

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. WestJet launches service to Bonnie Scotland

WestJet on May 29, 2015 launched non-stop daily service between Halifax and Glasgow, Scotland, with same-aircraft service beginning in Toronto. The inaugural flight on WestJet's #TartanTail leaves Toronto May 29 departing for Glasgow at 10:45 p.m.

### 2. Air Canada Launches Calgary-Terrace Service Today

On June 1, 2015, Air Canada flight AC8593 began its non-stop service to Terrace in northwestern BC from Calgary.

### 3. Pan Am Torch Relay takes off to Thunder Bay with Porter Airlines

On Saturday, May 30, 2015 Porter Airlines will transport the Pan Am flame from Toronto to Thunder Bay, on the first of four special charters for the TORONTO 2015 Pan Am Games Torch Relay. Porter Airlines is the Official Canadian Airline of the Games and a signature supporter of the TORONTO 2015 Torch Relays.

### 4. DHL to expand U.S. air cargo hub

DHL Express will invest \$108 million to expand its American air hub at the Cincinnati/Northern Kentucky airport in the face of growing demand for international air cargo service, especially for e-commerce shipments. The expansion, which is expected to be completed late next year, will provide more gates to accommodate additional aircrafts, additional warehouse space and new equipment for faster sorting of shipments, as well as unloading and reloading planes, the company said.

### 5. Canada expands air links with Cuba

The Honourable Lisa Raitt, Minister of Transport, on June 1, 2015 announced an expanded Canada-Cuba Air Transport Agreement that allows for more airlines to operate between the two countries. The expanded agreement builds on the 1998 Canada-Cuba Air Transport Agreement, last amended in 2009. Reached under Canada's Blue Sky policy, which encourages long-term, sustainable competition and the development of international air services, the expanded agreement with Cuba will: 1. allow any number of Canadian and Cuban airlines to offer services between the two countries; 2. provide greater flexibility for airlines to offer air services using the flights of airlines from other countries (i.e. code-sharing); 3. provide greater flexibility for airlines to introduce new prices to respond to consumer demand; and 4. strengthen safety and security provisions.

### 6. WestJet reports May load factor of 77.2 per cent

WestJet on June 3, 2015 announced its May 2015 traffic results with a load factor of 77.2 per cent (down 1.8 points from the same period a

## AIR

## TRANSPORTATION

### Canada

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2. Air Canada Launches Calgary-Terrace Service Today, June 1, 2015, [www.aircanada.ca](http://www.aircanada.ca)
3. Pan Am Torch Relay takes off to Thunder Bay with Porter Airlines, May 29, 2015, [www.flyporter.com](http://www.flyporter.com)
4. DHL to expand U.S. air cargo hub, June 1, 2015, [www.americanshipper.com](http://www.americanshipper.com)
5. Canada expands air links with Cuba, June 1, 2015, [www.tc.gc.ca](http://www.tc.gc.ca)
6. WestJet reports May load factor of 77.2 per cent, June 3, 2015, [www.westjet.ca](http://www.westjet.ca)
7. Air Canada expanding international service as turnaround continues, June 2, 2015, [www.globeandmail.ca](http://www.globeandmail.ca)
8. Edmonton designated as a Foreign Trade Zone, June 2, 2015, [www.ctl.ca](http://www.ctl.ca)
9. Air Canada Establishes New Financial Targets, June 2, 2015, [www.aircanada.ca](http://www.aircanada.ca)
10. Air Canada Reports May Traffic Results, June 3, 2015, [www.aircanada.ca](http://www.aircanada.ca)
11. Healthy April Passenger Demand, June 4, 2015, [www.iata.org](http://www.iata.org)
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13. IATA calls for deeper partnerships with governments on safety, infrastructure, regulation, June 8, 2015, [www.ctl.ca](http://www.ctl.ca)
14. Ontario 'shooting itself in the foot' with jet-fuel tax, says head of global airline association, June 8, 2015, [www.nationalpost.ca](http://www.nationalpost.ca)
15. News Brief: Industry Stepping Up Engagement on Consumer Protection, June 9, 2015, [www.iata.org](http://www.iata.org)
16. Air Canada, WestJet reject global suggestion to shrink carry-on bags, June 9, 2015, [www.nationalpost.ca](http://www.nationalpost.ca)
17. Emirates and Porter Airlines announce new interline agreement, June

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

year ago). Revenue passenger miles (RPMs), or traffic, increased 6.6 per cent year-over-year, and capacity, measured in available seat miles (ASMs), grew 9.1 per cent over the same period. The airline flew a record 1.6 million guests in May 2015, a year-over-year increase of 3.9 per cent or more than 63,000 additional guests, and achieved an on-time performance rate of 93.2 per cent, a year-over-year improvement of 8.3 percentage points.

#### **7. Air Canada expanding international service as turnaround continues**

The robust financial turnaround at Air Canada should get even stronger during the next three years, the airline says, with international expansion propelling its growth. Air Canada said on June 2, 2015 that it has exceeded targets it set in 2013 for cost reduction, return on invested capital, profit margin and debt ratio, so it has set new goals for 2018.

#### **8. Edmonton designated as a Foreign Trade Zone**

Western Economic Diversification has established a Foreign Trade Zone (FTZ) Point at Edmonton International Airport (EIA). The new FTZ will help Port Alberta, of which EIA is a partner and boost foreign investment in the region, said a release. A FTZ Point is a strategic location identified for international trade and foreign direct investment, supported by the federal government, acting as a single point of access to information on relevant government policies and programs. FTZ Points are utilized by investors around the world and are important drivers of international trade. As Edmonton is the key transportation and supply chain hub for the Energy, Manufacturing and Industrial sectors in Western Canada, FTZ designation positions Port Alberta to attract new business and foreign investment, said the release.

#### **9. Air Canada Establishes New Financial Targets**

As part of a comprehensive strategic plan update to the investment community, Air Canada at its Investor Day established three new financial targets. The new targets include: 1. EBITDAR (earnings before interest, taxes, depreciation, amortization and impairment, and aircraft rent, as a percentage of operating revenue) margin of 15 to 18 percent; 2. ROIC (return on invested capital) of 13 to 16 percent; and 3. Leverage ratio of 2.2 by 2018.

#### **10. Air Canada Reports May Traffic Results**

For the month of May 2015, Air Canada reported a system load factor of 82.3 per cent, versus 83.3 per cent in May 2014, on a system-wide capacity increase of 9.8 per cent. On this additional capacity, system wide traffic for May 2015 increased 8.5 per cent. Air Canada reports traffic results on a system-wide basis, including regional airlines from which Air Canada purchases capacity and Air Canada rouge®.

#### **11. Healthy April Passenger Demand**

The International Air Transport Association (IATA) announced global passenger traffic results for 2015 April showing robust demand growth compared to April 2014. Total revenue passenger kilometers (RPKs) rose 5.9%. April 2015 capacity (available seat kilometers or ASKs) increased by 6.1%, and load factor slipped 0.1 percentage points to 79.4%. Domestic demand grew by 7.2%, outpacing international demand which grew by 5.2% compared to April 2014. "Demand for connectivity remains strong..." said Tony Tyler, IATA's DG and CEO.

#### **12. Air Freight Momentum Slows**

The International Air Transport Association (IATA) released data for global air freight markets showing a 3.3% increase in cargo volumes (freight tonne kilometers or FTKs) in April 2015 compared to April in

the previous year. While there is growth compared to the same month in 2014, there has been no actual

- 11, 2015, [www.flyporterairlines.com](http://www.flyporterairlines.com)
18. Aircraft movement statistics: Small airports, February 2015, June 12, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
19. April On-Time Performance Up, Cancellations Down From Previous Year, March 2015, June 11, 2015, [www.dot.gov](http://www.dot.gov)
20. Government of Canada marks milestone in Canada-China civil aviation trade, June 12, 2015, [www.tc.gc.ca](http://www.tc.gc.ca)
21. WestJet announces increased frequency on select routes, June 15, 2015, [www.westjet.ca](http://www.westjet.ca)
22. Air Canada and Unifor Reach Tentative Agreement on New Contract, June 14, 2015, [www.aircanada.ca](http://www.aircanada.ca)
23. WestJet announces service to London Gatwick, June 16, 2015, [www.westjet.ca](http://www.westjet.ca)
24. Porter Airlines: North America's Best Regional Airline, June 16, 2015, [www.flyporter.com](http://www.flyporter.com)
25. Civil aviation operating statistics, April 2015, June 18, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
26. April 2015 Passenger Airline Employment Data, June 18, 2015, [www.dot.gov](http://www.dot.gov)
27. 1st Quarter 2015 Airline Financial Data, June 22, 2015, [www.dot.gov](http://www.dot.gov)
28. Quarterly civil aviation statistics, second quarter 2014, June 23, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
29. Vancouver Airport, Shanghai Airport Authority sign MOU, June 23, 2015, [www.ctl.ca](http://www.ctl.ca)
30. Air Canada Adds Lyon, London-Gatwick to its Growing Global Network, June 25, 2015, [www.aircanada.ca](http://www.aircanada.ca)
31. Aircraft movement statistics: Major airports, April 2015, June 25, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
32. China's big three cargo airlines will merge, aviation boss says, June 25, 2015, [www.joc.com](http://www.joc.com)
33. Air Canada Welcomes Agreement with its Customer Service and Sales Agents, June 25, 2015, [www.aircanada.ca](http://www.aircanada.ca)
34. Porter Airlines plots new service for Pittsburgh, June 25, 2015, [www.flyporter.com](http://www.flyporter.com)
35. Air Canada rouge launches the only non-stop daily flights between Toronto and Abbotsford, June 27, 2015, [www.aircanda.ca](http://www.aircanda.ca)

growth in aggregated global cargo volumes since late last year. At a regional level, only the Asia-Pacific and Middle Eastern airlines reported growth in April 2015. North American carriers reported essentially flat demand, while Europe, Latin America and Africa all reported declines when compared to 2014.

### **13. IATA calls for deeper partnerships with governments on safety, infrastructure, regulation**

The International Air Transport Industry (IATA) is advocating for an even deeper partnership with governments based on global standards in the critical areas of safety, infrastructure, security, regulation, and environment. “Aviation is built on partnerships and the relationship with governments is key. Airlines and governments are well-aligned on safety. But in other areas of government responsibility—infrastructure, security, regulation, and environment—there are opportunities for a deeper partnership,” said Tony Tyler, IATA’s Director General and CEO.

### **14. Ontario ‘shooting itself in the foot’ with jet-fuel tax, says head of global airline association**

The Ontario government is “shooting itself in the foot” by hiking the province’s jet-fuel tax, according to the head of the International Air Transport Association. “It’s a failure to understand that the real value of aviation is in the global connectivity that it provides and the growth that it drives and the development that it stimulates, rather than the cheap and quick trick of tapping it for more taxes,” Tony Tyler, CEO and director general of IATA, said in an interview on June 8, 2015. “In the end, you’re shooting yourself in the foot if you take that approach.”

### **15. News Brief: Industry Stepping Up Engagement on Consumer Protection**

The International Air Transport Association (IATA) is stepping up efforts to engage with stakeholders—governments, travelers and consumer groups—on the important issue of consumer protection. There are now over 60 countries with some form of passenger rights regulations, with more countries considering new rules. “The growing patchwork of consumer rights regimes is leaving travelers confused when they are subject to multiple different passenger rights regimes at the same time. We need an air transport system that balances the need to protect consumers while allowing the airline industry to compete and innovate,” said Paul Steele, IATA’s Senior Vice President for Member and External Relations.

### **16. Air Canada, WestJet reject global suggestion to shrink carry-on bags**

Air Canada and WestJet will not support a suggestion from an association representing the international airline community to shrink the allowed size for carry-on baggage. The International Air Transport Association announced new international guidelines that would harmonize the size of carry-on baggage for airlines worldwide, but also require many Canadian airlines to incrementally lower allowed sizes. Air Canada currently allows carry-on luggage that is 55 cm tall by 40 cm wide by 23 cm deep. The International Air Transport Association suggested a global size of about 55 cm tall by 34 cm wide by 19 cm deep. “Air Canada has no plans to change its carry-on baggage allowances or dimensions,” Air Canada spokesman Peter Fitzpatrick said in an emailed statement.

### **17. Emirates and Porter Airlines announce new interline agreement**

Emirates, a global connector of people and places, and Porter Airlines are announcing a new interline agreement that provides Canadians greater access to Dubai and beyond with two of the world’s most service-driven airlines. The agreement allows passengers the convenience to depart daily from Billy Bishop Toronto City Airport (YTZ) on Porter, connecting in Boston (BOS) or Washington (IAD), before continuing their journey to Dubai and beyond with Emirates.

### **18. Aircraft movement statistics: Small airports, February 2015**

Take-offs and landings at 117 Canadian airports without air traffic control towers reached 32,436 movements in February 2015. Five airports, each with more than 1,000 movements, accounted for 25% of the activity in February 2015.

### **19. April On-Time Performance Up, Cancellations Down From Previous Year, March 2015**

The nation’s largest airlines posted an on-time arrival rate of 81.8 percent in April 2015, up from both the 79.6 percent on-time rate in April 2014 and the 78.7 percent mark in March 2015, according to the U.S. Department of Transportation’s Air Travel Consumer Report released on June 11, 2015.

### **20. Government of Canada marks milestone in Canada-China civil aviation trade**

Canada and China successfully concluded negotiations on BATA (bilateral air transport agreement) during Prime Minister Stephen Harper’s official visit to China in November 2014. Additional facts are: first, China is Canada’s second-largest trading partner. In 2014, Canadian exports to China were valued at nearly \$19.4 billion, while merchandise trade between the two countries was \$78 billion or 7.5% of Canada’s total trade. Second, Viking Air Ltd. estimates the Chinese demand for its Twin Otter Series 400 aircraft at around 25 planes per year, translating into \$3.5 billion in export potential over the next 20 years based on current average sale price. Third, based near Victoria, B.C., Viking Air Ltd. employs about 600 people on

Vancouver Island and in Calgary.

**21. WestJet announces increased frequency on select routes**

WestJet on June 15, 2015, announced an increase in frequency on three existing international routes and a move from seasonal to year-round service between Calgary and Yellowknife.

**22. Air Canada and Unifor Reach Tentative Agreement on New Contract**

Air Canada and Unifor, the union representing the airline's approximately 4,000 Customer Service and Sales Agents, on June 14, 2014 announced that they have reached a tentative agreement on a new contract for five years.

**23. WestJet announces service to London Gatwick**

WestJet on June 16, 2015 announced it has selected London, England as the first transatlantic destination from Canada for its wide-body Boeing 767-300 aircraft. Service from Canada to London will be through London Gatwick.

**24. Porter Airlines: North America's Best Regional Airline**

For the second consecutive year, Porter Airlines was chosen as Best Regional Airline in North America at the 2015 Skytrax World Airline Awards. Over 160 countries participate in the world's largest airline passenger satisfaction survey to select the award winners. This year's presentation ceremony was held at the International Paris Airshow.

**25. Civil aviation operating statistics, April 2015**

The two major Canadian air carriers flew 3.9 million passengers on scheduled and charter services in April, 2015 up 5.4% from the same month in 2014. On average, each passenger travelled 2681 kilometres, up 1.1% compared with April 2014. Both Air Canada and WestJet increased their passenger capacity and traffic in April 2015. Capacity advanced 7.6% on a year-over-year basis to 12.6 billion available seat-kilometres, as international growth (+9.6%) for scheduled services outstripped domestic growth (+3.1%). Traffic totalled 10.5 billion passenger-kilometres, up 6.6%.

**26. April 2015 Passenger Airline Employment Data**

U.S. scheduled passenger airlines employed 2.6 percent more workers in April 2015 than in April 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on June 18, 2015.

**27. 1st Quarter 2015 Airline Financial Data**

U.S. scheduled passenger airlines reported an after-tax net profit of \$3.1 billion in the first quarter of 2015, up from \$241 million in the fourth quarter of 2014 and up from \$507 million in the first quarter of 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on June 22, 2015.

**28. Quarterly civil aviation statistics, second quarter 2014**

Canadian Level I and II air carriers reported 16.9 million enplaned passengers in the second quarter of 2014, up 5.0% from the same quarter in 2013. The passenger counts on scheduled flights rose 5.5% to 15.8 million, while the number of passengers flying on chartered flights declined 1.7% to 1.1 million. Traffic totalled 40.4 billion passenger-kilometres, up 8.0% from the same quarter a year earlier. These carriers reported total operating revenues of \$5.1 billion, up 7.2% from the same quarter in 2013, while total operating expenses rose 6.0% to \$4.7 billion. This resulted in operating income of \$362.0 million, which, after including non-operating expenses, produced a net income of \$339.6 million.

**29. Vancouver Airport, Shanghai Airport Authority sign MOU**

Vancouver Airport Authority (YVR) signed a Memorandum of Understanding on Cooperation with Shanghai Airport Authority (SAA) designed to strengthen the relationship between the two organizations and jointly develop air services, cultural exchanges and business opportunities.

**30. Air Canada Adds Lyon, London-Gatwick to its Growing Global Network**

Air Canada on June 25, 2015 further expanded its extensive global network with the announcement of new non-stop services to Lyon, France and London's Gatwick airport beginning in summer 2016. The two new routes will provide customers even more convenient options when travelling to Europe for business or leisure.

**31. Aircraft movement statistics: Major airports, April 2015**

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations were relatively unchanged (-0.3%) in April 2015 from the same month a year earlier. These 91 airports reported 461,409 movements during the month, compared with 462,778 at 92 airports in April 2014.

**32. China's big three cargo airlines will merge, aviation boss says**

China's three largest cargo airlines will join forces to form the largest air freight carrier in Asia, according

to a senior official at the Civil Aviation Administration of China, mainland state media reported.

### **33. Air Canada Welcomes Agreement with its Customer Service and Sales Agents**

On June 25, 2015, Air Canada welcomed confirmation by Unifor, representing the airline's approximately 4,000 Customer Service and Sales Agents, that its members have ratified an agreement on a new collective agreement for five years.

### **34. Porter Airlines plots new service for Pittsburgh**

Porter Airlines is on its way to Pittsburgh this fall, making it the airline's 22nd city served. Flights begin September 21, 2015, with up to two daily roundtrips between Billy Bishop Toronto City Airport and Pittsburgh International Airport.

### **35. Air Canada rouge launches the only non-stop daily flights between Toronto and Abbotsford**

Air Canada rouge flight AC1979 touched down at the Abbotsford International Airport on June 27, 2015, marking the start of new non-stop seasonal service from Toronto's Pearson International Airport.

## **WATER TRANSPORTATION**

### **1. OECD Questions Benefits of Mega ships**

A new report by the OECD's International Transport Forum says, "There are cost savings of mega-ships, but these are decreasing and might not even be realized." The 108-page paper, titled "The Impact of Mega-Ships," notes that the maximum size of container ships has nearly doubled over the last decade. The largest today, the MSC Oscar, has a capacity of 19,224 TEUs. China Shipping's CACL Globe has a capacity of 19,100 TEU.

### **2. AAL calls Port of Prince Rupert**

Breakbulk and heavy-lift carrier AAL said it will tap northern Alberta's oil-rich mining industry by expanding its Pacific liner service to include the Port of Prince Rupert. The carrier made its first call at the western Canadian port on May 10, 2015. Going forward, the service will be monthly and include calls by AAL's three 31,000-deadweight-ton heavy-lift vessels deployed on its Pacific service. AAL also cited the Port of Prince Rupert's efficient road and rail connection.

### **3. Prince Rupert Port Authority – Containerized traffic summary: May 2015**

The Port of Prince Rupert reported its traffic summary for May 2015 on June 9, 2015. Total container traffic for this month was 74,881.75 TEUs (twenty-foot equivalent units) compared to 51,416 for the same month a year ago (i.e. a 45.64% increase). Imports increased by 35.66% (to 35,985.50 TEU). Exports increased by 59.05% (to 34,896.25 TEU). For the period January 2015 to May 2015 total container traffic increased by 42.82% (i.e. to 325,963.25 TEUs).

### **4. Grain exports keep St. Lawrence Seaway ships busy this season**

Grain shipments through the St. Lawrence Seaway are up seven per cent this season, continuing the pace set last year when ships carried the largest volume of grain through the navigation system in 14 years. According to The St. Lawrence Seaway Management Corporation, grain shipments (including Canadian and U.S. grain) totaled 1.9 million metric tons from April 2 to May 31. The Port of Thunder Bay, the largest grain port on the Great Lakes, reported that its grain shipments were off to the strongest start this season since 1997, as the major handlers continue to export the harvest from 2014.

### **5. Notice to Industry: Changes to the Processing of Coasting Trade Applications**

The Canadian Transportation Agency's 2014-2017 Strategic Plan sets out a roadmap for the Agency to provide more streamlined, modern and improved services to its clients and stakeholders. In support of this objective, the Agency conducted an examination of how it could fulfill its mandate under the *Coasting*

## **WATER TRANSPORTATION Canada**

1. OECD Questions Benefits of Mega ships, May 29, 2015, [www.americanshipper.com](http://www.americanshipper.com)
2. AAL calls Port of Prince Rupert, June 3, 2015, [www.americanshipper.com](http://www.americanshipper.com)
3. Prince Rupert Port Authority – Containerized traffic summary: May 2015, June 9, 2015, [www.rupertport.com](http://www.rupertport.com)
4. Grain exports keep St. Lawrence Seaway ships busy this season, June 9, 2015, [www.ctl.ca](http://www.ctl.ca)
5. Notice to Industry: Changes to the Processing of Coasting Trade Applications, June 10, 2015, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
6. Hong Kong's new competition law threatens to outlaw liner shipping, June 11, 2015, [www.joc.com](http://www.joc.com)
7. LNG projects and shipbuilding contracts will transform transportation in BC, June 14, 2015, [www.ctl.ca](http://www.ctl.ca)
8. Port Metro Vancouver: Accumulated Container Traffic – YTD May 2015, June 16, 2015, [www.portofmetrovancouver.com](http://www.portofmetrovancouver.com)
9. US, European, Chinese regulators to work together to monitor shipping alliances, June 18, 2015, [www.joc.com](http://www.joc.com)
10. Port's Annual Public Meeting Highlights Strong Performance, Value of Diversification, June 18, 2015, [www.rupertport.com](http://www.rupertport.com)
11. Termont, MSC and Montreal Port Authority begin construction at new Viau container terminal, June 25, 2015, [www.ctl.ca](http://www.ctl.ca)

*Trade Act, S.C., 1992, c. 31, (Act)* while modernizing the processing of coasting trade applications. The Agency concluded that the current method of processing applications could be improved while continuing to fulfill its obligations under the Act. This document describes the current manner of processing coasting trade applications and then sets out the changes in processing that the Agency intends to implement.

**6. Hong Kong's new competition law threatens to outlaw liner shipping**

Most of Hong Kong's container shipping activity will be illegal from next year if the competition law due to be implemented by the government on Jan. 1 is enforced in its current form, said Maersk Line's chief executive of North Asia Tim Smith. The new law will make liner shipping subject to the competition law.

**7. LNG projects and shipbuilding contracts will transform transportation in BC**

According to Jonathan Whitworth, CEO of Seaspan and the keynote speaker at the BCTA annual conference if one or two of the more than 40 LNG projects proposed for British Columbia gets the green light there will be a profound impact on transportation in the province – both good and bad. If they come to fruition, the hoped for investments in energy resource extraction would be the biggest boost for Canada's energy industry since the early days of the Alberta oilsands boom.

**8. Port Metro Vancouver: Accumulated Container Traffic – YTD May 2015**

The Port of Metro Vancouver reported that its container traffic (TEUs – twenty-foot equivalent units) for the period January 2015 to May 2015 increased by 11.6% to 1,271,271 TEUs compared to the same period a year ago. Imports increased by 6.5% to 665,938 and exports increased by 17.8% to 605,334.

**9. US, European, Chinese regulators to work together to monitor shipping alliances**

U.S, European and Chinese maritime regulators on June 18, 2015 agreed to work together to keep a sharper eye on massive shipping alliances.

**10. Port's Annual Public Meeting Highlights Strong Performance, Value of Diversification**

The Prince Rupert Port Authority (PRPA) on June 18, 2015 released details about its increased diversification while reaffirming its commitment to a long-term sustainable growth strategy. Details of the PRPA's activities and financials were discussed during its Annual Public Meeting, held on June 18, 2015 at the Crest Hotel in Prince Rupert. A total of 20.7 million tonnes were processed by the port's terminal operators in 2014, representing a decrease of 10% from record 22.9 million tonnes shipped in 2013. Despite a decrease in total volume through the port, several terminals posted record volumes, including a 15% annual increase in intermodal cargo through the Fairview Container Terminal. 2014 was also a remarkable year financially for PRPA, with significant increases in net income, total assets and capital expenditures.

**11. Termont, MSC and Montreal Port Authority begin construction at new Viau container terminal**

Termont Montréal Inc., Mediterranean Shipping Company S.A., and the Montréal Port Authority have officially begun construction for the first phase of the new Viau container terminal.

## RAIL TRANSPORTATION

### 1. New rail spur ready to roll at Port of Oshawa

The Port of Oshawa has officially opened a new \$4.1 million rail spur at a special ribbon cutting ceremony attended by local elected and industry officials on May 28. “The rail spur is a crucial link that helps us meet the growing demands of businesses,” said Donna Taylor, President and CEO of the Oshawa Port Authority.

### 2. CP announces plan to purchase up to 1,425,000 common shares through private agreements under its share repurchase program

Canadian Pacific Railway Limited announced on May 29, 2015 that it intends to purchase for cancellation up to 1,425,000 of its common shares pursuant to private agreements to be entered into between CP and arm’s length third party.

### 3. CN expands refrigerated intermodal fleet as cold chain business grows

Canadian National Railway is buying more refrigerated intermodal equipment as the prospect of tighter regulation of food supply chains poses a challenge for shippers. It will invest \$20 million. CN is also acquiring 32 electrical generators to move 40-foot international marine reefers to and from CN-served ports on CN intermodal trains. The power packs provide economies of scale by connecting up to 17 international marine reefers at a time.

### 4. Union Pearson Express to Launch June 6

On June 6, 2015, Union Pearson Express (UP Express) will go into service, giving people a fast, reliable option for travelling between Toronto Pearson International Airport and the city’s downtown core. Premier Kathleen Wynne made the announcement while taking part in the inaugural ride on the dedicated express train. The service will launch in time to serve visitors to the 2015 Pan Am and Parapan Am Games. The new service will strengthen the economy, ease congestion, foster tourism and create jobs.

### 5. Transport Canada proposes changes to strengthen the safe transportation of dangerous goods

On June 5, 2015, the Honourable Lisa Raitt, Minister of Transport proposed new amendments to the *Transportation of Dangerous Goods Regulations* that would enhance reporting requirements and expand data collection. The proposed amendments would apply to the transportation of dangerous goods in all transportation sectors. The proposed amendments would broaden the scope of the original reporting requirements and help improve emergency response and risk analysis through stronger, more comprehensive data collection. This additional information would allow Transport Canada to establish more effective regulations in the future.

### 6. April 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 1.8 percent in April 2015 from March 2015, declining after an increase in the previous month, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS). The April 2015 index level (120.4) was 27.2 percent above the April 2009 low during the most recent recession. The level of freight shipments in April 2015 measured by the Freight TSI (120.4) was 2.3 percent below the all-time high level of 123.2 in November 2014. BTS’ TSI records begin in 2000. See historical [TSI data](#).

### 7. National Academies releases US freight rail regulations report

## RAIL TRANSPORTATION Canada

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2. CP announces plan to purchase up to 1,425,000 common shares through private agreements under its share repurchase program, May 29, 2015, [www.cpr.ca](#)
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15. CN expands Gulf of Mexico gateway focus with Port of New Orleans supply chain collaboration agreement, June 17, 2015, [www.cn.ca](#)
16. Legislation to strengthen rail safety and accountability receives Royal Assent, June 18, 2015, [www.tc.gc.ca](#)
17. Charges laid in connection with Lac-Mégantic train derailment, June 22, 2015, [www.tc.gc.ca](#)
18. Railway carloadings, April 2015, June 24, 2015, [www.statcan.gc.ca](#)

Current U.S. freight rail regulations are woefully outdated, according to a new congressionally mandated report from the National Academies. The report, authored by the National Research Council's Transportation Research Board, noted that regulations have remained largely the same since the enacting of the Staggers Rail Act of 1980. Although the Staggers Rail Act "enabled the modernization and stabilization of the U.S. freight railroad industry, federal regulation has not kept pace.

#### **8. US Railroads, shippers clash over report calling for major regulatory reform**

U.S. railcar shippers on June 10, 2015 welcomed a new report advocating for an overhaul of the country's freight rail regulations — sweeping reforms that are well beyond the purview of even the country's federal rail regulatory agency.

#### **9. Federal Railroad Administration Recommends Actions to Prevent Passenger Trains from Speeding**

The Federal Railroad Administration (FRA) on June 9, 2015 issued a safety advisory recommending actions that passenger railroads take to prevent trains from speeding. The advisory is the latest in a series of steps FRA has taken to keep passenger railroads safe for the traveling public.

#### **10. CP Rail denies responsibility in Lac-Mégantic tragedy Canadian**

Pacific Railway Ltd. says it bears no responsibility for the Lac-Mégantic oil train explosion, and will not pay into a fund that compensates families of the victims of the 2013 disaster. CP will go before a Quebec Superior Court judge on June 15, 2015 in Sherbrooke and argue it played no role in the fiery derailment of a Montreal, Maine and Atlantic Railway train that killed 47 people. CP will also argue that the court has no jurisdiction over the proposed settlement, which is set to be approved by the judge overseeing MM&A's insolvency proceeding.

#### **11. O-Train Confederation Line track installation begins with laying of first rail**

On June 12, 2015, Royal Galipeau, MP, Bob Chiarelli, MPP and Mayor Jim Watson installed the first official rail track of the O-Train Confederation Line light rail transit project. This milestone sets the stage for the City's Transitway to be converted to light rail, beginning this summer. Spanning 12.5 kilometres between Tunney's Pasture Station in the west and Blair Station in the east, the majority of the O-Train Confederation Line track will be built in the Transitway's existing footprint. It will have a mix of at-grade, elevated and tunnel sections, and will replace existing diesel powered buses. The system has 13 stations, including three new underground stations, and a maintenance and storage facility at Belfast Yard.

#### **12. CN reaches framework agreement with Alabama State Port Authority, APM Terminals to increase the Port of Mobile's geographic reach and gain share in North American markets**

CN on June 15, 2015 signed a memorandum of understanding (MOU) with the Alabama State Port Authority (ASPA), which owns the public terminals at the Port of Mobile, intended to drive increased supply chain efficiency and a greater share of transportation markets in North America. JJ Ruest, CN executive vice-president and chief marketing officer, said: "We believe the agreement -- similar to ones CN has signed with all of Canada's major ports and intermodal terminals -- will extend the geographic reach of the Port of Mobile so that we all can take advantage of potential new container rail traffic following completion of the Panama Canal expansion project in 2016."

#### **13. NIT League praises freight rail regulation report**

The National Industrial Transportation League applauded a report released June 7, 2015 by the Transportation Research Board (TRB) on the regulation of U.S. railroads. NIT League president Bruce Carlton, said in a statement the title of the report, Modernizing Freight Rail Regulation , "says it all." "It's time to modernize the way we regulate the freight rail industry," said Carlton. "We are still regulating this industry from a 1970's perspective..."

#### **14. CP announces plan to purchase up to 853,000 common shares through private agreements under its share repurchase program**

Canadian Pacific Railway Limited announced on June 16, 2015 that it intends to purchase for cancellation up to 853,000 of its common shares pursuant to private agreements to be entered into between CP and three arm's-length third-party sellers.

#### **15. CN expands Gulf of Mexico gateway focus with Port of New Orleans supply chain collaboration agreement**

CN on June 17, 2015 signed a memorandum of understanding (MOU) with the Port of New Orleans that will see the parties develop greater supply chain efficiencies aimed at drawing more container traffic over the port to North American markets. JJ Ruest, CN executive vice-president and chief marketing officer, said: "We and our Port of New Orleans gateway partners have a mutual interest in ensuring a more

competitive rail movement of containerized goods through the gateway and into the Midwest and mid-continent."

**16. Legislation to strengthen rail safety and accountability receives Royal Assent**

To enhance railway safety and make the rail industry and crude oil shippers more accountable to Canadians, the Honourable Lisa Raitt, Minister of Transport, announced on June 18, 2015 that the *Safe and Accountable Rail Act* received Royal Assent. This Act amends the *Canada Transportation Act* to strengthen the liability and compensation regime for federally regulated railways through enhanced insurance requirements and a supplemental compensation fund financed by levies on crude oil shippers. It also amends the *Railway Safety Act* to increase information-sharing provisions and provide stronger oversight powers for the Minister and Transport Canada inspectors.

**17. Charges laid in connection with Lac-Mégantic train derailment**

On June 22, 2015 charges were laid in connection with the tragic train derailment in Lac-Mégantic under the *Railway Safety Act* and the *Fisheries Act*. Transport Canada's investigation under the *Railway Safety Act* found that an insufficient number of handbrakes were applied to the train and that the handbrakes were not tested properly. Transport Canada takes the safety of the Canadian railway system very seriously by establishing strict rules, regulations and standards, such as the new tougher, more robust tank cars used for transporting oil. Following the accident, the department introduced even stricter requirements for railways to physically secure trains and reduce their speed when carrying dangerous goods in highly urbanized areas.

**18. Railway carloadings, April 2015**

The volume of rail freight carried in Canada totalled 30.5 million tonnes in April 2015, up 1.7% from the same month last year. Freight originating in Canada and destined within Canada and to other parts of the world rose 2.5% to 27.1 million tonnes. Intermodal freight loadings rose 3.2% to 191,000 units in April 2015. Freight traffic received from the United States decreased 4.6% to 3.3 million tonnes, as a result of a decline in both non-intermodal and intermodal shipments.

## HIGHWAY TRANSPORTATION

### 1. Couriers and Messengers Services Price Index, April 2015

The Couriers and Messengers Services Price Index (CMSPI) advanced 0.9% in April 2015 compared with March 2015. The couriers (+1.0%) and the local messengers and local delivery (+0.2%) components both increased. On a year-over-year basis, the CMSPI decreased 0.9% in April 2015.

### 2. Government of Canada intends to introduce legislation for new vehicle recall powers

On June 1, 2015 the Honourable Lisa Raitt, Minister of Transport, announced the Government of Canada's intention to introduce legislation in the House of Commons that will better protect Canadian motorists through new powers to order vehicle recalls. This new legislation was previously announced in Budget 2015. If the legislation is passed, the new powers would allow the Minister to order manufacturers to fix recalled vehicles. The Minister could also order manufacturers or importers to pay for repairs and ensure new vehicles are fixed before they are sold to the public.

### 3. Ontario Passes Legislation to Improve Road Safety

On June 2, 2015 Ontario passed the *Making Ontario's Roads Safer Act* to help ensure that the province's roads are among the safest in North America. In order to reduce collisions, injuries and fatalities on Ontario's roads, the new act will: 1. Increase fines for distracted driving from the current range of \$60 to \$500 to a range of \$300 to \$1,000, assigning three demerit points upon conviction, and escalating sanctions on convictions for novice drivers; 2. Apply current alcohol-impaired sanctions to drivers who are drug impaired; 3 Introduce additional measures to address repeat offenders of

alcohol impaired driving; 4. Require drivers to wait until pedestrians have completely crossed the road before proceeding at school crossings and pedestrian crossovers; 5. Increase fines and demerits for drivers who 'door' cyclists, and require all drivers to maintain a minimum distance of one-metre when passing cyclists where possible; 6. Help municipalities collect unpaid fines by expanding licence plate denial for drivers who do not pay certain *Provincial Offences Act* fines; and 7. Allow a broader range of qualified medical professionals to identify and report medically unfit drivers and, clarify the types of medical conditions to be reported.

### 4. US trucker turns to guaranteed pay to fight driver shortage

As trucking firms battle for qualified drivers, Covenant Transport is offering more than 1,000 team drivers on its payroll \$1,000 a week in guaranteed minimum pay, perhaps the largest guarantee of its kind yet. That kind of guarantee requires strong support from shippers.

### 5. CTA Asking Feedback on Proposed Amendments to Part 8 Reporting Requirements, TDG Regs

This past weekend, Transport Canada (TC) posted proposed amendments to Part 8, Reporting Requirements, of the *Transportation of Dangerous Goods Regulations* (TDG Regulations) in Part 1 of the *Canada Gazette*. TC has provided a 30 day comment period after which they will review comments from industry. CTA will be submitting comments to the proposals in early July based on feedback from member carriers. No timeline has been established for when TC will finalize the proposals in the TDG regulations.

### 6. US LTL trucking companies report increased 2Q volume

Two of the largest publicly owned less-than-truckload carriers, Old Dominion Freight Line and ABF Freight System, reported stronger than expected freight demand in the early second quarter, echoing the mid-quarter report of truckload company Landstar System.

### 7. Brookings Institution calls for sweeping reforms in US freight policies

The U.S. government needs to take on sweeping reforms and new national policies if it intends to address the mounting congestion at the nation's major port cities, the Brookings Institution said in a pair of new reports released June 16, 2015.

### 8. Urban Transit, April 2015

## HIGHWAY TRANSPORTATION Canada

1. Couriers and Messengers Services Price Index, April 2015, May 29, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Government of Canada intends to introduce legislation for new vehicle recall powers, June 1, 2015, [www.tc.gc.ca](http://www.tc.gc.ca)
3. Ontario Passes Legislation to Improve Road Safety, June 2, 2015, [www.mto.on.gov.ca](http://www.mto.on.gov.ca)
4. US trucker turns to guaranteed pay to fight driver shortage, June 4, 2015, [www.joc.com](http://www.joc.com)
5. CTA Asking Feedback on Proposed Amendments to Part 8 Reporting Requirements, TDG Regs, June 9, 2015, [www.cantruck.ca](http://www.cantruck.ca)
6. US LTL trucking companies report increased 2Q volume, June 15, 2015, [www.joc.com](http://www.joc.com)
7. Brookings Institution calls for sweeping reforms in US freight policies, June 16, 2015, [www.joc.com](http://www.joc.com)
8. Urban Transit, April 2015, June 23, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
9. State of Logistics: Despite Serious Capacity Crunch, Rates Only 'Steady', June 25, 2015, [www.cantruck.ca](http://www.cantruck.ca)
10. April 2015 North American Freight Numbers, June 25, 2015, [www.bts.gov](http://www.bts.gov)
11. Couriers and Messengers Services Price Index, May 2015, June 26, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)

In April 2015, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 2.6% from the same month in 2014 to \$284.2 million. Over the same period, ridership increased 0.5% to 139.6 million passenger trips. This survey collects operating revenue (excluding subsidies) and passenger trip data from 10 urban transit companies across Canada. These companies represent approximately 80% of urban transit activity revenue across Canada.

#### **9. State of Logistics: Despite Serious Capacity Crunch, Rates Only 'Steady'**

Last year was the "best year for the supply chain industry since the Great Recession" but serious concern over the truck driver shortage persist, said transportation consultant Rosalyn Wilson at the Council of Supply Chain Management Professionals' (CSCMP) 26th Annual "State of Logistics Report" which is presented by Penske Logistics. The transportation sector grew by 3.6% last year – thanks mainly to stronger shipment volumes, not higher rates, said Wilson, who reportedly tracked and measured all costs associated with moving freight through the supply chain since 1988.

#### **10. April 2015 North American Freight Numbers**

U.S.-NAFTA freight totaled \$93.3 billion in April 2015 as all modes but air carried less U.S.-NAFTA freight than in April 2014, according to the TransBorder Freight Data released on June 25, 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 6.8 percent. Large decreases in the value of NAFTA trade by pipeline and vessel in April were due to the reduced unit price of mineral fuel shipments. U.S.-Canada freight totaled \$48.8 billion in April 2015, down 12.5 percent from April 2014, as all modes of transportation carried a lower value of U.S.-Canada freight than a year earlier. Lower mineral fuel prices contributed to a year-over-year decrease in the value of rail freight, down 6.3 percent. Mineral fuels are a larger share of what is carried by vessel and pipeline which declined 3.6 percent, and 46.1 percent respectively. The weight of mineral fuels imported by vessel actually increased 45.3 percent, almost offsetting the large price decline of the commodity. Trucks carried 58.0 percent of the \$48.8 billion of freight to and from Canada, followed by rail, 16.9 percent; pipeline, 9.1 percent; vessel, 5.4 percent; and air, 4.5 percent.

#### **11. Couriers and Messengers Services Price Index, May 2015**

The Couriers and Messengers Services Price Index (CMSPI) advanced 0.3% in May 2015 compared with April 2015. The courier's component increased 0.5%, while the local messengers and local delivery component declined 0.1%. On a year-over-year basis, the CMSPI decreased 0.7% in May 2015.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. Minister Raitt discusses the future of transportation in Canada**

At the Economic Club of Canada in Toronto on June 12, 2015, the Honourable Lisa Raitt, Minister of Transport discussed how the Government of Canada's is enhancing the safety and efficiency of Canada's transportation system and gearing it towards the future. She indicated that since 2006, the federal government has committed close to 1.8 billion dollars in direct funding to transit-related projects in the GTHA. Further, Transport Canada has recently announced a new class of rail tank car for the transportation of flammable liquids. The new standard is the result of collaboration with the United States, with a joint goal of strengthening the safety of the two countries' inter-connected rail networks.

#### **2. Federal Court of Appeal Decision renders all adjudication process submissions public**

On June 5, 2015, the Federal Court of Appeal issued a judgment that may affect parties who have been or are currently involved in an adjudication process with the Canadian Transportation Agency. The decision concludes that submissions and documents that are accepted as filed must be made publicly available upon request, without redaction. In the past, the Agency has redacted from the public record personal and sensitive information such as social insurance numbers, credit card information, passport numbers and personal addresses, before the information is released to the public. Now, as a result of the court's decision, any submissions or documents

### **Canada**

1. Minister Raitt discusses the future of transportation in Canada, June 12, 2015, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Federal Court of Appeal Decision renders all adjudication process submissions public, June 11, 2015, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
3. Travel between Canada and other countries, April 2015, June 18, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Commodity Flow Survey Microdata, June 18, 2015, [www.bts.gov](http://www.bts.gov)
5. Travel Arrangement Services, 2013, June 23, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
6. National tourism indicators, first Quarter 2015, June 26, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)

filed with the Agency as part of its formal adjudication process will be made part of the public record without redaction, unless a claim for confidentiality has been made to and accepted by the Agency.

### **3. Travel between Canada and other countries, April 2015**

There were 2.2 million trips made to Canada in April 2015, the highest level since February 2010. Travel from the United States increased 0.3% to 1.8 million trips. Travel from overseas countries also increased, up 2.6% to 441,000 trips. In the other direction, travel by Canadian residents abroad fell 0.6% to 4.8 million trips compared with March 2015. The number of trips made by Canadian residents to overseas countries increased 1.5% to 929,000 trips.

### **4. Commodity Flow Survey Microdata**

The Bureau of Transportation Statistics and the U.S. Census Bureau released a public use microdata product from the 2012 Commodity Flow Survey (CFS) on June 15, 2015.

### **5. Travel Arrangement Services, 2013**

Canada's travel arrangement and reservation services industry group recorded operating revenue of \$11.7 billion and operating expenses of \$11.4 billion in 2013. This industry group is composed of tour operators, travel agencies and reservation services industries. Tour operators dominated the travel arrangement and reservation services industry group, accounting for almost three-quarters (74.5%) of total operating revenue. Operating revenue for tour operators was \$8.7 billion in 2013, while operating expenses were \$8.6 billion. This led to an operating profit margin of 1.0%.

### **6. National tourism indicators, first Quarter 2015**

Tourism spending in Canada rose 0.8% in the 2015 first quarter, after increasing 0.7% in the fourth quarter of 2014. Spending by both Canadians at home and international visitors in Canada was up. Tourism spending by Canadians at home rose 1.0% in the first quarter, the largest increase since the first quarter of 2014. Outlays on most tourism goods and services were up, with air transportation (+2.3%) contributing the most to the increase. Transportation (+1.1%) was the largest contributor to the overall growth in tourism