

Transportation Information Update*

"This attached Transportation Information Update was prepared by Joseph Monteiro and Gerald Robertson for the Canadian Transportation Research Forum and distributed to CILTNA's members with permission"

Editor: Joseph Monteiro*

September 2014, No. 121

Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. July Air Freight Markets Rise Strongly

The International Air Transport Association (IATA) released data for global air freight markets showing a strong increase in air cargo in July 2014. Compared to July 2013, freight tonne kilometers (FTKs) rose 5.8%. This is an acceleration in growth from June when cargo demand grew at less than half that rate (2.4%). The Year-to-Date increase was 4.4%.

2. July Passenger Travel Shows Strong Growth

The International Air Transport Association (IATA) announced global passenger traffic results for July 2014 showing demand growth of 5.3% (measured in revenue passenger kilometers or RPKs) over the previous July. Capacity expanded exactly in tandem with demand (5.3%), resulting in a global load factor of 82.3%, unchanged from last year. The Year to date global passenger demand grew 5.9%.

3. WestJet reports highest load factor in 18-year history

WestJet on September 4, 2014 announced August 2014 traffic results with an all-time record load factor of 89.3 per cent, an increase of 1.4 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 7.4 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 5.7 per cent over the same period.

4. Air Canada Reports Record August Load Factor, All-Time Record for Any Month in Corporation's History

For the month of August 2014, Air Canada reported a record system load factor of 89.8 per cent, versus 89.5 per cent in August 2013, an all-time record for any month in the Corporation's history, representing an increase of 0.3 percentage points on a system-wide capacity increase of 10.4 per cent. On this additional capacity, system wide traffic for August 2014 increased 10.8 per cent. Calin Rovinescu, President and Chief Executive Officer said "I am extremely pleased to report a record load factor of 89.8 per cent for the month of August during which we served more than four million customers, more than in any month in Air Canada's 77-year history".

5. Air Canada, WestJet report record load factors despite capacity growth

Air Canada and WestJet Airlines Ltd. flew record numbers in August 2014, despite big increases in capacity. Air Canada reported a load factor of 89.8%, an improvement of 30 basis points from a year earlier. This came as system-wide capacity increased 10.4% and traffic increased 10.8%. WestJet also reported a record load factor of 89.3%, up 1.4 percentage points year over year, as capacity grew 5.7% and traffic increased 7.4%. Both WestJet and Air Canada have been rolling out new carriers as part of their expansion plans, but despite the capacity that these new brands have added to the market, planes are fuller than ever.

AIR TRANSPORTATION

Canada

1. July Air Freight Markets Rise Strongly, Sept. 2, 2014, www.iata.org
2. July Passenger Travel Shows Strong Growth, Sept. 3, 2014, www.iata.org
3. WestJet reports highest load factor in 18-year history, September 4, 2014, www.westjet.ca
4. Air Canada Reports Record August Load Factor, All-Time Record for Any Month in Corporation's History, September 4, 2014, www.aircanada.ca
5. Air Canada, WestJet report record load factors despite capacity growth, September 14, 2014, www.nationalpost.ca
6. China plans to further liberalize air cargo market, September 7, 2014, www.joc.com
7. July Airline On-Time Performance Up, Cancellations Down From Previous Year, June, September 10, 2014, www.bts.gov
8. WestJet announces fee for first checked bag, September 15, 2014, www.westjet.ca
9. Air Canada to Launch Seasonal Flights from Vancouver to Osaka, Japan, September 15, 2014, www.aircanada.ca
10. June 2014 U.S. Airline Traffic Data, September 15, 2014, www.bts.gov
11. Air Canada Aligns Domestic First Checked Bag Policy with Other Canadian Carriers, September 18, 2014, www.aircanada.ca
12. WestJet announces first bag seat sale, September 19, 2014, www.westjet.ca
13. Quarterly civil aviation statistics, fourth quarter 2013, September 19, 2014, www.statcan.gc.ca
14. July 2014 Passenger Airline Employment Data, September 18, 2014, www.dot.gov
15. Air Canada Named Canada's Preferred Airline by Frequent Canadian Business Travellers in Ipsos Reid Study, September 22, 2014, www.aircanada.ca
16. 2nd Quarter 2014 [US] Airline Financial Data, September 22, 2014, www.dot.gov
17. Air Canada Adds Montreal-Venice, Doubles Montreal-Paris flights for Summer 2015 Schedule, September 25, 2014, www.aircanada.ca
18. Air Canada's International Expansion Extends to Amsterdam, September 25, 2014, www.aircanada.ca

* The views indicated are those of the authors and not of Industry Canada or the CTRF.

6. China plans to further liberalize air cargo market

The Civil Aviation Administration of China said it plans on liberalizing its air cargo market, but it's not clear whether China will allow more foreign carriers to operate domestically.

7. July Airline On-Time Performance Up, Cancellations Down From Previous Year, June

The nation's largest airlines posted an on-time arrival rate of 75.6 percent in July 2014, up from both the 73.1 percent on-time rate in July 2013 and the 71.8 percent mark in June 2014, according to the U.S. Department of Transportation's Air Travel Consumer Report released on September 10, 2014.

8. WestJet announces fee for first checked bag

WestJet on September 15, 2014 announced that it will charge a \$25 fee for a first checked bag on Econo fares for travel within Canada and between Canada and the U.S. The new fee will only apply to bookings made from September 15, 2014 onward, for travel on or after October 29, 2014. Guests flying to any of WestJet's international destinations including Mexico, the Caribbean, Central America and Europe may continue to check a first bag at no charge.

9. Air Canada to Launch Seasonal Flights from Vancouver to Osaka, Japan

Air Canada announced on September 15, 2014 that it will introduce non-stop flights between Vancouver and Osaka, Japan, next summer. Service to Osaka's Kansai International Airport will be operated up to five flights per week by Air Canada rouge.

10. June 2014 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on September 15, 2014 that U.S. airlines carried 68.6 million systemwide (domestic + international) scheduled service passengers in June 2014, 2.2 percent more than in June 2013.

11. Air Canada Aligns Domestic First Checked Bag Policy with Other Canadian Carriers

Air Canada said on September 18, 2014 that it has adjusted its first checked bag policy for North American travel to align it with prevailing North American industry practices. The carrier's fee for a first checked bag on U.S. transborder routes, in place since 2011, remains unchanged.

12. WestJet announces first bag seat sale

WestJet on September 19, 2014 announced a seat sale immediately effective through September 22, 2014, on flights and vacation packages for travel to select destinations in Canada, the U.S., Mexico and the Caribbean until December 10, 2014. On September 15, 2014, WestJet announced a \$25 first-bag fee on its Econo fares while indicating that the unbundling of the fare would allow for lower sale fares. The first-bag fee applies only to the Econo fare bundle whereas Flex fares include the first bag free and Plus fares include two checked bags.

13. Quarterly civil aviation statistics, fourth quarter 2013

Canadian operating and financial data on civil aviation for the fourth quarter of 2013 are now available upon request from Statistics Canada.

14. July 2014 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 386,243 workers in July 2014, 1.3 percent more than in July 2013, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on September 18, 2014.

15. Air Canada Named Canada's Preferred Airline by Frequent Canadian Business Travellers in Ipsos Reid Study

Air Canada has been named Canada's favourite airline for business travel in the Ipsos Reid Canadian Business Traveller Study. Air Canada was the preferred airline of 83 per cent of Canadian frequent business travellers surveyed for 2014, an improvement of 14 percentage points in Air Canada's ratings in the national survey over the past six years.

16. 2nd Quarter 2014 [US] Airline Financial Data

19. Unplugged Travel to Rise as Travellers Seek a Real Escape from the Pressures of Modern Living Lonely Planet Reveals the Future of Travel, September 25, 2014, www.iata.org
20. Porter CEO says sale of Toronto airport passenger terminal is 'alternative to IPO', September 26, 2014, www.nationalpost.ca

US/EU

1. Remarks of Tony Tyler at the ABA Air & Space Law Annual Forum, Montreal, September 18, 2014, www.iata.org

U.S. scheduled passenger airlines reported a net profit of \$3.6 billion in the second quarter of 2014, up from \$507 million in the first quarter of 2014 and \$2.2 billion in the second quarter of 2013, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on September 22, 2014.

17. Air Canada Adds Montreal-Venice, Doubles Montreal-Paris flights for Summer 2015 Schedule

Air Canada announced on September 25, 2014 that it is boosting its international Summer 2015 capacity to Europe from Montreal's Pierre Elliott Trudeau International Airport by 20 per cent over 2014 with the launch of seasonal non-stop flights between Montreal and Venice, a doubling of flights to Paris and added service to Athens and Barcelona.

18. Air Canada's International Expansion Extends to Amsterdam

Air Canada announced on September 25, 2015 that it will introduce year-round mainline service to Amsterdam from Toronto beginning in June 2015 as part of the continuing expansion of its international network. Additions to the summer network also include new Air Canada rouge seasonal service from Montreal to Venice and between Vancouver and Osaka.

19. Unplugged Travel to Rise as Travellers Seek a Real Escape from the Pressures of Modern Living Lonely Planet Reveals the Future of Travel

Lonely Planet (the world's leading travel media company) experts and IATA revealed their top 10 predictions for the future of air travel. 1. Travel to become an increasingly integrated aspect of people's everyday lives; 2 True escapes and remote hotels to increase in popularity as stressed travellers seek an escape from work; 3. Travellers' to favour face-to-face recommendations instead of online reviews. Other predictions on the list include increased competition on busy routes; increased use of technology (paperless travel, integrated smartphones, etc.); innovative departure lounges; experienced hotels in providing memorable experiences; etc.

20. Porter CEO says sale of Toronto airport passenger terminal is 'alternative to IPO'

Porter Airlines' CEO says the decision to sell the passenger terminal at Toronto's city centre airport is an alternative to going public as the company continues to hunt for new sources of capital more than four years after shelving plans for an initial public offering.

WATER TRANSPORTATION

1. China Plans to Modernise Shipping Industry: Shares Jump

The world's biggest trading nation is focusing on the shipping industry as it looks to secure its supply chains and grows more assertive over territorial disputes in the South China Sea, unnerving neighbours such as Vietnam and Japan. China will introduce tax and other regulatory reforms while pushing shipping firms to upgrade and modernise their fleets to build an efficient, safe and environmentally friendly shipping system by 2020, the State Council, China's cabinet, said in a statement published on its website. The news sent share prices of Chinese shipping companies higher.

2. Single North European mega-hub?

Despite containerships doubling in size in the past 10 years on the Far East-North Europe route, there has not been a reduction in the number of North European ports called by each service. None of the major North European ports have become dominant or displaced competing ports. However, some second-tier ports (such as Amsterdam and Thamesport) have been forced out as ports of call on the Far East-North Europe route. So, vessels calling at four North European ports has been constant in the past 10 years and there is no sign at all of a move to a single North European mega-hub.

3. Global top 10 shipping companies: Company Guide

The Top 10 shipping companies according to the Company Guide are: A.P. Moller - Maersk A/S; Nippon Yusen Kabushiki Kaisha; Mitsui O.S.K. Lines; Carnival Corporation & plc; Hanjin Shipping Co.,Ltd.; Orient Overseas (International) Limited; Pacific Basin Shipping Limited; CMA CGM Group; Hapag-Lloyd Kreuzfahrten GmbH; and APL Co. Pte Ltd.

4. Canada's gateway to Asia-Pacific stronger with completion of

WATER TRANSPORTATION Canada

1. China Plans to Modernise Shipping Industry: Shares Jump, September 2, 2014, www.portofmontreal.ca
2. Single North European mega-hub?, Sept. 4, 2014, www.portofmontreal.ca
3. Global top 10 shipping companies: Company Guide, September, 4, 2014, www.portofmontreal.ca
4. Canada's gateway to Asia-Pacific stronger with completion of Roberts Bank projects, September 4, 2014, www.portmetrovanancouver.com
5. Grain shipments rise on St. Lawrence Seaway amid rail turmoil, September 8, 2014, www.joc.com
6. Global box ports to handle 840 million TEU by 2018 as new players spark growth, September 8, 2014, www.ctl.ca
7. Port Metro Vancouver launches new, state-of-the art vessels and other security assets to further ensure the safe, secure, efficient and reliable movement of marine traffic and cargo, September 9, 2014, www.metroportvanancouver.com
8. Prince Rupert Port Authority – Container Cargo Report; August 2014, September 10, 2014, www.rupertport.com
9. Ocean Three the 'last piece of

Roberts Bank projects

On September 4, 2014, the Mufford Crescent overpass was completed. It marks the completion of all nine Roberts Bank Rail Corridor (RBRC) infrastructure improvement projects in the Lower Mainland of British Columbia. The nine road-rail infrastructure projects improve trade links and safety for local communities.

5. Grain shipments rise on St. Lawrence Seaway amid rail turmoil

According to some observers, the recent turmoil and delays in rail service have spurred some grain shippers to divert cargo to barge services, this has led to an increase in the volume on the St. Lawrence Seaway.

6. Global box ports to handle 840 million TEU by 2018 as new players spark growth

A combination of faster traffic growth and strong profit levels is attracting aggressive new players to enter the container terminal-operator business. "Financial investors are particularly active at present, attracted by typical EBITA margins of between 20 per cent and 45 per cent," said Drewry analyst Neil Davidson. That means that the world's container ports are to handle 840 million TEU a year by 2018, according to the 11th Global Container Terminal Operators Annual Review and Forecast by London's Drewry Maritime Research. Projected throughput four years from now compares with 642 million TEU in 2013 and 674 million TEU projected for this year.

7. Port Metro Vancouver launches new, state-of-the art vessels and other security assets to further ensure the safe, secure, efficient and reliable movement of marine traffic and cargo

Canada's largest and most diverse port on September 9, 2014 unveiled new patrol vessels and other operations and security assets that will help maintain the safe, secure, efficient and reliable movement of marine traffic and cargo within Port Metro Vancouver's jurisdiction. The port also further strengthened its operations and security presence by updating its harbour operations manual, known as the Port Information Guide.

8. Prince Rupert Port Authority – Container Cargo Report; August 2014

The Port of Prince Rupert reported its container cargo report for August 2014 on September 10, 2014. Total container traffic in terms of TEUs for August 2014 was 64,257, 24% more than the same month a year ago. Inbound traffic in terms of TEUs increased by 16% and outbound traffic increased by 38%. Year-to-date total traffic increased to 409,683 TEUs, a 14% increase. Year-to-date inbound traffic in terms of TEUs increased 21% and outbound traffic increased 6%.

9. Ocean Three the 'last piece of alliance jigsaw', says Drewry

The Ocean Three grouping (CMA CGM, China Shipping Container Lines and United Arab Shipping Co) is the final piece in the ocean shipping alliance puzzle. It is just behind the 2M vessel sharing agreement of Maersk Line and Mediterranean Shipping Co. that has a greater network and larger vessels, according to Drewry. The 2M, G6, Ocean and CKYHE alliances have 32%, 23%, 19% and 26% of the shipping market.

10. EU rules on merger of Hapag-Lloyd CSAV container businesses

Hapag-Lloyd and CSAV said on September 11, 2014 that their plan to merger their container businesses has been approved under European Union merger regulations. Both carriers signed a binding business combination agreement in April 2014. The European Commission's approval of the merger is the result of a consultation process which both companies are carrying out with regulatory authorities worldwide. The carriers said approvals are still pending in a few other jurisdictions.

11. Ocean Three Alliance: Slow Steaming Will Save \$1 Billion

Sharing vessels across the Asia-Europe routes will allow the planned Ocean Three container shipping alliance to slow steam and reduce bunker consumption, cutting operational costs by \$1 billion or more annually, CMA CGM Vice Chairman Rodolphe Saade told The Wall Street Journal. The alliance of CMA CGM, China Shipping Container Lines Co., and United Arab Shipping Co. (UASC), will help push the

alliance jigsaw', says Drewry, September 14, 2014, www.joc.com

10. EU rules on merger of Hapag-Lloyd CSAV container businesses, September 12, 2014, www.americanshipper.com

11. Ocean Three Alliance: Slow Steaming Will Save \$1 Billion, September 16, 2014, www.portofmontreal.ca

12. Port of Vancouver – Accumulated Container Traffic – August 2014, September 15, 2014, www.portmetrovancover.com

13. Port Days 2014 to focus on Halifax – Canada's Most Connected Port with Europe, September 16, 2014, www.portofhalifax.ca

14. Port Metro Vancouver's EcoAction program recognized by Canada's Clean50 for Sustainability Achievement, September 17, 2014, www.portmetrovancover.com

15. Economist offers bright 5-year outlook for US containerized exports, September 19, 2014, www.joc.com

16. Port Metro Vancouver commends signing of Canada-South Korea Free Trade Agreement, September 23, 2014, www.portmetrovancover.com

US

1. FMC told port congestion getting worse, September 16, 2014, www.americanshipper.com

industry toward the use of larger, more efficient ships, particularly on Asia-Europe routes. "Asia-Europe is the most competitive loop in our industry and to remain competitive you need large ships," Saade said.

12. Port of Vancouver – Accumulated Container Traffic – August 2014

The Port of Vancouver reported its accumulated container traffic to August 2014 on September 16, 2014. Total traffic (January to August 2014) in terms of TEUs was 1,934,327, a 4.5% increase over the same period a year ago. Total imports increased by 5% and total exports increased by 4%.

13. Port Days 2014 to focus on Halifax – Canada’s Most Connected Port with Europe

Trade between Europe and the Port of Halifax will be the central focus of Port Days 2014. European trade accounts for 41% of containerized cargo moved through the Port of Halifax. Port Days 2014 (September 18, 2014) is an excellent opportunity for the business community to learn about growth opportunities in Europe.

14. Port Metro Vancouver’s EcoAction program recognized by Canada’s Clean50 for Sustainability Achievement

Port Metro Vancouver’s [EcoAction](#) program, which promotes emissions reductions for ocean-going vessels by offering financial incentives through discounted harbour due rates, has been awarded a Clean50 Top Project award for advancing sustainability in Canada.

15. Economist offers bright 5-year outlook for US containerized exports

U.S. containerized exports will grow in the next five years on the back of a strong construction demand around the globe, JOC Group Economist Mario Moreno says.

16. Port Metro Vancouver commends signing of Canada-South Korea Free Trade Agreement

Port Metro Vancouver welcomes news of the signing of the Canada-Korea Free Trade Agreement on September 22, 2014 in Ottawa. This important agreement will significantly boost Canada’s trade with South Korea, as well as provide strategic access for the Canadian import and export market to a key gateway to the wider Asia-Pacific region.

RAIL TRANSPORTATION

1. CN 9000 Optional Services, Western Canada Grain - Changes Effective September 14, 2014

CN is implementing changes to CN 9000, our Optional Services tariff, for the handling of Western Canada Grain. These changes will take effect on September 14, 2014. A summary of the upcoming changes is indicated on their website.

2. CP, BNSF push back against potential STB ‘overreach’

Canadian Pacific Railway and BNSF Railway said on September 4, 2014 that requiring them to add railcars or even allow other railroads to operate on their lines — as some officials and shippers have asked the U.S. Surface Transportation Board to require them to do — would hamper needed rail service improvements.

3. Rail Transportation, 2010 to 2012

Annual data on the financial and operating characteristics of rail transportation in Canada from 2010 to 2012 are now available on Statistics Canada website.

4. TCRC- Rail Traffic Controllers ratify a record six-year labour agreement with CP

Canadian Pacific and the Teamsters Canada Rail Conference Rail Canada Traffic Controllers (TCRC-RCTC) announced on September 9, 2014 that a labour agreement covering approximately 135 rail traffic controllers in Canada has been ratified. The agreement was ratified with a record 94 per cent of votes cast in favour. The agreement spans six years, also a record, and was negotiated before the expiry of the previous agreement. The new contract runs from January 1, 2015 to December 31, 2020. The general wage increase is 3 per cent per year. There are other specific adjustments.

5. CN celebrates official opening of state-of-the-art training facility in Winnipeg

CN on September 9, 2014 officially opened its new employee training

RAIL TRANSPORTATION Canada

1. CN 9000 Optional Services, Western Canada Grain - Changes Effective September 14, 2014, August 29, 2014, www.cn.ca
2. CP, BNSF push back against potential STB ‘overreach’, September 5, 2014, www.joc.com
3. Rail Transportation, 2010 to 2012, September 7, 2014, www.statcan.gc.ca
4. TCRC- Rail Traffic Controllers ratify a record six-year labour agreement with CP, September 9, 2014, www.cpr.ca
5. CN celebrates official opening of state-of-the-art training facility in Winnipeg, September 9, 2014, www.cn.ca
6. CN recognized as a transportation industry sustainability leader: named to Dow Jones Sustainability World Index (DJSI) for third year in a row, September 12, 2014, www.cn.ca
7. CN faces first fine under Fair Rail act, September 18, 2014, www.globeandmail.ca
8. CP fights back over Ottawa’s new railway regulations, September 18, 2014, www.globeandmail.ca
9. First Arctic cargo shipped through the Northwest Passage, September 19, 2014, www.ctl.ca
10. Railway Carloadings, July 2014, September 24, 2014, www.statcan.gc.ca
11. Ottawa tells CN Rail it’s not backing down on fines over grain shipments, September 23, 2014, www.nationalpost.ca

centre in Winnipeg. The 100,000-square-foot facility is currently hosting 350-plus CN students from across Canada every week, with hands-on training for all key railway jobs. The centre, training CN employees across Canada, is the latest sign of the company's commitment to the Prairies.

6. CN recognized as a transportation industry sustainability leader: named to Dow Jones Sustainability World Index (DJSI) for third year in a row

CN said on September 12, 2014 that its sustainability practices have earned it a place on the Dow Jones Sustainability World Index (DJSI). This marks the third consecutive year that CN has been listed on the DJSI World Index and the sixth consecutive year that CN has been listed on the DJSI North America Index.

7. CN faces first fine under Fair Rail act

The federal government is imposing a fine on Canadian National Railway Co. for failing to comply with an order that it move a minimum amount of grain each week. The monetary penalty is the first levelled under the *Fair Rail for Grain Farmers Act*, which was passed in the spring to address agriculture industry complaints that the country's two major railways were providing poor service that left traders unable to meet demand from buyers and farmers facing cash shortages.

8. CP fights back over Ottawa's new railway regulations

Canadian Pacific Railway Ltd. has launched a legal action against the federal government in an attempt to overturn new regulations the railways say slow the flow of goods and cost Canadian jobs. The Calgary-based rail company is seeking permission in the Federal Court of Appeal to fight changes made by the Canadian Transportation Agency to the rules governing a customer's ability to ship goods with a competing railway, known as interswitching. In court filings, CP said its cost to switch a car to a rival line is \$825, but it can only charge the regulated rate of \$461. Based on expected traffic volumes, this means a loss of \$13 million a year, the company said, describing the changes as "arbitrary" and beyond the regulator's authority.

9. First Arctic cargo shipped through the Northwest Passage

Fednav's MV Nunavik has sailed from Deception Bay en route to China via Canada's Northwest Passage, with a full cargo of nickel concentrate. The Nunavik will be one of the first commercial vessels to transit the Northwest Passage completely, and the first to do so unescorted with an Arctic cargo, and with Canadian expertise, said a Fednav release.

10. Railway Carloadings, July 2014

The volume of rail freight carried in Canada totalled 30.1 million tonnes in July 2014, up 8.7% from the same month last year. Grain transportation regulations continued to be a strong factor behind the growth, with wheat shipments reaching a record volume for the month. Intermodal freight loadings rose 11.0% to 189,000 units in July 2014. From a tonnage perspective, traffic grew 9.6% to 2.8 million tonnes. The gain stemmed from both increased containerized cargo shipments and trailers loaded on flat cars.

11. Ottawa tells CN Rail it's not backing down on fines over grain shipments

The Canadian government dismissed on September 23, 2014 complaints from Canadian National Railway Co that fines for failing to ship the required minimum amounts of grain were unfair because there was not enough demand.

12. Ottawa tells CN 'to pick up their game' and ship more grain

The war of words between the federal government and Canadian National Railway Co. heated up on September 23, 2014, as Agriculture Minister Gerry Ritz warned the Montreal-based company "to pick up their game" and start shipping more grain. Mr. Ritz, speaking from India on a conference call with reporters, dismissed statements by CN chief executive officer Claude Mongeau that the company has not had enough demand from grain shippers to meet the minimum weekly volumes the government ordered in the spring.

13. CN sells Georgetown-Kitchener, Ont. rail line to Metrolinx for GO Transit commuter rail service

CN announced the purchase by Metrolinx of a segment of CN rail line principally used by GO Transit commuter trains in the Georgetown-Kitchener, Ont., area west of Toronto for C\$76 million. The purchase is expected to improve service to GO Transit commuters.

12. Ottawa tells CN 'to pick up their game' and ship more grain, September 23, 2014, www.globeandmail.ca

13. CN sells Georgetown-Kitchener, Ont. rail line to Metrolinx for GO Transit commuter rail service, September 24, 2014, www.ctl.ca

14. CN's Claude Mongeau says commercially-aligned regulatory regime is key to railways' ability to support Saskatchewan's growing economy, September 25, 2014, www.cn.ca

15. Northern Frac to open new plant on CN's Wisconsin rail network, September 26, 2014, www.ctl.ca

14. CN's Claude Mongeau says commercially-aligned regulatory regime is key to railways' ability to support Saskatchewan's growing economy

Claude Mongeau, president and chief executive officer of CN said on September 25, 2014 that CN's capacity to invest in continued improvements in rail transportation to support Saskatchewan's thriving economy requires a sound, commercially-driven regulatory regime. "We firmly believe the federal government should pursue sound policies that foster a balanced regulatory regime for railways and encourage commercial innovation, supply chain collaboration and continued investment. In the end, such tried and tested market pillars are critical to a rail industry that builds the resources and infrastructure required to support Saskatchewan's fast-growing economy."

15. Northern Frac to open new plant on CN's Wisconsin rail network

CN and Northern Frac Proppants II, LLC, celebrated the opening of Northern's new frac-sand production plant at Alma Center, Wis. CN now serves 13 frac-sand mines with more than 10 million tons of annual production capacity, the railway said.

HIGHWAY TRANSPORTATION

1. UPS To Add Three New Centers in B.C.

Pickup and delivery service, UPS, has announced that it is opening three new operation centers in British Columbia and also expanding its center in Kelowna.

2. Manitoulin Spans West, Buys Westcan's LTL, Van Biz

Manitoulin Transport in Gore Bay has announced a deal to buy the less-than-truckload (LTL) and van freight business of Westcan Freight Systems. Manitoulin's purchase of Westcan's LTL and van freight businesses allows the Gore Bay, ON-based company to expand their presence in Western Canada, offer a greater variety of freight services to customers and focus on the growth of their bulk transportation and construction operations.

3. Trucking bankruptcies Squeezing Capacity as Freight Demand Rises

The worsening truck driver shortage combined with an increase in carrier and owner-operator bankruptcies threatens to sap freight capacity from an already tight truckload shipping market as freight demand rises.

4. Transport Minister Raitt: Trucking Vital to Economy

To mark National Trucking Week 2014, federal Transportation Minister Lisa Raitt issued a statement in support of the trucking industry. She said in a press release that the trucking industry is vital in keeping the Canadian economy rolling. "I am proud to support National Trucking Week 2014 and extend my appreciation to the hardworking members of this valuable industry – one that plays a vital role in our national economy and our trading relationship with the U.S. The trucking industry relies on an efficient national transportation system and generates more than \$65 billion a year in revenue. Transport Canada supports the industry by investing in infrastructure and safety measures and by working with provincial and territorial governments, businesses and stakeholders on priorities such as fatigue management and infrastructure issues."

5. July 2014 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.9 percent in July 2014 from June 2014, rising after a one-month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The July 2014 index level (119.6) was 26.5 percent above the April 2009 low during the most recent recession.

HIGHWAY TRANSPORTATION Canada

1. UPS To Add Three New Centers in B.C., September 2, 2014, www.todaystrucking.com
2. Manitoulin Spans West, Buys Westcan's LTL, Van Biz, September 8, 2014, www.todaystrucking.ca
3. Trucking bankruptcies Squeezing Capacity as Freight Demand Rises, September 9, 2014, www.ontruck.ca
4. Transport Minister Raitt: Trucking Vital to Economy, September 10, 2014, www.ontruck.org
5. July 2014 Freight Transportation Services Index (TSI), September 10, 2014, www.bts.gov
6. PSP Investments, GIC and Ontario Teachers' Pension Plan to invest \$700 Million in XPO Logistics, September 13, 2014, www.ctl.ca
7. Tech brief suggests cloud-based supply chain technology provides an edge over on-premise solutions, September 16, 2014, www.ctl.ca
8. Travel between Canada and other countries, July 2014, September 17, 2014, www.statcan.gc.ca
9. DHL Express launches new Calgary-Edmonton route, September 16, 2014, www.ctl.ca
10. FedEx profit jumps 24% on higher shipment volume, September 17, 2014, www.globeandmail.ca
11. Driver Shortage Moves Beyond Truckload; Worst Two Years Away, September 18, 2014, www.todaystrucking.com
12. Large Urban Transit, July 2014, September 23, 2014, www.statcan.gc.ca
13. GE Capital: Optimistic Truckers Want to Add Capacity, September 23, 2014, www.ontruck.org
14. Couriers and Messengers Services Price Index, August 2014, September 26, 2014, www.statcan.gc.ca
15. North American Freight Numbers July 2014, September 25, 2014, www.dot.gov
16. Editorial: Give Diesel Excise Tax Truck-Related Policy Purpose or Get Rid of It, September 26, 2014, www.ontruck.org

6. PSP Investments, GIC and Ontario Teachers' Pension Plan to invest \$700 Million in XPO Logistics

XPO Logistics, Inc. has entered into a definitive agreement with PSP Investments, GIC, Singapore's sovereign wealth fund, and Ontario Teachers' Pension Plan (the "Investors") to invest a total of \$700 million in XPO.

7. Tech brief suggests cloud-based supply chain technology provides an edge over on-premise solutions

According to a tech brief from One Network Enterprises, supply chain solutions delivered as a cloud platform service over the web will outperform their on-premise alternative.

8. Travel between Canada and other countries, July 2014

Travel between Canada and overseas countries reached record levels in July 2014, while travel between Canada and the United States decreased. Travel by Canadian residents to the United States fell 4.3% in July compared with June. Travel by US residents to Canada decreased 1.1% in July to 1.7 million trips, primarily because of a 2.0% decrease in same-day car trips. Travel by Canadian residents to overseas countries continued its upward trend with 888,000 trips in July. This was the highest number since record keeping began in 1972. Residents of overseas countries made 439,000 trips to Canada in July (+1.5%), the highest number since record keeping began in 1972.

9. DHL Express launches new Calgary-Edmonton route

DHL, the world's leading international express services provider, has launched a new commercial route to Calgary and Edmonton, offering Canadian customers faster shipping to Alberta and Western Canada overall.

10. FedEx profit jumps 24% on higher shipment volume

FedEx Corp. reported a 24-per-cent rise in quarterly profit as the world's No. 2 package delivery company benefited from higher volumes in both its express and ground businesses. Net income rose and revenue increased 6% to 11.7 billion compared to a year ago.

11. Driver Shortage Moves Beyond Truckload; Worst Two Years Away

Trucking industry analyst John Larkin of Stifel's says the driver shortage has expanded into LTL, private fleets and other industry sectors – and the worst of the capacity crunch is yet to come. That's one of the takeaways from the annual "Shaking the Sand Out" overview of the transportation industry from Stifel Transportation & Logistics Equity Research, as reported by *Heavy Duty Trucking* magazine. Capacity tightness from driver turnover, among other factors, has traditionally impacted long-haul, irregular-route truckload fleets, but it's now being felt by every type of fleet in the industry.

12. Large Urban Transit, July 2014

In July 2014, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 3.0% from the same month in 2013 to \$267.9 million. Over the same period, ridership levels increased 1.0% to 125.1 million passenger trips.

13. GE Capital: Optimistic Truckers Want to Add Capacity

Trucking companies are cautiously thinking of expansion as the U.S. economy strengthens, freight demand rises and pricing becomes firmer, but climbing operating costs and a shortage of truck drivers will keep a lid on potential growth, reports the *Journal of Commerce*. Reporting on a survey by GE Capital Transportation Finance, JOC says 45 percent of trucking companies surveyed by GE indicated they plan to increase the amount of new equipment they add to their fleets this year.

14. Couriers and Messengers Services Price Index, August 2014

The Couriers and Messengers Services Price Index (CMSPI) edged down 0.1% in August 2014 compared with July 2014. The courier portion increased 0.1% while the local messenger component dropped 0.5%. On a year-over-year basis, the CMSPI increased 6.4% in August 2014.

15. North American Freight Numbers July 2014

U.S.-NAFTA freight totaled \$101.1 billion in July 2014 as all five major transportation modes – air, vessel, pipeline, rail, and trucks – carried more U.S.-NAFTA freight (8.5%) than in July 2013, according to the TransBorder Freight Data released on September 25, 2014 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). This is the fifth consecutive month that U.S.-NAFTA freight flows exceeded \$100 billion. US-Canada freight increased by 10.5% in July 2014 compared to the same month a year ago. Trucks carried 52.7 percent of the \$55.2 billion of freight to and from Canada, followed by rail at 15.2 percent, pipeline at 14.8 percent, vessel at 6.3 percent and air at 4.0 percent. The surface transportation modes of truck, rail and pipeline carried 82.8 percent of the total U.S.-Canada freight flows.

16. Editorial: Give Diesel Excise Tax Truck-Related Policy Purpose or Get Rid of It

Diesel tax was introduced as a temporary measure several years ago to deal with the deficit. Now that there is a surplus, consideration should be given to removing it. The tax generates about \$1 billion per year in revenue, with the trucking industry paying the lion's share. CTA believes it is important for the PM to address the excise tax issue. Diesel prices recently approached record levels again and will no doubt continue on an upward trajectory over time. If the government continues to impose it, the revenues from the tax should be used for certain purposes such as: creating a National Highway Trust Fund; harmonizing interprovincial standards; training drivers, etc.

GENERAL TRANSPORTATION

Canada

1. Canada's Economy Grows At Fastest Rate in Two Years

Canada's economy and exports accelerated in the second quarter (Q2) of 2014 at a faster rate than they have in the past two years, according to the latest Statscan data. Growth in gross domestic product (GDP) took Bay Street folk by surprise as it rose at an annual rate of 3.1 percent, higher than the 2.5-percent increase rate that experts predicted.

2. National Tourism Indicators, Second Quarter 2014

Tourism spending in Canada rose 1.5% in the second quarter of 2014, the fifth consecutive quarterly increase and the largest since the first quarter of 2010. This was a result of increased spending by international visitors and spending by Canadians.

Canada

1. Canada's Economy Grows At Fastest Rate in Two Years, September 5, 2014, www.todaystrucking.ca
2. National Tourism Indicators, Second Quarter 2014, September 26, 2014, www.statcan.gc.ca

US/EEU

PUBLICATIONS/CONFERENCES

1. Canadian Council for Public-Private Partnerships announces November conference, November 3-4, 2014, www.ctl.ca