

Transportation Information Update*

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AIR TRANSPORTATION

1. Air Canada First Foreign Airline to Offer Customers the Ease and Convenience of TSA Pre?™ program at U.S. Airports

Air Canada customers travelling from the U.S. can now obtain electronic boarding passes at U.S. airports, not only making check-in and boarding simpler but also giving them easier access to the TSA Pre✓™ program.

2. Air Canada Expands International and Domestic Networks Today, Launching Vancouver-Osaka, Vancouver-Comox, Calgary-Nanaimo, and Calgary-Halifax Services

Celebrations are being held at four airports across Canada on May 1, 2015 as Air Canada inaugurates new services between Vancouver-Osaka, Vancouver-Comox, Calgary-Nanaimo and Calgary-Halifax.

3. What's good for WestJet is good for Gander

WestJet on May 3, 2015 launched new, daily non-stop service between Toronto and Gander, Newfoundland, on board WestJet's Boeing Next-Generation 737 aircraft. "We are aggressively growing our domestic network through 2015 with more WestJet and WestJet Encore service in eastern Canada, including the Toronto-Gander flight launching today" said Bob Cummings, WestJet VP for sales and Marketing.

4. WestJet launches more non-stop service from YYC

WestJet on May 3, 2015 launched new, non-stop daily service between Calgary and Terrace, BC, and between Calgary and Yellowknife, NT. Flights between Calgary and Terrace will be operated by WestJet Encore's fleet of Canadian-made Bombardier Q400 NextGen aircraft, while flights between Calgary and Yellowknife will be operated by WestJet's fleet of Boeing Next Generation 737s.

5. 2014 Airline Financial Data

U.S. scheduled passenger airlines reported a net profit of \$7.5 billion in 2014 down, from \$12.2 billion in 2013, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 4, 2015. As a group, the 27 U.S. airlines that operated scheduled passenger service in 2014 reported an after-tax net profit for the fifth consecutive year.

6. WestJet reports April load factor of 80.2 per cent

WestJet on May 5, 2015 announced April 2015 traffic results with a load factor of 80.2 per cent down 2.1 points. Revenue passenger miles (RPMs), or traffic, increased 3.1 per cent year-over-year to 1.829 billion, and capacity, measured in available seat miles (ASMs), grew 5.8 per cent over the same period to 2.280 billion. Load factor, RPMs and ASMs for the same month in 2014 were: 82.3, 1.774 billion and 2.155 billion.

7. WestJet reports all-time high quarterly net earnings

WestJet on May 5, 2015 announced its first quarter results for 2015, with record net earnings of \$140.7 million, or \$1.09 per diluted share. This compares with the net earnings of \$89.3 million, or \$0.69 per diluted share reported in the first quarter of 2014, up 57.6 per cent and

AIR

TRANSPORTATION Canada

1. Air Canada First Foreign Airline to Offer Customers the Ease and Convenience of TSA Pre?™ program at U.S. Airports, April 30, 2015, www.aircanada.ca

2. Air Canada Expands International and Domestic Networks Today, Launching Vancouver-Osaka, Vancouver-Comox, Calgary-Nanaimo, and Calgary-Halifax Services, May 1, 2015, www.aircanada.ca

3. What's good for WestJet is good for Gander, May 3, 2015, www.westjet.ca

4. WestJet launches more non-stop service from YYC, May 3, 2015, www.westjet.ca

5. 2014 Airline Financial Data, May 4, 2015, www.dot.gov

6. WestJet reports April load factor of 80.2 per cent, May 5, 2015, www.westjet.ca

7. WestJet reports all-time high quarterly net earnings, May 5, 2015, www.westjet.ca

8. WestJet's profit jumps sharply on lower fuel costs, May 5, 2015, www.globeandmail.ca

9. Air Freight Resumes Modest Growth Trend, May 5, 2015, www.iata.org

10. Air Canada Reports April Traffic Results, May 5, 2015, www.aircanada.ca

11. March Passenger Demand Remains Robust, Buoyed by Lunar New Year, May 6, 2015, www.iata.org

12. Aircraft movement statistics: Small airports, January 2015, May 7, 2015, www.statcan.gc.ca

13. Air Canada Reports Record First Quarter 2015 Results, May 12, 2015, www.aircanada.ca

14. Air Canada goes for all-in pricing, May 12, 2015, www.ctl.ca

15. Air Canada expanding cross-border flights as U.S. airlines cut service, May 12, 2015, www.globeandmail.ca

16. New filing approach for international scheduled services air cargo tariffs, May 12, 2015, www.cta-otc.gc.ca

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

58.0 per cent, respectively. WestJet achieved an on-time performance rate of 78.0 per cent in the first quarter, a year-over-year improvement of 10.1 percentage points. Based on the trailing twelve months, the airline achieved a return on invested capital of 15.8 per cent, compared with the 14.3 per cent reported in the previous quarter. Its load factor for the 2015 quarter was 81.6 percent compared to 83.1 percent in the first quarter of 2014.

8. WestJet's profit jumps sharply on lower fuel costs

WestJet Airlines Ltd reported better than expected first-quarter earnings on May 5, 2015, helped by lower fuel costs and an improvement in other operating costs. Cost per available seat mile, a key cost measure for airlines, fell 7 per cent from a year earlier. Excluding fuel and employees' profit shares, it improved 1.1 per cent. WestJet had said previously that it expected fuel costs to drop by up to 30 per cent in the quarter.

9. Air Freight Resumes Modest Growth Trend

The International Air Transport Association (IATA) released data for global air freight markets, showing a modest 1.6% rise in volumes in March 2015 compared to a year ago, measured in Freight Tonne Kilometers (FTK). International market volume rose 1.7% and domestic market rose 0.9%.

10. Air Canada Reports April Traffic Results

For the month of April 2015, Air Canada reported a system load factor of 83.2 per cent, versus 83.3 per cent in April 2014, on a system-wide capacity increase of 7.5 per cent. On this additional capacity, system wide traffic for April increased 7.4 per cent for the month. For April 2015, its available seat miles were 6.130 billion and its traffic (revenue per seat mile) was 5.098 billion. Air Canada reports traffic results on a system-wide basis, including regional airlines from which Air Canada purchases capacity and Air Canada *rouge*[®].

11. March Passenger Demand Remains Robust, Buoyed by Lunar New Year

The International Air Transport Association (IATA) announced global passenger traffic results for March 2015 indicating that demand (revenue passenger kilometers or RPKs) rose 7.4% compared to March 2014. This was an improvement on February 2015, when year-over-year growth was 6.4%. The international market grew 7% and the domestic market grew 8%.

12. Aircraft movement statistics: Small airports, January 2015

Take-offs and landings at 113 Canadian airports without air traffic control towers reached 33,221 movements in January 2015. Six airports, each with more than 1,000 movements, accounted for 29% of the activity during the month.

13. Air Canada Reports Record First Quarter 2015 Results

Air Canada on May 12, 2015 reported first quarter adjusted net income of \$122 million or \$0.41 per diluted share compared to an adjusted net loss of \$132 million or \$0.46 per diluted share in the first quarter of 2014, an improvement of \$254 million or \$0.87 per diluted share. EBITDAR (earnings before interest, taxes, depreciation, amortization

17. March 2015 Complaints About Airline Service Up From Previous Year And February 2015, May 11, 2015, www.bts.gov

18. February 2015 U.S. Airline Traffic Data, May 14, 2015, www.bts.gov

19. Investment at Windsor International Airport, May 15, www.tc.gc.ca

20. Air Canada Adds Austin TX to Global Network Today, May 18, 2015, www.aircanada.ca

21. Air Canada rouge launches seasonal non-stop service between Montreal and Venice, May 15, 2015, www.aircanada.ca

22. Air cargo spends most of its time on the ground, IATA chief says, May 18, 2015, www.joc.com

23. Transport Canada Air Cargo Security Program to introduce new participant categories, May 19, 2015, www.ctl.ca

24. Air Canada to start checking that carry-on bags meet regulations, May 21, 2015, www.globeandmail.ca

25. Civil aviation operating statistics, March 2015, May 21, 2015, www.statcan.gc.ca

26. Air fares, first quarter 2014, May 21, 2015, www.statcan.gc.ca

27. Aircraft movement statistics: Major airports, March 2015, May 21, 2015, www.statcan.gc.ca

28. March 2015 Passenger Airline Employment Data, www.bts.gov

29. TIACA leaders pledge to drive the air freight advocacy agenda, May 21, 2015, www.ctl.ca

30. Investment at Kamloops Airport, May 22, 2015, www.tc.gc.ca

31. Air Canada Launches Seasonal Service to Atlantic City Today, May 22, 2015, www.aircanada.ca

32. Air Canada Invests in Improved Premium Product on Air Canada rouge, May 26, 2015, www.aircanada.ca

33. Air Canada Opts Out of Air Canada Pension Plan Funding Regulations, 2014, May 26, 2015, www.aircanada.ca

34. Air China to Launch Beijing-Montreal Flights in Cooperation with Air Canada, May 28, 2015, www.aircanada.ca

35. Transport Canada consults on proposed changes to UAV safety regulations, May 28, 2015, www.tc.gc.ca

36. Westjet flight attendants vote in favour of new agreement, May 28, 2015, www.westjet.ca

and aircraft rent) amounted to \$442 million compared to EBITDAR of \$147 million in the same quarter in 2014, an increase of \$295 million or 200 per cent year-over-year. On a GAAP (general accepted accounting principles) basis, Air Canada reported operating income of \$200 million in the first quarter of 2015 compared to an operating loss of \$62 million in the first quarter of 2014, an improvement of \$262 million.

The airline recorded an operating margin of 6.2 per cent compared to a negative operating margin of 2.0 per cent in the first quarter of 2014, an improvement of 8.2 percentage points.

14. Air Canada goes for all-in pricing

In July 2015 North American customers of Air Canada Cargo will find their invoices trimmed down. Effective July 6, 2015 the airline will stop listing surcharges for fuel, security and traffic control (navigation) separately and quote a simplified, all-inclusive rate instead. The simplified rate structure will apply to all shipments moved on Air Canada from any point in the Americas.

15. Air Canada expanding cross-border flights as U.S. airlines cut service

U.S. airlines have trimmed their flights to Canada because of the soaring U.S. currency and Air Canada is rushing to fill the gap in what it sees as a double win. "We've seen reductions from all the U.S. carriers that serve Canada," Air Canada chief executive officer Calin Rovinescu said on the airline's first-quarter conference call on May 12, 2015. They're pulling back because weakness in the Canadian dollar versus its U.S. counterpart makes the market less attractive, Mr. Rovinescu said.

16. New filing approach for international scheduled services air cargo tariffs

The Canadian Transportation Agency has implemented a new approach for the filing of international scheduled services cargo tariffs for air carriers offering services to or from Canada. The Airline Tariff Publishing Company (ATPCO) has informed the Agency and its clients that it no longer acts as an agent for the filing of cargo tariffs. However, the International Air Transportation Association (IATA) has offered to act as an agent for their member carriers. As a result, carriers may use IATA's Air Cargo Tariff and Rules manuals (otherwise known as TACT manuals), as official tariffs with the Agency. More detailed information can be found in Agency Order No. 2015-A-60.

17. March 2015 Complaints About Airline Service Up From Previous Year And February 2015

Airline consumer complaints filed with DOT's Aviation Consumer Protection Division in March 2015 were up 55.1 percent from March 2014 and up 27.2 percent from February 2015, according to the U.S. Department of Transportation's Air Travel Consumer Report released on May, 11, 2015.

18. February 2015 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 14, 2015 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – rose to 84.2 percent in February 2015, seasonally adjusted, reaching its highest level since February 2014. Seasonal adjustment allows the comparing of monthly load factors to all other months.

19. Investment at Windsor International Airport

The Honourable Lisa Raitt, Minister of Transport, together with Jeff Watson, Parliamentary Secretary to the Minister of Transport and Member of Parliament for Essex, on May 15, 2015 announced that the Government of Canada is making investments to enhance safety at the Windsor International Airport. Funding will pay for the replacement of selected airfield guidance signs and wind direction indicators. This equipment will ensure continued safe visibility for flight crews, passengers, employees, and medical evacuation operations. Funding is provided through Transport Canada's Airports Capital Assistance Program (ACAP).

20. Air Canada Adds Austin TX to Global Network Today

Air Canada Express flight AC8840 from Toronto to Austin on May 18, 2015, officially became part of Air Canada's international network of more than 190 destinations on five continents. "We are delighted to welcome Austin to our global network as we continue to strategically add new routes in response to demand," said Benjamin Smith, President, Passenger Airlines.

21. Air Canada rouge launches seasonal non-stop service between Montreal and Venice

Air Canada rouge touched down at Venice Marco Polo Airport this morning, marking the start of new non-stop seasonal service from Montreal's Pierre Elliott Trudeau International Airport. Celebrations were held at both airports to inaugurate the twice-weekly service.

22. Air cargo spends most of its time on the ground, IATA chief says

Products being shipped as air cargo spend up to 90 percent of the transport time on the ground waiting to be processed, according to IATA director general and CEO Tony Tyler.

23. Transport Canada Air Cargo Security Program to introduce new participant categories

Transport Canada will be making changes to its Air Cargo Security Program, aiming at securing the supply chain while reducing cargo screening bottlenecks for the \$100 billion per year of cargo departing from Canadian airports. The Canadian Aviation Security Regulations, 2012, will be amended to expand the air cargo Secure Supply Chain, said the agency.

24. Air Canada to start checking that carry-on bags meet regulations

With the busy summer travel season set to take flight, Air Canada is about to begin to ensure that carry-on baggage meets regulations. Starting May 25, 2015 at Toronto's Pearson International Airport, airline staff will be stationed at both check-in and security checkpoints to ensure carry-on bags meet size and weight requirements.

25. Civil aviation operating statistics, March 2015

The two major Canadian air carriers flew 4.2 million passengers on scheduled and charter services in March 2015, up 14.2% from the same month in 2014. On average, each passenger travelled 2,704 kilometres, up 1.4% compared with March 2014. Both Air Canada and WestJet increased their passenger capacity and traffic in March 2015.

26. Air fares, first quarter 2014

Domestic and international air fares combined averaged \$242.30 in the first quarter of 2014, down 2.7% from the same quarter of 2013. This marked the second decline following two consecutive year-over-year quarterly advances. The average domestic fare was \$179.10, down 7.9% from the same quarter a year earlier, while the average international fare rose 1.1% to \$307.20.

27. Aircraft movement statistics: Major airports, March 2015

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 4.9% in March 2015 from the same month a year earlier. These 91 airports reported 451,891 movements during the month. The 430,840 aircraft movements reported by 92 airports in March 2014 represented the lowest level for a month of March since 1985.

28. March 2015 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 390,841 workers in March 2015, 1.9 percent more than in March 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 21, 2015.

29. TIACA leaders pledge to drive the air freight advocacy agenda

TIACA's new leaders have pledged to drive the air freight advocacy agenda, boost the Association's membership base, and grow its education program, delegates at the Executive Summit were told on May 21, 2015.

30. Investment at Kamloops Airport

Cathy McLeod, Parliamentary Secretary to the Minister of Health and for Western Economic Diversification and Member of Parliament for Kamloops-Thompson-Cariboo, on behalf of the Honourable Lisa Raitt, Minister of Transport, on May 22, 2015 announced that the Government of Canada is investing \$4,401,747 to enhance safety at the Kamloops Airport.

31. Air Canada Launches Seasonal Service to Atlantic City Today

This morning's departure of Air Canada flight AC7918 on May 22, 2015 from Toronto marked the start of seasonal services to Atlantic City, resort city famed for beaches, boardwalks and casinos.

32. Air Canada Invests in Improved Premium Product on Air Canada route

On May 26, 2015, Air Canada announced a number of product upgrades to benefit customers on its leisure airline, Air Canada rouge. The key improvements were: 1. Introduction of new spacious Business Class seats on Air Canada rouge A319 aircraft; 2. More overhead stowage space throughout Airbus A319 aircraft; and 3. Upgrades to the in-flight entertainment system across the Air Canada rouge fleet.

33. Air Canada Opts Out of Air Canada Pension Plan Funding Regulations, 2014

Air Canada announced on May 26, 2015 that it has elected to opt out of the *Air Canada Pension Plan Funding Regulations, 2014* (the "2014 Regulations"), effective immediately. The 2014 Regulations became effective on January 1, 2014 and under their terms, Air Canada was required to make solvency deficit payments of \$200 million per year, on average, over a seven-year period. The agreement entered into in connection with these regulations contained several restrictions, including a prohibition on dividends and share repurchases; however it allowed Air Canada to opt out at any time. It will now return to Normal Funding Rules applicable to federally regulated pension plans. In conjunction with the election to opt out of the 2014 Regulations, Air Canada has reviewed its capital allocation plans. It has implemented a Normal Course Issuer Bid for up to 10 million shares.

34. Air China to Launch Beijing-Montreal Flights in Cooperation with Air Canada

Air China and Air Canada said on May 27, 2015 that they are preparing for the launch of non-stop flights between Beijing and Montreal that will create the first transpacific direct link between Asia and Montreal. The flights will be operated by Air China starting on September 29, 2015, initially three times a week, with Boeing 777-300ER aircraft and Air Canada will place its code on the flights for sale on a codeshare basis in

a first phase.

35. Transport Canada consults on proposed changes to UAV safety regulations

The Honourable Lisa Raitt, Minister of Transport, on May 28, 2015 launched consultations on proposed amendments to the regulations governing the safe use of unmanned air vehicles (UAVs).

36. Westjet flight attendants vote in favour of new agreement

Westjet announced May 28, 2015 that its flight attendants have voted in favour of a new work agreement with 81.7 per cent of eligible flight attendants voting. A tentative agreement was negotiated between WestJet and the WestJet Flight Attendant Association Board (FAAB), the association representing its flight attendants, and was agreed to on April 21, 2015. Items in the ratified five-year agreement include compensation, work rules, standardized processes and a formal framework for discussion between WestJet flight attendants and the airline.

WATER TRANSPORTATION

1. Minister Raitt launches Commercial Fishing Safety component of Boating Safety Contribution Program

The Honourable Lisa Raitt, Minister of Transport, joined by Members of Parliament from Atlantic Canada, on April 29, 2015 announced a new Commercial Fishing Safety component of the Government of Canada's Boating Safety Contribution Program. Under this new component, up to \$300,000 per year for the next three years will be available to support education and awareness initiatives that promote safe boating practices onboard small commercial fishing vessels across the country.

2. Vancouver's 2015 Alaska cruise season kicks off today at Canada Place

Port Metro Vancouver's 2015 Alaska cruise season officially began on April 29, 2015 with the arrival of the Ruby Princess at Canada Place. The 2015 season is expected to be strong, on par with previous years, with an estimated 800,000 passengers on 227 visits by 32 vessels.

3. European shipowners lobby EU to open cargo-handling to competition

European shipowners have appealed to the European Parliament to change the European Commission's proposed EU port services regulation, notably by re-including proposals to open up cargo-handling and passenger services to competition.

4. Gradual recovery foreseen from overcapacity in bulk and container shipping markets

While there are presently few signs of relief in the over-tonnaging of world bulk and container shipping markets and the persistent imbalance between supply and demand, a gradual recovery could take root in the coming years. This was a central message framed within an ocean shipping outlook presented by Peter Kerr-Dineen, Chairman of London-based Howe Robinson Shipbrokers, at the annual conference in Montreal on May 6, 2015.

5. Port Metro Vancouver rewards marine carriers for environmental stewardship with Blue Circle Awards

Port Metro Vancouver honours 12 shipping and four cruise lines with a Blue Circle Award for 2014.

6. Prince Rupert Port Authority: For April 2015

The Port of Prince Rupert reported its container traffic volume for April 2015 on May 12, 2015. Total container traffic in terms of TEUs (twenty-foot equivalent units) was 65,417 an increase of 35.04% over the same month a year ago. The year to date increase was 42.01%.

Imports were 37,818.25 TEUs an increase of 31.37% and exports were TEUs 27,598.75 over the same month in 2014.

WATER TRANSPORTATION Canada

1. Minister Raitt launches Commercial Fishing Safety component of Boating Safety Contribution Program, April 29, 2015, www.tc.gc.ca
2. Vancouver's 2015 Alaska cruise season kicks off today at Canada Place, April 29, 2015, www.metroportvancouver.com
3. European shipowners lobby EU to open cargo-handling to competition, May 5, 2015, www.joc.com
4. Gradual recovery foreseen from overcapacity in bulk and container shipping markets, May 6, 2015, www.ctl.ca
5. Port Metro Vancouver rewards marine carriers for environmental stewardship with Blue Circle Awards, May 6, 2015, www.portmetrovancover.com
6. Prince Rupert Port Authority: For April 2015, May 12, 2015, www.rupertport.com
7. Port of Halifax - Latest Quarter - Container Throughput at HPA Facilities (TEU), May 18, 2015, www.portofhalifax.ca
8. Port Metro Vancouver: Accumulated container traffic report - YTD April 2015, May 19, 2015, www.portmetrovancover.com
9. Joint infrastructure investment unlocks growing Canadian trade opportunities, May 19, 2015, www.tc.gc.ca
10. West Coast longshore workers approve new 5-year contract by 82%, May 22, 2015, www.ctl.ca
11. Singapore competition body wants liner block exemption extended, May 26, 2015, www.joc.com
12. Canadian containerized imports forecast to grow at faster clip, May 26, 2015, www.joc.com

7. Port of Halifax - Latest Quarter – Container Throughput at HPA Facilities (TEU)

The Port of Halifax reported its first quarter results for 2015. Total containers in terms of TEUs (twenty-foot equivalent) were 89,367 down 97,779 or 8.6% for the same quarter in 2014. Total imports were 47,584 down 8.8% and total exports were 41,783 down 8.5% from the first quarter in 2014.

8. Port Metro Vancouver: Accumulated container traffic report – YTD April 2015

The Port of Metro Vancouver reported its total container traffic (in terms of TEUs – twenty foot equivalent units) on May 19, 2015. Total containers for the period January 2015 to April 2015 were 996,313 an increase of 15.1% compared to the same period in 2014 (865,447). Imports increased to 531,911 (8.9%) from 488,342 and exports increased to 464,402 (23.2%) from 377,105.

9. Joint infrastructure investment unlocks growing Canadian trade opportunities

The Prince Rupert Port Authority on May 19, 2015 announced the completion of the Port of Prince Rupert's \$97-million Road, Rail & Utility Corridor (RRUC), unlocking new terminal developments and market access for Canadian exporters. Representatives of the Port Authority were joined by project funding partners - the Government of Canada, Province of British Columbia, Canpotex and CN - at an event held on the Ridley Island Industrial Site, where the last rail spike of the \$97-million project was driven. The Government of Canada and the Government of British Columbia each contributed \$15 million, CN provided \$30 million, Canpotex provided \$15 million, and the Prince Rupert Port Authority provided the remaining amount.

10. West Coast longshore workers approve new 5-year contract by 82%

West Coast Longshore workers have overwhelmingly voted to ratify a tentative contract agreement reached in February 2015 with employers represented by the Pacific Maritime Association (PMA). Members of the International Longshore and Warehouse Union (ILWU) voted 82% in favor of approving the new 5-year agreement that will expire on July 1, 2019. The previous contract was ratified in 2008 with a vote of 75% in favor, said a release.

11. Singapore competition body wants liner block exemption extended

The Competition Commission of Singapore has recommended extending the liner shipping block exemption for another five years, and this week launched an exercise to gauge public feedback on the controversial ruling.

12. Canadian containerized imports forecast to grow at faster clip

Canadian containerized imports are slated to rise 4 percent this year compared to last year, according to World Trade Services, a sister product of JOC.com within IHS Maritime & Trade.

RAIL TRANSPORTATION

1. Rail Carloadings, February 2015

The volume of rail freight carried in Canada totalled 25.7 million tonnes in February 2015, up 7.2% from the same month last year. Domestic rail freight originating in Canada and destined within Canada and other parts of the world rose 8.4% to 22.8 million tonnes. These shipments are composed of non-intermodal freight (that is, cargo moved via box cars or loaded in bulk) and intermodal freight (that is, cargo moved via containers and trailers on flat cars). Intermodal freight loadings rose 2.0% to 160,000 units in February 2015. Traffic received from the United States fell 1.4% to 2.9 million tonnes. The drop was the result of a decrease in non-intermodal loadings.

2. NS earnings decline on weak intermodal, coal volumes

Norfolk Southern Corp.'s earnings fell 16 percent in the first quarter on weak intermodal volumes and a struggling coal market, the company reported on April 29, 2015.

3. The Government of Canada announces Joint Safety Study on Locomotive Voice and Video Recorders to Improve Rail Safety

On May 30, 2015, the Honourable Lisa Raitt, Minister of Transport, announced that Transport Canada will begin working with the Transportation Safety Board of Canada (TSB) to conduct a joint safety study on locomotive voice and video recorders.

4. Lower Fuel Costs Result in Above Average Decrease in the Volume-Related Composite Price Index for Crop Year 2015-2016

The Canadian Transportation Agency has announced a 5.6 percent decrease in the Volume-Related Composite Price Index (VRCPI), which is used in determining the maximum revenue entitlement for the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) for the movement of western grain. Decision No. 120-R-2015 sets the index at 1.2517 for the 2015-2016 crop year beginning August 1. The 5.6 percent decrease stems from two main sources: 1) a 4.1 percent decrease attributable to the effect of replacing last year's forecasts of price changes for railway inputs for 2014 with actual data and incorporating revised forecasts for 2015; and, 2) a further 1.5 percent decrease due to forecasted price changes for railway inputs for the 2015-2016 crop year.

5. Minister Raitt and U.S. Secretary Foxx announce next generation of stronger, safer rail tank cars

On May 1, 2015, the Honourable Lisa Raitt, Minister of Transport, was joined by U.S. Secretary of Transportation, Anthony Foxx, to unveil a new class of rail tank car for flammable liquids. This newer, stronger tank car will be used for the transportation of flammable liquids, such as crude oil and ethanol. The new standard is the result of collaboration on both sides of the border, with a joint goal of strengthening the safety of the two countries' inter-connected rail networks.

6. CP applauds US DOT and Transport Canada move to harmonize tank car standards

Canadian Pacific applauds the Canadian and U.S. governments for working together on harmonizing new tank car standards and fully supports their leadership in the full implementation of these new cars for transporting dangerous goods. The new tank car announced on May 1, 2015, the TC-117/DOT-117, will include outer jackets, thermal protection, thicker steel shells, head shields and improved bottom valves to protect against leaks during a potential incident. The rules also call for the full phase out or retrofitting of all older tank cars that do not meet the new standards.

7. CN targets \$2.7 billion in 2015 capital investments

RAIL TRANSPORTATION Canada

1. Rail Carloadings, February 2015, April 29, 2015, www.statcan.gc.ca
2. NS earnings decline on weak intermodal, coal volumes, April 29, 2015, www.joc.com
3. The Government of Canada announces Joint Safety Study on Locomotive Voice and Video Recorders to Improve Rail Safety, April 30, 2015, www.tc.gc.ca
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5. Minister Raitt and U.S. Secretary Foxx announce next generation of stronger, safer rail tank cars, May 1, 2015, www.tc.gc.ca
6. CP applauds US DoT and Transport Canada move to harmonize tank car standards, May 1, 2015, www.cpr.ca
7. CN targets \$2.7 billion in 2015 capital investments, May 5, 2015, www.ctl.ca
8. BNSF profit jumps 44 percent despite drop in intermodal traffic, May 5, 2015, www.joc.com
9. STB to address rail pricing issues at public hearings, May 8, 2015, www.joc.com
10. Agency consultation on volume-related composite price index cost adjustments related to the replacement of Government-owned hopper cars, May 11, 2015, www.cta-otc.gc.ca
11. CSX unveils new Quebec intermodal terminal, May 11, 2015, www.joc.com
12. Canadian Pacific Railway Limited declares dividend, May 13, 2015, www.cpr.ca
13. CN's Claude Mongeau says Canada's trade agenda needs a market-based regulatory regime that encourages continued rail investment and innovation, May 14, 2015, www.cn.ca
14. Consultation on the treatment of switching services under the Maximum Revenue Entitlement Program, May 15, 2015, www.cta-otc.gc.ca
15. Railway Carloadings, March 2015, May 27, 2015, www.statcan.gc.ca
16. Railways announce new mobile app to give Canadian first responders real-time dangerous goods information, May 28, 2015, www.cn.ca

CN announced on May 5, 2015 the details of its 2015 plan to invest C\$2.7 billion in rail infrastructure maintenance and improvements, as well as in new capacity, equipment and technology to raise network safety and efficiency, improve service and support future growth.

8. BNSF profit jumps 44 percent despite drop in intermodal traffic

BNSF Railway's net first-quarter earnings jumped 44 percent to \$1 billion despite West Coast port congestion that pulled down its intermodal volume roughly 5.5 percent in the period.

9. STB to address rail pricing issues at public hearings

The U.S. Surface Transportation Board has announced plans for two public hearings on the country's railways, a sign the federal agency is increasing efforts to address shippers' frustrations with rail pricing.

10. Agency consultation on volume-related composite price index cost adjustments related to the replacement of Government-owned hopper cars

In Decision No. LET-R-17-2015, the Agency stated that it was prepared, following consultation, to consider making a cost adjustment under paragraph 151(4)(c) of the *Canada Transportation Act* for cars obtained by U.S. subsidiaries of prescribed railway companies and used in regulated grain service by the prescribed railway companies, if and when an appropriate methodology is established. The Agency is calling for submissions

11. CSX unveils new Quebec intermodal terminal

CSX Transportation unveiled a new intermodal terminal just outside of Montreal on May 11, 2015, giving the Jacksonville, Fla.-based railway easy access to the Eastern Canadian market.

12. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on May 13, 2015 declared a quarterly dividend of 35 cents (\$0.35) Canadian per share on the outstanding Common Shares.

13. CN's Claude Mongeau says Canada's trade agenda needs a market-based regulatory regime that encourages continued rail investment and innovation

Claude Mongeau, president and chief executive officer of CN, said on May 14, 2015 that Canada's trade agenda requires a policy framework that encourages and rewards continued investment in supply-chain capacity and innovation. "Canada enjoys the benefits of a world-class rail industry entirely owned by the private sector. CN, from its own resources, has invested close to C\$10 billion in rail infrastructure, capacity additions and operational and service excellence initiatives across its North American network over the past five years – with C\$1 billion of that being invested alone in British Columbia, which sees a full one-third of all CN traffic..."

14. Consultation on the treatment of switching services under the Maximum Revenue Entitlement Program

The Agency has decided to review the issues of treatment of interswitching and exchange switching under the Maximum Revenue Entitlement (MRE) Program and to launch an industry-wide consultation for that purpose. The issues to be examined are: 1. What is the most appropriate method of recognizing the costs and revenues associated with interswitching operations, in a way that is consistent with the MRE formula and the Act? 2. Should Agency staff treat revenues and costs related to operations performed under commercially negotiated "exchange agreements" entered into by CN and CP the same way it does interswitching revenues and costs?

15. Railway Carloadings, March 2015

The volume of rail freight carried in Canada totalled 30.9 million tonnes in March 2015, up 5.6% from the same month last year. Freight originating in Canada and destined within Canada and to other parts of the world rose 6.3% to 27.5 million tonnes. These shipments are composed of non-intermodal freight (that is, cargo moved via box cars or loaded in bulk) and intermodal freight (that is, cargo moved via containers and trailers on flat cars). Intermodal freight loadings rose 10.2% to 191,000 units in March 2015. Freight traffic received from the United States rose 0.5% to 3.4 million tonnes, reflecting increases in both non-intermodal and intermodal loadings.

16. Railways announce new mobile app to give Canadian first responders real-time dangerous goods information

Canada's railways are launching their new AskRail app, aimed at providing emergency responders with real-time information about a train's rail-car contents in the event of an emergency. Through AskRail's mobile interface, developed by the Association of American Railroads and its members, including CN and CP, emergency responders across North America will be able to see the contents of a railcar through a simple search, view railway emergency contact information, and reference resources to support incident response.

HIGHWAY TRANSPORTATION

1. Couriers and Messengers Services Price Index, March 2015

The Couriers and Messengers Services Price Index (CMSPI) decreased 1.4% in March 2015 compared with February 2015. The couriers (-1.7%) and the local messengers and local delivery (-0.5%) components both declined. On a year-over-year basis, the CMSPI increased 0.8% in March 2015.

2. Stock analysis: Improvement at Transforce gives it a 10 rating

At the end of April 2015, Transforce Inc. (TFI-T), a transportation and logistics services company, has been awarded a 10 out of 10 score by StockReports+, one of 68 stocks with a 10 rating. The recent change in its rating was due to "an improvement in the earnings and relative valuation component scores," StockReports+ stated.

3. Manitoulin Group of Companies acquires Ridsdale Transport Ltd. of Saskatoon

Manitoulin Group of Companies has purchased Ridsdale Transport Ltd. of Saskatoon, Saskatchewan. The acquisition augments Manitoulin's existing coverage capabilities in the province, positioning it as Saskatchewan's largest transportation and logistics provider, the company said.

4. Global logistics industry sees rise in mergers, acquisitions

Large-scale mergers and acquisitions in the global transportation and logistics industry posted year-over-year increases in value and number during the first quarter of 2015, PwC US reported.

5. Penske Logistics completes acquisition of Transfreight North America

Penske Logistics announced it has successfully completed its planned acquisition of Transfreight North America, a provider of third-party logistics and supply chain solutions, from Mitsui & Co., Ltd. Financial terms were not disclosed.

HIGHWAY TRANSPORTATION Canada

1. Couriers and Messengers Services Price Index, March 2015, April 30, 2015, www.statcan.gc.ca

2. Stock analysis: Improvement at Transforce gives it a 10 rating, May 4, 2015, www.globeandmail.ca

3. Manitoulin Group of Companies acquires Ridsdale Transport Ltd. of Saskatoon, May 5, 2015, www.ctl.ca

4. Global logistics industry sees rise in mergers, acquisitions, May 10, 2015, www.joc.com

5. Penske Logistics completes acquisition of Transfreight North America, May 10, 2015, www.ctl.ca

6. March 2015 Freight Transportation Services Index (TSI), May 13, 2015, www.dot.gov

7. North American freight volumes jump 4.2% in April, May 15, 2015, www.americanshipper.com

8. Truck traffic rises at top US border crossings, May 18, 2015, www.joc.com

9. Large Urban Transport, March 2015, May 22, 2015, www.statcan.gc.ca

10. TransForce has acquired Hazen Final Mile, May 22, 2015, www.americanshipper.com

11. March 2015 North American Freight Numbers, May 28, 2015, www.dot.gov

6. March 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, rose 1.7 percent in March 2015 from February 2015, rising after a one-month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The March 2015 index level (122.9) was 29.9 percent above the April 2009 low during the most recent recession.

7. North American freight volumes jump 4.2% in April

According to the latest Cass Freight Index Report, North American shipment volumes and expenditures rose for the third month in a row in April 2015. The logistics payment solutions provider noted this increase came despite what it characterized as "anemic" GDP growth of only 0.2 percent in the first quarter. Cass said that both rail and truck sectors reported increased loads in April, with the strong U.S. dollar increasing imports but hampering exports.

8. Truck traffic rises at top US border crossings

The number of tractor-trailers crossing U.S. borders rose 2.4 percent in the 2015 first quarter, following a 4 percent increase last year, according to Department of Transportation data. Border crossings between the U.S. and Mexico outpaced U.S.-Canadian truck traffic.

9. Large Urban Transport, March 2015

In March 2015, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 3.8% from the same month in 2014 to \$311.6 million. Over the same period, ridership increased 0.6% to 153.1 million passenger trips.

10. TransForce has acquired Hazen Final Mile

The Canadian trucking company TransForce has acquired Hazen Final Mile from Hazen Transport of Taylor, Michigan. Transforce told American Shipper the deal is a strategic acquisition in which Hazen Final Mile will be combined with Transforce's Dynamex unit, which also does "final mile" delivery.

11. March 2015 North American Freight Numbers

U.S.-NAFTA freight totalled \$96.1 billion in March 2015 as three out of five transportation modes – air, rail, and truck – carried more U.S.-NAFTA freight than in March 2014, according to the TransBorder Freight Data released on May 28, 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 5.3 percent. The value of NAFTA trade by pipeline and vessel declined in March due to the reduced unit price of mineral fuel shipments. U.S.-Canada freight totalled \$50.8 billion in March 2015 as one out of five transportation modes – air – carried more U.S.-Canada freight than in March 2014. Trucks carried 58.4 percent of the \$50.8 billion of freight to and from Canada, followed by rail, 16.7 percent; pipeline, 9.0 percent; air, 4.9 percent; and vessel, 4.4 percent. The surface transportation modes of truck, rail and pipeline carried 84.1 percent of the total U.S.-Canada freight flows.

GENERAL TRANSPORTATION

Canada

1. Canada's exports increase driven by volume gain

Canada's exports increased 0.4% driven by volume gains but dragged by weaker prices, while imports were up by 2.2%. The merchandise trade deficit widened to a record \$3 billion, compared to the \$2.2 billion deficit from January (revised from the \$984 million initially reported) 2015. Year-to-date exports are only slightly negative, down 0.3%, dragged by weaker prices, said an Export Development Canada report.

2. Canada's trade agenda needs market-based regulatory regime: CN's Mongeau

Canada's trade agenda requires a policy framework that encourages and rewards continued investment in supply-chain capacity and innovation, CN's Claude Mongeau, president and chief executive officer of CN said in a speech to the Vancouver Board of Trade May 14, 2015.

3. Travel between Canada and other countries, March 2015

Travel to Canada in March 2015 rose 0.7% compared with February 2015 to 2.2 million trips. Travel from the United States accounted for 1.8 million trips in the month, an increase of 2.0%. Travel from overseas countries decreased 4.2% to 431,000 trips. A decrease in travel from France (-20.8%) was responsible for the majority of this decline. In the other direction, Canadian residents took 4.8 million trips in March 2015, an increase of 0.3% compared with February 2015.

4. Minister Raitt highlights need for transportation industry innovation and adaptability

The Honourable Lisa Raitt, Minister of Transport, on May 25, 2015 addressed participants at the Canadian Transportation Research Forum's 50th annual conference about the importance of preparing for future challenges and ensuring that the industry and government can adapt to a changing transportation sector. The Minister discussed the importance of addressing future challenges through research and development and highlighted Transport Canada's ecoTECHNOLOGY for Vehicles Program and also support for ACTIVE-AURORA, which is Canada's first connected vehicles test bed. The Minister also outlined projects and initiatives that support Canada's transportation systems, including the Asia-Pacific Gateway and Corridor Initiative, the Gateways and Border Crossings Fund, and the New Building Canada Plan. Minister Raitt discussed Transport Canada's close collaboration with industry and its work with the United States on major files like the next generation of stronger, safer rail tank cars, and the Gordie Howe International Bridge.

5. Trade deal may end Canada's obsolete supply management policies

Another round of discussions involving negotiators from each of the 12 countries looking to sign the Trans-Pacific Partnership (TPP) ended on May 25, 2015 in Guam. A TPP deal could prove very positive for

Canada

1. Canada's exports increase driven by volume gain, May 7, 2015, www.ctl.ca
2. Canada's trade agenda needs market-based regulatory regime: CN's Mongeau, May 15, 2015, www.ctl.ca
3. Travel between Canada and other countries, March 2015, May 20, 2015, www.statcan.gc.ca
4. Minister Raitt highlights need for transportation industry innovation and adaptability, May 25, 2015, www.tc.gc.ca
5. Trade deal may end Canada's obsolete supply management policies, May 26, 2015, www.globeandmail.ca
6. US shippers' forecast freight growth falls to near five-year low, May 27, 2015, www.joc.com
7. School of Public Policy tells provinces to stop financing infrastructure using debt – use tolls instead, May 27, 2015, www.ctl.ca
8. UN Secretary-General urges transport ministers to act on climate change, May 27, 2015, www.ctl.ca

Canadian prosperity. Not least among its benefits could be the end of Canada's obsolete supply-management policies for the dairy, poultry and egg industries. The price setting, tariff protection and supply control that make up these policies ostensibly benefit about 15,000 farmers, if one takes a narrow view, but they do so to the detriment of the other 35 million Canadians.

6. US shippers' forecast freight growth falls to near five-year low

U.S. shippers' expectations for freight growth has dropped to its lowest levels in nearly five years, according to a recent survey.

7. School of Public Policy tells provinces to stop financing infrastructure using debt – use tolls instead

A report released on May 27, 2015 by The School of Public Policy and authors Dr. Bev Dahlby & Dr. Michael Smart argues that the accrual accounting framework used in budget presentations hides the real impact of "borrowing to build" from taxpayers. According to the report there is a "growing disconnect between the numbers that are presented in the budgets and the general public's understanding of the state of provincial finances. The report calls on financing through tolls rather than debt.

8. UN Secretary-General urges transport ministers to act on climate change

UN Secretary-General Ban Ki-moon has urged the world's transport ministers to accelerate efforts to combat climate change and "find new green solutions". "I urge all of you to accelerate your efforts", Ban said in a video message released ahead of the annual meeting of transport ministers during their global summit in the German city of Leipzig. "It is time to reshape the world's transport systems for a cleaner, safer and more sustainable future." Concerns about global warming were raised and he called for measures to combat it.