spending just under C\$1 billion to improve and expand operations between 2008 and 2018. Terminals and other cargo-related tenants of the port plan to spend an additional \$3.2 billion on capital investments, in an overall spending plan by port tenants of \$4.25 billion. The plan is based on the assumption that every thing goes well. The port handles \$75 billion worth of cargo each year.

8. Hamilton Port Authority conducts container feeder shipping trial

The Hamilton Port Authority is launching a short sea shipping initiative with a dedicated container feeder vessel bound for India and Pakistan via the Montreal Gateway Terminal.

RAIL TRANSPORTATION

Canada

1. CN buys back three PQ railways and ferry service

The three principal railway subsidiaries of the Quebec Railway Corp. [QRC] together with its rail-freight ferry operation on the St. Lawrence River have been purchased by CN Rail for \$49.8 million. The subsidiaries are : the Chemin de fer de la Matapédia et du Golfe; the New Brunswick East Coast Railway (NBEC); and the Ottawa Central Railway (OCR). The ferry operation is: the Compagnie de gestion de Matane (COGEMA). CN sold the rail lines to QRC in the late 1990s and has held a minority equity interest in the ferry operation since its start-up in 1975.

2. Pricing the big question for railways

As traffic volume declines, whether rail companies can continue to maintain the pricing growth of 2007 and 2008 in 2009 raises questions. If investors believe that railways can, because of their market power, analysts at UBS suggest they should be buyers. In 2006, railways have been able to maintain pricing growth despite volume weakness. A UBS survey indicates that this will continue

US

1. Sinking feeling [Shipping industry is already feeling the economic impact of the financial crisis], *The Journal of Commerce*, pp. 12-15, October 20, 2008.
 2. Keeping movement high and temperatures low, *The Journal of Commerce*, pp. 58-64, October 20, 2008.
 3. USDA: Grain freight rates fall to lowest level in 5 years, November 4, 2008, www.americanshipper.com
 4. Maersk posts 9-month profit, Nov. 12, 2008, www.joc.com
 5. Container ship charter rates continue to fall, September 13, 2008, www.joc.com
 6. Marad: Higher fuel costs can benefit short sea, Nov. 14, 2008, www.joc.com
 7. Maersk to lay up boxships, Nov. 17, 2008, www.joc.com
 8. Biggest ships a quandary for East Coast port plans, November 21, 2008, www.joc.com
 9. [U.S.] West Coast ports continue cargo slide, November 25, 2008, www.americanshipper.com
- [US] Quest for productivity, Terminals continue their drive to leverage impact of technology, *The Journal of Commerce*, Nov. 17, 2008, pp. 22-23.

CANADA

1. CN buys back three PQ railways and ferry service, November 3, 2008, www.todaystrucking.ca
2. Pricing the big question for railways, Financial Post, Nov. 7, 2008, www.nationalpost.ca
3. CN says STB can and should issue decision permitting timely closing of proposed EJ&E acquisition, Nov. 11, 2008, www.cn.ca
4. CP Rail cuts capital spending by 20 per cent, Nov. 13, 2008, www.globeandmail.ca
5. CPR shakes up U.S. unit, Nov. 13, 2008, www.globeandmail.ca
6. Canadian Pacific drives for greater efficiency, November 13, 2008, www.cpr.ca
7. CP Rail bracing for difficult year ahead, November 13, 2008, www.nationalpost.ca
8. First Passengers Mark Canada Line Milestone, November 12, 2008, www.tc.gc.ca

and expects earnings per share (EPS) growth will continue to be supported by this pricing growth as well as productivity gains and share buybacks.

3. CN says STB can and should issue decision permitting timely closing of proposed EJ&E acquisition

On November 11, 2008, CN said the Surface Transportation Board (STB) should proceed quickly with a final decision on the CN's proposed acquisition of the principal lines of the Elgin, Joliet & Eastern Railway Company (EJ&E) to allow the transaction to close by the parties' Dec. 31, 2008, deadline. The U.S. Department of Transportation, the National Industrial Transportation League and other stakeholders have called for an expeditious STB ruling to keep the transaction on track.

4. CP Rail cuts capital spending by 20 per cent

Canadian Pacific Railway Ltd. plans investment cutbacks in the light of the global economic and financial crunch. The cutback (\$200 million) is expected to be by about 20 percent of what was originally planned.

5. CPR shakes up U.S. unit

Canadian Pacific Railway Ltd. has appointed Vernon Graham to head a

strategically important division in the U.S. Midwest to make the trains of its subsidiary Dakota Minnesota & Eastern Railroad Corp. run more efficiently and to review a proposed coal megaproject in Wyoming.

6. Canadian Pacific drives for greater efficiency

President and CEO of Canadian Pacific Railway said "Canadian Pacific is driving greater efficiency into all aspects of the business." They will pace capital investment to meet the needs of their customers and this will result in a capital investment of \$800 million to \$820 million a reduction of \$200 million. Included in this capital plan is basic renewal of track infrastructure and the locomotive fleet, intermodal terminal building at Regina and pilot technology projects.

7. CP Rail bracing for difficult year ahead

At the annual investors conference on November 13, 2008, Canadian Pacific Railway's message was clear. It is bracing for a difficult year ahead with no real recovery before 2010. It expects continued softness in its auto and forestry shipments and in its intermodal business next year with some small gains in its industrial shipments and its bulk business (driven by a large grain harvest and its short-haul thermal coal business). Any revenue growth in 2009 will come from pricing, which it expects will improve between 5% and 6% on its renegotiated contracts.

8. First Passengers Mark Canada Line Milestone

On November 12, 2008, government officials were the first passengers on the trial run of the Canada Line from Bridgeport Station to the Vancouver International Airport (YVR) Station. The Minister of Canadian Heritage and Official Languages said "today's trial run celebrates not only a milestone for this essential transit project, but also the important role that the Canada Line will play in easing traffic congestion, cutting commute times, reducing greenhouse gas emissions and clearing the air for residents and visitors to the Greater Vancouver Area."

9. CN and City of Crest Hill, Ill., reach agreement on mitigation plan for EJ&E transaction

CN announced on November 18, 2008 an agreement with the City of Crest Hill, Ill., regarding its proposed acquisition of the principal lines of the Elgin, Joliet & Eastern Railway Company (EJ&E). The agreement addresses municipal concerns about the community impact of the transaction through the proposed creation of quiet zones and implementation of noise mitigation measures.

10. CN set to seal Chicago railway buy by year-end

The head of Canadian National Railway Co. says he's confident federal regulators will approve his company's proposed acquisition of Chicago's Elgin, Joliet & Eastern Railway Co. by the year-end. CN agreed to acquire the railway for \$300 million.

11. Railway carloadings [September 2008]

The Canadian railway industry loaded 23.5 million metric tonnes in September 2008, down 1.4% from September 2007. Intermodal loadings fell 0.3% to 2.4 million metric tonnes from September 2007, as a result of decreased containerized cargo shipments.

9. CN and City of Crest Hill, Ill., reach agreement on mitigation plan for EJ&E transaction, Nov. 18, 2008, www.cn.ca

10. CN set to seal Chicago railway buy by year-end, Nov. 20, 2008, www.nationalpost.ca

11. Railway carloadings [September 2008], November 26, 2008, www.statcan.ca

12. Canadian Pacific to review Federal Court grain hopper car maintenance decision, November 26, 2008, www.cpr.ca

13. Truck tonnage takes another hit south of the border, November 26, 2008, www.todaystrucking.ca

US

1. [US] Domestic 3rd quarter intermodal volume up 6.7%, Nov. 12, 2008, www.americanshipper.com

12. Canadian Pacific to review Federal Court grain hopper car maintenance decision

CP Rail indicated that it will review the November 2008 decision of the Federal Court of Appeal on grain hopper car maintenance. CP appealed the Canadian Transportation Agency (CTA) decision of February 20, 2008 to the Federal Court. The court upheld the retroactive adjustment made by the CTA on February 19, 2008, resulting in a decrease of \$23M in what CP was entitled to earn for the movement of grain for a portion of the 2007/2008 crop year.

13. CN disappointed in appeal court ruling sanctioning CTA grain rate reduction

On November 25, 2008, CN expressed disappointment with a Federal Court of Appeal of Canada ruling that upholds a Canadian Transportation Agency (CTA) decision to reduce rail revenue entitlement for grain transportation. The CTA in February 2008 cut grain rates by eight per cent under railway revenue caps retroactive to Aug. 1, 2007, to reflect its determination of actual railway maintenance expenditures for government-owned grain hopper cars. CN appealed the CTA decision, saying it was flawed and that its retroactive application was illegal. CN estimates the CTA decision will reduce its Canadian grain revenues by C\$23 million for the 2007/08 grain crop year.

HIGHWAY TRANSPORTATION

1. Greening Commercial Fleets

The province is helping Ontario businesses to fight climate change with an enhanced greening commercial fleets program. Under the four-year, \$15-million Green Commercial Vehicle Program, companies can apply for grants to: purchase hybrid and alternative-fuel vehicles; and retrofit heavy-duty vehicles with anti-idling technologies.

2. Ontario's funding for greener trucks a good start: OTA

The Ontario Trucking Association said that introducing a four-year \$15 million grant program designed to assist operators of commercial vehicles in the battle against climate change by investing in fuel saving technologies is "a good first step that is consistent with the industry's enviroTruck initiative."

3. Canada and Ontario Announce Reopening of Walker Road to Improve Traffic

The governments of Canada and Ontario, in partnership with the City of Windsor, On October 31, 2008, announced the completion of construction on the Walker Road-CPR grade separation and the reopening of the roadway to traffic. This \$50-million investment by Canada and Ontario will reduce congestion and improve traffic flow for tens of thousands of travellers in Windsor-Essex.

4. For-hire motor carriers of freight, all carriers [First Quarter 2008]

Canadian for-hire trucking companies (annual revenues of \$1 or more) reported operating revenue of \$7.4 billion and operating expenses of \$7.1 billion in the first quarter of 2008. Their operating profit edged down compared to the previous year, as year-over-year growth in operating expenses (+8.7%) exceeded that of operating revenue (+7.4%).

5. OOIDA blasts PQ Minister for renegeing on speed limiters; promises to sue

The Owner-Operator Independent Drivers Association (OOIDA) is complaining that Quebec has backed out of a promise to hold off on mandatory speed limiters until other Canadian jurisdictions jump on board the bandwagon. It appears that a member of the OOIDA was given assurance that Quebec would hold off on its proposed rule until the rest of Canada enacted similar legislation. This could not only affect trade but could also have competitive implications.

6. Transport Canada and the Canadian Automobile Association Team up to Help Promote Safe Winter Driving

On November 6, 2008, Transport Canada, in partnership with the Canadian Automobile Association, released a brochure listing the top 10 winter driving safety tips. The goal is to help Canadian motorists prevent problems before they occur.

Highway Transportation

Canada

1. Greening Commercial Fleets, October 30, 2008, www.mto.gov.on
2. Ontario's funding for greener trucks a good start: OTA, November 3, 2008, www.todaystrucking.ca
3. Canada and Ontario Announce Reopening of Walker Road to Improve Traffic, October 31, 2008, www.tc.gc.ca
4. For-hire motor carriers of freight, all carriers [First Quarter 2008], November 3, 2008, www.statcan.ca
5. OOIDA blasts PQ Minister for renegeing on speed limiters; promises to sue, November 6, 2008, www.todaystrucking.com
6. Transport Canada and the Canadian Automobile Association Team up to Help Promote Safe Winter Driving, November 6, 2008, www.tc.gc.ca
7. Grand Opening of Cranbrook Downtown Transit Exchange Made Possible by Federal and Provincial Support, Nov. 7, 2008, www.tc.gc.ca
8. Trucking Chief says 'Bring on 2009!', Nov. 14, 2008, www.cantruck.ca
9. CTA report identifies potential problems with Harper's biodiesel mandate, Nov. 18, 2008, www.ctl.ca
10. McGuinity Government Proposes New Rules For Novice Drivers And Tougher Laws For Drinking And Suspended Drivers, No. 18, 2008, www.mto.gov.on
11. Ontario speed limiter law on the books; Jan. 1 start date, Nov. 18, 2008, www.todaystrucking.ca
12. U.S. Freight Shipments with Canada and Mexico Reached a Record High in 2007, Nov. 19, 2008, www.bts.gov
13. Large urban transit, Nov. 21, 2008, www.statcan.ca
14. Manitoba to dial up cell phone ban for drivers, November 24, 2008, www.todaystrucking.ca
15. Value of global logistics industry to fall short of 2007 levels: report, Nov., 24, 2008, www.ctl.ca
16. Challenger acquires special commodities carrier, Nov. 16, 2008, www.todaystrucking.ca
17. Couriers and Messengers Services Price Index, Nov. 27, 2008, www.statcan.ca
18. McGuinity Government Launches the Green Commercial Vehicle Program, Nov. 27, 2008, www.mto.gov.on.ca

7. Grand Opening of Cranbrook Downtown Transit Exchange Made Possible by Federal and Provincial Support

Construction on the Cranbrook Transit System and the Downtown Transit Exchange was completed as a result of a combined \$215,014 investment from the federal Public Transit Fund and the provincial Public Transit Infrastructure Fund. "The opening of Cranbrook's downtown transit exchange is a significant milestone that will lead to increased ridership, and most importantly, cleaner air for all British Columbians."

8. Trucking Chief says 'Bring on 2009'

According to the CEO of the Canadian Trucking Alliance (CTA), David Bradley, it may take the better part of 2009, for the North American economy to stabilize and begin to recover. However when it does, the demand for trucking services will likely outweigh the supply. At that point, truck rates, which have been

hammered during the past 18 months, will be under upward pressure again. There will be lack of capacity which companies shed during the slowdown and shippers should consider locking in capacity. He listed a number of the initiatives in which the CTA played a major role in bringing to fruition.

9. CTA report identifies potential problems with Harper's biodiesel mandate

The Canadian Trucking Alliance [CTA] has been busy lobbying against commitments of governments to introduce a biodiesel mandate for all on-road fuel. A report prepared for the CTA by M. J. Ervin & Associates of Calgary identified a host of potential issues relating to the storage, blending and transportation of biodiesel.

10. McGuinty Government Proposes New Rules For Novice Drivers And Tougher Laws For Drinking And Suspended Drivers

The Ontario Government is proposing new rules for novice drivers to make roads safer. The new rules in brief are: a Graduated Licensing System; a zero blood alcohol concentration level; a set of tougher penalties for novice drivers; and a set of tighter restrictions on the number of young passengers teen drivers can carry.

11. Ontario speed limiter law on the books; Jan. 1 start date

The Ontario government has published rules requiring all commercial trucks operating in the province, regardless of where the vehicle is base-plated, to set engine speeds no higher than 105 km/h or 65 mph. The new regulation will take effect on January 1, 2009.

12. U.S. Freight Shipments with Canada and Mexico Reached a Record High in 2007

Goods valued at more than \$909 billion crossed the U.S. border in trade with Canada and Mexico in 2007, 4.9 percent higher than the previous record set in 2006. The US portion was \$562 million and the Mexico portion was \$347 million. Trucks carried 61 percent of this freight measured by value - \$555 billion in 2007. Rail carried 15 percent, followed by maritime with 7 percent, pipeline with 8 percent, and air with 4 percent.

13. Large urban transit (September 2008 Preliminary)

Combined ridership (131.9 million passenger trips) on 10 large urban transit systems (80% of total) in Canada was 3.6% higher in September 2008 than it was for the same month in 2007. These trips generated \$232.6 million in revenue up 8.6% from the same period a year earlier.

14. Manitoba to dial up cell phone ban for drivers

Manitoba is expected to be the next province that will ban talking and text messaging while driving – as well as smoking in the car with children present. The province's move has the support of its trucking industry.

15. Value of global logistics industry to fall short of 2007 levels: report

A report 'Intersections: Global Transportation & Logistics Mergers and Acquisitions Analysis – Third Quarter 2008' by Price Waterhouse Cooper released November 19, 2008 indicates that the levels of deal activity and total deal value in the transportation and logistics industry announced during the first three quarters of 2008 are not likely to surpass 2007 totals.

16. Challenger acquires special commodities carrier

Challenger Motor Freight plans to purchase certain assets of INX Press Corporation. INX PRESS, an Ontario-based carrier, is a special commodities fleet focusing on transporting heavy equipment and over-dimensional freight. Challenger is a Cambridge, Ont. company. Challenger also operates Elgin Motor Freight, Cam Hiltz Trucking, Lodwick Transport, and MCX as unique separate entities.

17. Couriers and Messengers Services Price Index [October 2008]

The Couriers and Messengers Services Price Index decreased for October 2008 by 1.8% from September 2008 to 144.0 (2003=100). The courier portion fell 2.0%, while the local messengers component was down 1.2%.

US

1. Freight Transportation Services Index (TSI) Fell 2.5 Percent in September from August, November 13, 2008, www.bts.gov
2. SafeTrip-21 Brings Innovative Technologies to Improve Safety and Mobility to the East Coast U.S. DOT Announces Partnership with I-95 Corridor Coalition, November 2008, www.dot.gov
3. [US] Nation's Truck Drivers to Be Limited to Eleven Hours Behind the Wheel Each Day Under New, Science-Based Federal Rules New Measure Designed to Continue Truck Safety Improvements, November 18, 2008, www.dot.gov
4. The latest news in road crashes is depressing, Press Release, www.ceml.org

18. McGuinty Government Launches the Green Commercial Vehicle Program

Ontario is helping its businesses do their part to fight climate change by launching the Green Commercial Vehicle Program (GCVP) on November 28, 2008.

GENERAL

1. Conference Board scales back economic outlook

The Conference Board of Canada has cut back its outlook for the Canadian economy next year, from 2.2% to 1.5%. The revision is based on the recession in the US. However, it expects Canada's economy to avoid a recession.

2. Government revenue attributable to tourism [July 2007]

Tourism generated \$19.7 billion of revenue for governments in Canada in 2007, up 4.3% from 2006. The gain resulted from higher revenues from domestic tourism spending (up 6.1% to 14.5 billion), whereas the revenue from international visitors was down (0.6% to 5.1 billion).

3. Manufacturing sales rebound despite lower prices

According to Statistics Canada, manufacturing sales edged up 0.1 percent to \$52.2 billion in September 2008 after a sizeable 3.7 percent decrease in August 2007. In constant dollars, the increase was 0.7 percent. At the industry level, sales of 13 of 21 manufacturing industries increased in September 2008.

4. New Canadian government pledges trade moves

On November 19, 2008, Canada's newly re-elected Conservative government pledged a series of trade-enhancing moves ranging from working with the incoming Obama Administration to pursuing free-trade agreements and financially supporting a new crossborder bridge.

5. North American Transportation Statistics

An updated version of the *North American Transportation Statistics* (NATS) database, a unique online source for comprehensive information on transportation activity, was released on November 19, 2008. The database covers Canada, United States and Mexico and is on 12 areas, including transportation.

6. Travel between Canada and other countries

The total number of visitors to Canada rose 2.1% in September 2008 from August 2008, due to an increase in overnight travel from the United States. Travel from overseas countries to Canada decreased 2.7% in September 2008 from the previous month. Canadians trips to the United States were down 3.5%, however, Canadian travel to overseas countries increased 0.7% in September 2008 from August 2007.

7. APEC agrees on free trade

US President Bush has secured an agreement from the 21-nation Asia Pacific Economic Cooperation forum to keep trade barriers low along the Pacific Rim. The countries also decided to revive the stalled World Trade Organization-sponsored Doha Round of trade negotiations by meeting in Geneva in December 2008.

8. International travel account [Third quarter 2008 (preliminary)]

Canada's international travel deficit fell to over \$2.9 billion for the third quarter. Lower spending by Canadians abroad and higher spending by foreigners in Canada both contributed to the decline. Canadian residents spent about \$7.1 billion on travel in the third quarter of 2008, down 1.7% from the previous quarter. Prior to the fourth quarter of 2007, travel spending abroad had never reached the \$7.0-billion mark.

9. Characteristics of international travellers [Second quarter 2008 (preliminary)]

Canadian residents took 4.6 million overnight trips to the United States between April and June 2008, up 12.1% from the second quarter of 2007. Second quarter travel to overseas countries also continued its upward trend (up 9.5% from the same quarter last year).

Canada

1. Conference Board scales back economic outlook, November 3, 2008, www.globeandmail.ca
2. Government revenue attributable to tourism [July 2008], Nov. 12, 2008, www.statcan.ca
3. Manufacturing sales rebound despite lower prices, Nov. 17, 2008, www.todaystrucking.ca
4. New Canadian government pledges trade moves, Nov. 19, 2008, www.joc.com
5. North American Transportation Statistics, Nov. 19, 2008, www.statcan.ca
6. Travel between Canada and other countries, Nov. 19, 2008, www.statcan.ca
7. APEC agrees on free trade, November 24, 2008, www.joc.com
8. International travel account [Third quarter 2008 (preliminary)], Nov. 27, 2008, www.statcan.ca
9. Characteristics of international travellers [Second quarter 2008 (preliminary)], Nov. 27, 2008, www.statcan.ca

US

1. Obama speaks out on infrastructure, regulation, October 31, 2008, www.americanshipper.com
 2. Canadian GDP shrinks in August, October 31, 2008, www.ctl.ca
 3. Economist: Latest truck data consistent with a recession [US], November 3, 2008, www.americanshipper.com
 4. WTO: Tackle trade finance or face "downward spiral", November 13, 2008, www.americanshipper.com
- OECD projects worst recession since 1980sw, November 26, 2008, www.joc.com

Publications

1. Energy and Transportation in Europe Digest, No. 284, October 31, 2008, www.europa.eu
2. Canadian Airports Council, Newsletter, November 14, 2008, www.cacairports.ca
3. Energy and Transport in Europe Digest, No. 287, November 21, 2008, www.europa.eu
4. Study: Productivity growth in Canadian and US infrastructure industries 1977 to 2003, November 26, 2008, www.statcan.ca

Conferences

1. EU-US Aviation Forum on Liberalisation and Labour, (Organised by the European Commission) 3-4 December 2008, Washington, D.C.
2. Transport for a Global Economy, Challenges and New Opportunities, Forum 2009, Leipzig, May 26-29, 2009.

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