

Transportation Information Update*

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Editor: Joseph Monteiro*

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Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air Canada Welcomes Landmark Agreement with its Pilots

Air Canada on October 31, 2014 welcomed confirmation by the Air Canada Pilots Association that its members have ratified a landmark agreement on the collective agreement terms for ten years. "This ten-year agreement with the Air Canada Pilots Association is a groundbreaking development which allows us to accelerate the implementation of our business strategy on a win-win basis with our pilots," said Calin Rovinescu, President and CEO of Air Canada. "The new agreement provides greater stability and long term cost certainty as well as a framework for a strong partnership with our pilots. It is also the most tangible indication of the shift in culture underway at Air Canada.

2. Drewry; Air prices somewhat flat in September

Following a somewhat flat airfreight rate environment throughout the summer, rates in September 2014 stayed somewhat flat, according to Drewry's East-West Air Freight Price Index. After measuring an average per-kilogram price of \$3.34 in August, Drewry found the average price in September 2014 only increased \$0.02 per kilogram. Officials had been expecting a larger price increase.

3. Winter won't go away, but Winnipeggers can

On November 1, 2014 WestJet launched new weekly, seasonal, non-stop service between Winnipeg and Fort Lauderdale, Florida. Flights out of the Winnipeg James Armstrong Richardson Airport run every Saturday until April 25, 2015.

4. Westjet reports October load factor of 77.4 percent

WestJet on November 4, 2014 announced its October 2014 traffic results with a load factor of 77.4 per cent. Revenue passenger miles (RPMs) or traffic, increased 6.8 per cent year over year, and capacity measured in available seat miles (ASMs), grew 9.2 per cent over the same period. WestJet President and CEO Gregg Saretsky said "We are pleased with our continued strong traffic growth as we welcomed a record 1.6 million guests into our network in October, I want to thank our more than 10,000 WestJetters for their continued dedication and hard work as we move into our busy winter season."

5. WestJet reports record third quarter results

On November 4, 2014, WestJet announced its third quarter 2014 results, with record adjusted net earnings of \$85.4 million, or \$0.66 per diluted share. This compares with the net earnings of \$65.1 million, or \$0.50 per diluted share reported in the third quarter of 2013, up 31.2 per cent and 32.0 per cent, respectively. Based on the trailing twelve months, the airline achieved a return on invested capital of 13.8 per cent, compared with the 13.7 per cent reported in the previous quarter.

6. Air Canada Named One of Canada's Top 100 Employers for 2015

Air Canada has been recognized as one of "Canada's Top 100

AIR TRANSPORTATION

Canada

1. Air Canada Welcomes Landmark Agreement with its Pilots, October 31, 2014, www.aircanada.ca
2. Drewry; Air prices somewhat flat in Sep 31, 2014, www.americanshipper.com
3. Winter won't go away, but Winnipeggers can, November 1, 2014, www.westjet.ca
4. Westjet reports October load factor of 77.4 percent, November 4, 2014, www.westjet.ca
5. WestJet reports record third quarter results, November 4, 2014, www.westjet.ca
6. Air Canada Named One of Canada's Top 100 Employers for 2015, November 4, 2014, www.aircanada.ca
7. Global air cargo growth accelerates, but IATA notes challenges, November 3, 2014, www.joc.com
8. Air Canada Given Top Honours by Canadian Occupational Safety Magazine's Safest Employers Awards, November 3, 2014, www.aircanada.ca
9. Lower fares a priority for WestJet CEO, but margin expansion will continue, November 4, 2014, www.nationalpost.ca
10. Air Canada Reports October Load Factor, November 5, 2014, www.aircanada.ca
11. Air Canada Reports Record Third Quarter 2014 Results, November 6, 2014, www.aircanada.ca
12. Air Canada Expands Introduction of New International Business Class and Premium Economy Seating, November 6, 2014, www.aircanada.ca
13. Simpler rules for small unmanned air vehicles, November 5, 2014, www.tc.gc.ca
14. Canada aims to allow shippers to self-screen air cargo, November 6, 2014, www.joc.com
15. WestJet makes list of Canada's 50 best employers, November 6, 2014, www.westjet.ca
16. Air Canada may opt out of government lifeline as pension surplus grows, November 6, 2014, www.nationalpost.ca
17. Airline (US) Consumer Complaints Up From Previous Year, November 6, 2014, www.dot.gov

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

Employers" for a second consecutive year in an annual employer survey by Mediacorp Canada Inc.

7. Global air cargo growth accelerates, but IATA notes challenges

Growth in global air cargo accelerated in September, increasing 5.2 percent from a year ago. However, the market faces uncertainty because of faltering business confidence, according to the International Air Transport Association.

8. Air Canada Given Top Honours by Canadian Occupational Safety Magazine's Safest Employers Awards

Air Canada has been named the gold winner of the 2014 Canada's Safest Employers Awards in the transportation category. The Awards, announced in the November 2014 issue of Canadian Occupational Safety magazine, recognize companies from all across Canada for outstanding accomplishments in promoting the health and safety of their workers.

9. Lower fares a priority for WestJet CEO, but margin expansion will continue

Lowering fares is a top priority at WestJet Airlines Ltd., but margin expansion will continue even if ticket prices drop, CEO Gregg Saretsky said on November 4, 2014. The promise of better margins and higher revenue per available seat mile — a key measure of airline efficiency — wasn't enough to stop shares from plunging 6.6% on November 4, 2014 following Mr. Saretsky's comment that he is "loathe to take any fare increases." WestJet recently began charging \$25 for first checked bags, promising that it would use at least some of the revenue from that fee to lower ticket prices.

10. Air Canada Reports October Load Factor

For the month of October 2014, Air Canada reported a system load factor of 82.1 per cent, versus 81.3 per cent in October 2013, representing an increase of 0.8 percentage points on a system-wide capacity increase of 9.9 per cent. On this additional capacity, system wide traffic for October increased 11 per cent. Calin Rovinescu, President and Chief Executive Officer said "I am pleased to report traffic growth of 11 per cent and a load factor of 82.1 per cent for the month of October".

11. Air Canada Reports Record Third Quarter 2014 Results

Air Canada on November 5, 2014 reported third quarter adjusted net income of \$457 million or \$1.55 per diluted share compared to adjusted net income of \$365 million or \$1.29 per diluted share in the third quarter of 2013, an improvement of \$92 million or \$0.26 per diluted share. EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rent) amounted to \$749 million compared to EBITDAR of \$626 million in the third quarter of 2013, an improvement of \$123 million. On a GAAP basis, Air Canada reported operating income of \$526 million, an increase of \$110 million from the same quarter in 2013. The airline recorded net income of \$323 million or \$1.10 per diluted share in the third quarter of 2014 compared to a net income of \$299 million or \$1.05 per diluted share in the third quarter of 2013, an improvement of \$24 million or \$0.05 per diluted share. President and CEO said "I am extremely pleased to report Air Canada's best financial performance of any quarter in the Corporation's 77-year history, surpassing previous records for adjusted net income, operating income and EBITDAR."

12. Air Canada Expands Introduction of New International

18. WestJet applauds fee cuts at Abbotsford Airport, November 10, 2014, www.westjet.ca

19. WestJet cuts sale fares on select routes, November 7, 2014, www.westjet.ca

20. Air China and Air Canada to Form Comprehensive Strategic Alliance, Strengthening Canada-China Network, November 8, 2014, www.aircanada.ca

21. Air fares, first and second quarters 2013, Nov 13, 2014, www.statcan.gc.ca

22. Air Canada Cargo to decrease existing fuel surcharge, November 13, 2014, www.ctl.ca

23. Investment at Stony Rapids Airport, November 13, 2014, www.tc.gc.ca

24. Global economic concerns take toll on passenger air travel: IATA, Nov. 17, 2014, www.globeandmail.ca

25. U.S. drives air cargo rebound, but crystal ball hazy into 2015, November, 17, 2014, www.joc.com

26. August 2014 U.S. Airline Traffic Data, November 17, 2014, www.dot.gov

27. WestJet Vacations returns to Cabo San Lucas, November 17, 2014, www.westjet.ca

28. WestJet reaches tentative agreement with WestJet Pilot Association, November 17, 2014, www.westjet.ca

29. Airport Activity, 2013, November 18, 2014, www.statcan.gc.ca

30. Air Canada to expand Boeing 787 Dreamliner service from Vancouver, Nov. 19, 2014, www.globeandmail.ca

31. Civil aviation operating statistics, September 2014, November 20, 2014, www.statcan.gc.ca

32. Porter Airlines eager to work with 'energized' new Toronto council, November 20, 2014, www.globeandmail.ca

33. Preparing for Growth - Challenges for Asia Pacific, November 19, 2014, www.iata.org

34. ANA, United Airlines to form trans-Pacific cargo pact, November 21, 2014, www.joc.com

35. Tentative flight attendant agreement not ratified, November 24, 2014, www.westjet.ca

36. Airlines Announce New Customer Protection Agreement: No Passenger Left Behind, November 25, 2014, www.iata.org/pressrelease

37. New rules for small unmanned aircraft, November 27, 2014, www.tc.gc.ca

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1. September 2014 [US] Passenger Airline Employment Data, November

Business Class and Premium Economy Seating

Air Canada on November 6, 2014, said that along with the addition of two new Boeing 777-300ER aircraft to its widebody fleet, it will expand the introduction of its new International Business Class product to include all Boeing 777-300ER aircraft, seven more than previously announced. It will also reconfigure the aircraft to include its new Premium Economy cabin.

13. Simpler rules for small unmanned air vehicles

Transport Canada on November 5, 2014 announced, at the Unmanned Systems Canada conference in Montréal, two exemptions that simplify small unmanned air vehicle (UAV) operations and safely integrate UAVs into Canadian airspace. Under the new exemptions, a Special Flight Operations Certificate will not be required for UAVs under 2 kilograms and certain operations involving UAVs under 25 kilograms. The new approach will apply to commercial operations and contribute to a strong safety regime for those on the ground and in the skies.

14. Canada aims to allow shippers to self-screen air cargo

Transport Canada is proposing to allow shippers to screen their cargo before it reaches an airport, rather than solely relying on carriers to do so, in order to bridge security gaps and prevent terrorist attacks.

15. WestJet makes list of Canada's 50 best employers

On November 6, 2014, WestJet announced that it has earned a place on Aon Hewitt's list of the country's top employers based on the organization's 16th annual Best Employers in Canada study for 2015.

16. Air Canada may opt out of government lifeline as pension surplus grows

Air Canada reported a small pension surplus at the beginning of 2014, a dramatic turnaround from the \$3.7-billion deficit a year earlier. And that surplus has continued to grow throughout the year despite lower interest rates, said chief financial officer Michael Rousseau. Two years ago its pension plan threatened to send it into bankruptcy. But today it has become so healthy that the airline may opt out of an agreement with Ottawa that forbids investor payouts.

17. Airline (US) Consumer Complaints Up From Previous Year

Airline consumer complaints filed with DOT's Aviation Consumer Protection Division during the first nine months of this year were up 18.2 percent from the first nine months of 2013, according to the U.S. Department of Transportation's Air Travel Consumer Report released on November 6, 2014.

18. WestJet applauds fee cuts at Abbotsford Airport

WestJet on November 10, 2014 applauded the leadership of the Abbotsford International Airport for dropping its airport improvement fee (AIF) by fifty per cent, and eliminating fees for aircraft parking, bridge fees and bag-handling.

19. WestJet cuts sale fares on select routes

WestJet on November 7, 2014, announced that it has lowered **Econo sale fares** on more than 15 city pairs by as much as 15 per cent as part of its strategy to provide lower fares to more Canadians. This announcement reinforces WestJet's commitment to being Canada's low-fare carrier.

20. Air China and Air Canada to Form Comprehensive Strategic Alliance, Strengthening Canada-China Network

Air Canada and Air China Limited on November 8, 2014 announced that the airlines have concluded a memorandum of understanding setting out the main principles for a comprehensive revenue sharing joint venture providing for an enhanced partnership on routes between Canada and China which will stimulate traffic growth between the two countries.

21. Air fares, first and second quarters 2013

Air fares (domestic and international combined) averaged \$249.00 in the first quarter of 2013, down 1.1% from the same quarter of 2012. The average domestic fare was \$194.40, up 2.3% from the same quarter in 2012, while the average international fare fell 4.1% to \$304.00.

22. Air Canada Cargo to decrease existing fuel surcharge

Based on the recent decrease in the price of fuel, Air Canada Cargo said it will decrease its existing fuel surcharge, effective November 24, 2014.

23. Investment at Stony Rapids Airport

Rob Clarke, Member of Parliament for Desnethé-Mississippi-Churchill River, on behalf of the Honourable Lisa Raitt, Minister of Transport, on November 13, 2014 announced that the Government of Canada is investing \$7,405,840 over two years, to enhance safety at the Stony Rapids Airport.

20, 2014, www.dot.gov

2. United States, Mexico Reach Modernized Aviation Agreement, November 21, 2014, www.dot.gov

3. Mergers: Commission approves aerospace and defence joint venture between Airbus and Safran, subject to conditions, November 26, 2014, www.europa.eu

4. Infringements proceedings in the field of passenger right, road safety, rail, maritime, road and air transport, November 26, 2014, www.europa.eu

24. Global economic concerns take toll on passenger air travel: IATA

A slowdown in the major global economies is taking its toll on passenger air travel. Growth in air traffic in September 2014 slowed, rising 2.3 per cent compared to a year ago, weaker than the 4.5-per-cent increase posted in August 2014, the latest numbers from the International Air Transport Association show.

25. U.S. drives air cargo rebound, but crystal ball hazy into 2015

The strong rebound of trans-Pacific trade will ensure that the air cargo industry enjoys a happy festive season this year, but few are prepared to forecast that the robust growth will continue much past Chinese New Year.

26. August 2014 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on November 17, 2014 that U.S. airlines carried 69.3 million systemwide (domestic and international) scheduled service passengers in August 2014, 2.4 percent more than in August 2013.

27. WestJet Vacations returns to Cabo San Lucas

WestJet Vacations announced that it is welcoming guests back to Cabo San Lucas beginning November 17, 2014, following the resumption of WestJet air service to the Los Cabos Mexico International Airport on October 26, 2014.

28. WestJet reaches tentative agreement with WestJet Pilot Association

WestJet announced on November 17, 2014 that it has reached a tentative agreement with its more than 1,200 pilots, represented by the WestJet Pilot Association (WJPA). The agreement's highlights will be available in early December 2014 and voting will begin later in the month.

29. Airport Activity, 2013

Air passenger traffic at Canadian airports rose 2.7% in 2013, the fourth consecutive annual increase following the economic slowdown of 2009. All sectors experienced growth.

30. Air Canada to expand Boeing 787 Dreamliner service from Vancouver

Air Canada will add Beijing (in February 2015) and Seoul (in March 2015) to its list of destinations served by the Boeing 787 Dreamliner from Vancouver as the carrier converts key international routes to the new aircraft.

31. Civil aviation operating statistics, September 2014

In September 2014, the two major Canadian air carriers flew 3.7 million passengers on their scheduled and charter services, up 8.9% from the same month in 2013. Both Air Canada and WestJet increased their passenger capacity and traffic in September 2014.

32. Porter Airlines eager to work with 'energized' new Toronto council

A decision on the proposed expansion of Toronto's Island airport is months if not more than a year away, a senior city official says, but Porter Airlines, which wants to bring jets to the waterfront, predicts projects such as this will be "energized" by a new term of council. The controversial plan to expand the runway and allow jets at Billy Bishop Toronto City Airport was proposed by Porter in 2013.

33. Preparing for Growth - Challenges for Asia Pacific

The International Air Transport Association (IATA) identified continuous safety enhancement, the availability of cost-efficient infrastructure and environmental responsibility as critical factors to ensure that Asia-Pacific continues to realize the enormous economic and social benefits of air connectivity.

34. ANA, United Airlines to form trans-Pacific cargo pact

All Nippon Airways Co. and United Airlines, both members of the Star Alliance global airline network, plan to launch a strategic air cargo joint venture on trans-Pacific routes, the first of its kind between the U.S. and Asia.

35. Tentative flight attendant agreement not ratified

WestJet announced on November 24, 2014 that the tentative agreement with its flight attendants was not ratified. Turnout for the vote was very strong; of the 90 per cent voter turnout, 57 per cent voted against the tentative agreement.

36. Airlines Announce New Customer Protection Agreement: No Passenger Left Behind

The International Air Transport Association (IATA) announced a new arrangement to help passengers impacted by airline bankruptcy. A voluntary agreement on behalf of its members flying to, from and within Europe will cover the repatriation of passengers unable to return home due to an airline ceasing operations as a result of financial failure.

37. New rules for small unmanned aircraft

Transport Canada on November 27, 2014 introduced two new exemptions that make it easier for businesses to fly small unmanned air vehicles (UAVs) safely and legally. Under the new exemptions, a Special Flight

Operations Certificate will no longer be required for certain operations involving very small (under 2 kg) and small (between 2 kg and 25 kg) UAVs. The new approach will apply to commercial operations and contribute to a strong safety regime.

WATER TRANSPORTATION

1. St. Lawrence Seaway strike avoided

The St. Lawrence Seaway Management Corporation (SLSMC) said that it and the Canadian union UNIFOR agreed on November 2, 2014 to refer "certain important issues to binding arbitration," avoiding a possible strike that could have shutdown the waterway. Agreeing to go to arbitration suspends the right to strike or lockout at St. Lawrence Seaway through 2018.

2. Updated: Ferry Accessibility for Persons with Disabilities - Code of Practice

The Canadian Transportation Agency has updated the Code of Practice on Ferry Accessibility for Persons with Disabilities. The Code contains accessibility standards developed to enhance the level of accessibility for persons with disabilities when travelling by ferry. The Code covers five main aspects of accessibility for ferry vessels and services for persons with disabilities: 1) Vessel Accessibility; 2) Maintenance; 3) Communication; 4) Disability-related Services; and 5) Personnel Training.

3. US shippers appear to be diverting more cargo through Canada

The *Journal of Commerce* reports that U.S. shippers appear to be diverting a second wave of intermodal cargo through Canadian ports, as congestion at the ports of Los Angeles and Long Beach mounts.

4. Montreal to get terminal upgrade

Montreal will be receiving a terminal update to its cruise operation, according to Marie-Claude Leroux, vice-president, corporate affairs, overseeing property services at the Montreal Port Authority, who spoke at an event earlier this week. Announced on November 6, 2014, the project integrating the terminal and pier into the urban fabric is set to go ahead, dramatically upgrading the terminal.

5. Port Metro Vancouver applauds support of premiers and industry for trade-related infrastructure

Port Metro Vancouver welcomes the announcement of a renewed focus on infrastructure expansion and growth by the New West Partnership (NWP). Partnership premiers Hon. Christy Clark (British Columbia), Hon. Jim Prentice (Alberta) and Hon. Brad Wall (Saskatchewan) met with industry leaders in the first week of November 2014 to explore ways to improve the long-term efficiency, reliability, and competitiveness of Western Canada's transportation system.

6. Port of Metro Vancouver – Accumulated Container Traffic: October 2014

The Port of Metro Vancouver released its container traffic till October 2014 on November 17, 2014. Total accumulated container traffic (January 2014 to October 2014) in terms of TEUs increased 4.3% to 2,453,204 compared to 2,352,131 a year ago. Inbound traffic in terms of TEUs increased 4% (1,311,758) and outbound traffic increased 4.7% (1,141,446)

7. Government of Canada transfers three public port facilities to Strathcona Regional District

On November 14, 2014, on behalf of the Honourable Lisa Raitt, Minister of Transport, Dr. James Lunney, Member of Parliament for Nanaimo–Alberni, announced the transfer of ownership of three public port facilities to the Strathcona Regional District. The port facilities include Owen Bay on Sonora Island, Port Neville on Johnstone Strait, and Surge Narrows on Read Island.

8. Prince Rupert Port Authority – Accumulated Container Statistics: January to October 2014

The Prince Rupert Port Authority released its container traffic till October 2014 on November 19, 2014. Total accumulated container traffic (January 2014 to October 2014) in terms of TEUs increased 13.15% to

WATER TRANSPORTATION

Canada

1. St. Lawrence Seaway strike avoided, November 3, 2014, www.americanshipper.com
2. Updated: Ferry Accessibility for Persons with Disabilities - Code of Practice, November 6, 2014, www.cta-otc.gc.ca
3. US shippers appear to be diverting more cargo through Canada, November 6, 2014, www.joc.com
4. Montreal to get terminal upgrade, November 7, 2014, www.cruiseindustrynews.com
5. Port Metro Vancouver applauds support of premiers and industry for trade-related infrastructure, November 7, 2014, www.metroportvancouver.com
6. Port of Metro Vancouver – Accumulated Container Traffic: October 2014, November 17, 2014, www.metroportvancouver.com
7. Government of Canada transfers three public port facilities to Strathcona Regional District, November 14, 2014, www.tc.gc.ca
8. Prince Rupert Port Authority – Accumulated Container Statistics: January to October 2014, November 19, 2014, www.ruperrport.com
9. Halifax Port Authority releases final cruise numbers for 2014, November 24, 2014, www.portofhalifax.ca
10. Montreal port gets back to normal after one-day strike, November 27, 2014, www.joc.com

US

1. Highlights of Ferry Operators in the United States, November 14, 2014, www.dot.gov

504,240 compared to 445,647 a year ago. Inbound traffic in terms of TEUs increased 16.07% (292,594) and outbound traffic increased 9.35% (211,646)

9. Halifax Port Authority releases final cruise numbers for 2014

Over 217-thousand passengers visited the Port of Halifax during the 2014 cruise season. This year, the Port of Halifax welcomed 134 vessel calls with 217,305 passengers onboard from May 6 to November 15, 2014. The biggest passenger day was October 7, 2014 with approximately 9,200 passengers. The 2014 cruise season also saw the completion of a shore power system for cruise vessels calling on the Port of Halifax allowing properly equipped vessels to turn off their auxiliary diesel engines while connected.

10. Montreal port gets back to normal after one-day strike

Operations at the port of Montreal are returning to normal after a day-long strike by municipal workers opposition.

RAIL TRANSPORTATION

1. Minister Raitt updates Milton Chamber of Commerce

The Honourable Lisa Raitt, Minister of Transport, on October 31, 2014 addressed members of the Milton Chamber of Commerce highlighting the Government of Canada's investments in trade and transportation, and describing the measures undertaken by the department to address the recommendations made by the Transportation Safety Board in its final report on the Lac-Mégantic train derailment.

2. Metrolinx to modernize signalling system in Toronto's Union Station Rail Corridor

Metrolinx will upgrade and modernize the entire signalling system within the Union Station Rail Corridor (USRC) starting next year – a transformational improvement that will provide long-term benefits to both transit operations and customers. Replacing the signalling system within the USRC is part of Metrolinx's overall Signalling and Train Control Improvement Program, and the next phase of an overall revitalization of the USRC that will improve service reliability, eliminate track bottlenecks, increase train speeds and reduce operating costs. Most critically, the upgrades to the more than 80-year-old signalling system will ensure GO Transit can prepare for the anticipated doubling of ridership over the next 10-20 years. On a typical weekday, approximately 200,000 GO Transit passengers travel to and from Union Station. Metrolinx's USRC Signalling System Project is valued at \$365.5 million. The Government of Canada is contributing up to \$92 million through the Canada Strategic Infrastructure Fund, the Province of Ontario and Metrolinx are contributing the remaining amount.

3. CP expects muted intermodal peak despite diversion gains

Canadian Pacific Railway doesn't expect a "sharp seasonal peak" in intermodal volume this fall, even after seeing a modest bump in international intermodal traffic from diversions of U.S. West Coast traffic to Port Metro Vancouver and gaining domestic intermodal market share.

4. CN announces US\$600-million debt offering

CN on November 4, 2014, announced a public two-tranche debt offering of US\$600 million, comprised of US\$250 million Floating Rate Notes due 2017, and US\$350 million 2.95% Notes due 2024. CN expects to close the offering on Nov. 14, 2014, subject to the customary closing conditions. CN plans to use the net proceeds from the offering for general corporate purposes, including the redemption and refinancing of outstanding indebtedness, and share repurchases.

5. IANA: North American intermodal on track for 5 percent growth

North American intermodal volume growth will likely end the year with more than 5 percent growth over 2013, and will likely see similar-sized gains in 2015, according to the Intermodal Association of North America (IANA).

RAIL TRANSPORTATION Canada

1. Minister Raitt updates Milton Chamber of Commerce, October 31, 2014, www.tc.gc.ca
2. Metrolinx to modernize signalling system in Toronto's Union Station Rail Corridor, November 3, 2014, www.tc.gc.ca
3. CP expects muted intermodal peak despite diversion gains, November 2, 2014, www.joc.com
4. CN announces US\$600-million debt offering, November 4, 2014, www.cn.ca
5. IANA: North American intermodal on track for 5 percent growth, November 10, 2014, www.joc.com
6. 'No chance Canadian oil pipelines will be built any time soon,' so rail must fill the gap: CP Rail CFO, Nov. 12, 2014, www.nationalpost.ca
7. Norfolk Southern and the Delaware & Hudson propose rail line transaction to support rail service and the economy in the Northeast, November 17, 2014, www.cpr.ca
8. New regulations to strengthen railway safety oversight, November 19, 2014, www.tc.gc.ca
9. CP President and Chief Operating Officer Keith Creel named Progressive Railroading's "Railroad Innovator" for 2014, November 21, 2014, www.cpr.ca
10. Canadian Pacific Railway Limited announces plan to purchase through private agreements up to 1,210,163 common shares under its share repurchase program., November 25, 2014, www.cpr.ca
11. Railway carloading, September 27, 2014, www.statcan.gc.ca
12. With grain-hauling rules set to expire, railways and farmers spar over extension, November 27, 2014, www.nationalpost.ca

6. 'No chance Canadian oil pipelines will be built any time soon,' so rail must fill the gap: CP Rail CFO

There is no chance that key pipelines to the East and West Coast will be completed in the near future, leaving railways to fill the gap for Canadian crude shippers, says the chief financial officer (CFO) of Canadian Pacific Railway Ltd. The lack of new pipeline infrastructure in Canada has been exacerbated by six years of U.S. government indecision on TransCanada's Keystone XL pipeline. Railways have been left to fill that gap, boosting profit but also raising concerns about safety following the derailment and explosion that cost 47 lives in Lac-Mégantic.

7. Norfolk Southern and the Delaware & Hudson propose rail line transaction to support rail service and the economy in the Northeast

Norfolk Southern Corp. (NS) and the Delaware & Hudson Railway Co. (D&H), a subsidiary of Canadian Pacific Railway (CP) on November 17, 2014 announced a proposed transaction under which NS would acquire 282.55 miles of D&H rail line between Sunbury, Pa., and Schenectady, N.Y. The \$217 million sale, subject to approval by the U.S. Surface Transportation Board, would benefit customers, competition, and jobs in the northeastern United States.

8. New regulations to strengthen railway safety oversight

The Honourable Lisa Raitt, Minister of Transport, on November 19, 2014 announced new regulations to enhance railway safety oversight in Canada. The new regulations under the *Railway Safety Act* stipulate that federally regulated companies will be required to hold a valid *Railway Operating Certificate (ROC)* to operate in Canada. The Railway Operating Certificate Regulations establish baseline safety requirements that must be met before a company begins operations, providing another tool to ensure railway companies operate safely in Canada. The regulations apply to both new and existing railway companies. Existing companies will have a two-year grace period to obtain a Railway Operating Certificate, whereas new companies will be required to obtain a certificate prior to operating in Canada. These new regulations empower Transport Canada to put an immediate stop to a company's operations by suspending or revoking a company's certificate if a serious violation is identified. These new regulations will come into force on January 1, 2015.

9. CP President and Chief Operating Officer Keith Creel named Progressive Railroading's "Railroad Innovator" for 2014

Canadian Pacific (CP) President and Chief Operating Officer, Keith Creel, was awarded Progressive Railroading's "Railroad Innovator" for 2014 at the [RailTrends conference](#) in New York City in recognition of his many contributions to the industry on November 21, 2014.

10. Canadian Pacific Railway Limited announces plan to purchase through private agreements up to 1,210,163 common shares under its share repurchase program

Canadian Pacific Railway Limited announced November 25, 2014 that it intends to purchase for cancellation up to 1,210,163 of its common shares pursuant to private agreements to be entered into between CP and an arm's - length third - party seller.

11. Railway carloading, September 2014

The volume of rail freight carried in Canada totalled 29.4 million tonnes in September 2014, virtually unchanged from the same month last year. Intermodal freight loadings rose 7.9% to 183,000 units in September 2014.

12. With grain-hauling rules set to expire, railways and farmers spar over extension

The minimum grain-hauling requirements for Canada's railroads are set to expire on November 29, 2014. There is no lack of strong opinions about whether or not they should be extended. The current requirements state that Canadian National Railway Co. and Canadian Pacific Railway Ltd. must each haul approximately 500,000 tonnes of grain per week. The railways face fines of \$100,000 for every week that they don't comply (that was lowered from \$100,000 per day in an earlier iteration of the rules). Mr. Bourque (President and CEO of the Railway Association of Canada) said the railways want to move more grain but stressed that the existing regulatory system is preventing them from investing in better infrastructure that would help alleviate bottlenecks. Currently, annual revenue caps limit the amount of money CN and CP can make from hauling grain. "Right now there's no incentive with this maximum revenue cap to invest in grain cars," Mr. Bourque said, adding that new models are shorter and hold 30% more grain, which would help boost productivity. The government has to make a decision whether to continue the current requirements or to change them.

HIGHWAY TRANSPORTATION

1. Couriers and Messengers Services Price Index, September 2014

Statistics Canada reported that the Couriers and Messengers Services Price Index (CMSPI) declined 0.3% in September 2014 compared with August 2014. The courier portion decreased 0.4% while the local messenger component edged down 0.1%. On a year-over-year basis, the CMSPI increased 5.6% in September 2014.

2. Regulations, capacity issues, could lead to trucking consolidation, Stifel says

A changing regulatory environment, along with a capacity shortage that pushes trucking customers to third-party logistics providers and intermodal rail, will lead to trucking industry consolidation in the next three to five years, according to the investment Stifel.

3. Growing demand for intermodal rail transportation to strengthen global food logistics market: TechNavio

The latest report by TechNavio focuses on an increase in tie-ups with e-commerce retailers, which helps them serve customers beyond their geographical boundaries. In addition, the report emphasizes the growing demand for intermodal rail transportation, as this form of transport provides flexibility and storage capacity to food logistics vendors for transporting large and bulky goods to different places.

4. IHS: North American Fleet Continuing to Age

The average age of fleet vehicles in Canada and the U.S. continues to rise, driving up demand for equipment, according to Gary Meteer, director of commercial vehicle solutions for IHS Automotive, which provides research and analysis services.

5. Contrans Takeover Can Go Ahead

TransForce Inc. has been given the go-ahead by regulatory authorities to proceed with its acquisition of Contrans Group Inc. The Competition Bureau has no objection to the deal and that TransForce has obtained the Competition Act Approval necessary under the law to take the next steps to finalize the purchase.

6. US antitrust lawsuit takes toll on Kintetsu World Express profit

Major Japanese international freight forwarder Kintetsu World Express saw its group net profit tumble in the first half of fiscal 2014, which started on April 1, because of an extraordinary loss related to an antitrust class-action lawsuit in the United States.

7. Dicom Transportation Group acquires Time Logistics Couriers

Wind Point Partners announced on November 11, 2014 that portfolio company Dicom Transportation Group, a provider of business-to-business ("B2B") expedited transportation services based in Montreal, Quebec, has expanded into the United States through the acquisition of Time Logistics Couriers, LLC.

8. Consolidation to Ignite "Mother of all Capacity Shortages"

Investment research firm Stifel says the trucking industry will consolidate more rapidly in the next three to five years as costs rise and capacity becomes tighter. As the *Journal of Commerce* reports, the research firm made the predictions after a conference call with American Trucking Associations Executive Vice President Dave Osiecki. "Consistent with our longstanding theme, the 'mother of all capacity shortages' in trucking is coming," Stifel said. "It will be a function of the onslaught of federal laws and federally mandated rules and regulations combined with a series of demographic and social preference shifts that will make it difficult to replace soon-to-retire older truck drivers."

9. Truckers Feeling Good About Freight Market

Ontario truck carriers remained optimistic about the freight market in the fourth quarter of 2014, according to the Ontario Trucking Association's most recent survey.

10. Truckers Had Busiest October EVER

HIGHWAY TRANSPORTATION Canada

1. Couriers and Messengers Services Price Index, September 2014, October 31, 2014, www.statcan.gc.ca

2. Regulations, capacity issues, could lead to trucking consolidation, Stifel says, November 1, 2014, www.joc.com

3. Growing demand for intermodal rail transportation to strengthen global food logistics market: TechNavio, November 2, 2014, www.ctl.ca

4. IHS: North American Fleet Continuing to Age, November 7, 2014, www.ontruck.ca

5. Contrans Takeover Can Go Ahead, November 7, 2014, www.ontruck.ca

6. US antitrust lawsuit takes toll on Kintetsu World Express profit, November 10, 2014, www.joc.com

7. Dicom Transportation Group acquires Time Logistics Couriers, November 11, 2014, www.ctl.ca

8. Consolidation to Ignite "Mother of all Capacity Shortages", November 11, 2014, www.ontruck.org

9. Truckers feeling good about freight market, November 11, 2014, www.todaystrucking.com

10. Truckers Had Busiest October EVER, November 12, 2014, www.todaystrucking.com

11. September 2014 Freight Transportation Services Index (TSI), November 13, 2014, www.dot.gov

12. ELDs; Coming to a Truck Near You?, November 14, 2014, www.ontruck.ca

13. Large Urban Transit, September 2014, November 21, 2014, www.statcan.gc.ca

14. Antitrust: Commission sends statement of objections to suspected participants in trucks cartel, November 20, 2014, www.europa.eu

15. September 2014 North American Freight Numbers, November 25, 2014, www.bts.gov

16. Canada's Competition Bureau says Uber 'benefits consumers,' urges less regulation, November 26, 2014, www.nationalpost.ca

Truckers hauled more goods in October 2014 than any recorded number for October in any year, according to TransCore Link Logistics Canadian Freight Index.

11. September 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 0.3 percent in September 2014 from August 2014, rising for the third consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics. The September 2014 index level (121.5) was 28.5 percent above the April 2009 low during the most recent recession.

12. ELDs; Coming to a Truck Near You?

Ontario Minister of Transportation Steven Del Duca said he supports ELDs (electronic logging devices) and roll-stability technology for trucks at the Ontario Trucking Association's annual convention.

13. Large Urban Transit, September 2014

In September 2014, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 2.4% from the same month in 2013 to \$310.4 million. Over the same period, ridership levels increased 1.8% to 153.4 million passenger trips.

14. Antitrust: Commission sends statement of objections to suspected participants in trucks cartel

The European Commission has informed a number of heavy and medium duty truck producers that it suspects them of having participated in a cartel in breach of EU antitrust rules. The sending of a statement of objections does not prejudice the outcome of the investigation.

15. September 2014 North American Freight Numbers

U.S.-NAFTA freight totaled \$102.2 billion in September 2014 as all five major transportation modes – air, vessel, pipeline, rail, and trucks – carried more U.S.-NAFTA freight than in September 2013, according to the TransBorder Freight Data released on November 25, 2014 by the U.S. Department of Transportation's Bureau of Transportation Statistics. Year-over-year, the percent change in the value of U.S.-Canada freight moved by pipeline increased the most of any mode, growing 19.2 percent. Freight moved by truck increased 6.0 percent and rail by 3.3 percent, while air and vessel were essentially unchanged. Trucks carried 54.0 percent of the \$57.4 billion of freight to and from Canada, followed by rail, 16.1 percent; pipeline, 13.3 percent; vessel, 5.3 percent and air, 4.3 percent. The surface transportation modes of truck, rail and pipeline carried 83.4 percent of the total U.S.-Canada freight flows

16. Canada's Competition Bureau says Uber 'benefits consumers,' urges less regulation

Canada's Competition Bureau has weighed in on the battle between digital taxi services such as Uber and municipalities which have pushed to shut them down, saying "these innovative applications benefit consumers in the form of greater convenience and better service." "Municipalities should consider whether prohibitions on digital dispatch services and ridesharing applications are necessary and explore whether less restrictive regulations could adequately address their concerns," it said in [commentary](#) published on its website Tuesday.

GENERAL TRANSPORTATION

Canada

1. Globalization "recovering from financial crisis": DHL Global Connectedness Index

DHL has released the third edition of its Global Connectedness Index (GCI), a detailed analysis of the state of globalization around the world. The latest report shows that global connectedness, measured by cross-border flows of trade, capital, information and people, has recovered most of its losses incurred during the financial crisis. Especially the depth of international interactions - the proportion of interactions that cross national borders - gained momentum in 2013 after its recovery had stalled in the previous year. However trade depth, as a distinct dimension of globalization, continues to stagnate and the overall level of global connectedness remains quite limited, implying that there could be gains of trillions of US dollars if boosted in future years, the report said.

2. Antitrust: Commission welcomes Council adoption of Directive on antitrust damages actions

The European Commission welcomes the formal adoption by the EU

Canada

1. Globalization "recovering from financial crisis": DHL Global Connectedness Index, November 5, 2014, www.ctl.ca
2. Antitrust: Commission welcomes Council adoption of Directive on antitrust damages actions, November 10, 2014, www.europa.eu
3. Travel between Canada and other countries, September 2014, November 18, 2014, www.statcan.gc.ca
4. North American Transportation Statistics, 2013, November 19, 2014, www.statcan.gc.ca
5. Historic trade deal finally reached by WTO members, November 28, 2014, www.joc.com

Council of Ministers of a Commission proposal for a Directive on antitrust damages actions on November 10, 2014. The Directive will help citizens and companies claim damages if they are victims of infringements of EU antitrust rules, such as cartels or abuses of dominant market positions. Among other things, it will give victims easier access to evidence they need to prove the damage suffered and more time to make their claims.

US/EEU/Conferences

- 1. Fields on Wheels Conference** (presented by UMTI and WESTAC) December 3, 2014, Delta Winnipeg Hotel, Manitoba, www.westac.ca
- 2. Competition Merger Brief – First issue published, 1-2014,** www.europa.eu

3. Travel between Canada and other countries, September 2014

Travel to Canada by US residents increased in September 2014 compared with the previous month, mainly as a result of more overnight trips. At the same time, residents of overseas countries made 448,000 trips to Canada in September, down 1.8% from August 2014. In the other direction, Canadian residents made 5.3 million trips abroad in September, down 0.3% from August. It decreased to the US (0.5%) but increased to other countries (1.1%).

4. North American Transportation Statistics, 2013

An updated version of the North American Transportation Statistics database, a unique online source for information on transportation activity, has been released by Statistics Canada. The database is the result of a tripartite initiative representing the transportation and statistical agencies of Canada, the United States and Mexico.

5. Historic trade deal finally reached by WTO members

The World Trade Organization's trade measures approved this week in a historic agreement could cut the cost of trade by up to 15 percent, boost the global flow of goods, accelerate economic growth and add up to 20 million new jobs, most of them in developing nations.