

Transportation Information Update*

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December 2014, No. 124

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AIR TRANSPORTATION

1. Congestion forced shippers into air freight at height of the market, Drewry says

The U.S. West Coast port congestion drove shippers to air freight at the worst possible time with rates for air cargo at the seasonal highpoint of what is turning out to be the most robust peak season in years.

2. WestJet reports November load factor of 80.5 per cent

WestJet on December 3, 2014 announced November 2014 traffic results with a load factor of 80.5 per cent, an increase of 0.8 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 8.0 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 6.9 per cent over the same period. WestJet President and CEO Gregg Saretsky said "We continue to be very pleased with our strong traffic growth as we achieved our second highest load factor in November, even as WestJet Encore, which operates at lower load factors similar to most regional airlines, continued to expand."

3. Air Canada Reports November Load Factor

For the month of November 2014, Air Canada reported a system load factor of 77.7 per cent, versus 76.5 per cent in November 2013, representing an increase of 1.2 percentage points on a system-wide capacity increase of 6.9 per cent. On this additional capacity, system wide traffic (RPM) for November 2014 increased 8.7 per cent over November 2014.

4. Air Canada to launch non-stop service to Delhi

Air Canada on December 4, 2014 said that it will begin non-stop service from Toronto to Delhi beginning in November 2015. The new route, the first to be dedicated for Air Canada's Boeing 787-9 series aircraft, will open new opportunities in the Indian subcontinent, currently the largest international market not served by Air Canada.

5. Passenger Traffic Maintains Strong Growth in October

The International Air Transport Association (IATA) announced global passenger traffic results for October 2014 showing a strengthening in demand growth compared to September 2014 and to the year-ago period. Total revenue passenger kilometers (RPKs) rose 5.7% over October 2013, slightly ahead of the 5.2% year-on-year rise recorded in September 2014. October capacity (available seat kilometers or ASKs) increased by 5.5%, causing load factor to rise 0.1 percentage points to 79.1%.

6. Air Freight Strong Performance Continues

The International Air Transport Association (IATA) released October 2014 data for global air freight markets showing that the strong performance of air cargo in recent months is continuing. Demand, measured in freight tonne kilometers (FTK), rose 5.4% in October 2014 compared to October 2013. This out-stripped capacity which

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1. Congestion forced shippers into air freight at height of the market, Drewry says, December 1, 2014, www.joc.com
2. WestJet reports November load factor of 80.5 per cent, December 3, 2014, www.westjet.ca
3. Air Canada Reports November Load Factor, Dec. 3, 2014, www.aircanada.ca
4. Air Canada to launch non-stop service to Delhi, December 4, 2014, www.aircanada.ca
5. Passenger Traffic Maintains Strong Growth in October, December 4, 2014, www.iata.org/pressroom
6. Air Freight Strong Performance Continues, December 3, 2014, www.iata.org/pressroom/
7. Air Canada Wins Multiple Travel Awards Affirming its Leadership Position among North American Carriers, December 5, 2014, www.aircanada.ca
8. Canadians rank WestJet RBC MasterCard's tops again, December 5, 2014, www.westjet.ca
9. Catch a lift to Mont Tremblant with Porter Airlines, December 5, 2014, www.flyporter.com
10. EU makes €3 billion available to deliver Single Sky, December 5, 2014, www.europa.eu
11. Air Canada to Launch Non-stop Service to Dubai, December 8, 2014, www.aircanada.ca
12. Solid year ahead as air freight market extends rally, December 10, 2014, www.joc.com
13. Lower fuel costs will eventually help air shippers, December 10, 2014, www.americanshipper.com
14. Airline Profitability Improves with Falling Oil Prices, December 10, 2014, www.iata.org
15. Air Canada Makes Strategic Enhancements to its North American Network starting Spring 2015; New services to Terrace, Nanaimo, Comox, Halifax, Austin and Mexico City, December 9, 2014, www.aircanada.ca
16. October On-Time Performance Slightly Down From September 2014, December 10, 2014, www.dot.gov
17. WestJet announces reciprocal frequent flyer agreement with Delta Air Lines, Dec

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

grew by 4.4%. Compared to September 2014 demand grew by 0.7% bringing freight volumes to a new record monthly high.

7. Air Canada Wins Multiple Travel Awards Affirming its Leadership Position among North American Carriers

Air Canada has won multiple awards in reader surveys conducted by the world's leading travel magazines, including being named for the tenth consecutive year "Best Airline in North America" by Global Traveler magazine and for the seventh consecutive year "Best North American Airline for International Travel" by Business Traveler magazine.

8. Canadians rank WestJet RBC MasterCard tops again

WestJet on December 4, 2014 announced that consumers have once again voted the WestJet RBC World Elite MasterCard and WestJet RBC MasterCard Canada's top travel rewards credit cards in the airline category, according to RewardsCanada.ca.

9. Catch a lift to Mont Tremblant with Porter Airlines

Porter Airlines resumed seasonal service between Billy Bishop Toronto City Airport and Mont Tremblant for winter. Snow-seekers arriving on a Sunday or Monday can catch a lift with a special offer – free lift tickets and one-way, all inclusive fares from as low as \$134 until January 8, 2015 for travel by February 26, 2015. Flights begin Dec. 5, 2014 and continue until April 6, 2015. Up to 13 weekly flights are available during the peak schedule.

10. EU makes €3 billion available to deliver Single Sky

On December 5, 2014 the European Commission has signed a new partnership agreement, involving major Air Traffic Management (ATM) stakeholders. Airlines, airport operators and Air Navigation Service Providers (ANSP) will receive up to €3 bn in EU funding, in order to implement common projects and modernise Europe's Air Traffic Management (ATM) System. The agreement with the SESAR Deployment Alliance consortium aims to enhance the performance of Europe's ATM systems, in order to manage more flights in a safer and less-costly manner, while reducing the environmental impact of each flight.

11. Air Canada to Launch Non-stop Service to Dubai

Air Canada on December 8, 2014 said that it will launch non-stop service between Toronto and Dubai beginning in November 2015. The new route will extend the airline's international network farther into the Middle East at a time of increased travel between North America and the region.

12. Solid year ahead as air freight market extends rally

Five straight quarters of continued growth and a supply-demand balance has led to a turnaround in the air freight business this year, with more solid growth still to come, believes Atlas Air's Michael Steen.

13. Lower fuel costs will eventually help air shippers

The recent sustained fall in oil prices will grant some relief for air cargo shippers, but customers may not see immediate benefits due to price hedging by carriers. "A lower oil price has to be on the face of it good for the airlines — cost will come down," Tony Tyler, director general and chief executive officer of the International Air Transportation, said during the organization's Global Airline Media Day on December 10, 2014 in Geneva. But he allowed that the drop won't be immediate.

14. Airline Profitability Improves with Falling Oil Prices

The International Air Transport Association (IATA) announced an outlook for improved industry profitability in its Economic Performance of the Air Transport Industry report. Airlines are expected to post

- 11, 2014, www.westjet.ca
18. Air Canada Launches Year-Round Service to Rio de Janeiro, December 12, 2014, www.aircanada.ca
19. Canada's Aviation Sector Applauds Government of Canada Decision to Lift Visa Requirements for Citizens of Chile, November 22, 2014, www.cta.ca
20. Air Canada Cargo to introduce new routes, more capacity, December 15, 2014, www.ctl.ca
21. Porter Airlines dances its way to Charleston, S.C., December 15, 2014, www.flyporter.com
22. 3rd Quarter 2014 Airline Financial Data, Dec. 15, 2014, www.dot.gov
23. Air fares, third quarter 2013, December 17, 2014, www.statcan.gc.ca
24. Air travel complaints mid-year statistics, September 16, 2014, www.cta-otc.gc.ca
25. The Federal government making air travel more convenient, December 17, 2014, www.tc.gc.ca
26. Canada's Airports and Air Carriers Welcome Moves to Improve Passenger Flow, December 17, 2014, www.cac.ca
27. New accessibility standard for self-service kiosks in air, ferry and train terminals, December 17, 2014, www.cta-otc.gc.ca
28. Civil aviation operating statistics, October 2014, December 18, 2014, www.statcan.gc.ca
29. Air Canada Cargo announces fuel surcharge update, December 18, 2014, www.ctl.ca
30. Air Canada Inaugurates Seasonal Flights Between Toronto and Mont-Tremblant, Quebec, December 18, 2014, www.aircanada.ca
31. WestJet pilots approve four-year contract, December 21, 2014, www.westjet.ca
32. ICAO freight up 4.6% in 2014, Dec 22, 2014, www.americanshipper.com
- 33 U.S. Department of Transportation's Aviation Enforcement Office Files Complaint Against Delta Air Lines for Code-Share Disclosure Violations, December 23, 2014, www.dot.gov

US

1. September 2014 U.S. Airline Traffic Data, Dec. 11, 2014, www.dot.gov
2. October 2014 [US] Passenger Airline Employment Data, December 17, 2014, www.dot.gov

a collective global net profit in 2014 of some \$19.9 billion (up from the \$18.0 billion projected in June). This looks set to rise to \$25.0 billion in 2015.

15. Air Canada Makes Strategic Enhancements to its North American Network starting Spring 2015; New services to Terrace, Nanaimo, Comox, Halifax, Austin and Mexico City.

Air Canada on December 9, 2014 announced additional details of its previously stated plans for profitable growth. Strategic enhancements include expanding its North American route network with the addition of new non-stop services from Calgary-Terrace; Calgary-Nanaimo; Vancouver-Comox; Toronto-Austin and Montreal-Mexico City. Air Canada is also increasing capacity on key domestic markets that have high volumes of leisure traffic with the expansion of Air Canada rouge to operate the airline's new seasonal Calgary-Halifax route and current Toronto-Kelowna and Toronto-Sydney, NS services.

16. October On-Time Performance Slightly Down From September 2014

The US's largest airlines posted an on-time arrival rate of 80.0 percent in October 2014, down from the 81.1 percent mark in September 2014, according to the U.S. Department of Transportation's Air Travel Consumer Report released on December 10, 2014.

17. WestJet announces reciprocal frequent flyer agreement with Delta Air Lines

WestJet on December 11, 2014 announced a reciprocal frequent flyer agreement with Delta Air Lines, a code-share partner with WestJet since 2012. The agreement allows **WestJet Rewards** members to **earn WestJet dollars** on flights marketed and operated by Delta Air Lines, with access to Delta's extensive global network of more than 300 destinations on six continents.

18. Air Canada Launches Year-Round Service to Rio de Janeiro

Air Canada has inaugurated new non-stop service between Toronto Pearson and Rio de Janeiro - Galeão International Airport with the departure of flight AC098. The year-round flight to Brazil's "Marvelous City" will complement Air Canada's existing daily non-stop service to Sao Paulo and further drive Air Canada's international expansion strategy.

19. Canada's Aviation Sector Applauds Government of Canada Decision to Lift Visa Requirements for Citizens of Chile

The National Airlines Council of Canada (NACC) and the Canadian Airports Council (CAC) welcomed the announcement by the Government of Canada to lift visa requirements for citizens of Chile. Marc-André O'Rourke, Executive Director of the NACC said "The lifting of visa requirements for Chileans will mean more opportunity to expand business, trade and travel with an important partner and supports the government's priority to expand economic engagement in the Americas. It is encouraging to see the government take action to make it faster and easier to visit and do business in Canada."

20. Air Canada Cargo to introduce new routes, more capacity

Air Canada Cargo has announced new routes and more capacity in December 2014. The company begins direct, year-round service to and from Rio de Janeiro and Panama City. Additional flights, as well as aircraft upgauges, continue throughout December 2014 and into January 2015, including to and from San Francisco, Los Angeles, Las Vegas and Latin America. Starting December 17, 2014 for the holiday period, Air Canada Cargo has additional flights on key routes connecting to the Toronto hub: Vancouver, Calgary, Halifax, and Saint John. Air Canada Cargo will also continue its network and fleet expansion throughout 2015.

21. Porter Airlines dances its way to Charleston, S.C.

Porter Airlines is introducing seasonal service between Charleston, S.C., and Toronto. From February 14 to May 2, 2015, Porter will operate one weekly round-trip flight, with introductory one-way fares beginning at \$238, including all fees and taxes. Flights are now available for booking at www.flyporter.com.

22. 3rd Quarter 2014 Airline Financial Data

On December 15, 2014, U.S. scheduled passenger airlines reported a net profit of \$3.1 billion in the third quarter of 2014, down from \$3.6 billion in the second quarter and virtually unchanged from \$3.1 billion in the third quarter of 2013, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported.

23. Air fares, third quarter 2013

Domestic and international air fares combined averaged \$258.30 in the third quarter of 2013, up 1.4% from the same quarter in 2012 and the highest level since the third quarter of 2008. This marked the second straight quarter of growth, following four consecutive year-over-year quarterly declines. The average domestic fare was \$187.40, down 2.4% from the same quarter in 2012, while the average international fare rose 4.4% to \$358.30.

24. Air travel complaints mid-year statistics

Air travel mid-year statistics (April 1 - September 30, 2014) are available on the Canadian Transportation Agency website.

25. The Federal government making air travel more convenient

The Honourable Lisa Raitt, Minister of Transport along with Roxanne James, Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, on December 17, 2014 announced new initiatives aimed at making air travel to the United States even easier for NEXUS members and other low-risk Trusted Travellers who have undergone extensive background checks. Minister Raitt also encouraged travellers to use a new holiday travel toolkit to enable faster and more convenient holiday travel.

26. Canada's Airports and Air Carriers Welcome Moves to Improve Passenger Flow

The Canadian Airports Council (CAC) and National Airlines Council of Canada (NACC) on December 17, 2014 welcomed the Government of Canada's initiatives to improve the smooth flow of travellers through Canadian airports. Transport Minister Lisa Raitt made the announcement of expanded harmonized Trusted Traveller lanes and NEXUS kiosks at Pearson International Airport, one of four trans-border airports where the expansion will take place.

27. New accessibility standard for self-service kiosks in air, ferry and train terminals

Starting December 31, 2016, any newly installed automated self-service kiosks used for such things as check in, printing of boarding passes and baggage tags at Canadian air, ferry and train terminals should be accessible to travellers with disabilities, with the ultimate goal of ensuring that 25 percent of kiosks are accessible by December 31, 2022.

28. Civil aviation operating statistics, October 2014

In October 2014, the two major Canadian air carriers flew 3.7 million passengers on their scheduled and charter services, up 9.2% from the same month in 2013. Both Air Canada and WestJet increased their passenger capacity and traffic in October. Capacity grew 11.7% on a year-over-year basis to 12.2 billion available seat-kilometres.

29. Air Canada Cargo announces fuel surcharge update

Based on the recent decrease in the price of fuel, Air Canada Cargo announced it will decrease its existing fuel surcharge.

30. Air Canada Inaugurates Seasonal Flights Between Toronto and Mont-Tremblant, Quebec

Air Canada operated on December 18, 2014 its first non-stop flight between Toronto Pearson and Mont-Tremblant, Quebec. Service to Mont-Tremblant will be operated four times per week until March 30, 2015 by Air Canada Express with a 74-seat Bombardier Q400 aircraft.

31. WestJet pilots approve four-year contract

WestJet announced on December 21, 2014 that its pilots have voted in favour of a new agreement. Included in the new contract are enhancements to pay and scheduling that place WestJet's 1,250 pilots among the highest paid in the Canadian industry while preserving industry-leading productivity.

32. ICAO freight up 4.6% in 2014

According to preliminary figures released by the International Civil Aviation Organization, global freight traffic rose 4.6 percent in 2014, rebounding from the modest 0.4-percent increase in 2013. ICAO attributed the growth to an overall improvement in world trade. The largest air freight market in 2014 was the Asia Pacific region, which controlled 40 percent of global air freight capacity, measured in freight ton-kilometers (FTKs).

33. U.S. Department of Transportation's Aviation Enforcement Office Files Complaint Against Delta Air Lines for Code-Share Disclosure Violations

The U.S. Department of Transportation's Office of Aviation Enforcement and Proceedings (Aviation Enforcement Office) on December 23, 2014 [filed a formal complaint](#) with the Department's Office of Hearings against Delta Air Lines (Delta), alleging that the carrier violated the requirement that airlines and ticket agents give notice that a flight will be operated by an airline's code-share partner.

WATER TRANSPORTATION

1. Port Metro Vancouver enacting new truck licensing system

Port Metro Vancouver is planning a new truck licensing system it says will provide a better balance of trucks and the containers that are available for them to move. The new truck license policy was developed with stakeholders, including mediator Vince Ready and federal transport minister Lisa Raitt. The changes, according to the port, will also provide drivers with a fair wage and the “opportunity to make a decent living.” Among the requirements will be new truck age limits that should help improve air emissions at the port. Also new will be an expanded provincial audit and oversight framework, improved tracking and measurement of port efficiency and trucking company sponsorship of owner/operators, the port announced. There will also be higher participation charges, which the port says will help fund the new system on a cost recovery basis. Fewer trucks will be allowed to service the port under the new rules, in a bid to eliminate rate-cutting.

2. Shipping emissions at ports to quadruple by 2050, report says

Most shipping emissions at ports are set to increase fourfold through 2050, requiring strong abatement measures on shipping in targeted regions in coming decades, according to a new report by the International Transport Forum.

3. US Sen. McCain sets sights on Jones Act

Sen. John McCain, R-Ariz., lashed out at the *Jones Act* during a December 5, 2014 panel at the Heritage Foundation, saying the 94-year-old maritime law is an anachronism that hurts U.S. farmers and manufacturers at the expense of foreign rivals.

4. St. Lawrence Seaway has “remarkable” year

With just one month left of the season, St. Lawrence Seaway cargo shipments are expected to finish ahead of 2013 after what is being described as “a remarkable year” for grain exports and steel imports. According to the St. Lawrence Seaway Management Corporation, total cargo shipments reached 34.6 million tonnes for the period from March 25 to November 30 — up 5 per cent over the same period last year. Seaway management expect the season will close ahead of last year by a similar margin.

5. Prince Rupert Port Authority: Monthly Traffic Summary – November 2014

On December 9, 2014, Prince Rupert Port Authority released its results for November 2014. Total traffic in terms of TEUs for the month of November 2014 was 53,692 compared to 50,798 in November 2013, an increase of 5.7%. For the period January to November 2014, total traffic was 557,933 TEUs an increase of 12.39% compared to the same period a year ago. Inbound traffic for November 2014 was 30,448 and outbound traffic was 23,244, representing increases of 5.21% and 6.34% compared to the same month a year ago.

6. Montreal affirms plans for new container terminal

The Port of Montreal said this month that it's continuing with efforts to develop a new container terminal at Contrecoeur, Quebec, on the south shore of the St. Lawrence River downriver from Montreal. “Planning efforts have been ongoing for several years. Given that the project is estimated to take 10 years in total, we are now in the fourth year...”

7. Port Metro Vancouver – Accumulated Container Traffic: YTD – November 2014

The Port of Metro Vancouver reported its accumulated container traffic to November 2014 on December 15, 2014. Total container traffic (January to November 2014) in terms of TEUs increased 2.8% to 2,671,665 from 2,598,387. Imports increased by 2.5% to 1,426,850 and exports increased by 3.2% to 1,244,815.

8. Port Metro Vancouver provides update on Deltaport improvement project

WATER TRANSPORTATION Canada

1. Port Metro Vancouver enacting new truck licensing system, December 1, 2014, www.ctl.ca

2. Shipping emissions at ports to quadruple by 2050, report says, December 2, 2014, www.joc.com

3. US Sen. McCain sets sights on Jones Act, December 5, 2014, www.joc.com

4. St. Lawrence Seaway has “remarkable” year, December 9, 2014, www.todaystrucking.com

5. Prince Rupert Port Authority: Monthly Traffic Summary – November 2014, December 9, 2014, www.rupertport.com

6. Montreal affirms plans for new container terminal, December 11, 2014, www.americanshipper.com

7. Port Metro Vancouver – Accumulated Container Traffic: YTD – November 2014, December 2014, www.portmetrovancover.com

8. Port Metro Vancouver provides update on Deltaport improvement project, Dec. 16, 2014, www.ctl.ca

9. B.C. sets rate structure for Port Metro Vancouver truckers, December 17, 2014, www.todaststrucking.ca

10. Government of Canada amends regulations concerning container trucking at Port Metro Vancouver, December 22, 2014, www.tc.gc.ca

11. Port drivers ready to strike union warns, December 23, 2014, www.todaystrucking.com

12. Breakbulk carriers face critical year as competition builds, December 29, 2014, www.joc.com

13. Federal government, Marine Atlantic mark building of new North Sydney terminal, December 29, 2014, www.ctl.ca

14. Top 14 of 2014: Port Metro Vancouver continues responsible growth, December 29, 2014, www.poertmetrovancover.com

Port Metro Vancouver has provided a December 2014 update on its Deltaport Terminal, Road and Rail Improvement Project, which is a series of improvements to the existing Deltaport Terminal to increase container capacity by 600,000 twenty-foot equivalent units (TEUs).

9. B.C. sets rate structure for Port Metro Vancouver truckers

Industry undercutting was one of the reasons that container truckers at Port Metro Vancouver went on strike early in 2014 and now the trucker's union, UNIFOR, is disappointed with the measures the province is taking to fix the issue. The province of B.C. has proposed a new rate structure for truckers at Port Metro Vancouver, under which hourly employees will initially get \$25.13 per hour and owner-operators will be paid about \$50 per hour. The rate is expected to jump by over \$1 after one year of service, according to the agreed upon Joint Action Plan.

10. Government of Canada amends regulations concerning container trucking at Port Metro Vancouver

The Honourable Lisa Raitt, Minister of Transport, announced on December 22, 2014 that the Government of Canada has amended regulations to help the Province of British Columbia and Port Metro Vancouver bring further efficiency and stability to container trucking at Canada's busiest port. Amendments to the *Port Authorities Operations Regulations* support new provincial legislation by requiring container trucking companies to have provincial licences to access Port Metro Vancouver.

11. Port drivers ready to strike union warns

Angry drivers at Port Metro Vancouver say they're in a legal strike position, and they're prepared to withdraw their services if a controversial pay plan isn't reversed. Gavin McGarrigle, B.C. area director for Unifor, the union that represents the drivers who haul intermodal containers to and from the port, told *Today's Trucking* the new system costs owner-operators and drivers of at least \$50 a day, or \$250 a week.

12. Breakbulk carriers face critical year as competition builds

So many breakbulk and heavy-lift carriers are losing money that industry analysts expect some smaller carriers to face bankruptcy in 2015 or consolidation with other carriers, at the very least.

13. Federal government, Marine Atlantic mark building of new North Sydney terminal

Government officials toured Marine Atlantic's new terminal building as it enters its final phase of construction in North Sydney, Nova Scotia. The new terminal building is funded through the government's five-year investment in 2010 of \$521 million for the revitalization of Marine Atlantic's fleet and shore facilities. It is scheduled to be operational by spring 2015.

14. Top 14 of 2014: Port Metro Vancouver continues responsible growth

Port Metro Vancouver indicates that 2014 was a busy year for it. It lists 14 of its top achievements among them are: truck licensing system, land use plan, new patrol vessels, cruise activity, etc. Regarding the latter, it saw 812,095 passengers on 243 calls by 29 cruise ships, reflecting Vancouver's selection as Top Homeport in North America for 2013 by 2014 Trip Advisor's Editors Choice Awards.

RAIL TRANSPORTATION

1. Government of Canada to maintain minimum grain volume requirements for railways

Transport Minister Lisa Raitt and Agriculture Minister Gerry Ritz on November 29, 2014 announced that minimum grain volume requirements will be extended until March 28, 2015. This measure, initially introduced in March 2014, will help to maintain Canada's reputation as a reliable supplier to world markets. The government has put in place volume requirements that are designed to move the remainder of last year's crop along with this year's crop and ensure that the grain supply chain will return to normal operations. Under the new Order in Council, which takes effect on November 30, 2014, Canadian National Railway Company and Canadian Pacific Railway Company must each move specified amounts of grain: The Order maintains direct legal obligations on railways to move grain and could result in penalties for non-compliance of up to \$100,000 per violation. The requirement for railways to report on demand and volume remains in effect.

2. How CN is outperforming its more high-profile rival CP

CN is quietly outperforming CP on several fronts. CN's revenue for the first nine months of the year was nearly double that of CP, and CN's third-quarter operating ratio was 58.8% versus 62.8% at CP. CN is more focused on organic growth than growth by acquisition and has heavily invested in Chicago to deal with congestion while CP believes that consolidation in the rail industry may be beneficial.

3. Via Rail eyeing private capital to build its own dedicated rail lines

Via Rail Canada hopes to reduce congestion by building its own network of dedicated tracks, and the passenger rail service wants to enlist the help of private equity to do it. Currently, 90% of the track that Via uses is owned by Canadian National Railway Co., and this shared infrastructure can result in bottlenecks as freight and passenger trains vie for space.

4. Canadian Pacific Railway Limited announces plan to purchase through private agreements up to 1,250,000 common shares under its share repurchase program

Canadian Pacific Railway Limited announced on December 5, 2014 that it intends to purchase for cancellation up to 1,250,000 of its common shares pursuant to private agreements to be entered into between CP and an arm's - length third - party seller.

5. CN and United Steelworkers union reach tentative agreement to renew labour contract for maintenance-of-way employees in Canada

CN announced on December 8, 2014 that it has reached a tentative agreement with the United Steelworkers (USW) union Local 2004 to renew the labour contract for approximately 3,000 CN maintenance-of-way employees represented by the USW in Canada. The current CN-USW labour agreement is scheduled to expire on Dec. 31, 2014.

6. CP Rail derailment in April 2013 caused by broken wheel, transportation watchdog says

A Canadian Pacific Railway Ltd train carrying crude and other cargo derailed in April 2013 because of a broken wheel, which Canada's transport safety watchdog said could have been replaced but was not due to differing guidelines on when repairs should be made. Four days before the incident the wheel exceeded the American Association of Railroads' (AAR) removal threshold in a trackside test, but under CP's higher threshold, which is similar to that of other major railways, it remained in service, said the Transportation Safety Board (TSB).

RAIL TRANSPORTATION Canada

1. Government of Canada to maintain minimum grain volume requirements for railways, November 29, 2014, www.tc.gc.ca
2. How CN is outperforming its more high-profile rival CP, December 1, 2014, www.nationalpost.ca
3. Via Rail eyeing private capital to build its own dedicated rail lines, December 4, 2014, www.nationalpost.ca
4. Canadian Pacific Railway Limited announces plan to purchase through private agreements up to 1,250,000 common shares under its share repurchase program, December 5, 2014, www.cpr.ca
5. CN and United Steelworkers union reach tentative agreement to renew labour contract for maintenance-of-way employees in Canada, December 8, 2014, www.cn.ca
6. CP Rail derailment in April 2013 caused by broken wheel, transportation watchdog says, December 11, 2014, www.nationalpost.ca
7. CP applauds TSB's call for installation of Locomotive and Voice Recorders to enhance safety, December 16, 2014, www.cpr.ca
8. Canadian Pacific Railway Limited declares dividend, December 16, 2014, www.cpr.ca
9. CSX targets crossborder trade with new Montreal intermodal terminal, December 16, 2014, www.ctl.ca
10. The Government of Canada introduces new railway regulations to reduce accidents and save lives, December 17, 2014, www.tc.gc.ca
11. CP in full agreement with TSB incident report on Bonnybrook Bridge, December 17, www.cpr.ca
12. CP under and CN over Western Grain Revenue Entitlements for Crop Year 2013-2014, December 18, 2014, www.cta-ofc.gc.ca
13. Railway Carloadings October 2014, December 18, 2014, www.statcan.gc.ca
14. Talks with CN break down, two sides to regroup in January, December 18, 2014, www.ctl.ca
15. CN, Teamsters union reach tentative agreement, December 19, 2014, www.ctl.ca
16. Canadian Pacific's Hunter Harrison named Railroader of the Year by Railway Age, December 22, 2014, www.cpr.ca

7. CP applauds TSB's call for installation of Locomotive and Voice Recorders to enhance safety

CP applauds the TSB's call for the implementation of cab monitoring technology both for post-accident analysis and its use during in-train operations to prevent accidents. "The technology has proven effective in analyzing the cause of railroad accidents, but its true value is in preventing incidents in the first place," said Keith Creel, CP President and Chief Operating Officer. "We reiterate our call for the correct implementation of this tool, which has lowered the frequency of collisions by almost half in similar industries." After U.S. transit agencies implemented monitoring technology, the National Transit Database reported the following safety improvements: a. 40 percent reduction in collisions per million miles traveled; b. 30 percent reduction in passenger injuries; c. 30 to 50 percent reduction in unsafe driving events; and d. Reduction in severity of collisions.

8. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on December 16, 2014 declared a quarterly dividend of thirty-five cents (\$0.35) Canadian per share on the outstanding Common Shares.

9. CSX targets crossborder trade with new Montreal intermodal terminal

CSX on December 16, 2014 announced the opening of a new intermodal terminal in Salaberry-de-Valleyfield near Montreal, Quebec. The facility expands CSX's intermodal network capacity and offers Canadian customers domestic and international service that connects with the railroad's 21,000 mile network in the United States, the company said.

10. The Government of Canada introduces new railway regulations to reduce accidents and save lives

The Honourable Lisa Raitt, Minister of Transport, on December 17, 2014 announced regulations to help prevent accidents and improve railway safety. The new Grade Crossings Regulations improve safety by helping to reduce the frequency and severity of accidents, preventing derailments and injuries and saving lives. In particular, the Regulations improve safety by: 1. Providing consistent grade crossing safety standards across Canada; 2. Clarifying the roles and responsibilities of railway companies and road authorities; and 3. Improving safety features and promoting collaboration between all parties.

11. CP in full agreement with TSB incident report on Bonnybrook Bridge

Canadian Pacific (CP) has reviewed the Transportation Safety Board's (TSB) report into the railway's Bonnybrook Bridge failure in Calgary in June, 2013 and is in full agreement with the findings. The TSB found that the bridge failure, and subsequent derailment of six rail cars, was "due to scour of the downstream end and loss of foundation support of Pier no. 2." The TSB also found that CP's Railway Bridge Safety Management Program closely reflects the protocols outlined in Transport Canada's Guideline for Bridge Safety Management and that inspections done on the Bonnybrook Bridge, "exceeded regulatory requirements during the flood."

12. CP under and CN over Western Grain Revenue Entitlements for Crop Year 2013-2014

The Canadian Transportation Agency on December 18, 2014 issued Decision No. 451-R-2014 ruling that the revenues of the Canadian Pacific Railway Company (CP) are under its maximum revenue entitlement and that the Canadian National Railway Company (CN) has exceeded its revenue entitlement for crop year 2013-2014. In the 2013-2014 crop year, 38,461,953 million tonnes of Western grain were moved, which is **18.8 percent higher** than the volume moved during the previous crop year. The average length of haul of 945 miles was just one mile, or 0.1 percent higher, than the previous crop year. CP's grain revenue of \$623,620,236 was \$1,653,714 below its entitlement of \$625,273,950. CN's grain revenue of \$672,110,852 was \$4,981,915 above its entitlement of \$667,128,937.

13. Railway Carloadings October 2014

The volume of rail freight carried in Canada totalled 31.2 million tonnes in October 2014, up 0.4% from the same month last year. Domestic rail freight originating in Canada and destined within Canada and other parts of the world rose 1.7% to 27.9 million tonnes. Intermodal freight loadings rose 2.4% to 185,000 units in October. From a tonnage perspective, traffic grew 2.9% to 2.8 million tonnes. The gain stemmed from both increased containerized cargo shipments and trailers loaded on flat cars. Traffic received from the United States fell 9.5% to 3.4 million tonnes. The drop was attributable to decreased non-intermodal and intermodal shipments.

14. Talks with CN break down, two sides to regroup in January

CN and Unifor have been unable to reach a new tentative collective agreement, after months of negotiations and long hours this week at the bargaining table. CN is optimistic that an agreement can be reached in January 2015. Unifor (formerly the Canadian Autoworkers Union) has five agreements with CN

covering four bargaining units – clerical/intermodal; mechanical; CNTL truck owner-operators; and excavator-operators.

15. CN, Teamsters union reach tentative agreement

CN has negotiated a tentative labour agreement with the Teamsters Canada Rail Conference (TCRC) union that represents locomotive engineers and conductors working on the company's Northern Quebec Internal Short line.

16. Canadian Pacific's Hunter Harrison named Railroader of the Year by Railway Age

E. Hunter Harrison, Chief Executive Officer of Canadian Pacific, has been named 2015 Railroader of the Year by railroad industry trade journal Railway Age.

HIGHWAY TRANSPORTATION

1. Couriers and Messengers Services Price Index, October 2014

The Couriers and Messengers Services Price Index (CMSPI) declined 0.2% in October 2014 compared with September 2014. The courier portion decreased 0.2% while the local messenger component was down 0.2%. On a year-over-year basis, the CMSPI increased 5.4% in October 2014.

2. Acquisition of Renold's 'good fit' for Searcy Trucking

Winnipeg-based Searcy Trucking Ltd. announces purchase of Altona, Man.-based Renold's Transport Ltd., bringing the Searcy fleet to over 110 trucks and 150 trailers.

3. Manitoulin Global Forwarding buys Canfleet

Manitoulin Global Forwarding has purchased Canfleet Logistics Ltd., of Vancouver, B.C. The deal is the latest of a number of investments Manitoulin has made in Western Canada in recent years to build its offerings and coverage in the region. According to Dwayne Hihn, president, Manitoulin Global Forwarding, the purchase of Canfleet, with its export capabilities to Asia, also strengthens Manitoulin's access to high-growth Asian markets, and advances its overall global reach.

4. ATRI Study Points to Alarming Demographic Trends in Trucking

The future of the trucking industry's ability to maintain a stable driver pool will continue to be a challenge as the industry's driver workforce undergoes a dramatic shift in demographics, according to a new white paper released by the American Transportation Research Institute (ATRI). Most of the drivers in the current driver work force are set to retire in the next 10-15 years and the number of younger drivers entering the driver work force is decreasing.

5. Will Hogtown Traffic Get Less Congested?

Newly-elected Toronto Mayor John Tory has six changes that he claims will ease up Big Smoke's gridlock, according to reports. 1. More aggressive towing policy. 2. Retime more traffic lights. 3. Stop closing lanes. 4. More cameras. 5. Longer work hours for construction projects. and 6. Better road closure reporting.

6. Descartes expands European reach with two acquisitions

Descartes Systems Group has acquired two companies for about \$11.8 million that will help the Waterloo, Ontario-based transportation technology provider expand its European reach.

7. November Freight Volumes Down from Oct, Up from 2013

November 2014 freight volumes dropped 11 percent from October 2014, but truckers still hauled 19 percent more freight in November 2014 compared to November 2013.

8. October 2014 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on

HIGHWAY TRANSPORTATION Canada

1. Couriers and Messengers Services Price Index, October 2014, November 28, 2014, www.statcan.gc.ca
2. Acquisition of Renold's 'good fit' for Searcy Trucking, December 1, 2014, www.todaystrucking.ca
3. Manitoulin Global Forwarding buys Canfleet, December 2, 2014, www.todaystrucking.com
4. ATRI Study Points to Alarming Demographic Trends in Trucking, December 1, 2014, www.ontruck.ca
5. Will Hogtown Traffic Get Less Congested?, December 4, 2014, www.todaystrucking.com
6. Descartes expands European reach with two acquisitions, December 8, 2014, www.joc.com
7. November Freight Volumes Down from Oct, Up from 2013, December 9, 2014, www.todaystrucking.ca
8. October 2014 Freight Transportation Services Index (TSI), December 10, 2014, www.dot.gov
9. TransCore Link Logistics Canadian freight index fell in November, December 11, 2014, www.ctl.cca
10. FTR says trucking closing the year in good territory, December 12, 2014, www.todaystrucking.com
11. UPS Expands Four North American distribution facilities, December 15, 2014, www.ctl.ca
12. Travel between Canada and other countries, October 2014, December 17, 2014, www.statcan.gc.ca
13. Large Urban Transit, October 2014, December 18, 2014, www.statcan.gc.ca
14. MTO to Issue Permits for Extended Length Tractors on B-trains in Early 2015, December 19, 2014, www.ontruck.ca
15. STB extends CN acquisition oversight, Dec. 22, 2014, www.americanshipper.com
16. For-hire Motor Carrier Freight Services Price Index, third quarter 2014, December 23, 2014, www.statcan.gc.ca
17. Couriers and Messengers Services Price Index, November 2014, December 24, 2014, www.statcan.gc.ca

the amount of freight carried by the for-hire transportation industry, rose 0.3 percent in October 2014 from September 2014, rising for the fourth consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The October 2014 index level (121.8) was 28.8 percent above the April 2009 low during the most recent recession.

9. TransCore Link Logistics Canadian freight index fell in November

TransCore Link Logistics Canadian Freight Index fell in November 2014, declining 11 percent from October 2014. This drop was offset by two fewer shipping days and the U.S. Thanksgiving holiday. Year-over-year volumes were still impressive, growing 19 percent compared to November 2013, said the Index.

10. FTR says trucking closing the year in good territory

The Trucking Conditions Index fell to 8.53 in October 2014, down from its September 2014 reading of 9.07. Both months are down from 2013's numbers. FTR says trucking fundamentals are still strong, despite a slight drop in the Trucking Conditions Index (TCI) in October 2014.

11. UPS Expands Four North American distribution facilities

UPS has announced the addition of three buildings and the expansion of another in four North American locations, boosting its supply chain solutions network size by nearly 1.2 million sq. ft. Rapid growth of customers in the high-tech, industrial manufacturing and retail industries fueled the demand for new or expanded facilities in Mira Loma, California; Hebron, Kentucky; Louisville, Kentucky; and Toronto, Ontario, Canada.

12. Travel between Canada and other countries, October 2014

In October 2014, travel to Canada rose 0.7% from September 2014, led by an increase in trips from the United States. Same-day car trips from the United States grew 1.6% to 611,000 trips, accounting for much of the increase. Overseas residents made 449,000 trips to Canada in October, up 0.3% compared with September. This was the 10th monthly increase in 12 months. In the other direction, trips made by Canadian residents abroad were down 0.4%, mainly because of a 2.2% decrease in same-day car trips to the United States.

13. Large Urban Transit, October 2014

In October 2014, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 2.8% compared with the same month in 2013 to \$288.7 million. Over the same period, ridership levels increased 1.0% to 148.0 million passenger trips.

14. MTO to Issue Permits for Extended Length Tractors on B-trains in Early 2015

The Ministry of Transportation (MTO) will begin issuing individual and fleet permits for the use of extended tractor b-train double trailer configurations commencing in January 2015 – the formal announcement on this issue will be posted on MTO's website in the coming days.

15. STB extends CN acquisition oversight

The Surface Transportation Board voted last week for a two-year extension to its monitoring of Canadian National and Grand Trunk Corp.'s acquisition of EJ&E West Company. "In reaching its decision, the board expressed concern regarding the impacts on the surrounding communities of increased rail traffic on the EJ&E line," according to an STB press release. "In particular, the board noted the connection between increased train traffic and increases in vehicle traffic delay...."

16. For-hire Motor Carrier Freight Services Price Index, third quarter 2014

The For-hire Motor Carrier Freight Services Price Index decreased 1.6% in the 2014 third quarter from the 2014 second quarter. The general freight trucking component (-1.3%) and the specialized freight trucking component (-2.2%) posted declines. Year over year, the index advanced 1.8% in the third quarter compared with the same quarter of 2013.

17. Couriers and Messengers Services Price Index, November 2014

The Couriers and Messengers Services Price Index (CMSPI) declined 0.8% in November 2014 compared with October 2014. The courier portion decreased 0.8% while the local messenger component was down 1.1%. On a year-over-year basis, the CMSPI increased 5.4% in November 2014.

GENERAL TRANSPORTATION

Canada

1. Research Confirms Transportation Index as Leading Indicator

The Transportation Services Indexes (TSI) are leading indicators of economic cycles, according to new research released on December 8, 2014 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS).

Canada

1. Research Confirms Transportation Index as Leading Indicator, December 8, 2014, www.dot.gov
2. Minister Raitt talks transportation progress with U.S. Secretary Anthony

2. Minister Raitt talks transportation progress with U.S. Secretary Anthony Foxx

The Honourable Lisa Raitt, Minister of Transport, on December 18, 2014 met with the U.S. Secretary of Transportation, Anthony Foxx, as part of ongoing discussions on shared transportation issues. The Minister took the opportunity to talk about the important progress being made regarding several transportation issues affecting both

Canada and the United States and discussions centered on the importance of harmonizing rail tank car standards. They also discussed trucking regulations and unmanned aerial vehicles (UAVs). Additionally, Minister Raitt raised the Government of Canada's concerns over the application of Buy America provisions on Canadian soil in Prince Rupert.

3. UN adopts first-ever resolution on International Transport Corridors

The UN General Assembly unanimously approved the “Resolution on the Role of Transport and Transit Corridors in Ensuring Global Sustainable Development”. Sponsored by 66 states, the resolution focuses, for the first time in UN history, on the role of transport and transit corridors and their contribution to the global sustainable development outlined in the Post 2015 Development Agenda.

Foxx, December 18, 2014, www.tc.gc.ca
3. UN adopts first-ever resolution on
International Transport Corridors,
December 19, 2014, www.ctf.ca