

Transportation Information Update*

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AIR TRANSPORTATION

1. Canada’s Airports Chart Course for the Future

Recommendations to support globally competitive service standards for security screening, reinvestment of aviation fees and taxes back into the system, and infrastructure program improvements for small airports, are among the areas of focus unveiled on March 26, 2015 by the Canadian Airports Council as part of its submission to a review panel studying Canada’s transportation policy. “Canada today is more heavily reliant on aviation than ever before,” said John Gibson, chair of the CAC. “Canada’s airports may face important challenges, but also important opportunities for growth – particularly in international markets – if Canada can become more innovative and competitive in aviation.” Headed up by the Honourable David Emerson, the Canada Transportation Act (CTA) Review Panel is slated to conclude its work later this year. The CAC submission, *Connecting Canada: An Aviation Policy Agenda for Global Competitiveness and Economic Prosperity* contains 20 policy recommendations around security screening, economic competitiveness, border policies, airport policies and air policy liberalization.

2. Transportation Safety Board has been warning about runway accidents since 2010

The Transportation Safety Board (TSB) has been warning about the potential for runway accidents at Canada’s airports since 2010, calling it one of the “issues posing the greatest risk to Canada’s transportation system.” Following the botched landing of an Air Canada plane in Halifax during the weekend, a prominent Canadian pilot says he shares those concerns and wants to see new safety measures implemented. The TSB, an independent government agency that investigates accidents such as the one that occurred Saturday night, injuring 25, has made runway safety one of its top “watchlist” issues.

3. WestJet announces SmartSeats

WestJet announced on April 1, 2015 SmartSeats, a new concept in boarding its aircraft that could change the way people fly. The SmartSeats concept is simple; the seats in the lounge are the seats on the aircraft. Guests ride the SmartSeats directly between the boarding lounge and the plane. The SmartSeats project team created a brief video now available on WestJet’s YouTube channel and Facebook page to assist in explaining the concept.

4. Timing of Lunar New Year and US Port Congestion Boosts February Air Freight

The International Air Transport Association (IATA) released 2015 February data for global air freight markets showing a sharp increase in year-on-year air freight volumes. Growth measured by freight tonne kilometers (FTK) was up 11.7% in February 2015, compared to February 2014. Capacity grew 7.4%. Much of the impressive February

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1. Canada’s Airports Chart Course for the Future, March 26, 2015, March 26, 2015, www.cacairports.ca
2. Transportation Safety Board has been warning about runway accidents since 2010, March 30, 2015, www.nationalpost.ca
3. WestJet announces SmartSeats April 1, 2015, www.westjet.ca
4. Timing of Lunar New Year and US Port Congestion Boosts February Air Freight, April 1, 2015, www.iata.org
5. Lunar New Year Travel Adds to Strong Traffic Growth in February, April 2, 2015, www.iata.org
6. U.S. West Coast port congestion boosts demand for air cargo, April 1, 2015, www.nationalpost.ca
7. Air Canada Responds to Developments at the Toronto Port Authority: No Support for Jets at Billy Bishop, April 2, 2015, www.aircanada.ca
8. Air Canada Reports March Load Factor on Record Volume of Passengers, April 6, 2015, www.aircanada.ca
9. WestJet reports March load factor of 81.3 per cent, April 6, 2015, www.westjet.ca
10. WestJet Airlines Ltd shares tumble as planes fly with more empty seats, April 6, 2015, www.nationalpost.ca
11. FedEx seals \$4.8 billion acquisition of TNT Express, April 7, 2015, www.joc.com
12. FedEx to buy TNT for \$4.8-billion to expand European deliveries, April 7, 2015, www.globeandmail.ca
13. Civil aviation operating statistics, January 2015, April 9, 2015, www.statcan.gc.ca
14. Airlines Report Sixteen Tarmac Delays Over Three Hours on Domestic Flights, Eight Tarmac Delays Longer Than Four Hours on International Flights in February, April 8, 2015, www.dot.gov
15. Contract awarded for the reconstruction of Wabush Airport runway, April 13, 2015, www.tc.gc.ca

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

result is due to the timing of the Lunar New Year activities. Air freight is given a strong boost in the weeks leading up to the holiday, which last year fell in January. In addition, air freight volumes were enhanced by the consequences of congestion at US West Coast ports.

5. Lunar New Year Travel Adds to Strong Traffic Growth in February

The International Air Transport Association (IATA) announced global passenger traffic results for February 2015 showing a strengthening in demand growth compared to February 2014. Total revenue passenger kilometers (RPKs) rose 6.2%, which was an improvement on the January 2015 year-over-year increase of 4.5%. Monthly results were positively impacted by the Lunar New Year holiday which occurred in February this year, one month later than in 2014. February 2015 capacity (available seat kilometers or ASKs) increased by 5.6%, and load factor rose 0.5 percentage points to 78.5%.

6. U.S. West Coast port congestion boosts demand for air cargo

More shippers are flying their goods to market despite higher costs, leapfrogging the ongoing delays at West Coast ports that have hindered the movement of merchandise since before Christmas. This could prove beneficial to airlines like Air Canada that have more space in the bellies of their passenger planes than ever before. Air freight volumes jumped 11.7% in February 2015 compared to a year earlier, according to data released on April 1, 2015 by the International Air Transport Association.

7 Air Canada Responds to Developments at the Toronto Port Authority: No Support for Jets at Billy Bishop

Air Canada's position on the Master Plan for the Billy Bishop Toronto City Airport by the Toronto Port Authority is as follows: 1. No Jets - "We do not support jets at Billy Bishop - we prefer to see a growing downtown airport focused on short haul passengers using modern turbo-prop aircraft, which would be more consistent with the spirit and intent of the original tripartite agreement at Billy Bishop." 2. Access to Slots - "We want fair and appropriate access to slots for Air Canada and

other carriers to encourage real competition at Billy Bishop, similar to the situation that we find at other airports across the country where Porter has the ability to commence jet service at any time..." Porter Air now has 85% of the slots. 3. Terminal Rates and Charges - "We want a terminal rates and charges methodology that is significantly lower at this facility, more in keeping with rates and charges at other airports in Canada and the United States..."

8. Air Canada Reports March Load Factor on Record Volume of Passengers

For the month of March 2015, Air Canada reported a system load factor of 83.1 per cent, versus 81.7 per cent in March 2014, on a system-wide capacity increase of 11.1 per cent. On this additional capacity, system wide traffic for March increased 12.9 per cent for the month. Air Canada reports traffic results on a system-wide basis, including regional airlines from which Air Canada purchases capacity and Air Canada *rouge*. For the first quarter of 2015, load factor increased 1.2 points, ASM increased 9.3% and RPM increased 10.9 %.

9. WestJet reports March load factor of 81.3 per cent

WestJet on April 6, 2015 announced March 2015 traffic results with a load factor of 81.3 per cent down 2.7 points from the same month a year ago. Revenue passenger miles (RPMs), or traffic, increased 1.5 per cent year-over-year, and capacity, measured in available seat miles (ASMs), grew 4.8 per cent over the same period. For the first quarter of 2015, load factor was down 1.5 points, ASM increased 4.7% and RPM increased 2.8 %.

10. WestJet Airlines Ltd shares tumble as planes fly with more empty seats

Sun-seeking travellers have more choice than ever before, but the crowded market is taking its toll on WestJet Airlines Ltd., which saw its shares battered on April 6, 2015 after reporting that its planes flew with more empty seats in the first quarter.

16. Air Canada Confirms Ratification of New Contract with International Brotherhood of Teamsters, April 14, 2015, www.aircanada.ca

17. News Brief: IATA Launches Standard Safety Assessment Program, April 14, 2015, www.iata.org

18. WestJet arrives today. Are you ready, Freddy?, April 15, 2015, www.westjet.ca

19. January 2015 U.S. Airline Traffic Data, April 16, 2015, www.dot.gov

20. IATA quarterly survey shows positive outlook, April 16, 2015, www.ctl.ca

21. Civil aviation operating statistics, February 2015, April 21, 2015, www.statcan.gc.ca

22. Porter breezes into Mont Tremblant with summer service, April 20, 2015, www.flyporter.ca

23. New national safety standard for offshore helicopter operations, April 22, 2016, www.tc.gc.ca

24. February 2015 Passenger Airline Employment Data, April 23, 2015, www.dot.gov

25. 4th-Quarter 2014 Air Fare Data, April 28, 2015, www.dot.gov

26. Vegas is in the cards for Abbotsford, April 28, 2015, www.westjet.ca

27. Is Air Canada the best airline stock in North America? Analysts forecast 48% rally over next 12 months, National Post, April 28, 2015, www.nationalpost.ca

11. FedEx seals \$4.8 billion acquisition of TNT Express

FedEx Corp. on April 7, 2015, unveiled a €4.4 billion [US \$4.8 billion] agreed takeover of TNT Express, two years after European regulators denied United Parcel Service's bid for the Dutch company.

12. FedEx to buy TNT for \$4.8-billion to expand European deliveries

FedEx Corp is seeking to buy Dutch package delivery firm TNT Express for an agreed €4.4-billion (US \$4.8-billion), aiming to succeed where United Parcel Service failed two years ago when its bid was blocked by competition regulators. FedEx and TNT said on April 7, 2015 they did not expect significant opposition from regulators. Unlike FedEx, UPS already had a strong European network when it bid for TNT.

13. Civil aviation operating statistics, January 2015

The two major Canadian air carriers flew 3.8 million passengers on their scheduled and charter services in January 2015, up 10.4% from the same month in 2014. On average, each passenger travelled 2733 kilometres, up 0.7% compared with January 2014. Both Air Canada and WestJet increased their passenger capacity and traffic in January 2015.

14. Airlines Report Sixteen Tarmac Delays Over Three Hours on Domestic Flights, Eight Tarmac Delays Longer Than Four Hours on International Flights in February

[US]Airlines reported 16 tarmac delays of more than three hours on domestic flights and eight tarmac delays of more than four hours on international flights in February 2015, according to the U.S. Department of Transportation's Air Travel Consumer Report released on April 8, 2015.

15. Contract awarded for the reconstruction of Wabush Airport runway

A \$9.8-million contract has been awarded to Construction DJL Inc. of Boucherville, Quebec, to reconstruct the runway at the Wabush Airport in Wabush, Newfoundland & Labrador. The work will include constructing a new asphalt surface, adding granular material, improving drainage and replacing airfield lighting. Transport Canada will work closely with the contractor to ensure continued airport operations while the work is underway.

16. Air Canada Confirms Ratification of New Contract with International Brotherhood of Teamsters

Air Canada on April 14, 2015 announced it has received confirmation from the International Brotherhood of Teamsters (IBT) representing the airline's U.S.-based workforce that a new collective agreement reached February 4, 2015 has been ratified. The new agreement is in effect until June 30, 2019.

17. News Brief: IATA Launches Standard Safety Assessment Program

The International Air Transport Association (IATA) launched the IATA Standard Safety Assessment (ISSA) for airlines not eligible for the IATA Operational Safety Audit (IOSA).

18. WestJet arrives today. Are you ready, Freddy?

On April 15, 2015, WestJet celebrates the launch of twice-daily, non-stop service between Toronto and Fredericton, New Brunswick. Flights will be operated by WestJet Encore using its fleet of 78-seat, Canadian-made Bombardier Q400 NextGen aircraft.

19. January 2015 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on April 16, 2015 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – was 83.0 percent in January 2015, unchanged from December 2014, seasonally adjusted. Seasonal adjustment allows the comparing of monthly load factors to all other months. It is below the January 2014 all time high of 84.4 percent.

20. IATA quarterly survey shows positive outlook

Airline profit expectations for the year ahead remain positive, consistent with improvements in recent performance, according to IATA's quarterly survey of airline CFOs and heads of cargo in April 2015. Recent past financial performance shows improvement on a year ago, and the outlook remains positive which suggests there will be further growth in profitability. The survey indicates that falling input costs and growth in volumes are responsible for better recent financial performance as well as the positive outlook.

21. Civil aviation operating statistics, February 2015

The two major Canadian air carriers flew 3.6 million passengers on their scheduled and charter services in February 2015, up 11.9% from the same month in 2014. On average, each passenger travelled 2646 kilometres, up 1.7% compared with February 2014. Both Air Canada and WestJet increased their passenger capacity and traffic in February 2015.

22. Porter breezes into Mont Tremblant with summer service

Porter Airlines is heading back to Mont Tremblant, Que., a top destination for golf lovers, romantic getaways and outdoor adventure, with seasonal summer service. Twice weekly flights start June 29, 2015

increasing to four in July and August. Service runs until September 13, 2015 with 40 round-trip flights for the season.

23. New national safety standard for offshore helicopter operations

The Honourable Lisa Raitt, Minister of Transport, on April 22, 2015 announced the coming into force of amendments to the *Canadian Aviation Regulations* that will enhance the safety of offshore helicopter operations in Canada. These new regulations will: 1) prohibit offshore helicopter operations when weather or water conditions make ditching in the water unsafe; 2) require operators to provide an emergency underwater breathing apparatus to each crew member and passenger on board and train them how to use it properly; and 3) require all crew members to wear a water immersion survival suit specifically designed for crew. These regulations come into effect 90 days from April 22, 2015, and will bring Canada in line with international standards and best practices for offshore helicopter operations.

24. February 2015 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 388,983 workers in February 2015, 1.8 percent more than in February 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on April 23, 2015.

25. 4th-Quarter 2014 Air Fare Data

The average domestic air fare increased to \$393 in the fourth quarter of 2014, up 2.0 percent from \$385 in the fourth quarter of 2013, adjusted for inflation, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on April 28, 2015. Of the 100 busiest airports, during the October to December 2014 period, passengers originating in Madison, Wisconsin, paid the highest average fare, \$505, while passengers originating in Sanford, Florida, paid the lowest, \$99.

26. Vegas is in the cards for Abbotsford

On April 28, 2015, WestJet announced new non-stop, twice-weekly service between Abbotsford, BC and Las Vegas, set to launch October 29, 2015.

27. Is Air Canada the best airline stock in North America? Analysts forecast 48% rally over next 12 months

Air Canada's turnaround plan has won over analysts. The airline has yet to get investors back on board. The stock boasts the highest rating among North American airlines, according to data compiled by Bloomberg, and analysts are projecting a 48 per cent rally in the next 12 months. That's the best return among the 10 biggest carriers in the region. Investors are showing less enthusiasm. Air Canada's 1.3 per cent gain this year through April 27, 2015 trails Canada's benchmark stock index, signaling the big run-up may be over after a quintupling in the company's shares since Chief Executive Officer Calin Rovinescu announced a cost-cutting strategy in June 2013.

WATER TRANSPORTATION

1. Funding extended for three years

Bryan Hayes, Member of Parliament for Sault Ste. Marie, on behalf of the Honourable Lisa Raitt, Minister of Transport, announced on April 1, 2015 that the Government of Canada will provide \$5.3 million over three years for the continued operation of the passenger rail service between Sault Ste. Marie and Hearst, Ontario. The City of Sault Ste. Marie will receive federal support for three years for the continued operation of the passenger rail service to establish a new regime of passenger rail service in the area.

2. Montreal Port Gets Government Backing

Canada's Montreal Port Authority (MPA) has welcomed the Quebec government's support for the marine industry through an investment of more than CAD 1.5 billion (USD 1.18 bn) in the Quebec maritime strategy, as well as its intention to promote the implementation of logistics hubs.

3. First of CWB's grain freighters steams into seaway

ONE of two Great Lakes freighters purchased by the CWB for \$65 million -- the CWB Marquis -- will open this year's navigation season of the St. Lawrence Seaway in a ceremony at St. Lambert Lock in the Port of Montreal on April 1, 2015. The ship, built at the Nantong Mingde Heavy Industries Stock Co. shipyard in China, arrived in North America about two months ago. In its maiden voyage, it loaded its first haul of ore at Port Cartier, Que., destined for Hamilton. It will then sail through the Great Lakes to pick up grain in Thunder Bay in about 10 days.

4 Minister Raitt marks the opening of the 2015 St. Lawrence Seaway shipping season

On April 2, 2015, the Honourable Lisa Raitt, Minister of Transport, marked the opening of the St. Lawrence Seaway for the 2015 season. With more than \$20 million of Canadian cargo transiting each day, the Seaway is a major contributor to the regional economy of the Great Lakes as well as the North American economy as a whole. The Government of Canada is strengthening Canada's competitive advantage by investing in the St. Lawrence Seaway so that it continues to meet the evolving needs of global markets and industry. The government has pledged more than \$4 billion to projects in Quebec and Ontario to help create competitive transportation systems that support Canada's trade initiatives, and will help ensure that the St. Lawrence Seaway continues to be a vital component of Canada's transportation system.

5 DP World Ltd. to buy Maher's Fairview Container Terminal in Prince Rupert

UAE-DP World Ltd., the Dubai government-owned ports operator, has agreed to buy a container terminal on Canada's west coast for C\$580-million (US\$457-million) as it seeks to benefit from trade between Asia and North America. DP World will acquire Maher Terminal LLC's Fairview Container Terminal in Prince Rupert, British Columbia from Deutsche Bank AG. The acquisition of Fairview, which has a current capacity of 850,000 twenty-foot equivalent container units, is subject to regulatory approval and expected to close in the second-half of the year, said a release.

6. Port of Toronto's imports hit eight-year high

The Port of Toronto handled more than two million tonnes of cargo from overseas last year, marking an eight-year high for marine imports into the city and confirming the port's position as a key contributor to

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1. Funding extended for three years, April 1, 2015, www.tc.gc.ca
2. Montreal Port Gets Government Backing, April 1, 2015, www.portofmontreal.ca
3. First of CWB's grain freighters steams into seaway, April 2, 2015, www.winnipegfreepress.com
4. Minister Raitt marks the opening of the 2015 St. Lawrence Seaway shipping season, April 2, 2015, www.tc.gc.ca
5. DP World Ltd. to buy Maher's Fairview Container Terminal in Prince Rupert, April 2, 2015, www.ctl.ca
6. Port of Toronto's imports hit eight-year high, April 6, 2015, www.portofmontreal.ca
7. Prince Rupert Port Authority: Monthly Traffic Summary – March 2015, Ap. 9, 2015, www.rupertport.com
8. Government of Canada marks milestone in strengthening world-class tanker safety system, April 8, 2015, www.tc.gc.ca
9. Container shipping faces persistent overcapacity, April 10, 2015, www.americanshipper.com
10. Fednav announces order for 12 ballast water treatment systems, April 15, 2015, www.ctl.ca
11. Port of Montreal: Accumulated Container Traffic Report January to March 2015, April 20, 2015, www.portofmontreal.ca
12. Port of Metro Vancouver: Container Traffic Report January to March 2015, April 20, 2015, www.portofmetrovanancouver.com
13. Mega alliances are going to hurt us, global shipper says, April 21, 2015, www.joc.com
14. North American freight volumes on the rise in March, April 21, 2015, www.americanshipper.com
15. Mexican government spending \$5 billion on ports, April 21, 2015, www.joc.com
16. European shippers launch global review of mega-alliances, April 23, 2015, www.joc.com
17. Updated statement on decision of the Federal Court of Canada regarding Port Metro Vancouver truck licensing process, April 23, 2015, www.portmetrovanancouver.com
18. Government of Canada launches new Ports Asset Transfer Program, April 24, 2015, www.tc.gc.ca
19. Maritime Premiers Team Up, Harmonize Regs., April 25, 2015, www.todaystrucking.com

Toronto's transport scene. Long derided as a "canoe port" by the Port of Montreal, Toronto played host to 160 ships in 2014, resulting in the highest level of imports since 2007 and representing a 30 per cent increase over 2013 tonnages.

20. Newly released market study: Canada Shipping Report Q3 2015, April 27, 2015, (www.prbuzz.com)
www.portofmontreal.ca

7. Prince Rupert Port Authority: Monthly Traffic Summary – March 2015

The Port of Prince Rupert reported its monthly traffic for March 2015 on April 9, 2015. Total container traffic (TEUs) for March 2015 was 68,694 compared to 43,451.50 a year ago, representing an increase of 58.71%. Imports increased by 57.35% and exports increased by 60.42%. For the first quarter of 2015, total TEUs were 185,664.50 compared to 128,364.75 for the first quarter of 2014, a 44.63% increase. Imports increased by 36.03% and exports increased by 57.67%.

8. Government of Canada marks milestone in strengthening world-class tanker safety system

On April 8, 2015, the Government of Canada released the second report of the independent Tanker Safety Expert Panel. The report, "A Review of Canada's Ship-source Spill Preparedness and Response: Setting the Course for the Future, Phase II – Requirements for the Arctic and for Hazardous and Noxious Substances Nationally" marks a milestone in the Government's commitment to continue strengthening Canada's world-class tanker safety system. The Panel's report concludes there are opportunities to enhance Canada's prevention, preparedness and response requirements to better protect the public and the environment. There are recommendations for the Arctic, for hazardous and noxious substances, and a recommendation on the management of marine casualty incidents.

9. Container shipping faces persistent overcapacity

Persistent overcapacity in container shipping "is still plaguing the industry. What's more there is no market recovery in sight," according to a report from the Boston Consulting Group (BCG) entitled "The Transformation Imperative in Container Shipping." "Sharply declining bunker prices at the end of 2014 resulted in windfall profits, but savvy carriers understand that these will provide only temporary relief," said BCG in the report.

10. Fednav announces order for 12 ballast water treatment systems

Fednav Limited, the largest Canadian operator of international ships in the Great Lakes-St. Lawrence Seaway system, on April 15, 2015 announced an order for 12 ballast water treatment systems to equip its ships currently under construction. Fednav is the first shipping company in Canada and the Great Lakes to announce the installation of ballast water treatment systems, well before the regulatory requirement, the company said.

11. Port of Montreal: Accumulated Container Traffic Report January to March 2015

The Port of Montreal reported that its container traffic (TEUs) for the first three months of 2015 was 8.5% higher when compared to the first three months of 2014. Inbound traffic was 5.7% higher and outbound traffic was 11.6% higher for this period. In terms of TEUs, total, inbound and outbound containers were: 334,294, 168,536 and 165,758.

12. Port of Metro Vancouver: Accumulated Container Traffic Report January to March 2015

The Port of Metro Vancouver reported that its container traffic (TEUs) for the first three months of 2015 was 15.2% higher when compared to the first three months of 2014. Inbound traffic was 6.7% higher and outbound traffic was 27.2% higher for this period. In terms of TEUs, total, inbound and outbound containers were: 735,219, 399,061 and 336,158.

13. Mega alliances are going to hurt us, global shipper says

Mega ships and the large container carrier alliances will cause long term headaches for shippers, believes John Deere's global logistics manager for Asia and Africa.

14. North American freight volumes on the rise in March

According to the latest Cass Freight Index Report, North American shipment volumes and expenditures increased again in March 2015. The logistics payment solutions provider attributed the growth primarily to the increase in cargo from West Coast ports, which had been slowed considerably by congestion in prior months.

15. Mexican government spending \$5 billion on ports

The Mexican government is pumping \$5 billion — more than 77 billion pesos — into its network of 117 ports, as the country's rising middle class demands more imports and Mexico rises as a regional manufacturing powerhouse.

16. European shippers launch global review of mega-alliances

European shippers are stepping up their scrutiny of shipping alliances by launching their own review of the massive vessel-sharing agreements.

17. Updated statement on decision of the Federal Court of Canada regarding Port Metro Vancouver truck licensing process

The Federal Court of Canada has issued its decision after a judicial review of Port Metro Vancouver's process for selecting container trucking companies licensed to serve the port. In February 2014, a disruption by some truckers resulted in an agreement between truckers and the provincial and federal governments, known as the Joint Action Plan. The Port set out selection criteria designed to reduce the number of licensed trucks. The Court was satisfied that Port Metro Vancouver had the authority to establish a licensing scheme to control truck access to marine facilities, and that it was reasonable and lawful for Port Metro Vancouver to adopt the criteria or assign scores to applications based on the criteria. However, the Court took issue with the manner in which the selection process was applied, with respect to certain applications. The Port is examining the decision.

18. Government of Canada launches new Ports Asset Transfer Program

The Honourable Lisa Raitt, Minister of Transport, on April 24, 2015 announced a new Government of Canada program to facilitate the transfer of 50 Transport Canada-owned port facilities to local interests.

19. Maritime Premiers Team Up, Harmonize Regs.

On March 25, 2015, Maritime Provinces Nova Scotia and New Brunswick indicated that they are looking to streamline business regulations so businesses can run more efficiently.

20. Newly released market study: Canada Shipping Report Q3 2015

The narrowing of Canada's current account deficit will continue over the coming years, aided by sharp exchange rate depreciation and improving economic conditions in the US. Lower oil prices will curtail export growth in 2015, which will hold back the country's shipping industry somewhat, but manufactured goods exports will increasingly pick up the slack, ensuring a secular decline of the current account shortfall. Based purely on annual growth, rather than total tonnage handled, the shipping industry's outperformer in 2015 is set to be the Port of Montreal (5.62% year-on-year gains) in tonnage terms and the Port of Prince Rupert in box terms (an impressive 16.24% increase). Headline Industry Data: 1) Port Metro Vancouver tonnage throughput is forecast to grow 2.00% in 2015. We project throughput to reach 142.42mn tonnes by the end of 2015. 2) Port Metro Vancouver container throughput is forecast to increase by 5.20% to reach 3.06mn twenty-foot equivalent units (TEUs) in 2015. 3) Port of Montreal tonnage throughput is forecast to increase by 5.62% to reach 32.16mn tonnes in 2015. 4) Port of Montreal box throughput is forecast to grow by 4.40% to reach 1.49mn TEUs.

RAIL TRANSPORTATION

1. Evergreen Shipping Agency (America) Corp. names CN 2014 Railroad Company of the Year

Evergreen Shipping Agency (America) Corp. announced on April 13, 2015 that it has named CN as its *2014 Railroad Company of the Year* in recognition of CN's "consistent high level of performance."

2. CSX profit jumps 11 percent despite weak intermodal volume growth

CSX Transportation profit in the first quarter rose 11 percent year-over-year to \$442 million, as strong pricing power helped offset weak intermodal volume growth. Revenue in first three months of year was flat at \$3 billion compared to the same period a year ago.

3. Canadian railways poised to outperform as U.S. rival Norfolk Southern issues profit warning

Shares in both of the big Canadian railways fell on April 14, 2015 after Virginia-based Norfolk Southern Corp. began 2015 first-quarter earnings season with a profit warning. However, analysts believe the Canadian railways are much better positioned than their U.S. competitors to weather any sector weakness. Virginia-based Norfolk Southern said a combination of lower-than-expected coal volumes, bad weather and a plunge in fuel-surcharge revenue weighed on its results in the winter quarter.

4. CN to invest \$400M in western rail lines

Canadian National Railway on April 16, 2015 announced plans to invest US\$400 million into infrastructure improvements in its Western Canada feeder rail lines in Alberta, Manitoba, and Saskatchewan that are handling rising volumes of industrial products, natural resources, and energy-related commodities. In 2015, CN will allocate approximately C\$100 million for work on northern Alberta branch lines, investing in infrastructure upgrades and safety improvements, including heavier rail, crushed rock ballast and new ties, to ensure the network can efficiently accommodate future freight volume growth in the Peace River region.

5. US DOT releases package of actions to address crude by rail issues

The U.S. Department of Transportation (DOT), along with its agencies, the Federal Railroad Administration (FRA) and Pipeline and Hazardous Materials Safety Administration (PHMSA), announced a package of targeted actions that will address some of the issues identified in recent train accidents involving crude oil and ethanol shipped by rail.

6. CP reports record Q1 2015 OR of 63.2 percent and earnings per share of C\$1.92

Canadian Pacific Railway Limited on April 21, 2015 announced the lowest first-quarter operating ratio in the company's history and the highest-ever net income for the period. Revenues climbed 10 percent to a first-quarter record of \$1.67 billion. Net income rose to an all-time quarterly high of \$320 million, or \$1.92 per diluted share, an improvement of 33 percent. Adjusted earnings per share improved 59 percent to \$2.26.

7. CN reports Q1-2015 net income of C\$704 million, or C\$0.86 per diluted share

CN on April 21, 2015 reported its financial and operating results for the first quarter ended March 31, 2015. The highlights were: 1) Net income was C\$704 million, or C\$0.86 per diluted share, compared with net income of C\$623 million, or C\$0.75 per diluted share, for first-quarter 2014. 2) First-quarter 2015 diluted earnings per share (EPS) increased 30 per cent to C\$0.86 from adjusted diluted EPS of C\$0.66 in Q1-2014, which excluded a gain on a rail line sale. 3) Q1-2015 net income of C\$704 million increased 28 per cent over adjusted net income of C\$551 million for the first quarter of 2014. 4) Q1-2015 operating income increased 30 per cent to C\$1,063 million. 5) First-quarter 2015 revenues increased 15 per cent to C\$3,098 million, revenue ton-miles grew by seven per cent, and carloadings increased nine per cent. 6) CN's operating ratio for Q1-2015 improved by 3.9 point s to 65.7 per cent from 69.6 per cent the year before. 7)

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1. Evergreen Shipping Agency (America) Corp. names CN 2014 Railroad Company of the Year, April 13, 2015, www.cn.ca
2. CSX profit jumps 11 percent despite weak intermodal volume growth, April 14, 2015, www.joc.com
3. Canadian railways poised to outperform as U.S. rival Norfolk Southern issues profit warning, April 14, 2015, www.nationalpost.ca
4. CN to invest \$400M in western rail lines, April 16, 2015, www.joc.com
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6. CP reports record Q1 2015 OR of 63.2 percent and earnings per share of C\$1.92, April 21, 2015, www.cpr.ca
7. CN reports Q1-2015 net income of C\$704 million, or C\$0.86 per diluted share, April 21, 2015, www.cn.ca
8. Domestic intermodal growth helps drive CP to record profit, April 22, 2015, www.joc.com
9. Toronto's new airport railway will open to the public on June 6, province announces, April 22, 2015, www.nationalpost.ca
10. Minister Raitt issues Emergency Directive to slow trains transporting dangerous goods, April 23, 2015, www.tc.gc.ca
11. Large Urban Transit, February 2015, April 23, 2015, www.statcan.gc.ca
12. Infrastructure big winner in 2015 Ontario budget, April 23, 2015, www.ctl.ca
13. UP reports solid first quarter results, April 24, 2015, www.americanshipper.com
14. CN underscores trespassing dangers, April 27, 2015, www.cn.ca
15. Minister Raitt launches Rail Safety Week with new funding for railway crossing improvements, April 27, 2015, www.tc.gc.ca

Free cash flow for first-quarter 2015 was C\$521 million, up from C\$494 million for the year-earlier quarter. Claude Mongeau, president and chief executive officer, said: "CN turned in a solid first-quarter performance thanks to strong freight demand and continued productivity improvements, helped in part by easier winter conditions compared with last year's polar vortex..."

8. Domestic intermodal growth helps drive CP to record profit

Amid investors' furor over the decline in crude shipments hauled by Canadian Pacific Railway in the 2015 first quarter were signs that the railroad's domestic intermodal push is gaining traction and CP is emboldened to make a stronger play for ocean container business.

9. Toronto's new airport railway will open to the public on June 6, province announces

A long touted express link between Toronto's two largest transport hubs will open to the public on June 6, 2015, Premier Kathleen Wynne revealed on April 21, 2015. The announcement came in advance of April 22, 2015 provincial budget, when the premier is expected to clarify plans for billions of dollars in announced infrastructure spending. The Union Pearson Express links Union Station in downtown Toronto with Pearson International Airport.

10. Minister Raitt issues Emergency Directive to slow trains transporting dangerous goods

On April 23, 2015, the Honourable Minister Raitt, Minister of Transport, issued an Emergency Directive to railway companies concerning the safe and secure transportation of dangerous goods. Companies must slow their trains to a maximum of 40 miles per hour (64 kilometres per hour) when travelling in highly urbanized areas. The Emergency Directive also requires increased inspections and risk assessments along key routes used for the transportation of dangerous goods, including crude oil and ethanol. The Emergency Directive remains in place until August 17, 2015.

11. Large Urban Transit, February 2015

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 1.4% in February 2015 from the same month in 2014 to \$278.6 million. Over the same period, ridership increased 0.4% to 136.5 million passenger trips.

12. Infrastructure big winner in 2015 Ontario budget

Proclaiming that gridlock is "choking" the provincial economy, Finance Minister Charles Sousa announced a 10-year, \$130-billion infrastructure plan in the 2015 Ontario budget unveiled on April 23, 2015. For transportation infrastructure specifically, the budget boosts the funding previously announced in the 2014 budget for roads, bridges and transit available through the Moving Ontario Forward plan from nearly \$29 billion to \$31.5 billion. This increase is to help accelerate priority projects and enable new projects to come online, the government stated. Of this \$31.5 billion, the near 50-50 revenue split between transit projects in the Greater Toronto Hamilton Area (GTHA) and infrastructure projects in other parts of the province will be maintained.

13. UP reports solid first quarter results

Union Pacific Corporation in the first quarter 2015 increased revenues 8.3 percent to \$1.2 billion compared to the first quarter 2014, according to the company's latest financial statements. The railway increased diluted earnings per share from \$1.19 to \$1.30 per diluted share, a 9 percent improvement from the previous year. Operating revenues at the company reached \$5.6 billion for the quarter, the same as in the first quarter 2014.

14. CN underscores trespassing dangers

Trespassing on railway property continues to cause unnecessary and avoidable deaths and injuries across Canada. In 2014, there were 58 trespasser accidents in Canada that caused 36 fatalities and 21 serious injuries. CN is launching its annual public awareness campaign stressing the deadly risks of trespassing on railway tracks and property. CN is also working with communities to try to keep people safe by keeping them away from the tracks.

15. Minister Raitt launches Rail Safety Week with new funding for railway crossing improvements

The Honourable Lisa Raitt, Minister of Transport, April 27, 2015 launched Rail Safety Week and announced new funding for railway crossing improvements. This year, Transport Canada will provide more than \$9.7 million for improvements at over 600 railway crossings across the country through its Grade Crossing Improvement Program (GCIP).

HIGHWAY TRANSPORTATION

1. January 2015 North American Freight Numbers

U.S.-NAFTA freight totaled \$89.3 billion in January 2015 as three out of five transportation modes – rail, truck, and air – carried more U.S.-NAFTA freight than in January 2014, according to the TransBorder Freight Data released on March 31, 2015 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). Year-over-year, the value of U.S.-NAFTA freight flows by all modes decreased by 1.2 percent. The value of NAFTA trade by pipeline and vessel declined in January 2015 due to the reduced unit price of mineral fuel shipments. U.S.-Canada freight totaled \$48.1 billion in January 2015 as three out of five transportation modes –air, truck, and rail– carried more U.S.-Canada freight than in January 2014. Year-over-year, the value of U.S.-Canada trade by air increased the most of any mode, growing by 3.4 percent. Truck freight increased by 2.7 percent and rail rose by 1.8 percent. Vessel freight decreased by 19.0 percent and pipeline decreased by 22.5 percent, mainly due to lower mineral fuel prices.

2. US truck driver shortage getting worse, turnover figures show

The truck driver shortage in the U.S. apparently is becoming "more pervasive" despite higher pay and retention efforts by for-hire trucking companies, data released by the American Trucking Associations suggests.

3. Dicom Transportation Group acquires Modern Forwarding

Dicom Transportation Group, a portfolio company of Wind Point Partners, has acquired the truckload and less-than-truckload transport company Modern Forwarding, according to a statement from the investment group. The acquisition of Modern Forwarding, based in Windsor, Ontario, will give Montreal-based Dicom added cross-border capabilities between the United States and Canada.

4. 50 largest US truckers add more than \$10 billion in revenue

The 50 largest U.S. trucking companies increased their combined revenue by 10 percent or more than \$10 billion to \$117 billion in 2014, as the U.S. economy reached and maintained a higher growth rate.

5. February 2015 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, fell 1.7 percent in February 2015 from January 2015, falling after a minimal rise in January, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The February 2015 index level (120.4) was 27.3 percent above the April 2009 low during the most recent recession.

6. Trucking revenue increasingly flows to biggest carriers

Trucking revenue has become increasingly concentrated, as the number of carriers with more than \$1 billion in annual revenue more than doubled over the last decade. That's good for shippers, SJ Consulting Group says.

7. SCI Logistics opens specialized transportation centre in Greater Vancouver Area

SCI Logistics announced the opening of a new specialized transportation centre in Langley, BC. This is the fourth facility opened by SCI within the past 12 months, extending the company's footprint from coast-to-coast, said the company. The 35,000 square-foot facility, a consolidation of Burnaby Moving & Storage, will provide specialized "white glove" business which offers high value products shipping integrated with enhanced technical services such as configuration, staging, and installation.

8. CTA Launches National Consultation With Provincial Associations on Future Trucking Equipment

To capture the full scope of the second round of greenhouse gas regulations (GHG) for heavy trucks issues from the front lines and to build on the success of the carrier-supplier workshop held at CTA's Spring

HIGHWAY TRANSPORTATION Canada

1. January 2015 North American Freight Numbers, March 31, 2015, www.dot.gov
2. US truck driver shortage getting worse, turnover figures show, April 1, 2015, www.joc.com
3. Dicom Transportation Group acquires Modern Forwarding, April 6, 2015, www.americanshipper.com
4. 50 largest US truckers add more than \$10 billion in revenue, April 7, 2015, www.joc.com
5. February 2015 Freight Transportation Services Index (TSI), April 8, 2015, www.dot.gov
6. Trucking revenue increasingly flows to biggest carriers, April 8, 2015, www.joc.com
7. SCI Logistics opens specialized transportation centre in Greater Vancouver Area, April 7, 2015, www.ctl.ca
8. CTA Launches National Consultation With Provincial Associations on Future Trucking Equipment, April 13, 2015, www.cantruck.ca
9. Construction complete on new transit facility in York Region, April 16, 2015, www.tc.gc.ca
10. US transport, warehouse job openings shoot up 59 percent, April 21, 2015, www.joc.com
11. February 2015 North American Freight Numbers, April 22, 2015, www.dot.gov
12. Public truckload carriers enjoy profitable first quarter, April 24, 2015, www.joc.com
13. Truckload rates up 5.1% in March, April 27, 2015, www.americanshipper.com

Board meetings, CTA staff, in partnership with the provincial trucking associations, will conduct a series of consultation workshops with carriers and suppliers across the country. Each event will focus on details of regional operating conditions and the preferences carriers have in specifying their tractors, engines and trailers from a fuel efficiency perspective. In addition, CTA would like input from the carrier community on what leading edge technologies they are looking at implementing which they would prefer to avoid in the short-to- medium term.

9. Construction complete on new transit facility in York Region

A new transit operations, maintenance and storage facility is complete in the Town of Richmond Hill that will support transit in the Greater Toronto and Hamilton Area. The facility has been built to store and maintain York Region Transit/Viva bus rapid transit vehicles. The total construction cost was approximately \$135 million. The Government of Canada contributed approximately \$57 million through the Canada Strategic Infrastructure Fund (CSIF), the Regional Municipality of York provided \$60 million and the Province of Ontario provided \$18 million.

10. US transport, warehouse job openings shoot up 59 percent

The number of job openings for transportation, warehouse and utility workers rose sharply from a year ago in February 2015, as a milder winter created more opportunities in logistics businesses.

11. February 2015 North American Freight Numbers

U.S.-NAFTA freight totaled \$85.7 billion in February 2015 as two out of five transportation modes – air and truck – carried more U.S.-NAFTA freight than in February 2014, according to the TransBorder Freight Data released on April 22, 2015 by the U.S. Department of Transportation’s Bureau of Transportation Statistics (BTS). The \$85.7 billion total is the lowest February value for U.S.-NAFTA freight since 2011. Year-over-year, the value of U.S.-NAFTA freight flows by all modes decreased by 4.3 percent. The value of NAFTA trade by pipeline and vessel declined in February 2015 due to the reduced unit price of mineral fuel shipments. U.S.-Canada freight totaled \$45.1 billion in February 2015 as only one out of five transportation modes –air– carried more U.S.-Canada freight than in February 2014. Year-over-year, the value of U.S.-Canada trade by air increased by 3.0 percent. Truck freight decreased by 2.9 percent and rail decreased by 13.3 percent. Pipeline freight decreased by 22.8 percent and vessel decreased by 26.5 percent, mainly due to lower mineral fuel prices. Trucks carried 57.2 percent of the \$45.1 billion of freight to and from Canada, followed by rail.

12. Public truckload carriers enjoy profitable first quarter

Large, diversified truckload carriers found detours around the "soft patch" in the U.S. economy during the first quarter, with most increasing revenue and profit. A lack of drivers may have held back some companies.

13. Truckload rates up 5.1% in March

Truckload rates (in the US) increased 5.1 percent in March 2015 compared to March 2014, according to the latest Cass Truckload Linehaul Index. Cass Information Systems Inc., a transportation intelligence analyst, said the March reading represented an all-time high for the index. The company attributed the growth in rates to increased demand and capacity remaining “extraordinarily tight.”

GENERAL TRANSPORTATION

Canada

1. Characteristics of international overnight travellers, 2013

Overnight travel abroad by Canadian residents totalled 32.9 million trips during 2013, accounting for \$35.0 billion of spending. The United States was the destination for 23.4 million overnight trips, accounting for \$20.9 billion of spending.

2. Travel between Canada and other countries, February 2015

Travel abroad by Canadian residents declined 3.3% from January 2015 to 4.8 million trips in February 2015, the lowest number of trips since October 2010. This decrease was largely attributable to the number of same-day car trips to the United States, which were down 7.1% to 2.0 million trips. The number of Canadians travelling to overseas countries and the number of travellers to Canada from overseas countries was relatively stable.

3. Federal Budget Delivers Fiscal Balance, Lower Personal and Small Business Taxes

Canada

1. Characteristics of international overnight travellers, 2013, March 31, 2015, www.statcan.gc.ca
2. Travel between Canada and other countries, February 2015, April 20, 2015, www.statcan.gc.ca
3. Federal Budget Delivers Fiscal Balance, Lower Personal and Small Business Taxes, April 22, 2015, www.cantruck.ca
4. National Transportation Statistics Updated, April 24, 2015, www.bts.gov

The 2015 federal budget pledged a phased in 2 percentage point reduction in the small business corporate tax reduction. Canada's largest cities stand to be big winners in the infrastructure sweepstakes with the creation of a new Public Transit Fund which will be introduced in the 2017-19 fiscal year with \$250 million allocated, before moving to \$500 million in 2018-2019 and then increasing to \$1 billion a year thereafter. According to the budget documents, the criteria for the transit funding will include improvements to the mobility of both goods and people.

4. National Transportation Statistics Updated

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) on April 24, 2015 updated *National Transportation Statistics (NTS)* – a web-only reference guide to national-level transportation data.