

# Transportation Information Update\*

“This attached Transportation Information Update was prepared by Joseph Monteiro and Gerald Robertson for the Canadian Transportation Research Forum and distributed to CILTNA’s members with permission”

Editor: Joseph Monteiro\*

March 2016, No. 139

Associate Editor: Gerald Robertson\*

## AIR TRANSPORTATION

### 1. Air Canada Increases Capacity Between Happy Valley-Goose Bay and Halifax, and Happy Valley-Goose Bay and St. John's by 48% for summer 2016

Air Canada on February 29, 2016 announced it will increase capacity on two of its routes serving Labrador & Newfoundland by 48 per cent for summer 2016 travel. Effective May 1, 2016, flights between Happy Valley-Goose Bay and Halifax, and Happy Valley-Goose Bay and St. John's will be operated by Air Canada Express with 74-seat Bombardier Q400 aircraft instead of the current Bombardier 50-seat CRJ.

### 2. Scheduled air passenger origin and destination: Canada–United States, 2013 and 2014

Over 21.5 million passengers travelled on scheduled air services between Canada and the United States in 2014, up 6.6% from 2013. The volume of passengers travelling between Canada and the United States rose in eight provinces and all three territories. Ontario posted the largest gain (+509,798 passengers), while New Brunswick recorded the largest decline (-3,518 passengers) in 2014. Transborder travel continued to be primarily to and from the states of California and Florida. Together, these two states accounted for 36.4% of all traffic, with California representing 18.3% and Florida 18.1%.

### 3. One Stop Security initiative allows travellers to improve travel times while maintaining security

The Government of Canada is pleased to announce the implementation of a new One Stop Security (OSS) arrangement for flights from Europe and the U.S. connecting through some Canadian airports. Under this OSS arrangement, passengers and their belongings that have been screened at their point of departure may not have to go through additional screening at participating Canadian airports where they have connecting flights. Making airport connections simpler and faster allows travellers to reach their family and friends more quickly and allows business travellers to get their business done more swiftly. It also helps the Canadian aviation industry attract more flights to or through Canada.

### 4. WestJet reports February load factor of 83.2 per cent

WestJet on March 3, 2016 announced February 2016 traffic results with a load factor of 83.2 per cent (a decline of 1.1 points from the same month a year ago). Revenue passenger miles (RPMs), or traffic, increased 7.7 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 9.2 per cent over the same period. The airline flew a record 1.7 million guests in February 2016, a year-over-year increase of 7.7 per cent or approximately 122,000 additional guests.

### 5. U.S. Department of Transportation Explicitly Bans the Use of

## AIR

## TRANSPORTATION Canada

1. Air Canada Increases Capacity Between Happy Valley-Goose Bay and Halifax, and Happy Valley-Goose Bay and St. John's by 48% for summer 2016, February 29, 2016, [www.aircanada.ca](http://www.aircanada.ca)

2. Scheduled air passenger origin and destination: Canada–United States, 2013 and 2014, March 1, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)

3. One Stop Security initiative allows travellers to improve travel times while maintaining security, February 29, 2016, [www.tc.gc.ca](http://www.tc.gc.ca)

4. WestJet reports February load factor of 83.2 per cent, March 3, 2016, [www.westjet.ca](http://www.westjet.ca)

5. U.S. Department of Transportation Explicitly Bans the Use of Electronic Cigarettes on Commercial Flights, March 2, 2016, [www.dot.gov](http://www.dot.gov)

6. Women Soar at Porter Airlines, March 4, 2016, [www.flyporter.com](http://www.flyporter.com)

7. Air Freight Makes Solid Start to 2016, March 4, 2016, [www.iata.org](http://www.iata.org)

8. Strong Passenger Demand Continues into 2016, March 8, 2016, [www.iata.org](http://www.iata.org)

9. Aircraft movement statistics: Small airports, November 2015, March 10, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)

10. 2015 Annual and December U.S. Airline Traffic Data, March 10, 2016, [www.bts.gov](http://www.bts.gov)

11. Transport Canada announces March 31 application deadline to air cargo security program, March 9, 2016, [www.ctl.ca](http://www.ctl.ca)

12. WestJet Encore inaugurates service to Boston, March 15, 2016, [www.westjet.ca](http://www.westjet.ca)

13. WestJet connects sea to sea this summer, March 14, 2016, [www.westjet.ca](http://www.westjet.ca)

14. Air Canada Partners with Manitoba Government to Help Establish Centre of Excellence for Maintenance in Province, March 14, 2016, [www.aircanada.ca](http://www.aircanada.ca)

15. Porter Airlines enjoys summer in Stephenville, March 14, 2016, [www.flyporter.com](http://www.flyporter.com)

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

### **Electronic Cigarettes on Commercial Flights**

Transportation Secretary Anthony Foxx on March 2, 2016 announced a final rule that explicitly bans the use of electronic cigarettes on commercial flights. The final rule applies to all scheduled flights of U.S. and foreign carriers involving transportation in, to, and from the U.S.

### **6. Women Soar at Porter Airlines**

Porter Airlines is launching *Women Soar at Porter* to promote opportunities for women in aviation. This effort coincides with International Women's Day on March 8, 2016. *Women Soar at Porter* aims to bridge the gender gap within all areas of the organization, including Pilots, Leadership, and Ground Operations, as well as other various underrepresented groups.

### **7. Air Freight Makes Solid Start to 2016**

The International Air Transport Association (IATA) released data for global air freight markets in January 2016 showing a rise in freight tonne kilometers (FTK) of 2.7% compared to January 2015. This continues the improving trend witnessed toward the end of 2015, and is the fastest pace since April of last year. The freight load factor (FLF) fell 1.8 percentage points, however, indicating that yields are likely to come under further pressure.

### **8. Strong Passenger Demand Continues into 2016**

The International Air Transport Association (IATA) announced global passenger traffic results for January 2016 showing demand (revenue passenger kilometers or RPKs) rose 7.1% compared to January 2015. This was ahead of the 2015 full year growth rate of 6.5%. January 2016 capacity rose 5.6%, with the result that load factor rose 1.1 percentage points to 78.8%, the highest load factor ever recorded for the first month of the year.

### **9. Aircraft movement statistics: Small airports, November 2015**

Take-offs and landings at 123 Canadian airports without air traffic control towers totalled 46,040 movements in November 2015. Six airports, each with more than 1,500 movements, accounted for 33% of the activity in November 2015: Peterborough, Ontario (4,602 movements), Moosonee, Ontario (3,184), Goose Bay, Newfoundland and Labrador (2,288), Red Lake, Ontario (1,732), Trois-Rivières, Quebec (1,690), and St. Theresa Point, Manitoba (1,591).

### **10. 2015 Annual and December U.S. Airline Traffic Data**

The U.S. Department of Transportation's Bureau of Transportation Statistics reported on March 10, 2016 that U.S. airlines in 2015 reached all-time annual records for load factor, revenue passenger-miles (RPMs), available seat-miles (ASMs) and passenger enplanements.

### **11. Transport Canada announces March 31 application deadline to air cargo security program**

Transport Canada's Air Cargo Security Program launched a new application process in support of regulatory enhancements passed earlier in the year. Canada's air cargo industry will have more options to determine where within the supply chain cargo can be screened to secure it for air transport. Any business wishing to accept, store, transport or screen secure air cargo must submit its application by MARCH 31.

### **12. WestJet Encore inaugurates service to Boston**

With the departure of flight 3600, WestJet Encore on March 15, 2016 inaugurated new service between Toronto and Boston, the newest addition to WestJet's growing network. The new service will operate three times daily on WestJet Encore's fleet of Canadian-made Bombardier Q400 NextGen aircraft.

16. Porter Airlines supports U.S. Customs Preclearance at Billy Bishop Toronto City Airport, March 10, 2016, [www.flyporter.com](http://www.flyporter.com)

17. January 2016 On-Time Performance Up From Previous Year, December 2015, March 14, 2016, [www.dot.gov](http://www.dot.gov)

18. Final notice to air carriers offering cargo services to and from Canada - Filing of cargo tariffs - Effective: April 13, 2016, March 15, 2016, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

19. Team effort needed to improve value of air cargo: IATA, March 15, 2016, [www.ctl.ca](http://www.ctl.ca)

20. Air Canada completes purchase of original allotment of 10 million shares under Normal Course Issuer Bid - Board of Directors approves up to 5 million additional shares to be repurchased for cancellation by May 27, 2016, March 17, 2016, [www.aircanada.ca](http://www.aircanada.ca)

21. January 2016 Passenger Airline Employment Data, March 17, 2016, [www.bts.gov](http://www.bts.gov)

22. Air Canada to Offer In-flight Wi-Fi aboard International Flights, March 21, 2016, [www.aircanada.ca](http://www.aircanada.ca)

23. Air Canada boss speaks about learning from WestJet and fighting Porter, March 21, 2016, [www.nationalpost.ca](http://www.nationalpost.ca)

24. Emirates SkyCargo tops Air Cargo Excellence Awards, March 23, 2016, [www.transportweekly.com](http://www.transportweekly.com)

25. IATA Files Formal Complaint in EC Investigation, March 23, 2016, [www.iata.org](http://www.iata.org)

26. Government of Canada proposes to modernize the *Air Canada Public Participation Act*, March 24, 2016, [www.tc.gc.ca](http://www.tc.gc.ca)

27. Air Canada Comments on Bill to Amend the *Air Canada Public Participation Act*, March 24, 2016, [www.aircanada.ca](http://www.aircanada.ca)

28. Air Canada Cargo switching to e-air waybills April 28 for domestic shipments, April 24, 2016, [www.ctl.ca](http://www.ctl.ca)

29. 2015 U.S.-Based Airline Traffic Data, March 24, [www.bts.gov](http://www.bts.gov)

30. Canadian Transportation Agency clarifies who must hold an air licence, March 29, 2016, [www.tc.gc.ca](http://www.tc.gc.ca)

### **13. WestJet connects sea to sea this summer**

WestJet announced on March 14, 2016 that it will introduce seasonal non-stop service to Halifax from Vancouver and Winnipeg beginning June 29, 2016. "WestJet is the only airline in Canada offering non-stop flights to Halifax from Vancouver and Winnipeg. We are introducing these routes on a seasonal basis to allow WestJet the opportunity to test the market while providing our guests more choice and convenience along with our low-fare, high-care service," said Lee Lipton, WestJet Director, Network and Schedule Planning.

### **14. Air Canada Partners with Manitoba Government to Help Establish Centre of Excellence for Maintenance in Province**

Air Canada on March 14, 2016 announced that it has entered into an agreement with the Manitoba Government to help establish a Western Canada Centre of Excellence for certain aircraft maintenance activities in the Province. Under the agreement, Air Canada will bring to Manitoba three of its aviation suppliers and partners with unique expertise and capabilities. The Centre is expected to create 150 jobs starting in 2017 with the possibility of further expansion and job creation in the future.

### **15. Porter Airlines enjoys summer in Stephenville**

Porter Airlines is returning to Stephenville, N.L., for a third consecutive summer season. Non-stop service will operate twice-weekly between Halifax, beginning June 22, through September 4, 2016.

### **16. Porter Airlines supports U.S. Customs Preclearance at Billy Bishop Toronto City Airport**

Robert Deluce, president and CEO of Porter Airlines, released the following statement supporting on March 10, 2016, announcement by the Canadian and U.S. governments that Billy Bishop Toronto City Airport is a priority location for U.S. Customs Preclearance: "Porter has supported U.S. Customs Preclearance at Billy Bishop Airport for some time. As the sixth-busiest airport in Canada for U.S. departures, this service will benefit more than 400,000 Porter passengers travelling to the U.S. each year through Billy Bishop."

### **17. January 2016 On-Time Performance Up From Previous Year, December 2015**

The reporting carriers posted an on-time arrival rate of 81.3 percent in January 2016, up from both the 76.8 percent on-time rate in January 2015 and the 77.8 percent mark in December 2015, according to the U.S. Department of Transportation's *Air Travel Consumer Report* released on March, 14, 2016.

### **18. Final notice to air carriers offering cargo services to and from Canada - Filing of cargo tariffs – Effective: April 13, 2016**

As per the Canadian Transportation Agency's [Order No. 2015-A-60](#), dated April 10, 2015, carriers who have not informed the Agency of their cargo filing intentions are required within 30 days of the CTA's notice to complete one of the following actions: 1. Advise Agency staff that their existing Airline Tariff Publishing Company (ATPCO) tariff(s) on file with the Agency will continue to serve as their current filed tariff(s) which accurately reflects its policies; or, 2. File a new cargo tariff with the Agency using one of the prescribed formats.

### **19. Team effort needed to improve value of air cargo: IATA**

The International Air Transport Association (IATA) called for continued transformation in the air cargo industry with a focus on raising the quality of its offering at the opening of the 10th annual World Cargo Symposium (WCS) in Berlin.

### **20. Air Canada completes purchase of original allotment of 10 million shares under Normal Course Issuer Bid - Board of Directors approves up to 5 million additional shares to be repurchased for cancellation by May 27, 2016**

Air Canada announced on March 17, 2016 that it has completed the maximum allotment under its normal course issuer bid approved last year ("NCIB"), by purchasing and cancelling a total of 10 million Class A variable voting shares and Class B voting shares (collectively the "Shares") at a volume-weighted average Share price of \$9.73 for an aggregate consideration of \$97,294,018.

### **21. January 2016 Passenger Airline Employment Data**

U.S. scheduled passenger airlines employed 4.1 percent more workers in January 2016 than in January 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on March 17, 2016.

### **22. Air Canada to Offer In-flight Wi-Fi aboard International Flights**

Air Canada on March 21, 2016 announced it will offer satellite connectivity on international flights so customers can email, surf the internet and stream entertainment at broadband speeds while flying anywhere in the world. Already, Air Canada is the only Canadian carrier to offer customers in-flight Wi-Fi connectivity across its entire fleet of narrow-body aircraft in North America.

### **23. Air Canada boss speaks about learning from WestJet and fighting Porter**

Ben Smith, Vice-President in Air Canada was interviewed by Karl Moore, Professor of Strategy from McGill University. This is what the Professor learnt - For a big part of Air Canada's business, which is domestic, their number one competitor is WestJet and the number two is Porter. Smith believes that Air Canada is as price competitive as WestJet but outperforms them in the business class. He believes that Porter has an unfair advantage in terms of slots and has a monopoly at the island airport. He spoke about Air Canada's role in founding Star Alliance, the development of code sharing and joint ventures in achieving further efficiencies. When it comes to government aviation policy, he wants a better treatment at Toronto Island Airport and reciprocity when the government deals with foreign airlines.

#### **24. Emirates SkyCargo tops Air Cargo Excellence Awards**

Emirates SkyCargo has once again topped the industry with its win in the Air Cargo Excellence Awards organised by Air Cargo World. The annual awards recognise the best air cargo companies and airports in the airfreight industry and are based on the Air Cargo Excellence Survey which was established in 2005. Customers rate the finalists on several factors, including the quality of customer service, such as tracking of shipments and electronic air waybill (e-AWB) capabilities; performance, such as timeliness of delivery and space availability; and value, such as competitiveness of rates, route network and quality of special services. Emirates SkyCargo, which achieved the highest scores on these performance factors, was given the Diamond award, the top placing for the category of air carriers with over 1 million annual freight tonnes carried.

#### **25. IATA Files Formal Complaint in EC Investigation**

The International Air Transport Association (IATA) announced that it has become a complainant in an investigation being conducted by the European Commission's Directorate General for Competition (DG-COMP) into alleged abuses of dominant positions by manufacturers of aviation equipment.

#### **26. Government of Canada proposes to modernize the *Air Canada Public Participation Act***

The Honourable Marc Garneau, Minister of Transport, introduced legislation in Parliament on March 24, 2016 to modernize the *Air Canada Public Participation Act*. The proposed amendments will clarify the nearly 30-year-old Act to allow Air Canada the flexibility to be competitive in a constantly evolving air transport sector.

#### **27. Air Canada Comments on Bill to Amend the *Air Canada Public Participation Act***

Air Canada said that it welcomed the greater flexibility contained in the bill tabled on March 24, 2016 by the Government of Canada to amend and modernize the *Air Canada Public Participation Act* with respect to its aircraft maintenance obligations. Air Canada is studying the proposed amendments and will make submissions to the Minister of Transport after completing its review.

#### **28. Air Canada Cargo switching to e-air waybills April 28 for domestic shipments**

Air Canada Cargo has been working with customers across Canada to help them switch to using electronic air waybills (e-AWB) by April 28. Starting April 28, domestic shipments within Canada must be tendered with an electronic air waybill (e-AWB). A fee of \$18 will be applied to non-e-AWB domestic shipments tendered in Canada, the carrier said. Air Canada Cargo is aiming to replace multipart forms and the printing of multiple copies of air waybills.

#### **29. 2015 U.S.-Based Airline Traffic Data**

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on March 24, 2016 that U.S. airlines and foreign airlines serving the United States carried an all-time high of 895.5 million systemwide (domestic and international) scheduled service passengers in 2015, 5.0 percent more than the previous record high of 853.1 million reached in 2014.

#### **30. Canadian Transportation Agency clarifies who must hold an air licence**

The Canadian Transportation Agency issued a determination on March 29, 2016 that will bring clarity and predictability to the air industry, allow for innovation and consumer choice, and maintain protection for travelers. The Agency determined that resellers – companies who purchase seats from an air carrier and resell them to the public – will not be required to hold an air licence, so long as they do not hold themselves out to the public as being an air carrier that is operating an air service.

## **WATER TRANSPORTATION**

### **1. Capacity boost: East Coast ports pursue infrastructure projects**

The Liberal cabinet now at the helm in Ottawa has pledged to spend an additional \$5 billion annually to upgrade key infrastructure, but the main initial focus will be on public transit and such 'social' areas as cheap housing and child care centres. Certainly, Transport Canada will continue to encourage infrastructure projects enhancing the competitiveness of Canadian ports. In the short-term, however, a major project at the Port of Quebec awaits a final go-ahead after receiving what appeared like conditional federal, partial-funding support in July 2015 with a number of hurdles to be overcome.

### **2. Imports propel Long Beach port to record February volume**

The Port of Long Beach last month recorded the busiest February 2016 in its 105-year history, and as an added bonus, inaugurated a new era of trans-Pacific shipping with the arrival of the CMA CGM Benjamin Franklin, the largest vessel ever to call in North America with a capacity of 18,000 20-foot container units.

### **3. 'Bloodbath' for shipping industry as rates plunge to new depths**

Too many ships amid a soft economy have sent ocean-going container rates to new depths. An index of spot rates on 11 trade routes between Asia, Europe and the United States has fallen by 62 per cent in the past year, according to Drewry Shipping Consultants, which has published the World Container Index since 2011.

### **4. Port Metro Vancouver: Accumulated Container Traffic – February 2016**

The Port of Metro Vancouver reported its accumulated container traffic for the period January 2016 and February 2016. Total traffic in terms of TEUs increased 1.2% to 482,878 for January and February 2016. Imports increased by % 1.3 to 260,353 TEUs and exports increased by 1.0% to 222,525 TEUs.

### **5. Competing bidders join forces to acquire Asciano**

Toronto, Canada-based Brookfield Infrastructure Partners LP and Australia's Qube Holdings Ltd. appear to have ended their bidding war for Australian rail and port operator Asciano Ltd. The two firms have partnered with several other global funds to acquire Asciano in a deal valued at around \$8.92 billion Australian (U.S. \$6.7 billion), according to statements from Brookfield and Qube.

### **6. Acquisitions fuel 31% profit growth at DP World**

DP World reported a 30.7 percent increase in net profits to \$883 million in 2015 compared with \$675 million the previous year, according to the company's most recent earnings statements. Revenues at the Dubai, United Arab Emirates-based global port terminal operator grew 16.3 percent to \$3.97 billion for the year. Basic earnings per share (EPS) stood at \$1.06 per share in 2015 compared with \$0.81 per share in 2014.

### **7. Seaway opens 58th navigation season ice free**

The St. Lawrence Seaway Management Corporation (SLSMC) marked the opening of the Seaway's 58th navigation season on March 21, 2016 with the transit of Canada Steamship Lines' Thunder Bay through Lock 3 on the Welland Canal.

### **8. NEWS FLASH: Expanded Panama Canal to officially open June 26**

The Panama Canal Authority (ACP) announced on March 23, 2016 that it will officially open its new locks for transit of larger ships June 26. The canal will hold an inaugural ceremony with a ship traveling from the Agua Clara locks on the Atlantic side of the canal to the Cocoli locks on the Pacific side, after which the expansion will be opened for commercial transits, a spokesperson for the ACP said.

### **9. Port of Prince Rupert announces completion of new navigation systems**

The Port of Prince Rupert announced completion of "critical milestones" in the implementation of marine safety enhancement projects achieved together with partner agencies. The Port said it has successfully established another aid to navigation with advanced technology capabilities at the mouth of Prince Rupert's Fairview Channel.

## **WATER TRANSPORTATION Canada**

1. Capacity boost: East Coast ports pursue infrastructure projects, March 7, 2016, [www.shipper.com](http://www.shipper.com)
2. Imports propel Long Beach port to record February volume, March 9, 2016, [www.joc.com](http://www.joc.com)
3. 'Bloodbath' for shipping industry as rates plunge to new depths, March 10, 2016, [www.globeandmail.ca](http://www.globeandmail.ca)
4. Port Metro Vancouver: Accumulated Container Traffic – February 2016, March 16, 2016, [www.portmetrovancover.com](http://www.portmetrovancover.com)
5. Competing bidders join forces to acquire Asciano, March 17, 2016, [www.americanshipper.com](http://www.americanshipper.com)
6. Acquisitions fuel 31% profit growth at DP World, March 18, 2016, [www.americanshipper.com](http://www.americanshipper.com)
7. Seaway opens 58th navigation season ice free, March 21, 2016, [www.ctl.ca](http://www.ctl.ca)
8. NEWS FLASH: Expanded Panama Canal to officially open June 26, March 23, 2016, [www.joc.com](http://www.joc.com)
9. Port of Prince Rupert announces completion of new navigation systems, March 29, 2016, [www.ctl.ca](http://www.ctl.ca)

## RAIL TRANSPORTATION

### 1. BNSF continues to expand earnings in 2015

BNSF Railway Company in 2015 grew its net income 11.8 percent to \$4.92 billion compared with the previous year, according to the company's most recent financial statements. The Fort Worth, Texas-based Class I freight railroad, a wholly-owned merger subsidiary of billionaire investor Warren Buffett's Berkshire Hathaway, reported revenues of \$21.4 billion for the year, down 5.8 percent from 2014. BNSF managed to increase profits during the year.

### 2. CSX surges after report of CP Rail takeover interest

CSX Corp. jumped as much as 8 per cent after the close of trading in New York March 1, 2016, following a report that Canadian Pacific Railway Ltd. approached the U.S. railway about a takeover in January and was rebuffed.

### 3. CP and City of Vancouver agree to sale of Arbutus Corridor

Canadian Pacific Railway Limited (CP) and the City of Vancouver on March 7, 2016 jointly announced that they have agreed to terms for the sale by CP of the Arbutus Corridor to the City for \$55 million. "For many years now, CP has been involved in conversations with the City about the future of the Arbutus corridor," said Keith Creel, CP's President and Chief Operating Officer. "We are pleased that today's landmark agreement allows the City to create a transportation corridor and greenway while providing a fair return to CP and our shareholders."

### 4. Ottawa's plans to address rail safety under scrutiny

The government's plans to address rail safety in the upcoming federal budget are coming under heightened scrutiny amid new revelations about the Lac-Mégantic rail disaster, which killed 47 people in 2013, but could have been prevented by a simple 10-second safety procedure.

### 5. Senate antitrust subcommittee members voice concerns over CP-NS deal

Two top members of a United States Senate subcommittee for antitrust matters have sent a letter to the U.S. attorney general's office voicing concerns over Canadian Pacific Railway's proposed takeover of Norfolk Southern Corp. CP last week sent a petition to the U.S. Surface Transportation Board (STB) asking for a declaratory order confirming the viability of a proposed voting trust structure the company has suggested as part of the acquisition.

### 6. CP making softer merger overture to NS shareholders

Canadian Pacific Railway officially filed its proxy statement with the U.S. Securities and Exchange Commission on March 9, 2016 outlining a shareholder resolution to be considered at Norfolk Southern Railway's annual meeting this spring. But, the overture merely asks NS shareholders to consider a trust rather than set the stage for control over the NS board.

### 7. Federal Transit Administration Announces Final Rule Strengthening State Safety Oversight of Rail Transit Systems

The U.S. Department of Transportation's Federal Transit Administration (FTA) on March 14, 2016 announced a final rule that significantly strengthens state safety oversight and enforcement authority to prevent and mitigate accidents and incidents on rail transit systems.

### 8. CN to purchase its common shares under a specific share repurchase program

CN announced on March 16, 2016 that it will repurchase common shares under a specific share repurchase program. The purchase will form part of the Normal Course Issuer Bid for up to 33 million shares announced on Oct. 27, 2015.

### 9. CN continues to roll out Safety Innovation Program as part of its broader agenda to enhance the safety of operations

CN announced on March 22, 2016 the launch of the third year of its Safety Innovation Program. The Program is part of CN's broader safety agenda that is focused on enhancing the safety of operations and

## RAIL TRANSPORTATION Canada

1. BNSF continues to expand earnings in 2015, March 1, 2016, [www.americanshipper.com](http://www.americanshipper.com)
2. CSX surges after report of CP Rail takeover interest, 1, 2016, [www.globeandmail.ca](http://www.globeandmail.ca)
3. CP and City of Vancouver agree to sale of Arbutus Corridor, March 7, [www.cpr.ca](http://www.cpr.ca)
4. Ottawa's plans to address rail safety under scrutiny, March 7, 2016, [www.globeandmail.ca](http://www.globeandmail.ca)
5. Senate antitrust subcommittee members voice concerns over CP-NS deal, March 8, 2016, [www.americanshipper.com](http://www.americanshipper.com)
6. CP making softer merger overture to NS shareholders, March 9, 2016, [www.joc.com](http://www.joc.com)
7. Federal Transit Administration Announces Final Rule Strengthening State Safety Oversight of Rail Transit Systems, March 14, 2016, [www.dot.gov](http://www.dot.gov)
8. CN to purchase its common shares under a specific share repurchase program, March 16, 2016, [www.cn.ca](http://www.cn.ca)
9. CN continues to roll out Safety Innovation Program as part of its broader agenda to enhance the safety of operations, March 22, 2016, [www.cn.ca](http://www.cn.ca)
10. Rail Transportation, 2014, March 29, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)
11. Railway carloadings, January 2016, March 30, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)
12. CP files definitive proxy statement regarding shareholder proposal for NS Annual Meeting, welcomes opportunity to meet with NS board, March 29, 2016, [www.cpr.ca](http://www.cpr.ca)

making the company the safest railway in North America. The 2016 portion will involve spending C\$28 million on a series of initiatives, including other undertakings.

**10. Rail Transportation, 2014**

Operating revenues for the Canadian railway industry continued their upward trend in 2014, rising 10.0% from 2013 to \$14.3 billion. Freight transportation revenues, which accounted for 91.4% of total revenues, were up 10.8% to \$13.1 billion, while revenues from passenger operations increased 4.3%. In 2014, operating expenses rose 11.6% to \$10.5 billion. The operating ratio of the Canadian railway industry edged up from \$0.72 to \$0.73. The average number of employees declined 9.1% from 2013 to 29,577 in 2014. The average annual salary increased 5.4% to just under \$90,000 a year.

**11. Railway carloadings, January 2016**

The volume of rail freight carried in Canada totalled 27.5 million tonnes in January 2016, up 3.7% from the same month last year. Freight originating in Canada increased 6.4% to 25.0 million tonnes. These shipments are composed of both non-intermodal and intermodal freight. Intermodal freight loadings rose 5.6% to 178,000 units in January 2016. In terms of weight, intermodal traffic grew 3.3% to 2.6 million tonnes as a result of an increase in containerized cargo shipments.

**12. CP files definitive proxy statement regarding shareholder proposal for NS Annual Meeting, welcomes opportunity to meet with NS board**

Canadian Pacific on March 29, 2016 filed its definitive proxy statement for its Norfolk Southern Corp. (NS) shareholder resolution asking their board of directors to engage in good faith discussions with CP regarding a business combination. CP also filed a letter that will be sent to all NS shareholders about the opportunity to create significant value for NS shareholders.

## HIGHWAY TRANSPORTATION

### 1. OEC Group Canada acquires Ryder CRSA Logistics

Overseas Express Consolidators Canada Inc. (OEC Group) announced that it has acquired Ryder CRSA Logistics in Canada and its affiliated interests in Hong Kong and Shanghai.

### 2. DOT Releases 30-Year Freight Projections

New projections were released on March 3, 2016 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) and Federal Highway Administration (FHWA) show that freight tons moving on the nation's transportation network will grow 40 percent in the next three decades while the value of the freight will almost double, increasing by 92 percent. By 2045, total freight on all modes – air, vessel, pipeline, rail, and trucks – is projected to reach 25 billion tons while the value is expected to grow to \$37 trillion.

### 3. New GO Bus Facility Opens in Hamilton

On March 4, 2016, the governments of Canada and Ontario, along with Metrolinx, celebrated the opening of a new GO Transit bus service and storage facility in Hamilton to accommodate future transit service growth in the region.

### 4. January 2016 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.5 percent in January 2016 from December 2015, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics.

### 5. Trucking Perspective on Trudeau-Obama Summit: Leaders Restate Intentions on Pre-Clearance, Entry-Exit and Phase 2 GHG Regs

Following their meeting on March 10, 2016 in Washington, Canada's Prime Minister Justin Trudeau and US President Barack Obama highlighted the need to continue to build on and accelerate the work of existing bilateral agreements to facilitate trade between the two countries, enhance security of the shared border and reduce greenhouse gas emissions.

### 6. VersaCold Logistics Services acquires CPX

VersaCold Logistics Services has entered into an agreement to acquire Coastal Pacific Xpress (CPX), BC's largest refrigerated carrier specializing in the shipping of perishable and ambient products throughout Canada and the USA. The acquisition comes just one month after the announcement of VersaCold's acquisition of Gary Heer Transport and the launch of its newest subsidiary.

### 7. FHWA's New Safety Performance Measures Including Bicycle-Pedestrian Safety

The U.S. Department of Transportation's Federal Highway Administration (FHWA) on March 14, 2016 published new safety performance measures as part of its national safety program, calling for State and regional targets to help reduce highway deaths and injuries, including for the first time, those among people walking and bicycling. The new regulations call for improved data on roadway features and a consistent definition of serious injuries.

### 8. Trucking Commodity Origin and Destination Survey, 2014

The Canadian for-hire trucking industry hauled 745.5 million tonnes of freight in 2014, up 7.9% from 2013. The growth was attributable to both increased domestic and transborder shipments. Domestic shipments rose 8.3% to 642.2 million tonnes, accounting for 86.2% of the overall tonnage hauled by for-hire trucking companies. Most tonnage hauled originated from Ontario, Alberta and Quebec in 2014. The top commodities hauled were general freight in Ontario and Quebec and crude petroleum in Alberta. Transborder shipments rose in 2014 as the volume of freight crossing the Canada-US and US-Mexico

## HIGHWAY TRANSPORTATION Canada

1. OEC Group Canada acquires Ryder CRSA Logistics, March 2, 2016, [www.ctl.ca](http://www.ctl.ca)
2. DOT Releases 30-Year Freight Projections, March 3, 2016, [www.dot.gov](http://www.dot.gov)
3. New GO Bus Facility Opens in Hamilton, March 4, 2016, [www.tc.gc.ca](http://www.tc.gc.ca)
4. January 2016 Freight Transportation Services Index (TSI), March 9, 2016, [www.bts.gov](http://www.bts.gov)
5. Trucking Perspective on Trudeau-Obama Summit: Leaders Restate Intentions on Pre-Clearance, Entry-Exit and Phase 2 GHG Regs, March 10, 2016, [www.ontruck.ca](http://www.ontruck.ca)
6. VersaCold Logistics Services acquires CPX, March 14, 2016, [www.ctl.ca](http://www.ctl.ca)
7. FHWA's New Safety Performance Measures Including Bicycle-Pedestrian Safety, March 14, 2016, [www.dot.gov](http://www.dot.gov)
8. Trucking Commodity Origin and Destination Survey, 2014, March 16, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)
9. Uber, Zipcar and other ride -sharing services likely to take a bite out of car sales, study finds, March 15, 2016, [www.nationalpost.ca](http://www.nationalpost.ca)
10. Robust FedEx fiscal 2016 outlook sends stock up 5 per cent, March 16, 2016, [www.globeandmail.ca](http://www.globeandmail.ca)
11. E-commerce lifts FedEx revenue 8 percent, costs cut into profit, March 16, 2016, [www.joc.com](http://www.joc.com)
12. Dicom to offer Canada and U.S. cross-border ground parcel service, March 16, 2016, [www.ctl.ca](http://www.ctl.ca)
13. 2015 North American Freight Numbers, March 18, 2016, [www.bts.gov](http://www.bts.gov)
14. Uber seeking to buy self-driving cars: source, March 21, 2016, [www.globeandmail.ca](http://www.globeandmail.ca)
15. ATA: Truck tonnage index surges 7.2% in February, March 23, 2016, [www.joc.com](http://www.joc.com)
16. Administrative monetary penalties totalling \$109,000 issued to Cando Contracting Ltd. for runaway rail car in Regina, March 24, 2016, [www.tc.gc.ca](http://www.tc.gc.ca)
17. January 2016 North American Freight Numbers, March 24, 2016, [www.bts.gov](http://www.bts.gov)
18. Ontario Moving Forward On Morriston Bypass, March 29, 2016, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
19. National tourism indicators, fourth quarter 2015, March 30, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)



borders increased 5.5% to 103.3 million tonnes. The gains were tied to shipments of general freight and other motor vehicle parts.

#### **9. Uber, Zipcar and other ride-sharing services likely to take a bite out of car sales, study finds**

As traditional automakers scramble to invest in ride-hailing and car-sharing services, a new study shows that they're almost certainly going to end up cannibalizing their own customers. The American Public Transportation Association (APTA) surveyed more than 4,500 users of shared mobility in seven U.S. cities and found that people who use services like Uber, Lyft and Zipcar are significantly less likely to buy a car and, if they do, tend to own fewer cars than those who don't.

#### **10. Robust FedEx fiscal 2016 outlook sends stock up 5 per cent**

Package delivery company FedEx Corp forecast better than expected full year earnings and reported fiscal third quarter earnings that also beat analysts expectations, sending its stock up 5 per cent in after-hours trade on March 16, 2016.

#### **11. E-commerce lifts FedEx revenue 8 percent, costs cut into profit**

Stronger-than-expected online shipping demand pressured various points in FedEx's transportation network in December 2015, raising volumes on air and ground in the quarter that ended Feb. 29, 2016. E-commerce lifted FedEx revenue 8 percent and costs cut into profit.

#### **12. Dicom to offer Canada and U.S. cross-border ground parcel service**

Dicom Transportation Group has announced the planned introduction of their Canada and U.S. cross-border ground parcel services. The cross-border services are currently targeted for introduction mid year 2016. The new service will operate under the Dicom Parcel name, and serve the Canadian provinces of Ontario and Quebec, along with 12 U.S. states.

#### **13. 2015 North American Freight Numbers**

All five major transportation modes – truck, rail, pipeline, vessel and air – carried less U.S. freight with North American Free Trade Agreement (NAFTA) partners Canada and Mexico by value in 2015 than in 2014. The total value of cross-border freight carried on all modes fell 7.2 percent from 2014 to \$1.1 trillion in current dollars, according to the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). From 2014 to 2015, the value of U.S.-Canada freight flows fell 12.6 percent to \$575.2 billion. Trucks carried 58.3 percent of the value of the freight to and from Canada, followed by rail, 15.7 percent; pipeline, 9.3 percent; vessel, 4.9 percent; and air, 4.7 percent. The surface transportation modes of truck, rail and pipeline carried 83.3 percent of the value of total U.S.-Canada freight flows.

#### **14. Uber seeking to buy self-driving cars: source**

Ride-hailing service Uber has sounded out car companies about placing a large order for self-driving cars, an auto industry source said on March 18, 2016. "They wanted autonomous cars," the source, who declined to be named, said. "It seemed like they were shopping around." Loss-making Uber would make drastic savings on its biggest cost – drivers – if it were able to incorporate self-driving cars into its fleet.

#### **15. ATA: Truck tonnage index surges 7.2% in February**

US Domestic truck tonnage surged 7.2 percent in February 2016, following an adjusted 0.3 percent dip during January 2016, according to the American Trucking Association's advanced seasonally adjusted For-Hire Truck Tonnage Index. The seasonally adjusted index equaled 144 for the month, up from 134.3 in January and an all-time high for the index. The growth also represents the largest sequential monthly increase for the index since January 2013 (11.4 percent) and the largest year-over-year.

#### **16. Administrative monetary penalties totalling \$109,000 issued to Cando Contracting Ltd. for runaway rail car in Regina**

Transport Canada issued on March 24, 2016 two administrative monetary penalties (fines) totalling \$109,000 to Cando Contracting Ltd. for violating the *Railway Safety Act* and the *Canadian Rail Operating Rules*. In March 2016, Cando Contracting Ltd. left a railcar loaded with asphalt unattended at an industrial plant in Regina, Saskatchewan. Transport Canada determined that the railcar's handbrakes had not been applied and that emergency communication procedures were not followed once the railcar started to roll away from its stopped position.

#### **17. January 2016 North American Freight Numbers**

All five major transportation modes – truck, rail, pipeline, vessel and air – carried less U.S. freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in January 2016 than in January 2015. The total value of cross-border freight carried on all modes fell 7.7 percent from 2015 to \$82.4 billion in current dollars, according to the TransBorder Freight Data released on March 24, 2016 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). From January 2015 to January 2016, the value of U.S.-Canada freight flows fell 12.7 percent to \$42.0 billion as all modes of

transportation carried a lower value of U.S.-Canada freight than a year earlier. Trucks carried 60.5 percent of the value of the freight to and from Canada but the total was down 4.0 percent from January 2015 primarily because of a 9.3 percent decline in the value of U.S. exports to Canada by truck.

#### **18. Ontario Moving Forward On Morriston Bypass**

On March 29, 2016, Ontario announced it is moving forward with plans to improve traffic flow on Highway 6 between Freelon and Guelph, which will create jobs and reduce congestion. This project includes a new five kilometre route that bypasses the community of Morriston and provides an improved connection to Highway 401 and the Hanlon Expressway in Guelph.

#### **19. National tourism indicators, fourth quarter 2015**

Tourism spending in Canada rose 0.3% in the 2015 fourth quarter, after increasing 1.0% in the previous quarter. This was the 11th consecutive quarterly gain in tourism spending, but the smallest during that period. Both tourism spending by Canadians at home and by international visitors in Canada contributed to the overall growth in the fourth quarter. Passenger air transport contributed the most to the increase in tourism spending.

### **GENERAL TRANSPORTATION**

#### **Canada**

##### **1. Canada's exports increase lifted by gain in shipment volumes**

Following three months of declines, exports increased by 0.4% in November 2015 lifted by a 0.6% gain in shipment volumes. The composition of growth was mixed, with 6 of 11 broad categories advancing. Excluding energy, exports were up 1.6%. Imports fell by 0.7% for the month, resulting in a narrowing of the trade deficit from \$2.5 billion in October 2015 to \$2.0 billion in November 2015.

##### **2. Tabling of the Agency's Report on Plans and Priorities 2016-2017**

The Agency's *Report on Plans and Priorities 2016-2017* was tabled in Parliament on March 7, 2016.

##### **3. Travel between Canada and other countries, January 2016**

Canadian residents made 3.5 million trips to the United States in January 2016, up 2.0% compared with December 2015. The increase was mainly attributable to a 3.7% gain in same-day car trips. United States residents made 1.9 million trips to Canada in January 2016, up 1.1% from December 2015. Residents of overseas countries made 476,000 trips to Canada in January, an increase of 3.5% from December. Travel by Canadian residents to overseas countries decreased 0.8% in January 2016 to 987,000 trips.

#### **Canada**

1. Canada's exports increase lifted by gain in shipment volumes, March 7, 2016, [www.ctl.ca](http://www.ctl.ca)
2. Tabling of the Agency's Report on Plans and Priorities 2016-2017, March 8, 2016, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
3. Travel between Canada and other countries, January 2016, March 17, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)