Transportation Information Update*

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AIR TRANSPORTATION

1. Airline industry growth 'may be shifting down a gear,' IATA says

The glowing outlook for the world's airlines is beginning to dull a little amid data showing that international passenger traffic rose by just 4.6 per cent in April 2016, the slowest year-over-year pace since January, 2015. The terrorist attacks in Brussels weighed on travellers in April 2016, the International Air Transport Association said May 30, 2016, but are likely to be a temporary factor in dampening demand. There are, however, "some longer-term clouds over the pace of demand growth," IATA director-general Tony Tyler said in a statement. "The stimulus from lower oil prices appears to be tapering off. And the global situation is subdued."

2. WestJet Encore converts purchase options for nine Bombardier Q400 aircraft

WestJet on June 1, 2016 announced that it has converted the last nine of its original 25 options to firm orders for Bombardier Q400 aircraft. The aircraft are scheduled for delivery between April 2017 and June 2018. With the conversion of these options, WestJet Encore will have a fleet of 45 Q400 aircraft by the end of 2018. The airline has no further options for more Bombardier Q400 aircraft.

3. WestJet Vacations marks 10 years and millions of memories

Ten years ago on June 1, 2016, WestJet Vacations opened its doors to guests with the launch of affordable, reliable and flexible vacation packages. Today, WestJet Vacations is proud to have sold almost 1.4 million vacation packages, sending more than three million Canadians on dream vacations.

4. Monthly civil aviation statistics, March 2016

The six Canadian Level I air carriers flew 6.3 million passengers on scheduled and charter services in March 2016, up 4.2% from the same month in 2015. These carriers increased their traffic and passenger capacity in March. Traffic totalled 15.5 billion passenger-kilometres, up 3.8% from the same month a year earlier. Capacity rose 4.9% year over year to 18.8 billion available seat-kilometres. These carriers together recorded a lower passenger load factor in March (82.7%) for their scheduled and charter services than in the same month a year earlier (83.6%), as capacity growth outpaced that of traffic.

5. Aircraft movement statistics: Major airports – Annual report, 2015

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations edged up 0.4% in 2015 from a year earlier.

6. IATA hikes 2016 profit forecast for global airlines

Global airlines should make more money than previously expected in

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- 1. Airline industry growth 'may be shifting down a gear,' IATA says, May 30, 2016, www.globeandmail.ca
- 2. WestJet Encore converts purchase options for nine Bombardier Q400 aircraft, June 1, 2016, www.westjet.ca
- 3. WestJet Vacations marks 10 years and millions of memories, June 1, 2016, www.westjet.ca
- 4. Monthly civil aviation statistics, March 2016, June 2, 2016, www.statcan.gc.ca
- 5. Aircraft movement statistics: Major airports Annual report, 2015, June 1, 2016, www.statcan.gc.ca
- 6. IATA hikes 2016 profit forecast for global airlines, June 2, 2016, www.globeandmail.ca
- 7. G'Day Brisbane; Air Canada Inaugurates the Only Non-Stop Flights from Vancouver, June 2, 2016, www.aircanada.ca
- 8. IATA: Airfreight volumes tick up in April, June 2, 2016, www.americanshipper.com
- 9. Air Canada's New Service from Montreal to Casablanca takes off!, June 4, 2016, www.aircanada.ca
- 10. Credit Card Knives are Illegal, June 3, 2016, www.atac.ca
- 11. Canadian Transportation Agency launches consultation on accessible transportation as Phase 1 of its Regulatory Modernization Initiative, June 6, 2016, www.cta-otc.gc.ca
- 12. WestJet adds Nashville to expanding network, June 8, 2016, www.westjet.ca
- 13. WestJet reports record May load factor of 81.4 per cent, June 9, 2016, www.westjet.ca
- 14. Compliance Report: Montréal-Pierre Elliott Trudeau International Airport, June 8, 2016, <u>www.cta-otc.gc.ca</u>
- 15. Transat CEO says winter travel season 'best forgotten' as company posts loss, June 9, 2016, www.globeandmail.ca
- 16. Aircraft movement statistics: Small airports, February 2016, June 9, 2016, www.statcan.gc.ca

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

2016, the International Air Transport Association (IATA) said on June 2, 2016, helped by low oil prices and work by airlines to fill planes and drive ancillary revenues. IATA said it forecast net profit of \$39.4 billion for the industry this year, against a previous \$36.3 billion estimate, with more than half generated by North American carriers. That would be the fifth straight year of improving profits and would give a net profit margin of 5.6 percent.

7. G'Day Brisbane; Air Canada Inaugurates the Only Non-Stop Flights from Vancouver

Air Canada's inaugural flight AC35, 787 *Dreamliner* service from Vancouver arrived in Brisbane on June 3, 2016 morning, marking the only non-stop service linking Canada and Queensland, Australia's 'Sunshine State'. These new flights between Vancouver and Brisbane will become *daily service* on June 17, 2016.

8. IATA: Airfreight volumes tick up in April

Global airfreight volumes grew 3.2 percent year-over-year in April 2016, according to recent data from the International Air Transport Association (IATA). Hindered by "weak" world trade and increasing capacity, demand for air cargo remains soft, lagging behind "relatively robust" growth on the passenger side, said IATA. The April demand increase was broad-based across all regions with the exception of Latin America, with the strongest growth occurring in the Middle East.

9. Air Canada's New Service from Montreal to Casablanca takes off!

The arrival of flight AC1936 at Casablanca's Mohammed V International Airport this morning marks the successful launch of non-stop service between Montreal and Casablanca, Air Canada's first African route and the only scheduled non-stop service to North Africa by a North American carrier. Flights between Montreal and the famed Moroccan city will be operated until October 29th, 2016 by Air Canada Rouge with a Boeing 767-300ER aircraft. Service is scheduled to resume on May 1, 2017.

10. Credit Card Knives are Illegal

Credit card-size utility knives are becoming increasingly popular. Unfortunately, this item is a concealed knife and, as such, is illegal under the *Criminal Code of Canada*. Recently, CATSA has seen a marked increase in the number of credit card knives being intercepted across security checkpoints. When a screening officer finds a credit card knife at the screening checkpoint, the police must be notified. This causes delays at the checkpoint for all passengers and could lead to charges and prosecution against the person carrying the item.

11. Canadian Transportation Agency launches consultation on accessible transportation as Phase 1 of its Regulatory Modernization Initiative

As part of the Regulatory Modernization Initiative announced in the last week of May 2016, the Agency is launching the first phase of its regulatory review, which focuses on accessible transportation. To advance this initiative, the Agency will be meeting with its Accessibility Advisory Committee on June 20, 2016, and will be asking for input from persons with disabilities, transportation service providers and all interested Canadians on how regulatory measures can help make the federal transportation network accessible for persons with disabilities. Interested parties have until September 30, 2016, to submit comments at consultations@otc-cta.gc.ca. A discussion paper on accessible

- 17. Aviation Monthly Aircraft Movements: Small airports – Airports Without NAV CANADA Towers or Flight Service Stations, February 2016, vol. 48, no. 16, June 9, 2016, www.statcan.gc.ca
- 18. April 2016 Freight Transportation Services Index (TSI), June 8, 2016, www.bts.gov
- 19. International Aviation: New EU-level Agreements will benefit European passengers and businesses, June 7, 2016, www.europa.eu
- 20. Air Canada Cargo and Cargojet Successfully Launch First Freighter Flight to South America, June 10, 2016, www.aircanada.ca
- 21. WestJet returns to Fort McMurray, June 9, 2016, www.westjet.ca
- 22. Air Canada Inaugurates Toronto-Budapest Service New route extends Air Canada Rouge's summer expansion in Central Europe, June 11, 2016, www.aircanda.ca
- 23. Céad mile fáilte! Air Canada Inaugurates New Non-Stop Vancouver - Dublin Flights, June 10, 2016, www.aircanda.ca
- 24. Air Canada Resumes Fort McMurray flights from Toronto, Calgary, Edmonton, Vancouver, June 10, 2016, www.aircanda.ca
- 25. Air Canada begins first dedicated freighter service, June 10, 2016, www.americanshipper.com
- 26. Quarterly civil aviation statistics, second quarter 2015, June 10, 2016, www.statcan.gc.ca
- 27. Industry Welcomes Clarity on EU Passenger Rights, June 10, 2016, www.iata.org
- 28. Air Canada Inaugurates Toronto-Glasgow Service - New route extends Air Canada Rouge's Summer European Expansion, June 14, 2016, www.aircanada.ca
- 29. Minister Garneau kicks off drone safety campaign, introduces 'No Drone Zone' signs, June 13, 2016, www.tc.gc.ca
- 30. April 2016 Complaints Down and On-Time Performance Up From Previous Year, March 2016, June 13, 2016, www.dot.gov
- 31. Long term Labour Agreements in Place with All Air Canada Unions in Canada, June 14, 2016, www.aircanada.ca
- 32. Air Canada Recognized for Workplace Engagement, June 14, 2016, www.aircanada.ca
- 33. Air Canada Inaugurates Toronto-Warsaw Service, June 14, 2016, www.aircanada.ca
- 34. Porter Airlines Ranked Second-Most Reputable Canadian Company, June 15, 2016, www.flyporter.com

transportation is available.

12. West, Jet adds Nashville to expanding network

With the June 8, 2016 departure of flight 3650 from Toronto Pearson International Airport, Nashville officially becomes part of WestJet Encore's growing network of more than 35 destinations across Canada and the United States.

13. WestJet reports record May load factor of 81.4 per cent

On June 9, 2016 WestJet announced May 2016 traffic results with a record load factor of 81.4 per cent. Revenue passenger miles (RPMs), or traffic, increased 14.4 per cent year-over-year (i.e. to 1.931b from 1688b), and capacity, measured in available seat miles (ASMs), grew 8.4 per cent over the same period (i.e. to 2.371b from 2.187b). The airline flew a record 1.8 million guests in May 2016, a year-over-year increase of 9.6 per cent or approximately 157,000 additional guests.

14. Compliance Report: Montréal-Pierre Elliott Trudeau International Airport

The Agency assessed the Montréal Airport's compliance with key provisions in the Code of Practice: Passenger Terminal Accessibility (Terminal Code), the Code of Practice: Removing Communication Barriers for Travellers with Disabilities (Communication Code), as well as provisions in the Personnel Training for the Assistance of Persons with Disabilities Regulations (PTR), that pertain to:1) accessibility features of the Montréal Airport facilities; 2) administrative services (e.g., how information on available services is provided on the day of travel and on the airport's website); and 3) accessibility awareness training of staff and any contracted personnel who interact with persons with disabilities. The results of the monitoring exercise show that the Montréal Airport is compliant with most of the accessibility standards that were assessed.

- 35. Agency [CTA] issues recommendations relating to allergies to peanuts, nuts and sesame seeds in air travel, June 16, 2016, www.cta-otc.gc.ca
- 36. Air Canada Launches Montreal-Lyon Non-stop Service, June 17, 2016, www.aircanada.ca
- 37. Aircraft movement statistics: Small airports Annual report, 2015, June 16, 2016, www.statcan.gc.ca
- 38. March 2016 U.S. Airline Traffic Data, June 16, 2016, www.bts.gov
- 39. 1st Quarter 2016 Airline Financial Data, June 20, 2016, www.bts.gov
- 40. DOT and FAA Finalize Rules for Small Unmanned Aircraft Systems, June 21, 2016, www.dot.gov
- 41. FedEx results beat Street despite tepid outlook, June 21, 2016, www.globeandmail.ca
- 42. WestJet Encore celebrates three years, June 24, 2016, www.westjet.ca
- 43. Global trends in air freight are less optimistic than for passengers, June 22, 2016, www.transportweekly.com
- 44. Air Canada welcomes bill passage on aircraft maintenance, June 24, 2016, www.ctl.ca
- 45. WestJet becomes only Canadian airline serving Halifax non-stop from Vancouver and Winnipeg, June 29, 2016, www.westjet.ca
- 46. Aviation Sector Applauds Government of Canada Decision to Lift VISA Requirements for Mexican Travellers, June 28, 2016, www.cacairports.ca

15. Transat CEO says winter travel season 'best forgotten' as company posts loss

Transat AT says that it lost \$25-million during its fiscal 2016 second quarter, which the company's CEO describes as a "winter best forgotten" because of a combination of challenges that faced the travel company. The Montreal-based company increased its revenue by 1.5 per cent over the comparable period last year to \$888.2-million from \$875.2-million, but its costs grew at a faster pace. Transat's says its net loss amounted to 68 cents per share and contrasted with a year-earlier profit of \$24.7-million or 64 cents per share. The loss was partly attributed to the rising American dollar.

16. Aircraft movement statistics: Small airports, February 2016

In February 2016, take-offs and landings at 122 Canadian airports without air traffic control towers totalled 34,162 movements. Five airports accounted for 23% of the activity in February: Goose Bay, Newfoundland and Labrador (2,136 movements); Peterborough, Ontario (1,712); Pickle Lake, Ontario (1,448); Red Lake, Ontario (1,357); and Comox, British Columbia (1,292).

17. Aviation – Monthly Aircraft Movements: Small airports – Airports Without NAV CANADA Towers or Flight Service Stations, February 2016, vol. 48, no. 16

On June 9, 2016, Statistics Canada released a report on monthly movement statistics for aircraft from small airports. This report presents monthly aircraft movements for Canadian airports without NAV airports. CANADA air traffic control towers or NAV CANADA flight service stations.

18. April 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 1.3 percent in April 2016 from March 2016, rising after two months of decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics.

19. International Aviation: New EU-level Agreements will benefit European passengers and businesses

On June 7, 2016 the 28 EU Transport Ministers authorised the European Commission to start negotiations for EU-level <u>aviation agreements</u> with the Association of Southeast Asian Nations (ASEAN), Turkey, Qatar and the United Arab Emirates (UAE). This is one of the main deliverables of the new Aviation

<u>Strategy for Europe</u> - a milestone initiative to boost Europe's economy, strengthen its industrial base and reinforce its global leadership position, which are three core priorities of President Jean-Claude Juncker.

20. Air Canada Cargo and Cargojet Successfully Launch First Freighter Flight to South America

Air Canada Cargo and Cargojet Airways Ltd., a subsidiary of Cargojet Inc., ("Cargojet") commenced service on June 10, 2016 with the first freighter flight to Bogota, Colombia and Lima, Peru, operated with a Cargojet B767-300F aircraft.

21. WestJet returns to Fort McMurray

WestJet announced on June 9, 2016 that it will resume flying to Fort McMurray International Airport on June 10, 2016 as the airport reopens for commercial operations for the first time since wildfires caused the suspension of scheduled flights on May 4, 2016.

22. Air Canada Inaugurates Toronto-Budapest Service - New route extends Air Canada Rouge's summer expansion in Central Europe

The arrival of flight AC1910 from Toronto-Pearson at Budapest Ferenc Liszt International Airport on June 11, 2016 further extends Air Canada Rouge's presence in Central Europe. The non-stop seasonal service, operating three-times a week, offers customers the most seats between North America and Budapest of any airline.

23. Céad mile fáilte! Air Canada Inaugurates New Non-Stop Vancouver - Dublin Flights

Air Canada's inaugural flight AC1940, from Vancouver departed on June 10, 2016 afternoon, marking the only non-stop service linking Vancouver and Ireland. Air Canada Rouge brings their hallmark customer service excellence to these seasonal flights between Vancouver and the Irish capital city, which operate three times weekly until October 8, 2016.

24. Air Canada Resumes Fort McMurray flights from Toronto, Calgary, Edmonton, Vancouver

With the arrival of Air Canada Express flight AC8371, the carrier's customers were the first to arrive at Fort McMurray International Airport on June 10, 2016 following the airport's re-opening to limited commercial scheduled flights.

25. Air Canada begins first dedicated freighter service

Air Canada Cargo launched its first freighter service on June 10, 2016 with partner Cargojet operating the flight from Hamilton, Ontario to Bogata, Colombia and Lima, Peru, with service to Mexico City starting this weekend. Cargojet is a Canadian all-cargo airline with a fleet of 22 jets. Air Canada Cargo is wet leasing a Cargojet Boeing 767-300 with 52 tons of capacity. The service, which stops in Atlanta, runs five days a week. The airline said it plans to introduce dedicated freighter service.

26. Quarterly civil aviation statistics, second quarter 2015

The total operating revenue earned by the largest 25 Canadian air carriers was \$5.2 billion in the 2015 second quarter, up 1.6% from the same quarter a year earlier. Lower fuel prices contributed to a 2.5% drop in total operating expenses to \$4.6 billion, which resulted in a strong increase (+55.6%) in net operating income. These airlines carried 17.9 million passengers during the quarter, up 4.1% from the same quarter the previous year. The number of passengers flying on scheduled flights was 17.6 million, a 6.7% increase. The number of charter passengers declined from 694,000 to 293,000, as a major charter carrier, CanJet Airlines, continued to wind down operations.

27. Industry Welcomes Clarity on EU Passenger Rights

The International Air Transport Association (IATA) welcomed the publication of Interpretative Guidelines on Regulation 261/2004 by the European Commission which brings greater clarity to the European Union's passenger rights regulation. This is an important stop-gap measure until critical reforms to EU 261/2004 are implemented.

28. Air Canada Inaugurates Toronto-Glasgow Service - New route extends Air Canada Rouge's Summer European Expansion

The arrival of flight AC1938 from Toronto-Pearson at Glasgow Airport on June 14, 2016 further extends Air Canada Rouge's presence in Europe. The non-stop seasonal service, operating three-times a week, offers customers the only non-stop service between Toronto and Glasgow and complements Air Canada Rouge's non-stop service to Edinburgh.

29. Minister Garneau kicks off drone safety campaign, introduces 'No Drone Zone' signs

The Honourable Marc Garneau, Minister of Transport, on June 13, 2016 launched a national safety campaign and reiterated the Government of Canada's intention to propose new regulations for UAVs, or drones as they are more commonly known. The Minister unveiled a 'No Drone Zone' sign to remind users to only operate their aircraft in approved areas. As a world leader in drone safety, Transport Canada will propose new regulations in the coming months and is looking at a number of changes, including: 1)

establishing categories of drones; 2) simplifying the registration process for operators; and 3) instituting marking requirements.

30. April 2016 Complaints Down and On-Time Performance Up From Previous Year, March 2016

In April 2016, the U.S. Department of Transportation received 1,122 complaints about airline service from consumers, down 20.9 percent from the total of 1,419 filed in April 2015 and down 21.5 percent from the 1,429 received in March 2016, according to the *Air Travel Consumer Report* released on June 13, 2016. The reporting carriers posted an on-time arrival rate of 84.5 percent in April 2016, up from both the 81.8 percent on-time rate in April 2015 and the 81.5 percent mark in March 2016.

31. Long term Labour Agreements in Place with All Air Canada Unions in Canada

Air Canada on June 14, 2016 confirmed the ratification of its 10th and final labour agreement with its Canadian unions. This completes Air Canada's current cycle of labour negotiations and establishes long term contracts extending in most cases over a ten year duration for all of its approximately 25,000 unionized employees in Canada.

32. Air Canada Recognized for Workplace Engagement

Air Canada has been named one of the 50 Most Engaged Workplaces in North America for commitment to employee engagement by Achievers, an employee social recognition company. Companies were evaluated on eight elements

33. Air Canada Inaugurates Toronto-Warsaw Service

The arrival of flight AC1926 from Toronto-Pearson at Warsaw Chopin Airport this morning further expands Air Canada Rouge's presence in Central Europe. The non-stop seasonal service, operating four-times a week, makes Air Canada the only Canadian airline offering non-stop service between Canada and Poland.

34. Porter Airlines Ranked Second-Most Reputable Canadian Company

Porter Airlines is ranked the second most reputable Canadian company and the most reputable airline in Canada, according to new research from Reputation Institute, the world's premier authority on reputation measurement.

35. Agency [CTA] issues recommendations relating to allergies to peanuts, nuts and sesame seeds in air travel

An inquiry into the issue of passenger allergies to peanuts, nuts and sesame seeds on board aircraft led to the following findings. The experts contracted by the Agency's Inquiry Officer found little to no evidence accidental ingestion posed a risk of a serious allergic reaction. As a result, the Inquiry Officer finds that the following mitigation measures would be the most effective: 1) a buffer zone, consisting of the row in which the allergic passenger sits or the pod-seat; 2) an announcement to other passengers within the buffer zone that they must refrain from eating peanuts, nuts or sesame seeds or foods containing these; 3) not serving meals or snacks containing peanuts, nuts or sesame seeds in the buffer zone; 4) advising passengers who provide advance notification of their allergies that they are expected to take the same precautions they take during their daily living, including carrying their allergy medication, wiping down their seat area and bringing their own food; 5) allowing passengers to wipe down their seating areas; 6) having policies on air carrier websites that inform passengers on how to make arrangements for accommodation and what their responsibilities are; and, 7) training flights crew on signs and symptoms of an allergic reaction.

36. Air Canada Launches Montreal-Lyon Non-stop Service

The arrival of flight AC828 at Lyon-Saint-Exupery airport on June 17, 2016 marks the successful launch of non-stop service between Montreal and Lyon, the only year-round non-stop service between North America and Lyon. Flights will operate five times weekly during the summer and four times weekly during the winter.

37. Aircraft movement statistics: Small airports – Annual report, 2015

In 2015, the number of take-offs and landings recorded at 132 Canadian airports without air traffic control towers totalled 626,934 movements. Five airports recorded more than 20,000 take-offs and landings each: Peterborough, Ontario (53,380 movements); Goose Bay, Newfoundland and Labrador (31,245); Moosonee, Ontario (25,007); Red Lake, Ontario (23,985); and Comox, British Columbia (21,040). These airports accounted for 25% of the movements during the year.

38. March 2016 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on June 16, 2016 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – fell to 82.3 percent in March 2016, seasonally adjusted, falling for the third consecutive month.

39. 1st Quarter 2016 Airline Financial Data

U.S. scheduled passenger airlines reported an after-tax net profit of \$3.1 billion in the first quarter of 2016, down from \$7.7 billion in the fourth quarter of 2015 and virtually unchanged from \$3.1 billion in the first quarter of 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on June 20, 2016.

40. DOT and FAA Finalize Rules for Small Unmanned Aircraft Systems

On June 21, 2016, the Department of Transportation's Federal Aviation Administration has finalized the first operational rules (PDF) for routine commercial use of small unmanned aircraft systems (UAS or "drones"), opening pathways towards fully integrating UAS into the nation's airspace. These new regulations work to harness new innovations safely, to spur job growth, advance critical scientific research and save lives.

41. FedEx results beat Street despite tepid outlook

FedEx Corp. lost \$70-million (U.S.) in the latest quarter because of large pension and acquisition items, and the delivery giant gave a cautious outlook for the next 12 months. The company's fiscal fourth-quarter results still beat Wall Street expectations, as FedEx and other delivery companies continue to benefit as consumers do more shopping online.

42. WestJet Encore celebrates three years

On June 24, 2016 WestJet's regional airline, WestJet Encore, will celebrate its third year in the sky. The airline, powered by Canadian-made Bombardier Q400 aircraft, recently broke the six million guests-flown mark. Since its launch, Encore has been embraced by more than 30 Canadian communities seeking improved connectivity, lower fares and competitive air service.

43. Global trends in air freight are less optimistic than for passengers

Airports Council International (ACI) has said in its April 2016 report that global trends in air freight are less optimistic than for passengers, reports London's Air Cargo News. It pointed out that while passenger traffic surged by 3.4 per cent in April 2016 and 6.2 per cent for the year to date, worldwide air freight volumes grew one per cent in the month and declined by 0.1 per cent for the year to date. A rise of only 1.3 per cent was seen in Asia-Pacific, although in Europe it was a more robust at 5.4 per cent. At the same time, many of the world's freight hubs contracted. Out of top 20 air freight hubs, seven airports reported growth rates of one per cent or less. With air freight highly concentrated and the top 20 air freight hubs occupying almost half of global volumes, the weak growth among the major airports pulls down the global growth figure, ACI added.

44. Air Canada welcomes bill passage on aircraft maintenance

Air Canada has welcomed the passage of Bill C-10 into an Act of Parliament modernizing in part the *Air Canada Public Participation Act* that came into effect when Air Canada was privatized 28 years ago. The revised Act allows Air Canada, like other Canadian and international carriers, to determine the location, the volume and type of aircraft maintenance it does, including the work that will be done in Manitoba, Quebec and Ontario.

45. WestJet becomes only Canadian airline serving Halifax non-stop from Vancouver and Winnipeg On June 29, 2016 WesttJet becomes the only Canadian carrier to serve Halifax non-stop from Vancouver and Winnipeg. The inaugural flight from <u>Vancouver to Halifax</u> launches on June 29, 2016 and flights from <u>Winnipeg to Halifax</u> begin July 2, 2016. Both of these seasonal, direct flights have been timed to connect conveniently to WestJet's Halifax and Vancouver hubs from its extensive domestic network.

46. Aviation Sector Applauds Government of Canada Decision to Lift VISA Requirements for Mexican Travellers

The National Airlines Council of Canada (NACC) and the Canadian Airports Council (CAC) welcome the June 28th announcement by the Government of Canada to lift visa requirements for citizens of Mexico effective December 1, 2016. The decision to use the upcoming electronic travel authorization (eTA) for Mexican travelers will further expand economic ties between Canada and Mexico and supports the Government of Canada's priority to expand economic engagement in the Americas.

WATER TRANSPORTATION

1. Great Lakes interests sue US Coast Guard over pilots' fees

U.S. Great Lakes ports, vessel operators and maritime trade groups have filed a lawsuit against the Coast Guard over pilot' fees.

2. Great Lakes iron ore volumes sink in May

Iron ore shipments on the Great Lakes and St. Lawrence Seaway totaled 6 million tons in May 2016, a 9 percent decline from May 2015, according to the Lake Carriers' Association. Shipments from U.S. ports reached 5.5 million tons in May, an 8 percent year-over-year decline. During the month, the top three U.S. ports for U.S. iron ore loadings on the lakes were Two Harbors, Minn.; Superior, Wis.; and Presque Isle, Mich. Loadings from Canada, tumbled 20 percent year-over-year.

3. European Commission adopts proposals to simplify and improve passenger ship safety rules

On June 6, 2016 the Commission has adopted a number of legislative proposals to simplify and improve the common rules on safety of ships carrying passengers in EU waters. The update is a response to lessons learnt, including from accidents, and technological developments. It will, among others, allow immediate access of competent authorities to relevant data in case of emergency ensuring that search and rescue operations can be dealt with more effectively.

4. Canadian exports give St. Lawrence Seaway shipping solid start Canadian exports to the U.S. and abroad have kept the St. Lawrence Seaway cargo shipments moving at a solid pace, despite tough economic conditions for some commodities. "We're encouraged by the results for the season to date, considering difficult markets for commodities like iron ore," said Chamber of Marine Commerce President Stephen Brooks.

5. Port of Prince Rupert Authority, Y-T-D monthly container statistics

The Port of Prince Rupert reported its year-to-date statistics till May

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- 1. Great Lakes interests sue US Coast Guard over pilots' fees, June 1, 2016, www.joc.com
- 2. Great Lakes iron ore volumes sink in May, June 7, 2016, www.americanshipper.com
- 3. European Commission adopts proposals to simplify and improve passenger ship safety rules, June 6, 2016, www.europa.eu
- 4. Canadian exports give St. Lawrence Seaway shipping solid start, June 9, 2016, www.ctl.ca
- 5. Port of Prince Rupert Authority, Y-T-D monthly container statistics, June 14, 2016, www.rupertport.com
- 6. Port of Vancouver: Accumulated Container Statistics, Year-to-Date (January-May 2016), June 15, 2016, www.portofvancouver.com
- 7. Moody's holds negative outlook for global shipping industry, June 23, 2016, www.americanshipper.com
- 8. Panama Canal expansion opens for business, June 26, 2016, www.americanshipper.com
- 9. Hapag-Lloyd links up with INTTRA eVGM service to get boxes aboard, June 27, 2016, www.transportweekly.com
- 10. How the Panama Canal Expansion Will Shake Up U.S. Shipping, June 27, 2016, www.inboundlogistics.com

2016 on June 14, 2016. Total container traffic in terms of TEUs (twenty foot equivalent units) decreased 5% for the period January 2016 to May 2016 (i.e. to 308,347 TEUs). Exports decreased by 14% (i.e. to 123,308 TEUs) and imports increased by 1% (i.e. to 185,039 TEUs) over this period. For the month of May 2016 total traffic fell by 8%.

6. Port of Vancouver: Accumulated Container Statistics, Year-to-Date (January-May 2016)

The Port of Prince Rupert reported its year-to-date statistics till May 2016 on June 14, 2016. Total container traffic in terms of TEUs (twenty foot equivalent units) decreased 6.4% for the period January 2016 to May 2016 (i.e. to 1,190,561 TEUs). Exports decreased by 5.6% (i.e. to 571,575 TEUs) and imports decreased by 7.1% (i.e. to 618,986 TEUs) over this period. **7.** Moody's holds negative outlook for global shipping industry

Moody's Investors Service's outlook for the global shipping industry over the next 12-18 months is negative, reflecting its expectation that earnings will worsen and freight rates will remain depressed amid ample supply, Mariko Semetko, a Moody's Vice President and Senior Analyst explained. "We expect that the aggregate EBITDA of Moody's-rated shipping companies will fall by 7 percent-10 percent in 2016," Semetko added.

8. Panama Canal expansion opens for business

The expanded Panama Canal is being inaugurated on June 26, 2016 opening a new era for global trade and transportation. COSCO Shipping Panama, a 9,472-TEU containership built this year and renamed specifically for the historic event, entered the new Agua Clara locks from the Atlantic Ocean this morning. The vessel will spend the day transiting the waterway, arriving at the new Cocoli locks at the southern end of the Canal.

9. Hapag-Lloyd links up with INTTRA eVGM service to get boxes aboard

Germany's Hapag-Lloyd, the world's fourth biggest container shipping company, has signed with the INTTRA eVGM Service for facilitating compliance with new International Maritime Organisation (IMO)

container weight requirements. Under the IMO's Safety of Life at Sea (SOLAS) Verified Gross Mass (VGM) amendment going into effect on July 1, 2016, every shipping container must have a VGM, or certified weight, to be loaded aboard a ship. Available in two versions - for carriers and shippers - the INTTRA eVGM Service provides the operational capabilities for digital submission, receipt, processing and auditing of SOLAS-compliant VGMs.

10. How the Panama Canal Expansion Will Shake Up U.S. Shipping

The expansion of the Panama Canal, expected to be completed by the end of June 2016, will rewrite the rules of shipping, with far-ranging impacts for logistics managers, retailers, railroads, and public infrastructure across the United States. More than a decade in the making, the canal expansion not only increases the number of ships that will be able to pass through, but accommodates ships with nearly triple the cargo capacity. The new, third set of locks will admit ships of up to 14,000 TEUs—up from today's maximum of 5,000 TEUs. As a result, this event is poised to have a material effect on the economics of container shipping.

RAIL TRANSPORTATION

1. CP Rail wants to install cameras to monitor train crews

Canadian Pacific Railway Ltd. wants to keep an eye on its train crews, and says installing cameras aimed at the locomotive operators will improve safety on the railways. At a meeting next month, Calgary-based CP will urge Minister of Transport Marc Garneau to change the law that restricts the viewing of in-cab recordings to government investigators – never rail companies – in the event of a collision or derailment.

2. Railway Carloadings, March 2016

The volume of rail freight carried in Canada totalled 29.4 million tonnes in March 2016, a decrease of 4.8% from the same month last year. Freight originating in Canada decreased 2.3% to 26.8 million tonnes. These shipments are composed of both non-intermodal and intermodal freight. Intermodal freight loadings fell 8.0% to 176,000 units in March. In terms of weight, intermodal traffic fell 6.6% to 2.7 million tonnes, as a result of a decrease in containers and trailers on flat cars. Freight traffic received from the United States fell 25.3% to 2.5 million tonnes, as a result of a decrease in non-intermodal shipments.

3. CN encourages Canadian municipalities to submit input for Key Route Corridor Risk Assessments

CN said June 3, 2016 it is encouraging communities to submit input for

corridor risk assessments along rail routes carrying significant amounts of dangerous goods. CN performs specific risk assessments on railway lines carrying substantial amounts of dangerous goods, known as Key Routes, looking at factors such as population and emergency response capabilities. Under new Transport Canada regulations, CN will incorporate input from Canadian municipalities along these Key Routes as part of those risk assessments.

4. AAR: U.S. freight rail traffic slide continues in May

United States-based freight railroads in May 2016 saw their volumes drop 6.8 percent compared to May 2015, according to data from the Association of American Railroads. Carload traffic fell 10.3 percent year-over-year for the month to 962,571 carloads, while intermodal volumes slipped 3.3 percent to 1,049,631 containers and trailers. Ten of the 20 carload commodity categories tracked by the AAR reported growth in May 2016, including miscellaneous carloads, up 30.8 percent.

5. Completion of trackwork for the Toronto-York Spadina Subway Extension

On June 6, 2016, at the site of the future Vaughan Metropolitan Centre Station, government officials marked the completion of track installation for the Toronto-York Spadina Subway Extension. A special event was held to celebrate the completion of trackwork in the new Toronto-York Spadina Subway Extension (TYSSE) tunnels and stations where a total of 17.4 kilometres of track and four sections of special track have been installed.

6. Government of Canada extends provisions for rail in the Canada Transportation Act

RAIL TRANSPORTATION

Canada

- 1. CP Rail wants to install cameras to monitor train crews, May 30, 2016, www.globeandmail.ca
- 2. Railway Carloadings, March 2016, May 31, 2016, www.statcan.gc.ca
- 3. CN encourages Canadian municipalities to submit input for Key Route Corridor Risk Assessments, June 3, 2016, www.cn.ca
- 4. AAR: U.S. freight rail traffic slide continues in May, June 3, 2016, www.americanshipper.com
- 5. Completion of trackwork for the Toronto-York Spadina Subway Extension, June 6, 2016, www.tc.gc.ca
- 6. Government of Canada extends provisions for rail in the *Canada Transportation Act*, June 15, 2016, www.tc.gc.ca
- 7. CP provides second-quarter 2016 earnings outlook; Q2 earnings release date and conference call details, June 21, 2016, www.cpr.ca

On June 15, 2015 the Government of Canada announced that it is postponing for one year the repeal of certain provisions of the *Canada Transportation Act* that were enacted in 2014 by the *Fair Rail for Grain Farmers Act*. The postponement was approved by the House of Commons and the Senate. The provisions being extended provide the authority to: 1) prescribe different distances, by region or by goods, when making regulations on interswitching; 2) make regulations specifying what constitutes "operational terms" that can be referred to in level-of-service arbitration; 3) order a railway company to pay compensation to a shipper or any person for any expenses they incurred as a result of the railway company's failure to comply with its level-of-service obligations; and 4) prescribe a minimum amount of grain to be moved by Canadian National Railway and Canadian Pacific Railway during any period within a crop year, and authorize designated persons to impose administrative monetary penalties for failing to meet these requirements.

7. CP provides second-quarter 2016 earnings outlook; Q2 earnings release date and conference call details

Canadian Pacific Railway Limited on June 21, 2016 announced it is providing an earnings outlook for the second-quarter of 2016 due to lower-than-anticipated volumes in bulk commodities, such as grain and potash, the unexpected and devastating wildfires in northern Alberta and a strengthening Canadian dollar. CP now expects revenues to decline approximately 12 percent from the same quarter a year ago, adjusted diluted earnings per share of approximately \$2.00 and an operating ratio of about 62 percent.

HIGHWAY TRANSPORTATION

1. Couriers and Messengers Services Price Index, April 2016 The Couriers and Messengers Services Price Index (CMSPI) declined 0.2% in April 2016. The couriers' component decreased 0.3%, while the local messengers' and local delivery component

increased 0.2%. The CMSPI rose 1.4% in April 2016 compared with the same month a year earlier. The couriers' component increased 1.8%, while the local messengers' and local delivery component declined 0.6%.

2. FedEx acquires TNT Express for nearly \$5 billion

FedEx has acquired major European parcel company TNT Express in a deal worth nearly \$5 billion.

3. New rules for dangerous goods strengthen public safety

The Honourable Marc Garneau, Minister of Transport, on June 1, 2016 announced several amendments to the *Transportation of Dangerous Goods Regulations* to improve reporting requirements in order to enhance public safety and improve local emergency response. Effective immediately, individuals responsible for dangerous goods must report more information to the department, such as: 1) dangerous goods that have been lost, stolen, or interfered with; 2) road incidents involving dangerous goods; and 3) undeclared or misdeclared dangerous goods transported by passenger aircraft. The amendments also make permanent a previously announced ban on lithium-ion battery cargo shipments on passenger aircraft.

4. Schneider acquires two 'final mile' trucking companies

Schneider, the Green Bay, Wis.-based trucking and logistics firm, announced on June 2, 2016 that the simultaneous acquisitions of two companies that it said will complement its growing "final mile" delivery business. The two firms are Watkins & Shepard, based in Missoula, Mont. and Lodeso, based in Zeeland, Mich. Watkins & Shepard provides less-than-truckload (LTL), truckload and logistics services for difficult-to-handle goods, such as furniture and floor coverings, etc.

5. FHWA Targets Border Congestion with Technology

To reduce delays at U.S. border crossings in New York, Michigan and Washington, the U.S. Department of Transportation's Federal Highway Administration on June 3, 2016 awarded \$256,470 for the

HIGHWAY TRANSPORTATION Canada

- 1. Couriers and Messengers Services Price Index, April 2016, May 31, 2016, www.statcan.gc.ca
- 2. FedEx acquires TNT Express for nearly \$5 billion, June 1, 2016, www.joc.com
- 3. New rules for dangerous goods strengthen public **safety**, June 1, 2016, www.tc.gc.ca
- 4. Schneider acquires two 'final mile' trucking companies, June 2, 2016, www.americanshipper.com
- 5. FHWA Targets Border Congestion with Technology, June 3, 2016, www.dot.gov
- 6. US-Canada freight demand puts pressure on crossing points, June 7, 2016, www.joc.com
- 7. Media Turns Attention to Driver Shortage, May 20, 2016, www.ontruck.ca
- 8. Milton Logistics Hub Project, June 8, 2016, www.cta-otc.gc.ca
- 9. Ontario's Titanium acquires \$6.3M in assets from Tregaskis, June 8, 2016, www.todaystrucking.com
- 10. FedEx quarterly dividend jumps 60%, June 9, 2016, www.americanshipper.com
- 11. Manitoulin Transport opens new transportation terminal in Brandon, Manitoba, June 9, 2016, www.ctl.ca
- 12. Manitoulin Global Forwarding Buys M.A.P. International Freight Inc., June 13, www.ctl.ca
- 13. CTA Study: Truck Driver Shortage Accelerating, June 14, 2016, www.cantruck.ca
- 14. Ryder opens pre-owned truck facility in Calgary, June 18, 2016, www.todaystrucking.com
- 15. North American freight market growth remains slow, uneven, June 20, 2016, www.americanshipper.com
- 16. April 2016 North American Freight Numbers, June 23, 2016, www.bts.gov
- 17. New Resources Focus on Women in Canadian Trucking, June 28, 2016, www.cantruck.ca

use of innovative new technology that will provide information on wait times at border crossings and help manage delay by giving truckers advance notice of crossing conditions. "We are working towards creative solutions to border congestion, that can stifle commerce and negatively impact our economy," said U.S. Transportation Secretary Anthony Foxx. "Accurate travel information will be a powerful tool in improving the flow of goods across these borders – supporting the freight economy, including U.S. businesses that rely on efficient trade."

6. US-Canada freight demand puts pressure on crossing points

At the U.S.-Canadian border, rising truck volumes are a welcome sign of economic improvement. But an 8 percent increase in truck crossings in Detroit in the first quarter of 2016 also raises concerns about the speed and fluidity of cross-border freight traffic.

7. Media Turns Attention to Driver Shortage

After 40 years as a truck driver, Jack Fielding indicates that the industry is struggling to recruit young people who share his enthusiasm for the job. This means the industry is facing a looming labour shortage that could reach 48,000 drivers by 2024, according to the Canadian Trucking Alliance (CTA). Today, the average age of a truck driver is over 47 – up from 45 in 2013 – and almost 30 per cent of the driving force is 55 or over. "Tens of thousands of them are nearing retirement and we're not getting anywhere near our commensurate share of new drivers into the business." CTA David Bradley says.

8. Milton Logistics Hub Project

The Canadian National Railway Company is proposing the construction and operation of a logistics hub, designed to transfer containers between trucks and railcars. The project would include a railway yard with more than 20 km of track and be located in Milton, Ontario, about 50 km west of Toronto, Ontario. Once final, the Agreement will establish the mandate and authority of the review panel, as well as the procedures and timelines for the conduct of the review under the *Canadian Environmental Assessment Act, 2012* and the *Canadia Transportation Act.* The Canadian Transportation Agency and the Canadian Environmental Assessment Agency invite the public to comment on the draft Agreement to Establish a Review Panel for the proposed Milton Logistics Hub project in Milton.

9. Ontario's Titanium acquires \$6.3M in assets from Tregaskiss

Titanium Transportation Group Inc. has agreed to acquire certain assets from Tregaskiss Investment Group Inc. for \$6.3 million.

10. FedEx quarterly dividend jumps 60%

The board of directors of FedEx Corp. earlier this week declared a quarterly dividend of \$0.40 per share of FedEx common stock, the parcel carrier said in a statement. The dividend, payable July 1 to shareholders of record at the close of business on June 16, 2016, represents a 60 percent premium from the previous quarterly dividend of \$0.25. The sharp increase could be a signal that FedEx is transitioning from a growth stock to a yield stock, according to a report.

11. Manitoulin Transport opens new transportation terminal in Brandon, Manitoba

Manitoulin Transport has opened a newly built transportation terminal in Brandon, Manitoba. This is the second new terminal Manitoulin has launched in that province within the last seven months, as it continues to gear up for further growth in that region, the company said.

12. Manitoulin Global Forwarding Buys M.A.P. International Freight Inc.

Manitoulin Global Forwarding has bought M.A.P. International Freight Inc. of Vaughan, Ontario, a specialist in the movement of goods requiring a temperature-controlled environment be it refrigerated or heated. The acquisition rounds out Manitoulin Global Forwarding's service offerings, and the company said it can now provide clients with the full suite of international freight forwarding offerings available.

13. CTA Study: Truck Driver Shortage Accelerating

The shortage of professional truck drivers in the Canadian for-hire trucking industry is escalating more rapidly than industry analysts previously thought, according to a new study prepared for the Canadian Trucking Alliance. The new study – *Understanding the Truck Driver Supply and Demand Gap* – was conducted by transportation consultants, CPCS. It's an update to CTA's 2011 landmark report of the same name, which predicted a driver gap of up to 33,000 drivers by 2020.

14. Ryder opens pre-owned truck facility in Calgary

Ryder System has opened a new "state of the art" pre-owned truck sales facility in Calgary, at 4535 8A Street N.E.

15. North American freight market growth remains slow, uneven

North American shipment volumes in May 2016 grew 1.3 percent compared with the previous month, but expenditures slipped 0.4 percent from April 2016, according to the latest Cass Freight Index Report.

Despite the slight growth in shipments, both volumes and payments remained well below the levels seen in the last several years, said Cass. Shipments and expenditures for the month were still down 5.8 percent and 10.1 percent, respectively, compared with May 2015.

16. April 2016 North American Freight Numbers

Trucks carried more U.S. freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in April 2016 compared to April 2015 but declines in all other freight modes led to a 3.2 percent decrease to \$90.4 billion in the total current dollar value of cross-border freight. April 2016 was the 16th consecutive month that the value of U.S.-NAFTA Freight declined from the same month of the previous year, according to the TransBorder Freight Data released on June 23, 2016 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). The value of commodities moving by truck increased 0.8 percent as the value of incoming freight from Mexico (up 6.5 percent) and Canada (up 3.0 percent) exceeded the 3.6 percent decrease in shipments from the U.S.

17. New Resources Focus on Women in Canadian Trucking

Trucking HR Canada has unveiled three new resources as part of its *Women with Drive* initiative – a national initiative focused on supporting and increasing women's participation in the trucking workforce. *My Toolbox for Mentoring Women* will help trucking employers, association groups, female drivers and others learn effective and practical approaches to mentorship, says Trucking HR Canada. The accompanying *Inventory of Resources* includes information on organizations, programs and networks dedicated to supporting women.

GENERAL TRANSPORTATION

Canada

1. U.S. economy showing signs of life after rough start to the year

The United States economy grew more than initially expected in the first quarter of 2016, according to a "second" preliminary estimate issued by the U.S. Commerce Department on May 27, 2016. U.S. gross domestic product (GDP) – the broadest measure of a nation's overall economic health – increased 0.8 percent during the quarter, down from a 1.4 percent advance in the fourth quarter of 2015.

2. EDITORIAL: Carbon Pricing Will Be a Key to Fighting Climate Change

Recently, Canada became a signatory to the Paris agreement on climate change. Nevertheless, the federal-provincial governments have not reached any agreement but they both recognize that something needs to be done. In this climate change debate, carbon pricing is a key component of any GHG-reduction strategy. Where does the Canadian Trucking Alliance (CTA) stand on carbon pricing? There are two main forms of carbon pricing: (1) A carbon tax; or (2) A cap-

Canada

- 1. U.S. economy showing signs of life after rough start to the year, May 31, 2016, www.americanshipper.com
- 2. EDITORIAL: Carbon Pricing Will Be a Key to Fighting Climate Change, June 3, 2016, www.cantruck.ca
- 3. China rivals U.S., Europe as growth engine for Asia exports, June 10, 2016, www.americanship.com
- 4. Commission encourages women to work in the transport sector, June 23, 2016, www.europa.eu
- 5. Green Logistics: Growing a Sustainable Supply Chain, June 27, 2016, www.inboundlogistics.com
- 6. Stimson: Brexit could impact more than UK trade, June 28, 2016, www.americanshipper.com

and-trade system. Put simply, the difference is that the amount of GHG reduction from a carbon tax is a function of the market based on the price of fuel, whereas a cap and trade system sets an actual cap on GHG emissions and a market of tradeable credits is created where those who reduce their carbon footprint can sell the credits they receive to those who are not meeting their targets.. In a general sense, CTA supports the assertion that in a perfect world putting a price on something or some activity, by sending appropriate market signals, is the best and most efficient way of encouraging change. But, given the choice between a carbon tax and a cap and trade system CTA's preference would be for a carbon tax. Regarding collecting the tax, the mechanisms for collecting it (fuel tax) and passing it along (from CTA's perspective), must be revenue-neutral so as to isolate the carbon impacts. It must also be easily understood, transparent and efficient to administer.

3. China rivals U.S., Europe as growth engine for Asia exports

China is now an equal or even bigger driver of export growth in neighbouring economies than the United States and European Union (EU) combined, marking a significant shift in the economic pecking order since the 2008 global financial crisis. That's according to research by Deutsche Bank AG economists who weighed up the influence of the U.S. and China over the rest of Asia through the prism of export growth, as well as the currency and bond markets.

4. Commission encourages women to work in the transport sector

Currently only 22% of transport workers are women in the European Union. At a recent event in Brussels, Europe's Transport Commissioner Violeta Bulc met a few of them, as well as employers, academics and policy makers, to discuss what can be done to attract more women to the sector, at a time when technological progress opens up new opportunities.

5. Green Logistics: Growing a Sustainable Supply Chain

Supply chain sustainability is taking root as shippers embrace technology and best practices that minimize their environmental impact. The current issue on Inbound Logistics reveals how companies are getting lean and green, and showcases supply chain partners that innovate to help their shipper customers get their green on. Also: 10 Greenest Ports in America.

6. Stimson: Brexit could impact more than UK trade

United Kingdom's vote to leave the European Union last week could impact more than just trade with the UK, according to the nonprofit public policy institute the Stimson Center. The so-called "Brexit" may have implications for the Transatlantic Trade and Investment Partnership (TTIP) between the U.S. and EU, as well as the sweeping Trans-Pacific Partnership, which brings together 12 nations in Asia, Oceania and the Americas.