

Transportation Information Update*

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AIR TRANSPORTATION

1. Air Canada Jazz launches CRJ-705 jet service between Saskatoon and Toronto

Air Canada Jazz began non-stop flights from Saskatoon and Toronto as part of the planned schedule enhancement. Four flights will operate in October and three flights will operate in the winter. This has increased service to Saskatchewan.

2. Air Canada Jazz launches CRJ-705 jet service between Regina and Toronto
Air Canada Jazz began non-stop flights from Regina and Toronto as part of the planned schedule enhancement. Three daily non-stop flights will operate in the winter.

3. Cash-rich Air Canada contemplates options

Air Canada's parent had \$2.5 billion in cash at the end of August 2005. Its healthy cash situation may seem a bit strange since it emerged from bankruptcy protection a few months ago. This is because it has succeeded in building a healthy business model. Its cash position has created both opportunities and problems. Investors await for a payout and unions may push for a wage increase. A representative of the Canadian Auto Workers union says that ACE should give the money to its employees rather than investors.

4. ACE Aviation can afford to pay out up to \$300M to shareholders, analysts say

ACE Aviation Holdings Inc., plans to return up to \$300 million to its shareholders. This would seem surprising since Air Canada has emerged from bankruptcy just a few months ago. But analysts say this is not so given the funds received by ACE Aviation from its spin off of the Aeroplan Loyalty Program and its other plans to spin subsidiary Jazz and Air Canada Technical Service into income trusts. It has enough funds to eliminate its pension deficit and buy new planes. Some predict that the pay out may make talks with the unions more difficult as labour contracts come up for negotiation.

5. Air Canada reports eighteenth consecutive month of record load factors for September on 7.2% capacity growth

Air Canada reports that it has had the highest system passenger and domestic passenger load factors for September 2005 compared to a year ago. The system passenger load factor in September 2005 was 80.4%, this represents a 1.2% increase compared to September 2004. The domestic load factor was 81%, this represents a 1.2% increase compared to September 2004. Capacity decreased by 7.2% for September 2005 compared to a year earlier.

6. WestJet Reports 70.9% September load factor

WestJet reported that it has a load factor of 70.9% for September 2005 compared to 71.3% in September 2004. Available seat miles increased 18.3% in September 2005 from September 2004.

7. WestJet converts 737-700 purchase option into firm delivery

WestJet has announced the purchase of one additional Boeing next-generation aircraft 737-700 by converting a purchase option into a firm delivery. It is scheduled to receive ten 737-600 deliveries in 2006 and two 737-700 deliveries in 2006.

Current Developments in Brief

Air Transportation

CANADA

1. Air Canada Jazz launches CRJ-705 jet service between Saskatoon and Toronto, October 3, 2005, www.aircanada.ca
2. Air Canada Jazz launches CRJ-705 jet service between Regina and Toronto, October 3, 2005, www.aircanada.ca
3. Cash-rich Air Canada contemplates options, October 4, 2005, www.globeandmail.ca
4. ACE Aviation can afford to pay out up to \$300M to shareholders, analysts say, October 4, 2005, www.nationalpost.ca
5. Air Canada reports eighteenth consecutive month of record load factors for September on 7.2% capacity growth, October 6, 2005, www.aircanada.ca
6. WestJet Reports 70.9% September load factor, October 6, 2005, www.westjet.ca
7. WestJet converts 737-700 purchase option into firm delivery, October 6, 2005, www.westjet.ca
8. Air Canada, WestJet traffic stays strong, *National Post*, October 7, 2005, p. FP3.
9. Air Canada outperforms WestJet, *Globe and Mail*, October 7, 2005, p. B4.
10. Jazz sets sights on transborder business, *Globe and Mail*, October 10, 2005, p. B3.
12. IATA welcomes US-EU open aviation area discussions, October 12, 2005, www.iata.org
13. Former Canadian Airlines pilots refuse Air Canada mediation on seniority, October 12, 2005, www.nationalpost.ca
14. Air Canada expands network to India: offers code share service to Mumbai in addition to Delhi flights via Zurich, October 12, 2005, www.aircanada.ca
15. WestJet extends fuel-hedging strategy, October 12, 2005, www.westjet.ca
16. Westjet to commence service to Fort Myers, October 12, 2005, www.westjet.ca
17. The airline pays more for fuel; you start paying for the pillow, *Globe and Mail*, October 13, 2005, pp. B1/B11.
18. Transat to buy 20 overseas travel agencies, *National Post*, October 18, 2005, p. FP5.
19. Aircraft movement statistics, *The Daily*, October 19, 2005, www.statcan.ca
20. Funding announced for safety improvements at North Bay Jack Garland airport, October 20, 2005, www.tc.gc.ca
21. Westjet's corporate culture most admired in Canada Independent Study reveals, October 20, 2005, www.westjet.ca
22. Income trust idea won't fly, Transat says, *Globe and Mail*, October 21, 2005, p. B6.
23. Cargojet to create regional network, *Globe and Mail*, October 24, 2005, pp. B1/B12.
24. Aircraft Movement Statistics: Major Airports August 2005, October 25, 2005, www.statcan.ca
24. Aircraft Movement Statistics: Major Airports August 2005, October 25, 2005, www.statcan.ca

* 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.

8. Air Canada, WestJet traffic stays strong

Air Canada and WestJet both reported healthy traffic figures in September. This suggests that the demand for air travel remains high in Canada. However, concerns are being expressed about the impact of soaring fuel prices on earnings of the airlines. Between January and October jet fuel prices have increased by 123% compared to crude oil prices of 59%. Further, the two hurricanes have eliminated about 25% of daily US jet fuel production.

9. Air Canada outperforms WestJet

Air Canada's record for attracting passengers in September has outperformed WestJet. This however did not bother chief executive of WestJet who indicated that the capacity they are adding to their system continues to be absorbed by the market. Air Canada also expanded its network but not as rapidly. Air Canada appears to be winning passengers with aggressive marketing and innovative fare products while WestJet appears to be successful in expanding its network.

10. Jazz sets sights on transborder business

ACE Aviation Holdings Inc. has signed a memorandum of understanding with US Airways Group Inc. to operate some flights on behalf of the airline according to documents filed with the US Securities and Exchange Commission. On September 27, 2005, US Airways completed its merger with America West Holdings Corp. According to the documents filed, Jazz will be given the first chance at new cross-border flights in the event that the merged entity plans to increase the number of 70-seat or 90-seat regional US-Canada transborder flights. The possibility of increased growth potential improves Jazz's chances of being turned into an income trust.

12. IATA welcomes US-EU open aviation area discussions

The International Air Transport Association (IATA) welcomed the announcement by the United States and European Union to re-commence discussions on an Open Aviation Area. It indicated that: the air transport industry desperately needs change. The IATA supports a progressive approach to industry liberalisation; a move toward the US and EU change; and the need to go beyond half-measures.

13. Former Canadian Airlines pilots refuse Air Canada mediation on seniority

A group of Air Canada pilots that formerly worked for Canadian Airlines will not take part in a new mediation effort that their union and the airline have set up to resolve long-standing seniority issues. A spokesman for Canadian Airlines indicated that this was because Air Canada wants to appease pilots of Air Canada so they will accept acquisition of the new Boeings. The dispute was a barrier to Air Canada's plan to purchase new Boeings.

14. Air Canada expands network to India: offers code share service to Mumbai in addition to Delhi flights via Zurich

Air Canada announced that effective October 10, 2005, it is expanding service to India with the launch of daily flights to Mumbai (Bombay). Flights will be operated by Star Alliance partner SWISS via Zurich.

15. WestJet extends fuel-hedging strategy

WestJet announced on October 12, 2005 that it has extended its fuel-hedging strategy using financial instruments to help mitigate the effects of volatile fuel prices.

16. Westjet to commence service to Fort Myers

WestJet indicated it will celebrate the commencement of its new non-stop service between Toronto and Fort Myers, Florida on October 13, 2005. WestJet will offer four non-stop return flights per week between the two stops.

17. The airline pays more for fuel; you start paying for the pillow

Air Canada has raised fees for transporting pets and cut back its baggage allowance on October 12, 2005 as part of a series of measures designed to combat soaring fuel prices. On overseas flights, pets are no longer allowed in the cabin at any price. Starting November 1, 2005, Air Canada began charging \$2 for a 'comfort zone' kit that includes an inflatable plastic pillow and polyester blanket. The 'weight reduction' program is expected to save the airlines \$45 million annually in reduced fuel bills. Air Canada indicates that it is charging fees that better reflect extra costs of special services.

18. Transat to buy 20 overseas travel agencies

Transat indicated that it is planning to spend its accumulated cash reserves of \$498 million to expand its presence overseas. It is planning to purchase 20 travel agencies in France to increase its presence there.

19. Aircraft movement statistics

The 42 Canadian airports with NAV CANADA air traffic control towers reported 393,904 aircraft take-off and landings in September 2005, down 1% from September 2004. Year-over-year decrease in aircraft movements were reported by 21 of the airports in September 2005.

20. Funding announced for safety improvements at North Bay Jack Garland airport

Spokesman for the Minister announced urgent federal funding to improve safety at the North Bay Jack Garland Airport

25. Air Canada simplifies fares to select sun destinations; launches international expansion of popular fare products, October 28, 2005, www.aircanada.ca
26. More federal funding announced for sustainable transportation projects, October 28, 2005, www.tc.gc.ca
27. Task Force completed report on British Trucking dispute, October 28, 2005, www.tc.gc.ca
US/EU
1. BTS releases August passenger airline employment data: August 2005 employment down 5.4 percent from August 2004, October 18, 2005, www.dot.gov
2. EU-US open skies talks threaten BA, Virgin and the Heathrow oligopoly, <i>Globe and Mail</i> , October 20, 2005, p. B19.
3. Progress in U.S., EU air talks, October 21, 2005, www.joc.com
4. BTS releases second-quarter 2005 Air Travel Price Index (ATPI) airline index up 1.8 percent from second quarter 2004; top increase in San Jose, CA, Top Decrease in Cincinnati, October 26, 2005, www.dot.gov
5. Northwest joins SkyTeam, October 25, 2005, www.joc.com
6. BTS releases North American Surface Trade Numbers for August: surface trade with Canada and Mexico rose 12.3 percent from August 2004 to record high in August 2005, October 27, 2005, www.dot.gov

through the Airports Capital Assistance Program. The government is contributing \$87,400 and the Corporation of the City of North Bay will assume the remaining five percent of the cost.

21. Westjet's corporate culture most admired in Canada Independent Study reveals

Westjet has announced that it has been acknowledged for having the most admired corporate culture in the 2005 Canadian Corporate Culture study by Canadian Business Magazine. It was recognized for its 'entrepreneurial spirit' - delivering what they promise - and its - winning attitude.

22. Income trust idea won't fly, Transat says

Concerned about tougher economic times ahead, Transat will return to shareholders only \$125 million from its cash reserves of \$498 million. The return to shareholders will be in the form of a special share buyback or cash dividend. Its board of directors decided against any large-scale buyback and payout. It warned that high jet fuel bills will result in a shortfall of profit as expected by analysts. It also rejected suggestions to convert to an income trust.

23. Cargojet to create regional network

Cargojet which converted into a trust in June 2005, plans to solidify its position as Canada's dominant independent cargo carrier by creating a regional network to complement its existing routes covering 13 major Canadian cities. It hopes to serve individuals not seeking brand name couriers such as Purolator and Federal Express and to transport packages slightly larger than those transported by these carriers.

24. Aircraft Movement Statistics: Major Airports August 2005

In August 2005, the number of landings and take-offs at the 42 Canadian airports with NAV CANADA control towers was 408,562 up by 1.2% from August 2004. The year-to-date statistics showed an increase of .1%. Lester B. Pearson International Airport was the most active airport in both the overall and itinerant classes of operation (i.e. operation excluding local).

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25. Air Canada simplifies fares to select sun destinations; launches international expansion of popular fare products

Air Canada announced that simplified fares are now available to the following international destinations: Bermuda, Bahamas, Barbados, Antigua, St. Lucia, Trinidad and Venezuela. The five fare categories are: Relax and Return, Tango Plus, Latitude, Latitude Plus and Executive Class.

26. More federal funding announced for sustainable transportation projects

Transport Minister announced on October 28, 2005 the selection of eight projects to receive funding under the program Moving on Sustainable Transportation (MOST). Since 1999, 84 projects have received funding under MOST.

27. Task Force completed report on British Trucking dispute

The governments of Canada and British Columbia announced on October 28, 2005 that they have received the final report of the task force appointed to review issues associated with the port container trucking industry in B.C. The report will be released to the governments on November 4, 2005.

WATER TRANSPORTATION

1. Contract Awarded to modify the design of the Madeleine Ferry

Transport Minister Jean-C. Lapierre announced that following a competitive bidding process, Verreault Navigation Inc. of Les Méchins, Quebec, has been awarded a \$4.8 million contract to modify and enhance some of the design elements of the ferry M/V Madeleine operated by CTMA Traversier Ltée

2. EU grants conditional OK for CP Ships buy

TUI, the parent of Hapag-Lloyd, received conditional approval on October 12, 2005 from EU antitrust regulators for its \$2 billion acquisition of CP Ships. The condition requires Hapag-Lloyd to withdraw from two liner conferences that operate between Europe and North America. The merged companies will become the fourth-largest shipping operation in the world, with 139 ships. The merger still needs regulatory clearance in Canada.

3. Annual Survey of Water Carriers

Marine for-hire carriers (104) earned an income of \$113 million on revenues of \$2.5 billion in 2003, an increase of 6.8% over 2002. Expenses over the period increased by 6%. Transportation expenses, accounted for 95% of expenses for these for-hire carriers. Of these transportation expenses wages and salaries accounted for nearly one-quarter.

4. Germany's TUI: more than 66% of CP Ships shareholders accepted takeover offer

TUI indicated that more than 66% of CP Ship's shareholders have approved its proposed takeover of the Canadian company for euro 1.7 billion. It hopes to boost the growth of its Hapag-Lloyd container shipping business. The takeover is expected to be completed by the end of the year.

5. TUI completes offer for CP Ships

A total of 89.1 percent of shareholders holding most of the 84 million common shares of CP Ships have accepted the \$2.3 billion offer by Ship Acquisition Inc., an indirect wholly-owned subsidiary of TUI. TUI is the parent of Hapag-Lloyd Container Line. TUI indicated that it has received all regulatory approvals needed to complete the acquisition.

6. Transport Minister introduces the Pacific Gateway Act

Transport Minister Jean-C. Lapierre introduced the *Pacific Gateway Act* in the House of Commons on October 20, 2005. The Act in its preamble sets out a new policy and governance foundation for further development of Canada's Pacific Gateway and commits the Government of Canada to a clearly defined strategy. It establishes Canada's Pacific Gateway Council to promote consensus among a full range of public partners and private sector stakeholders, and to advise decision-makers on priorities for developing the Pacific Gateway.

7. Government of Canada announces Pacific Gateway strategy

The strategy includes up to \$590 million in specific measures and commitments in several interconnected areas that impact the effectiveness of the Pacific Gateway. Immediate investment totalling \$190 million include: upto \$125 million over five years in transportation infrastructure; up to \$20 million over two years to Canada Border Services Agency; upto \$10 million over five years to the Standards Council of Canada; and up to \$35 million over five years to the secretariat for Canada's Pacific Gateway Council. An additional amount of \$400 million will be dedicated to future initiatives to develop and exploit the Pacific Gateway. The Minister also announced four specific projects withing the infrastructure.

8. Pacific Gateway strategy 'critical' for capturing Asia Pacific trade

Vancouver Port Authority President and CEO, Gordon Houston, said that the Pacific Gateway Strategy announced by Transport Minister Jean Lapierre is crucial to the continued success of the Port of Vancouver. He indicated that it is a good example of how governments can cooperate to use their combined resources to maximize the benefit to Canadians.

9. Canadian Pacific Railway [CPR] supports federal government investment in Pacific Gateway

CPR welcomed the announcement by the Federal Government on the Pacific Gateway. A spokesman for the company said "Today's announcement is a positive development as it reinforces Canada is moving to take full advantage of the

tremendous growth of North America's trade with Asia. The federal government has recognized its critical partnership in creating positive economic growth for our country through its investment in transportation infrastructure."

10. CN supports the federal government's Pacific Gateway Strategy - a welcome investment to improve Canada's competitiveness

CN welcomed the announcement of a new Pacific Gateway Strategy designed to strengthen Canada's position in international commerce and the competitiveness of Canada's Pacific gateway ports of Vancouver and the Prince Rupert. CN is also pleased that the strategy recognizes the significant potential of the Port of Prince Rupert.

11. U.S., Canada sign for CAI

Custom officials from the U.S. and Canada signed the container-inspection program that was underway for three years. They also expressed satisfaction with progress in other areas of border accord.

12. B.C.'s Ridley Terminals may sell for \$20m

The planned sale of B.C.'s Ridley Terminal to Fortune Minerals Ltd. and Federal White Cement Ltd. has resulted in criticism of Transport Minister. The criticism has arisen because a member of the Conservative Party indicated that it is being sold at far below what it cost taxpayers and due to the nature of the payments. It cost taxpayers \$250 million to construct in the early 1980s. Fortune and Federal have offered \$20 million, however, only \$3million will be upfront and the rest will be paid in the seventh year in 33 installments no greater than \$500,000 a year. Transport Minister indicated he will go to cabinet to seek approval to begin negotiating with Fortune and Federal. The New Democratic Party requested the B.C. government to prevent the sale to Fortune and Federal.

Water Transportation

Canada

1. Contract Awarded to modify the design of the Madeleine Ferry, October 6, 2005, www.tc.gc.ca
2. EU grants conditional OK for CP Ships buy, October 13, 2005, www.joc.com
3. Annual Survey of Water Carriers, *The Daily*, October 13, 2005, www.statcan.ca
4. Germany's TUI: more than 66% of CP Ships shareholders accepted takeover offer, October 19, 2005, www.nationalpost.ca
5. TUI completes offer for CP Ships, October 19, 2005, www.joc.com
6. Transport Minister introduces the Pacific Gateway Act, October 20, 2005, www.tc.gc.ca
7. Government of Canada announces Pacific Gateway strategy, October 21, 2005, www.tc.gc.ca
8. Pacific Gateway strategy 'critical' for capturing Asia Pacific trade: VPA, October 21, 2005, www.ctl.ca
9. Canadian Pacific Railway supports federal government investment in Pacific Gateway, October 21, 2005, www.cpr.ca
10. CN supports the federal government's Pacific Gateway Strategy - a welcome investment to improve Canada's competitiveness, October 21, 2005, www.cn.ca
11. U.S., Canada sign for CAI, October 20, 2005, www.joc.com
12. B.C.'s Ridley Terminals may sell for \$20m, *National Post*, October 24, 2005, p. FP5.

US/EU

1. Grand Alliance, and New World Alliance plan east-west cooperation, October 6, 2005, www.joc.com
2. European carriers urge dialogue with shippers, October 10, 2005, www.joc.com

RAIL TRANSPORTATION

1. CPR Police Service promote safety in Canmore

Canadian Pacific Railway has sent a direct message to Canmore residents about rail track safety by conducting a local awareness blitz. The goal is to educate residents to stay away from the railway tracks.

2. CPR Police Service promote safety in Brandon

On October 5, 2005, Canadian Pacific Railway police officers conducted a day-long safety blitz along the CPR right-of-way between the First Street and 18th Street overpasses sending a direct message to Brandon residents about rail track safety.

3. CN police union members ratify labour contract extension

CN announced on October 7, 2005 that members of its police force in Canada have ratified a two-year extension to their current three-year labour force agreement with the company. The agreement now expires on December 31, 2008.

4. CN reports record third-quarter earnings and nine-month free cash flow of more than \$1 billion

The highlights of CN's third quarter results were: diluted earnings of \$1.47 per

share up 24%; record income of \$411 million; operating income of \$665 (an increase of 13%); operating ratio of 63.3% (a 2.1 percentage point improvement); record nine-month free cash flow of \$1,058 million (up \$754 million for the same period of 2004); and favourable income tax adjustments and other income.

5. CNR net jumps 19%

CNR indicated that its third quarter profit rose 19 per cent as the company benefited from brisk demand and for rail services and higher freight rates.

6. Railway carloadings

Overall carloadings increased by 8.5% in August 2005 compared to a month earlier. Intermodal loadings rose 7.2% achieving the highest monthly volume this year and non-intermodal loadings increased 8.6%.

7. CN to discontinue seven Saskatchewan branch lines as a result of a grain handling system restructuring

On October, 24, 2005, CN announced the discontinuance of seven Saskatchewan branch lines. None of the rail lines carried any grain or other traffic for the past three years. The lines were listed in its three year network discontinuance plan. The seven lines totalling 329 miles are: the Lewvan Subdivision, the Northgate spur, the Turtleford Subdivision, the Bolney Spur, the Robinhood subdivision, the Amiens Spur, and the Lillian Spur.

8. CPR produces solid earnings results in third-quarter 2005 as Capacity Expansion nears completion

Canadian Pacific Railway (CPR) reported that net income increased 15 percent to \$204 million in the third quarter of 2005 compared to \$177 million for the same period in 2004. The summary of results excluding foreign exchange gains on long term debt are: diluted earnings per share grew 29 percent to 84-cents from 65-cents; operating income grew 14 percent to \$249 million; and operating ratio improved 50 basis points to 77.4 per cent.

9. Coal, grain shipments propel CPR's profit

CPR's profit rose despite a \$160million expansion in Western Canada that slowed down rail traffic. Its freight revenue increased in the quarter as a result of moving commodities such as coal and grain. CPR's CEO at a conference call said that "We can and will improve in the upcoming quarters.

10. Additional funding announced for railway crossings

Transport Minister announced on October 26, 2005 additional funding of \$317,086 to improve safety at railway crossings in Canada. Since 1994 Transport Canada has committed more than \$111 million to such projects.

HIGHWAY TRANSPORTATION

1. Canada-US group trims list of transborder crossing routes

Concerned with possible congestion, the Canadian and US governments want to build a new crossing to remove some of the traffic on the Ambassador Bridge and Detroit-Windsor tunnel. Several proposals were made and two have been eliminated reducing the number of proposed alternatives to seven. According to the Ontario Minister of Transport the main objective is to determine where the crossing will go. Studies will continue to make the correct selection.

2. Canada and Ontario narrow possible border crossing options in the Windsor gateway

Canada and Ontario removed certain options from the possible border crossing options in the Windsor gateway. The options removed include those routes aligned with the down river locations south of Ecrose, and the area upriver near Belle Isle.

Rail Transportation

Canada

1. CPR Police Service promote safety in Canmore, October 3, 2005, www.cpr.ca
2. CPR Police Service promote safety in Brandon, October 3, 2005, www.cpr.ca
3. CN police union members ratify labour contract extension, October 7, 2005, www.cn.ca
4. CN reports record third-quarter earnings and nine-month free cash flow of more than \$1 billion, October 18, 2005, www.cn.ca
5. CNR net jumps 19%, October 18, 2005, www.globeandmail.ca
6. Railway carloadings, *The Daily*, October 21, 2005, www.statcan.ca
7. CN to discontinue seven Saskatchewan branch lines as a result of a grain handling system restructuring, October 24, 2005, www.cn.ca
8. CPR produces solid earnings results in third-quarter 2005 as Capacity Expansion nears completion, October 25, 2005, www.cpr.ca
9. Coal, grain shipments propel CPR's profit, *Globe and Mail*, October 26, 2005, p. B6.
10. Additional funding announced for railway crossings, October 26, 2005, www.tc.gc.ca

3. Fuel surcharges a necessity for all motor carriers: trucking chief

With the recent rise in fuel costs motor carriers are wondering when it will become the largest cost component of their operating cost. In the last month it rose by 16% and in the last 3 months it rose by 40%. As a result fuel surcharges now exist just as in the airline. The CEO of the Canadian Trucking Alliance defended the surcharge indicating that no company should be expected to absorb these increases.

4. Windsor Gateway Project

The City of Windsor was commissioned to provide a review by Transport Canada to address: Traffic Flow Management; Huron Church Road Truck By-Pass and Brighton Beach Transportation Centre; and E.C. Row Expressway.

5. New Saskatchewan Minister of Highways and Transportation

Eldon Lautermilch, MLA for Prince Albert Northcote, was appointed Minister of Highways and Transportation as well as Minister Responsible for the Saskatchewan Transportation Company.

6. Governments of Canada and Ontario strengthen prosperity by investing \$4 million in technology to keep border traffic moving safely

Roger Gallaway on behalf of the Federal and the Ontario Ministers of Transport announced an investment of \$4 million for cameras and electronic message signs on the Blue water Bridge and Highway 202 leading to the United States border. Each government will contribute equally. The investment will save time and increase driver safety. The bridge is Ontario's second-busiest border crossing for 'trucks'. Over 5 million cars and trucks cross the bridge annually.

7. Large urban transit

Passenger trips on the ten large urban transit systems in Canada were 93.5 million in August 2005 an increase of 1.3% over the same month in 2004. This generated \$153.9 million in revenue an increase of 4.5% over August 2004.

8. North American Transportation Statistics

The North American Transportation Statistics (NATS) database covering statistics of Canada, United States and Mexico has been updated and is not available from Statistics Canada. It is available online at (<http://nats.sct.gob.mx/Nats>)

9. For-hire motor carriers of freight, annual supplement: Financial statistics

An estimated 3,100 for-hire motor carriers of freight earn at least \$1 million annually. For 2004, their operating revenues totalled \$24 billion and their operating expenses totalled \$22.6 billion resulting in an operating ratio of .9417. The net profit for the for-hire industry was \$ 668 million in 2004 up by more than 18% compared to the previous year.

10. Couriers and Messengers Services Price Index

The Couriers and Messengers Service Price Index rose .5% in September 2005 from the previous month. This increase was due to higher fuel costs. The courier portion rose .6% while the local messenger portion remained unchanged.

11. Improving hours of service for commercial vehicle drivers

New rules to improve Commercial Vehicle Drivers Hours of Service have been approved. The maximum driving time for commercial drivers will be reduced by 19% from 16 hours to 13 hours in a 24 hour period. The minimum off-duty time will be increased by 25% from eight to ten hours. Daily on-duty time will also be reduced by 12% from 16 to 14 hours. The changes are intended to improve safety and quality of life.

GENERAL

1. Transport Minister announces appointments to the Transportation Appeal Tribunal of Canada

Transport Minister announced the appointment of Mr. Pierre Coutu of Montreal and Dr. John Saba of Brossard, Québec, to the Transportation Appeal Tribunal of Canada on October 5, 2005.

2. U.S. travellers shun Canada

Travel by Americans to Canada fell to its lowest monthly level in more than 25

years, possibly because of the high loonie and price gasoline prices. Only 2.4 million Americans travelled to Canada in August, down 5.9 per cent from July, the lowest level since the late 1970s.

Current Developments in Brief

Highway Transportation

CANADA

1. Canada and Ontario narrow possible border crossing options in the Windsor gateway, October 5, 2005, www.tc.gc.ca
2. Canada-US group trims list of transborder crossing routes, *Globe and Mail*, October 6, 2005, p. B5.
3. Fuel surcharges a necessity for all motor carriers: trucking chief, October 10, 2005, www.ctl.ca
4. Windsor Gateway Project, October 14, 2005, www.tc.gc.ca
5. New Saskatchewan Minister of Highways and Transportation, October 14, 2004, www.westac.com
6. Governments of Canada and Ontario strengthen prosperity by investing \$4 million in technology to keep border traffic moving safely, October 14, 2005, www.tc.gc.ca
7. Large urban transit, *The Daily*, October 20, 2005, www.statcan.ca
8. North American Transportation Statistics, *The Daily*, October 25, 2005, www.statcan.ca
9. For-hire motor carriers of freight, annual supplement: Financial statistics, *The Daily*, October 26, 2005, www.statcan.ca
10. Couriers and Messengers Services Price Index, *The Daily*, October 26, 2005, www.statcan.ca
11. Improving hours of service for commercial vehicle drivers, October 27, 2005, www.tc.gc.ca

US/EU

1. BTS releases American surface trade numbers for July: July surface trade with Canada and Mexico rose 3.3 percent from July 2004, October 11, 2005, www.dot.gov

Current Developments in Brief

General

CANADA

1. Transport Minister announces appointments to the Transportation Appeal Tribunal of Canada, October 5, 2005, www.tc.gc.ca
2. U.S. travellers shun Canada, *Globe and Mail*, October 19, 2005.
3. Travel between Canada and other countries, *The Daily*, October 19, 2005, www.statcan.ca

3. Travel between Canada and other countries

More than 3.7 million Canadians travelled abroad in August 2005 from July 2005 an increase of 2.8%. Canadian trips to the United States increased 2.4% and trips to other countries increased 5.4%. Overall travel to Canada from other countries decreased 5.4%. United States accounted for a 5.9% decrease and other countries accounted for a decrease of 2%. The most important overseas markets were United Kingdom and Japan.

Publications

1. The Final Report, The Cumulative impact of US import compliance programs at the Canada/US land border on the Canadian trucking industry, tc.gc.ca
2. InterVISTAS Market Intelligence Report, www.intervistas.com

Conferences

1. *Northern Transportation Conference*, November 8-10, 2005, Yellowknife, Northwest Territories.
2. CAC 8th Annual Conference, November 15 and 16, 2005, Ottawa, Ontario.
3. Forecasting Freight Demand, WESTAC, December 5, Vancouver.