

Transportation Information Update*

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AIR TRANSPORTATION

1. Quarterly civil aviation statistics, third quarter 2015

The total operating revenue reported by the 25 largest Canadian airlines reached \$6.1 billion in the 2015 third quarter, up 3.2% from the same quarter in 2014. Total operating expenses were down 2.1% to \$4.9 billion, largely on falling fuel prices. As a result, net operating income rose 32.8% to \$1.2 billion. Net income increased 29.0% from \$561.5 million in the third quarter of 2014 to \$724.5 million in the third quarter of 2015. This gain, attributable to the growth in net operating income, was partially offset by the 39.3% increase in net non-operating loss from \$323.1 million to \$450.2 million over the same period.

2. Aircraft movement statistics: Major airports, April 2016

There were 490,045 aircraft take-offs and landings in April 2016 at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations, compared with 461,210 movements in the same month the previous year.

3. Canada expands Air Transport Agreement with Mexico

The Honourable Marc Garneau, Minister of Transport, on June 30, 2016 announced an expanded Canada-Mexico Air Transport Agreement, providing additional benefits for Canadian travellers and the air industry. The expanded agreement builds on the existing Canada-Mexico Air Transport Agreement, negotiated in 2011. Canada and Mexico already enjoy a liberal air transport relationship, allowing any number of airlines from both countries to offer services between any Canadian and Mexican cities. This expanded agreement adds to that by removing administrative requirements to make it easier for airlines to introduce new prices. Canadian and Mexican airlines will also be able to serve third countries when operating between Canada and Mexico.

4. 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) welcomed the 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. "This is great news." Says the CAC President.

5. IATA: Airfare volumes fall in May

Airfreight activity dipped 0.9 percent in May 2016, as measured in freight ton kilometers, according to the International Air Transport Association (IATA). Meanwhile, airlines continue to experience downward pressure on yields as freight capacity increased 4.9 percent year-over year. Overall load factors declined 1.7 percent. Freight demand decreased or was flat in May across all regions, with the

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1. Quarterly civil aviation statistics, third quarter 2015, June 29, 2016, www.statcan.gc.ca
2. Aircraft movement statistics: Major airports, April 2016, June 29, 2016, www.statcan.gc.ca
3. Canada expands Air Transport Agreement with Mexico, June 30, 2016, www.tc.gc.ca
4. Aviation Sector Applauds Government of Canada Decision to Lift VISA Requirements for Mexican Travellers, June 28, 2016, www.cacairports.ca
5. IATA: Airfare volumes fall in May, July 6, 2016, www.americanshipper.com
6. Monthly civil aviation statistics, April 2016, July 7, 2016, www.statcan.gc.ca
7. WestJet reports record June load factor of 80.4 per cent, July 11, 2016, www.westjet.ca
8. Porter voted one of the World's Best International Airlines by Travel + Leisure, July 11, 2016, www.flyporter.com
9. ATAC Formal Response to the Emerson Report, July 11, 2016, www.atac.ca
10. Good things come in threes: Porter voted North America's Best Regional Airline by Skytrax, July 12, 2016, www.flyporter.com
11. Porter Airlines Signs for Three More Bombardier Q400 Turboprops, July 12, 2016, www.flyporter.com
12. Aircraft movement statistics: Small airports, March 2016, July 13, 2016, www.statcan.gc.ca
13. Canadians angry over increased airline fees: Survey, July 14, 2016, www.nationalpost.ca
14. Moderating Demand Trend Continues, July 7, 2016, www.iata.org
15. Major Investments announced for Magdalen Islands Airport and Harbour, July 14, 2016, www.ctf.ca

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

exception of Europe and the Middle East.

6. Monthly civil aviation statistics, April 2016

The six Canadian Level I air carriers flew 5.7 million passengers on scheduled and charter services in April 2016, up 1.1% from the same month in 2015. Traffic was up 3.4% to 14.0 billion passenger-kilometres, while capacity rose 3.8% to 16.9 billion available seat-kilometres. This resulted in a lower passenger load factor in April (82.9%) than in the same month a year earlier (83.1%), as capacity growth outpaced traffic growth. Total operating revenue was \$1.4 billion in April, down 5.8% from the same month the previous year.

7. WestJet reports record June load factor of 80.4 per cent

WestJet on July 11, 2016 announced June 2016 traffic results with a record load factor of 80.4 per cent an increase of 3.5 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 12.3 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 7.5 per cent over the same period. In the second quarter of 2016, the airline achieved a load factor of 80.8 per cent, an increase of 2.7 percentage points year over year, and flew a record 5.3 million guests, a year over year increase of 7.0 per cent or approximately 345,000 additional guests.

8. Porter voted one of the World's Best International Airlines by Travel + Leisure

Porter Airlines is one of the world's top international airlines according to [Travel + Leisure's World's Best Awards](#). The airline secured tenth place and was the only North American carrier to make the list.

9. ATAC Formal Response to the Emerson Report

On February 25, 2016, the Honourable Marc Garneau, Minister of Transport, tabled the Canada Transportation Act (CTA) Review Report in Parliament. The Report is entitled Pathways: Connecting Canada's Transportation System to the World. On July 11, 2016, ATAC provided a formal response to the Report. It welcomes some of the reports recommendations, questions some and rejects others.

10. Good things come in threes: Porter voted North America's Best Regional Airline by Skytrax

On July 12, 2016, for the third consecutive year, Porter Airlines was chosen as Best Regional Airline in North America at the 2016 Skytrax World Airline Awards.

11. Porter Airlines Signs for Three More Bombardier Q400 Turboprops

Bombardier Commercial Aircraft and Porter Airlines Inc. of Toronto announced on July 12, 2016 that they have signed a firm purchase agreement for three Bombardier Q400 turboprop airliners at the Farnborough International Airshow.

12. Aircraft movement statistics: Small airports, March 2016

Take-offs and landings at 120 Canadian airports without air traffic control towers totalled 43,647 movements in March 2016. Six airports accounted for 27% of the activity in March: Peterborough, Ontario (3,362 movements); Goose Bay, Newfoundland and Labrador (2,337); Red Lake, Ontario (1,777); Comox, British Columbia (1,552); Trois-Rivières, Quebec (1,475); and Pickle Lake, Ontario (1,417).

13. Canadians angry over increased airline fees: Survey

Nearly three-quarters of Canadians are angry at recent hikes in airline fees, says a new study from Flight Network

14. Moderating Demand Trend Continues

The International Air Transport Association (IATA) announced global passenger traffic results for May

16. April 2016 U.S. Airline Traffic Data, July 14, 2016, www.bts.gov

17. May 2016 Complaints, Cancellations Down and On-Time Performance Up From Previous Year, July 14, 2016, www.bts.gov

18. Airport Demand Forecasting for Long-Term Planning, Round Table Report 149, www.itf-oecd.org

19. Government of Canada Investing in Safety at Regional Airports, July 20, 2016, www.tc.gc.ca

20. Canada's Airports Welcome Federal Infrastructure Funds for Small Airports, July 21, 2016, www.cacairports.ca

21. Air Canada Signs Agreements with Partners to Help Establish Centre of Excellence for Aircraft Maintenance in Manitoba, July 21, 2016, www.aircanada.ca

22. May 2016 Passenger Airline Employment Data, July 21, 2016, www.bts.gov

23. WestJet adds more flights for Canadians, July 25, 2016, www.westjet.ca

24. WestJet reports second quarter net earnings, July 26, 2016, www.westjet.ca

25. WestJet profit beats forecasts despite decline, July 26, 2016, www.westjet.ca

26. Monthly civil aviation statistics, May 2016, July 26, 2016, www.statcan.gc.ca

27. WestJet's London glitches weigh on costs as airline reports 40% drop in profit, July 26, 2016, www.nationalpost.ca

28. 1st-Quarter 2016 Air Fare Data, July 26, 2016, www.bts.gov

29. Porter reaches 1 million Thunder Bay passengers, adds 6th flight, July 26, 2016, www.flyporter.com

30. Air Canada Reports Second Quarter 2016 Results, July 29, 2016, www.aircanada.ca

31. Air Canada profit tops estimates on lower fuel costs, July 29, 2016, www.globeandmail.ca

2016 showing that demand (measured in revenue passenger kilometers, or RPKs) rose 4.6%, compared to the same month in 2015, which was the same level achieved in April 2016. Capacity climbed 5.5%, which pushed the average load factor down 0.7 percentage points to 78.7%. Demand for domestic traffic rose 5.1%, outpacing international demand growth of 4.3%.

15. Major Investments announced for Magdalen Islands Airport and Harbour

The Magdalen Islands airport and harbour are the only links with the mainland for transporting passengers, patients, and goods, serving a community of over 13,000 residents. The Honourable Marc Garneau, Minister of Transport, announced major investments for upgrading the airport and Cap-aux-Meules Harbour in the Magdalen Islands. The Government of Canada has committed to invest \$26 million to maintain safe operating conditions at the island facilities. This investment is funded in part through Budget 2016.

16. April 2016 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on July 14, 2016 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – rose to 83.4 percent in April 2016, seasonally adjusted, rising after three months of decline from January 2016 to March 2016. Systemwide load factor (83.4) was down 1.4 points from the all-time high (84.8) reached in October 2015. Systemwide Revenue Passenger Miles (77.0 billion) reached a new seasonally-adjusted all-time high, up 0.1 percent from December 2015. Systemwide passenger enplanements (67.7 million) were down 0.6 percent from the all-time seasonally-adjusted high (68.2 million) reached in October 2015.

17. May 2016 Complaints, Cancellations Down and On-Time Performance Up From Previous Year

In May 2016, the U.S. Department of Transportation received 1,134 complaints about airline service from consumers, down 24.0 percent from the total of 1,492 filed in May 2015, but slightly up 1.07 percent from the 1,122 received in April 2016, according to the *Air Travel Consumer Report* released on July 14, 2016.

18. Airport Demand Forecasting for Long-Term Planning

Decisions on expanding airport capacity are often controversial. Environmental impacts mean airport planning decisions are subjected to thorough public scrutiny even when financed by private investors. Where public funds are to be invested, issues of competition between airports and between the regions they serve can be as important to ensure efficient use of public funds. Demand forecasts are therefore central to the case for investment.

19. Government of Canada Investing in Safety at Regional Airports

The Honourable Marc Garneau, Minister of Transport, on July 20, 2016 announced that the Government of Canada is making important safety investments at regional airports across the country. This year, over \$27.6 million will be provided for safety-related improvements at 13 regional airports, through Transport Canada's Airports Capital Assistance Program (ACAP). Canadians, tourists and businesses benefit from safe and well-maintained regional airports. Regional airports also provide essential air services including community resupply, air ambulance, search and rescue and forest fire response.

20. Canada's Airports Welcome Federal Infrastructure Funds for Small Airports

The Canadian Airports Council on July 21, 2016 welcomed the announcement by Transport Minister Marc Garneau of \$27.6 million in funding for 13 regional airports under the Airports Capital Assistance Program. The trade association for airports, however, urges the federal government to act on recommendations to improve capital fund options for small airports going forward.

21. Air Canada Signs Agreements with Partners to Help Establish Centre of Excellence for Aircraft Maintenance in Manitoba

Air Canada on July 21, 2016 announced that it has signed agreements with three of its business partners that will help support the creation of a Western Canada Centre of Excellence for aircraft maintenance activities in the province of Manitoba.

22. May 2016 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 3.7 percent more workers in May 2016 than in May 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on July 21, 2016.

23. WestJet adds more flights for Canadians

WestJet announced on July 25, 2016 that it will add dozens of new flights to its growing domestic and international networks as part of its 2016-2017 winter schedule, enhancing service for leisure and business travellers.

24. WestJet reports second quarter net earnings

On July 26, 2016 WestJet announced its second quarter results for 2016, with net earnings of \$36.7 million,

or \$0.30 per fully diluted share, as compared with the net earnings of \$61.6 million, or \$0.49 per fully diluted share reported in the second quarter of 2015. WestJet achieved its 45th consecutive quarter of profitability and flew a record 5.3 million guests. Based on the trailing twelve months, the airline recorded a return on invested capital of 11.4 per cent, down 1.4 percentage points from the 12.8 per cent reported in the previous quarter.

25. WestJet profit beats forecasts despite decline

Canada's WestJet Airlines Ltd reported higher-than-expected quarterly revenue and profit as its passenger traffic rose and fuel costs fell. WestJet's fuel expenses, typically an airline's largest variable cost, declined 15 per cent in the second quarter ended June 30, 2016.

26. Monthly civil aviation statistics, May 2016

The six Canadian Level I air carriers flew 5.7 million passengers on scheduled and charter services in May 2016, up 5.0% from the same month in 2015. Traffic increased 6.5% to 14.5 billion passenger-kilometres, while capacity rose 5.9% to 17.6 billion available seat-kilometres. This resulted in a higher passenger load factor in May (82.5%) than in the same month a year earlier (82.1%), as the increase in demand for travel was stronger than the rise in capacity.

27. WestJet's London glitches weigh on costs as airline reports 40% drop in profit

WestJet Airlines Ltd.'s costs will be higher this year than previously forecast because of glitches on its new London flights that resulted in a "significant bill" for passenger compensation, the company said on July 26, 2016. European law requires airlines to compensate passengers whose flights are cancelled based on the distance of the flight. This could result in a significant cost when planes are full over long flights when there is a mistake.

28. 1st-Quarter 2016 Air Fare Data

The average domestic air fare decreased to \$361 in the first quarter of 2016, down 7.8 percent from \$392 in the first quarter of 2015, falling to the lowest level since 2010, adjusted for inflation, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported July 26, 2016.

29. Porter reaches 1 million Thunder Bay passengers, adds 6th flight

In response to passenger demand, Porter Airlines is increasing the number of flights between Thunder Bay and Billy Bishop Toronto City Airport, up to six daily roundtrips, effective September 6, 2016. Three direct flights are available from Thunder Bay to both Ottawa and Montreal, after a short stop in Toronto. Passengers no longer have to deplane in Toronto and change aircraft, significantly reducing travel time by up to two hours.

30. Air Canada Reports Second Quarter 2016 Results

Air Canada on July 29, 2016 reported record second quarter 2016 EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rent) of \$605 million compared to the previous record EBITDAR of \$591 million in the same quarter in 2015. EBITDAR in the second quarter of 2015 included a special item which improved EBITDAR by \$23 million. Air Canada recorded adjusted net income of diluted share in the second quarter of 2015. On a GAAP basis, Air Canada reported net income of \$186 million or \$0.66 per diluted share in the second quarter of 2016 compared to net income of \$296 million or \$1.00 per diluted share in the second quarter of 2015. It reported operating income of \$277 million. President and Chief Executive Officer said "I am pleased to report record EBITDAR results for the quarter from both an increase in revenue and traffic, and specifically from our continued strong focus on unit cost improvement."

31. Air Canada profit tops estimates on lower fuel costs

Air Canada, the country's largest airline, reported a better-than-expected quarterly profit on lower fuel expenses and cut its cost estimate for the year. Air Canada said it now expected full-year adjusted cost per available seat mile (CASM), which excludes fuel costs, to fall in the range of 2.75-3.75 per cent. The airline had previously estimated a decline of 1.75-2.75 per cent.

WATER TRANSPORTATION

1. Major investment to extend dock 10 at the Port of Trois-Rivières

Government and other officials announced on June 30, 2016 significant investments for improvements to the Port of Trois-Rivières. The project involves extending dock 10 towards the east and filling the space between this extension and the current dock 9. Extending dock 10 and improving storage capacity are part of the improvements to a multi purpose zone totalling \$40 million in infrastructure investments between 2015 and 2017. The Government of Canada has committed up to \$16.3 million from the Gateways and Border Crossings Fund. From this amount, \$3.6 million is being invested specifically in the dock extension.

2. European Commission adopts decision in price signaling case

The European Commission (EC) has adopted a decision it said will increase price transparency for customers of container carriers and reduce the likelihood of concerted price signalling by binding the carriers to announced prices. The EC's Competition Directorate said its decision, effective December 7, 2016, "renders legally binding the commitments offered by 14 container liner shipping companies. "The carriers have committed to: 1) Stop publishing and communicating general rate increase announcements (GRIs). 2) Making future price announcements useful for customers by including at least the five main elements of the total price (base rate, bunker charges, security charges, terminal handling charges and peak season charges if applicable); 3) Making price announcements binding as the maximum prices for the announced period of validity, but carriers will remain free to offer prices below these ceilings; and 4) And not making price announcements more than 31 days before their entry into force, which corresponds to the period when customers usually start booking in significant volumes.

3. Major Investments for the Magdalen Island Airport and Harbour

The Magdalen Islands airport and harbour are the only links with the mainland for transporting passengers, patients, and goods, serving a community of over 13, 000 residents. The Honourable Marc Garneau, Minister of Transport, on July 12, 2016 announced major investments for upgrading the airport and Cap-aux-Meules Harbour in the Magdalen Islands. The Government of Canada has committed to invest \$26 million to maintain safe operating conditions at the island facilities. This investment is funded in part through Budget 2016.

4. Hapag-Lloyd "still strong" in Canada

Hapag-Lloyd said it saw its Canadian market share increased to over 18% in the past year. Hapag-Lloyd is the largest liner shipping company in terms of throughput volume at both the Port of Vancouver and the Port of Halifax, the company said, adding that it handles more containers in Montreal than in Los Angeles and Long Beach combined – the largest port complex in North America.

5. Maritime-Ontario Freight Lines Ltd. opens new Vancouver terminal

Maritime-Ontario Freight Lines Limited ("M-O") announced the planned opening of its new Vancouver terminal and office located at 10288 Grace Road, Surrey, BC, in the Pacific Link Business Park, for the month of August 2016. According to M-O, this location has become synonymous as Metro Vancouver's premier freight handling hub.

6. Government of Canada amending *Small Fishing Vessel Inspection Regulations* to improve safety

The commercial fishing industry significantly contributes to the economy of many small communities by providing employment opportunities; yet commercial fishing is one of the most dangerous occupations in the world. The Honourable Marc Garneau, Minister of Transport, on July 1, 2016 announced several

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1. Major investment to extend dock 10 at the Port of Trois-Rivières, June 30, 2016, www.tc.gc.ca
2. European Commission adopts decision in price signaling case, July 7, 2016, www.americanshipper.com
3. Major Investments for the Magdalen Island Airport and Harbour, July 12, 2016, www.tc.gc.ca
4. Hapag-Lloyd "still strong" in Canada, July 13, 2016, www.ctl.ca
5. Maritime-Ontario Freight Lines Ltd. opens new Vancouver terminal, July 12, 2016, www.ctl.ca
6. Government of Canada amending *Small Fishing Vessel Inspection Regulations* to improve safety, July 13, 2016, www.tc.gc.ca
7. Marine Atlantic to receive \$22 million in safety, environmental improvements, July 14, 2016, www.ctl.ca
8. Port of Montreal: Accumulated Container Statistics Y-T-D, July 15, 2016, www.portofmontreal.ca
9. European shippers attack EU-liner pricing deal, July 14, 2016, www.joc.com
10. Hapag-Lloyd's container market share in Canada increases to 18pc, July 18, 2016, www.transportweekly.com
11. WWL to pay \$98.9m price fixing fine, July 14, 2016, www.americanshipper.com
12. U.S.-flag Great Lakes freighters see volumes drop in June, July 19, 2016, www.americanshipper.com
13. Breakbulk consolidations emerge as operators seek to cut costs, July 18, 2016, www.joc.com
14. NYK pleads guilty in criminal cartel case, July 19, 2016, www.americanshipper.com
15. Merged Cosco-CSCL: Shipper contracts valid until new alliance launches, July 19, 2016, www.joc.com
16. Port of Halifax: Accumulated Container Statistics, April to June 2016, July 21, 2016, www.portofhalifax.ca
17. Signs of growth on intra-Asia have carriers expanding coverage, July 28, 2016, www.joc.com
18. Panama Canal Authority remains confident with current procedures, July 28, 2016, www.americanshipper.com

amendments to the *Small Fishing Vessel Inspection Regulations* that will enhance safety in the commercial fishing industry. The new regulations will update the current safety equipment and vessel stability requirements as well as introduce safe operating procedures for small fishing vessels. The amendments come into force one year from July 2016.

7. Marine Atlantic to receive \$22 million in safety, environmental improvements

The Honourable Marc Garneau, Minister of Transport, joined Marine Atlantic's Interim Chair of the Board of Directors Sharon Duggan and Paul Griffin, President and CEO, to announce upgrades to the existing Marine Atlantic facilities in Port aux Basques, Newfoundland and Labrador, and in North Sydney, Nova Scotia. Budget 2016 provided \$22 million in funding for two projects that will directly benefit the two terminals: 1) upgrading the mooring system that will increase safety; and 2) upgrading the dock fenders to minimize the wear and tear of docking on vessels and docks. A third project will also be undertaken in Port aux Basques.

8. Port of Montreal: Accumulated Container Statistics Y-T-D

The Port of Montreal released its container statistics (TEUs) for the first six months of 2016 on July 15, 2016. Total traffic in TEUs (twenty-foot equivalent units) for January to June 2016 was: 708,731 a decline of 2.3% compared to the same period in 2015; inbound traffic was 353,357 TEUs, a decline of 4.7%; and outbound traffic was 355,374 an increase of 2%. For the month of June 2016 container traffic declined 3%.

9. European shippers attack EU-liner pricing deal

The European Shippers Council on July 14, 2016 claimed container lines' recent commitments to the European Commission over general rate increase announcements "does not solve the price-fixing problem."

10. Hapag-Lloyd's container market share in Canada increases to 18pc

Container shipping line Hapag-Lloyd has seen its market share in Canada rise to 18 per cent over the past year. The carrier is the largest liner shipping company in terms of throughput volume at both the port of Vancouver and the port of Halifax. It also handles more containers in Montreal than in Los Angeles and Long Beach combined. In order to be able to sail the St Lawrence River, which is quite shallow in places, with increasing transport volumes, Hapag-Lloyd has included some modern wide-body ships in its Montreal services, which can offer more capacity due to their low draught. The ocean liner has three services that connect Quebec and Europe, which call only at Montreal on the Canadian side. Additionally, three Europe services also call at Halifax on Canada's east coast and six services at Vancouver on the west coast.

11. WWL to pay \$98.9m price fixing fine

Wallenius Wilhelmsen Logistics (WWL), one of the largest operators of ocean-going car carriers and a major provider of auto logistics services, has agreed to plead guilty and pay a \$98.9 million criminal fine for its involvement in a conspiracy to fix prices on international ocean shipments of roll-on/roll-off (RoRo) cargo to and from the Port of Baltimore and other locations in the United States. RoRo cargo includes goods such as new and used cars, trucks, mining, construction, etc.

12. U.S.-flag Great Lakes freighters see volumes drop in June

U.S.-flag Great Lakes freighters transported 9.65 million net tons of cargo in June 2016, a 6.4 percent decline from June 2015, according to the Lake Carriers' Association. On a bright note, iron ore volumes carried by U.S.-flag Great Lakes freighters during the month jumped 8.1 percent year-over-year to 4.8 million tons. However, coal volumes stood at 1.5 million tons and limestone shipments reached 2.9 million tons, a year-over-year drop of 27.8 percent and 4.4 percent, respectively.

13. Breakbulk consolidations emerge as operators seek to cut costs

Pressure for mergers and acquisitions in the breakbulk sector has increased since mid-2015, as cargo volumes, rates and vessel earnings have plunged. The motivation behind this move is not only to cut costs but also to prevent some companies from going bankrupt.

14. NYK pleads guilty in criminal cartel case

Japanese ocean carrier Nippon Yusen Kabushiki Kaisha (NYK) has pleaded guilty this week to criminal cartel conduct in Australia's federal court, according to the Australian Competition and Consumer Commission (ACCC). The charge is in relation to the transportation of vehicles - including cars, trucks and buses - to Australia between July 2009 and September 2012, ACCC Chairman Rod Sims said. This is the first criminal charge laid against a corporation under the cartel provisions of the Competition and Consumer Act.

15. Merged Cosco-CSCL: Shipper contracts valid until new alliance launches

China Cosco Shipping says all its shipper contracts are safe until the new Ocean Alliance kicks off next year.

16. Port of Halifax: Accumulated Container Statistics, April to June

For the Port of Halifax, container traffic (TEUs) for the period April to June 2016 was released on July 21, 2016. Total container traffic increased (12.5%) to 120,942 TEUs compared to 107,505 TEUs for the same period in 2015. Total imports increased (10.4%) and total exports increased (14.6%). Total imports were 59,412 and total exports were 61,530 in the second quarter of 2016 compared to 53,798 and 53,707.[24]

17. Signs of growth on intra-Asia have carriers expanding coverage

Container lines are adding intra-Asia services or improving their coverage of the region to capture what appears to be increasing demand on the North-South trade.

18. Panama Canal Authority remains confident with current procedures

The Panama Canal Authority said it is confident in the process it uses to move ships through the new locks at the canal, following an accident last week that damaged the Xin Fei Zhou after it made contact with one of the walls at the Agua Clara Locks.

RAIL TRANSPORTATION

1. Railway Carloadings, April 2016

The volume of rail freight carried in Canada totalled 28.3 million tonnes in April 2016, a 7.2% decrease from the same month last year. From April 2011 to April 2016, the total volume of rail freight carried in Canada increased 5.7%. In April 2016, freight originating in Canada decreased 5.5% from the same month last year to 25.7 million tonnes. These shipments are composed of both non-intermodal and intermodal freight. Intermodal freight loadings fell 1.7% year over year to 187,000 units. In terms of weight, intermodal freight fell 2.4% to 2.8 million tonnes, as a result of a decrease in containers and trailers on flat cars.

2. CP to lay off 500 track maintenance workers

Canadian Pacific Railway will lay off 500 track maintenance workers in the coming weeks, a move that has officials with the Teamsters Canada Rail Conference raising concerns about safety, the union group said in a release. CP began the workforce reduction in the last week of June 2016 as a result of “lower car volumes and a softening demand in a lackluster North American economy,” CP Assistant Vice President of Public Affairs and Communications Martin Cej told CBC News in a prepared statement.

3. CP responds to misleading statements from TCRC-MWED leadership

Canadian Pacific Railway Limited on July 5, 2016 responded to incorrect, misleading and inflammatory claims by the Teamsters Canada Rail Conference – Maintenance of Way Employees Division (TCRC-MWED) leadership. Counter to union leadership's statements that recently announced layoffs at CP were in violation of the law, CP says that it has in fact been working closely with Transport Canada, meeting or exceeding all requirements, as well as all applicable requirements of the union's collective agreement.

4. Prime Minister of Canada releases statement on 3rd anniversary of Lac-Mégantic tragedy

The Prime Minister, Justin Trudeau, issued the following statement on the third anniversary of the tragedy in Lac-Mégantic on July 6, 2013. “Today, we pause in solemn remembrance of those whose lives were lost, and in support of those whose lives were irreparably changed by the tragic events that took place in Lac-Mégantic on July 6, 2013. Rail safety remains a top priority for the Government of Canada, and we will

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1. Railway Carloadings, April 2016, June 29, 2016, www.statcan.gc.ca
2. CP to lay off 500 track maintenance workers, July, 5, 2016, www.americanshipper.com
3. CP responds to misleading statements from TCRC-MWED leadership, July 5, 2016, www.cpr.ca
4. Prime Minister of Canada releases statement on 3rd anniversary of Lac-Mégantic tragedy, July 6, 2016, www.ctl.ca
5. Statement by Minister Garneau on the third anniversary of the Lac-Mégantic derailment, July 6, 2016, www.tc.gc.ca
6. Canadian Pacific Railway Limited declares dividend, July 11, 2016, www.cpr.ca
7. Chris Selley: A decent day for Toronto transit as council approves Scarborough subway, Downtown Relief line, July 12, 2016, www.nationalpost.ca
8. Unit trains increase shipping efficiency for steel producer, July 15, 2016, www.americanshipper.com
9. NEW: Procedures for the Adjudication of Objections to Rail Level of Service Arbitration Submissions, July 18, 2016, www.cta-otc.gc.ca
10. CP reports Q2 2016 diluted earnings per share of \$2.15; adjusted diluted EPS of \$2.05, July 20, 2016, www.cpr.ca
11. CP reaches agreement with future CEO, Keith Creel; retains services of E. Hunter Harrison beyond retirement, July 20, 2016, www.cpr.ca
12. Union Pacific Reports Second Quarter 2016 Results, July 21, 2016, www.vahooofinance.com
13. The Government of Canada and VIA Rail Canada announce funding for

continue to take steps to improve the safety of the Canadian rail system.”

5. Statement by Minister Garneau on the third anniversary of the Lac-Mégantic derailment

The Honourable Marc Garneau, Minister of Transport, issued this statement on July 6, 2016 regarding the third anniversary of the Lac-Mégantic derailment: “Today marks the third anniversary of the derailment in Lac-Mégantic. Like many Canadians, I remember the tragedy like it was yesterday. When I was appointed Minister of Transport, I knew I was given the great responsibility of ensuring a tragedy like this would never happen again. And that's why rail safety is not just one of my top priorities, it is my top priority.”

6. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on July 11, 2016 declared a quarterly dividend of \$0.50 per share on the outstanding Common Shares.

7. Chris Selley: A decent day for Toronto transit as council approves Scarborough subway, Downtown Relief line

A \$3.2-billion (for now) subway extension from Kennedy to Scarborough Town Centre took a big step toward reality on July 13, 2016, with city council voting 28-15 in favour of one of Mayor John Tory's key campaign promises — albeit in the form of a one-stop “express” line.

8. Unit trains increase shipping efficiency for steel producer

Privately-held railroad operator and terminal services provider OmniTrax is reengineering part of a major steel producer's supply chain to increase efficiency and just-in-time production for one of its customers. OmniTRAX's logistics arm has begun arranging the transport of coiled steel from NUCOR Steel in Hickman, Ark. to pipe and rod manufacturer WEBCO in Sand Springs, Okla., using unit trains and its nearby transload facility for the first time, the company said.

9. NEW: Procedures for the Adjudication of Objections to Rail Level of Service Arbitration Submissions

On July 18, 2016, the Canadian Transportation Agency has published new Procedures for the Adjudication of Objections to Rail Level of Service Arbitration Submissions. These can be found on the Agency's website www.cta-otc.gc.ca

10. CP reports Q2 2016 diluted earnings per share of \$2.15; adjusted diluted EPS of \$2.05

CP announced its results for the second quarter of 2016 on July 20, 2016. Net income was \$328 million, a decrease of 16 per cent from 390 million, and diluted earnings per share were \$2.15, a decrease of 9% from \$2.36; total revenues were \$1.45 billion, a decrease of 12 per cent from \$1.65 billion; operating income was \$551 million, a decrease of 15 per cent from \$646 million; operating expenses were \$899 million, a decrease of 11% from \$1,005 million and the operating ratio was 62 per cent, a 1.1 point fall (i.e. from 60.9 over the first three-months of 2015). Hunter Harrison CP's Chief Executive Officer said "Revenue challenges in the second quarter, as noted in our quarterly outlook release last month, included lower-than-anticipated bulk volumes, devastating wildfires in northern Alberta and a strengthening Canadian dollar. Despite these challenges, our team of dedicated railroaders continues to perform and their hard work and focus on service, safety and controlling costs, positions CP well for the rest of the year."

11. CP reaches agreement with future CEO, Keith Creel; retains services of E. Hunter Harrison beyond retirement

Canadian Pacific Railway Limited (CP) on July 20, 2016 announced that CP's Board of Directors has reached an agreement with CP's next chief executive officer, Keith Creel. Currently president and chief operating officer, Creel will become president and CEO on July 1, 2017. CP also announced that it has reached a three-year, post-retirement consulting agreement with Harrison former CEO.

12. Union Pacific Reports Second Quarter 2016 Results

Union Pacific Railway reported its second quarter 2016 results on July 21, 2016. The results were as follows: Diluted earnings per share of \$1.17 declined 15 percent; operating income totaled \$1.7 billion,

infrastructure to improve quality of service for travellers, July 22, 2016, www.tc.gc.ca

14. CN reports Q2-2016 net income of C\$858 million, or C\$1.10 per diluted share, July 25, 2016, www.cn.ca

15. CN declares third-quarter 2016 dividend, July 25, 2016, www.cn.ca

16. Canadian National Railway Co earnings slip as decline in shipments cut into company's revenue, July 26, 2016, www.nationalpost.ca

17. Faster timeline for phasing out DOT-111 tank cars, July 25, 2016, www.tc.gc.ca

18. US Class I railway employment continues to fall in June, July 25, 2016, www.americanshipper.com

19. Railway carloadings, May 2016, July 27, 2016, www.statcan.gc.ca

20. Norfolk Southern reports second quarter 2016 results, July 27, 2016, www.yahoofinance.com

21. NS profits slip 6.9% in Q2 2016, July 27, 2016, www.americanshipper.com

22. STB proposes making reciprocal switching more available, July 27, 2016, www.americanshipper.com

23. CN announces US\$650-million debt offering, July 28, 2016, www.cn.ca

down 15 percent; and operating ratio of 65.2 percent, up 1.1 points. Union Pacific Corporation's net income for the second quarter of 2016 tumbled 19 percent year-over-year to \$979 million, according to the company's most recent unaudited financial statements. Union Pacific chairman, president and chief executive officer, Lance Fritz said "While the second quarter was again challenging from a volume perspective, we continued focusing on initiatives that are squarely in our control, such as being productive with our resources, providing our customers with excellent service, and improving our safety performance."

13. The Government of Canada and VIA Rail Canada announce funding for infrastructure to improve quality of service for travellers

The Honourable Marc Garneau, Minister of Transport, and Mr. Yves Desjardins-Siciliano, President and Chief Executive Officer of VIA Rail Canada Inc., on July 22, 2016, announced a \$34.4 million investment for improvements at stations and maintenance facilities in the Windsor-Quebec City rail corridor. The announcement of funding was made by the Government of Canada in recognition of the importance for Canadian travellers to access a national rail transportation service that is safe, secure, efficient, reliable, and environmentally sustainable, and that meets their needs.

14. CN reports Q2-2016 net income of C\$858 million, or C\$1.10 per diluted share

CN on July 25, 2016 reported its financial and operating results for the second quarter and six-month period ended June 30, 2016. The highlights for the second quarter were 1) Net income was C\$858 million, compared with net income of C\$886 million for second-quarter 2015. Q2-2016 diluted EPS remained flat at C\$1.10. The decrease in net income was mainly due to lower operating income and other income, and higher interest expense; net of related income taxes. 2) Adjusted diluted EPS of C\$1.11 declined three per cent from year-earlier adjusted diluted EPS of C\$1.15. The adjusted figures exclude the impact of deferred income tax adjustments resulting from higher provincial corporate income tax rates in both years. 3) Operating income declined five per cent to C\$1,293 million. 4) Revenues decreased by nine per cent to C\$2,842 million. Carloadings declined 12 per cent and revenue ton-miles declined 11 per cent. 5) Operating expenses declined 12 per cent to C\$1,549 million. 6) Operating ratio of 54.5 per cent was a second-quarter record and an improvement of 1.9-points over the prior-year quarter. 7) Free cash flow for the first six months of 2016 was C\$1,169 million, compared with C\$1,051 million for the year-earlier period. Luc Jobin, president and chief executive officer, said: "CN continued to face a very challenging volume environment in the second quarter and maintained strong discipline in realigning resources to keep them in line with reduced freight demand. Service remained solid, key operating metrics advanced, and we continued to improve our safety record. An important product of our cost-management and productivity focus was a record second-quarter operating ratio of 54.5 per cent."

15. CN declares third-quarter 2016 dividend

CN announced on July 25, 2016 that its Board of Directors has approved a third-quarter 2016 dividend on the Company's common shares outstanding. A quarterly dividend of thirty-seven-and-one-half cents (C\$0.375) per common share will be paid on Sept. 30, 2016, to shareholders of record at the close of business on Sept. 9, 2016.

16. Canadian National Railway Co earnings slip as decline in shipments cut into company's revenue

Canadian National Railway Co reported slightly lower second quarter earnings on July 25, 2016 as a decline in shipments cut into revenue, but said it expects volumes to improve in the months ahead. Chief Executive Luc Jobin said the railway faced a "very challenging volume environment" in the quarter, but sees business improving in the second half. "We expect the second quarter to be the volume trough for the year," he said in a statement, noting that the railway expects a big grain harvest in Canada. Montreal-based CN Rail confirmed its forecast for full-year earnings per share in line with last year's \$4.44 a share.

17. Faster timeline for phasing out DOT-111 tank cars

In 2015, more than 146,000 carloads of crude oil were shipped throughout Canada by rail. To protect Canadians and those who live along our rail corridors, it is important that this be done as safely as possible. In light of this, the Honourable Marc Garneau, Minister of Transport, on July 25, 2016 issued Protective Direction 38, which accelerates the phasing out of DOT-111 tank cars for crude oil service to November 1, 2016. The accelerated timeline will phase out unjacketed legacy DOT-111 tank cars six months early and legacy jacketed DOT-111 cars 16 months early.

18. US Class railway employment to fall in June

Class I freight railroads in the United States employed 152,426 workers as of the middle of June 2016, an 11.55 percent decline from 172,327 employees during the same 2015 period, according to data from the U.S. Surface Transportation Board (STB). Class I railway employment was also down 0.2 percent from

152,726 workers in mid-May 2016, and has now fallen in each of the previous 14 consecutive monthly periods.

19. Railway carloadings, May 2016

The volume of rail freight carried in Canada totalled 27.7 million tonnes in May 2016, an 8.2% decrease from the same month last year. In contrast, from May 2011 to May 2016, the total volume of rail freight carried in Canada increased 5.4%. In May 2016, freight originating in Canada declined 7.7% from the same month last year to 24.9 million tonnes. These shipments were composed of both non-intermodal and intermodal freight. Intermodal freight loadings were down 4.3% year over year to 187,000 units. In terms of weight, intermodal traffic fell 4.1% to 2.8 million tonnes, as a result of a decrease in shipments in containers and trailers on flat cars. Freight traffic received from the United States declined 12.0% to 2.7 million tonnes, as a result of a 13.4% drop in non-intermodal freight. Intermodal freight from the United States rose 5.2%.

20. Norfolk Southern reports second quarter 2016 results

Norfolk Southern reported its second quarter 2016 results on July 27, 2016. Net income was \$405 million, compared with \$433 million during the same period of 2015. Diluted earnings per share were \$1.36, 4 percent lower compared with \$1.41 per diluted share earned in the second quarter last year. Operating ratio improved to 68.6 percent, reflecting an 11 percent reduction in operating expenses coupled with a 10 percent decline in operating revenues.

21. NS profits slip 6.9% in Q2 2016

Norfolk Southern Corp. reported a profit of \$405 million in the first quarter of 2016, ended March 31, a 6.9 percent decrease from \$433 million in the same 2015 period. Railway operating revenues fell 10 percent year-over-year to \$2.5 billion for the quarter, as overall volumes declined 7 percent from Q2 2015, primarily the result of continued weak coal volumes. Diluted earnings per share stood at \$1.36 per share in second quarter, down 4 percent from \$1.41 per diluted share in the second quarter last year.

22. STB proposes making reciprocal switching more available

The Surface Transportation Board (STB) on July 27, 2016 proposed new regulations that it said will improve the availability of reciprocal switching. "The proposed rules allow a shipper to gain access to another railroad if the shipper makes certain showings," the STB said in a press release. The STB said the action "is an outgrowth of a petition for rulemaking submitted by The National Industrial Transportation League (NITL) in July of 2011, which the Board is granting in part." In addition, the board expressed how the proposed regulations create an avenue for it to impose a reciprocal switching arrangement.

23. CN announces US\$650-million debt offering

CN on July 28, 2016 announced a public debt offering of US\$650 million 3.20% Notes due 2046. CN expects to close the offering on Aug. 2, 2016, subject to customary closing conditions. CN plans to use the net proceeds from the offering for general corporate purposes, including the redemption and refinancing of outstanding indebtedness, and share repurchases.

HIGHWAY TRANSPORTATION

1. For-hire Motor Carrier Freight Services Price Index, first quarter 2016

The For-hire Motor Carrier Freight Services Price Index decreased 1.3% in the 2016 first quarter, largely reflecting falling fuel prices. This was the seventh consecutive quarterly decline. Both the general freight trucking component (-1.0%) and the specialized freight trucking component (-1.8%) posted declines. The index was down (-3.2%) in the 2016 first quarter compared with the same quarter of the previous year. The general freight trucking component (-2.6%) and the specialized freight trucking component (-4.3%) both decreased.

2. Couriers and Messengers Services Price Index, May 2016

The Couriers and Messengers Services Price Index (CMSPI) increased 0.8% in May 2016. The couriers component rose 1.1%, while the local messengers and local delivery component decreased (-0.3%). The CMSPI was up 2.5% in May 2016 compared with the

HIGHWAY TRANSPORTATION Canada

1. For-hire Motor Carrier Freight Services Price Index, first quarter 2016, June 30, 2016, www.statcan.gc.ca
2. Couriers and Messengers Services Price Index, May 2016, June 30, 2016, www.statcan.gc.ca
3. TransForce adds Canadian driver pool, July 5, 2016, www.americanshipper.com
4. Honeywell acquires Intelligated, July 5, 2016, www.americanshipper.com
5. For-hire freight price index drops for 7th straight quarter, July 5, 2016, www.todaystrucking.com
6. Uber drivers in Ontario now insured automatically, July 7, 2016, www.globeandmail.ca

same month the previous year. The couriers component increased 3.2%, while the local messengers and local delivery component declined (-0.8%).

3. TransForce adds Canadian driver pool

Staffing company TransForce said it has acquired the assets of K.A.S. Personnel Services, a provider of commercial truck drivers and other transportation personnel based in Mississauga, Ontario. It is TransForce's sixth acquisition in the last 36 months, but its first international acquisition. The move helps TransForce, which is owned by private equity firm Palladium Equity Partners, to provide drivers to U.S.-based trucking companies engaged in cross-border operations.

4. Honeywell acquires Intelligrated

Honeywell has acquired materials handling systems provider Intelligrated for \$1.5 billion. For Honeywell, the acquisition provides it inroads into warehouse automation, order fulfillment and software in North American e-commerce, retail, food and beverage markets. Intelligrated has more than 3,100 employees in the United States, Canada, Mexico, Brazil and China, and its sales in 2016 were estimated to be about \$900 million.

5. For-hire freight price index drops for 7th straight quarter

The For-hire Motor Carrier Freight Services Price Index decreased (-1.3%) in the first quarter of 2016, largely reflecting falling fuel prices, according to Statistics Canada.

6. Uber drivers in Ontario now insured automatically

Uber drivers in two Canadian provinces are now insured, as Ontario joins Alberta in approving coverage that extends from when the app is turned on to when passengers exit the vehicle. Ontario's insurance regulator announced on July 7, 2016 that it has approved a policy from Intact Financial Corp. for private vehicles transporting paying passengers through the ride-hailing service. Uber operates in more than 40 municipalities in Ontario, including the Greater Toronto Area, Hamilton, London, Windsor, St. Catharines, Kitchener and Kingston. The new policy covers all Uber drivers, passengers and vehicle owners when Uber is in use, and when the app is off the vehicle owner's personal auto-insurance policy applies.

7. European Commission gets go-ahead for €6.7 billion investment in transport projects

The EU Member States on July 8, 2016 formally approved the list of 195 transport projects that will receive €6.7 billion of EU funding under the 2015's calls for proposals of the Connecting Europe Facility.

8. May 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 0.2 percent in May 2016 from April 2016, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics.

9. EU fines European truck manufacturer cartel record \$3.3 billion

The EU has fined four of Europe's largest truck manufacturers a record 2.93 billion euros (\$3.3 billion). These truck makers colluded for 14 years on truck pricing and on passing on the costs of compliance with stricter emission rules.

10. Tech start-ups could partner with older logistics firms rather than disrupt

Established logistics companies and brokers could partner with digital start-ups to speed the "evolution" of technology demanded by shippers, the CEO of Echo Global Logistics says.

11. North American freight market ticks up in June

The North American freight market showed some signs of life in June 2016 after three months of lacklustre performance, according to the latest Cass Freight Index Report. Shipment volumes in June 2016 inched up 1.7 percent compared with the previous month, while expenditures jumped 3.9 percent. Despite the growth, both volumes and payments remained well below the levels seen in the last several years, said Cass.

7. European Commission gets go-ahead for €6.7 billion investment in transport projects, July 8, 2016, www.europa.eu
8. May 2016 Freight Transportation Services Index (TSI), July 13, 2016, www.bts.gov
9. EU fines European truck manufacturer cartel record \$3.3 billion, July 18, 2016, www.joc.com
10. Tech start-ups could partner with older logistics firms rather than disrupt, July 13, 2016, www.joc.com
11. North American freight market ticks up in June, July 20, 2016, www.americanshipper.com
12. UPS expands UPS Worldwide Express package service, July 21, 2016, www.ctl.ca
13. Large Urban Transit, May 2016, July 22, 2016, www.statcan.gc.ca
14. TransCore Canadian freight volumes trend higher in Q2 2016, July 24, 2016, www.ctl.ca
15. Passenger Bus and Urban Transit, 2014, July 25, 2016, www.statcan.gc.ca
16. TransForce reports total revenue down 5% for Q2, July 26, 2016, www.todaystrucking.com
17. Lower Diesel Prompting Short-Haul Rail Switch to Trucks?, July 26, 2016, July 26, 2016, www.cantruck.ca
18. Couriers and Messengers Services Price Index, June 2016, July 24, 2016, www.statcan.gc.ca
19. May 2016 North American Freight Numbers, July 28, 2016, www.bts.gov

12. UPS expands UPS Worldwide Express package service

UPS announced the expansion of its UPS Worldwide Express package service to reach 117 countries and territories, providing an earlier delivery option for customers to more locations, the company said. The UPS Worldwide Express service offers guaranteed delivery on the next business day

13. Large Urban Transit, May 2016

Total operating revenues (excluding subsidies) for 10 of Canada's largest urban transit systems rose 0.6% year over year in May 2016 to \$278.5 million. Over the same period, ridership decreased 0.1% to 133.5 million passenger trips.

14. TransCore Canadian freight volumes trend higher in Q2 2016

TransCore Link Logistics volumes for Canadian and cross-border loads continued strong in the second quarter of 2016. Compared to last month, volumes were essentially flat, down marginally by two percent month-over-month. Year-over-year volumes were lower by six percent compared to June 2015. The second quarter of 2016 showed improved load volumes, advancing 11 percent compared to the previous quarter. Year-over-year for the quarter, volumes were lower by eight percent for the second quarter of 2015.

15. Passenger Bus and Urban Transit, 2014

Total operating revenues for the Canadian passenger bus and urban transit industry declined 3.7% from 2013 to \$11.4 billion in 2014, while total operating expenses increased 4.5% to almost \$13.0 billion. In 2014, human resources accounted for 57.3% of total operating expenses, with drivers and operators representing over two-thirds (68.0%) of full-time equivalent employees. These employees operated almost 75,000 vehicles, including about 64,000 motor coaches, school buses and transit buses. The industry consumed 968.8 million litres of diesel fuel and 816.1 million kilowatts of electricity to fuel this equipment. Vehicle energy expenses accounted for 9.5% of total operating expenses in 2014.

16. TransForce reports total revenue down 5% for Q2

For the second quarter of 2016, TransForce announced that its adjusted net income from continuing operations reached \$54.9 million, down from \$66.6 million during the same period in 2015. "TransForce's second-quarter results reflect difficult market conditions in the North American freight market and a weak Canadian economy," announced Alain Bédard, chairman, president and CEO of TransForce. "Despite these factors restraining organic growth, TransForce made further progress. Our constant efforts to right-size operations, control costs and generate cash flow have produced solid operating results. In keeping with our disciplined capital management, free cash flow was used to repurchase common shares and reimburse debt." Total revenue from continuing operations was \$977.8 million, a 5% drop from last year, the company stated. Total revenue for the first six months was \$1.9 billion, compared to \$2 billion over the same six-month period in 2015.

17. Lower Diesel Prompting Short-Haul Rail Switch to Trucks?

There could be a link in the prolonged decline in diesel prices and the drop in demand for intermodal traffic moving by rail, says Donald Broughton, Avondale managing director and chief investment strategist. As reported by DC Velocity magazine, Broughton argues that falling diesel prices have led rail users to shift some of their intermodal business back to the highway, especially in shorter-haul markets. Broughton recently told a gathering of the Transportation Intermediaries Association (TIA) that "cheap diesel [is] driving intermodal loads off rail [and] back onto the highway, especially in shorter lengths of haul."

18. Couriers and Messengers Services Price Index, June 2016

The Couriers and Messengers Services Price Index (CMSPI) increased 0.3% in June 2016 compared with the previous month. Both the couriers (+0.3%) and the local messengers and local delivery (+0.4%) components were up. The CMSPI rose 2.8% in June compared with the same month a year earlier. The courier's component increased 3.4%, while the local messengers and local delivery component declined 0.5%.

19. May 2016 North American Freight Numbers

From May 2015 to May 2016, the value of U.S.-Canada freight flows fell 6.0 percent to \$46.0 billion as all modes of transportation except truck carried a lower value of U.S.-Canada freight than a year earlier. Lower crude oil prices contributed to a year-over-year decrease in the value of freight moved between the U.S. and Canada. Trucks carried 61.1 percent of the value of the freight to and from Canada. Rail carried 16.6 percent followed by pipeline, 7.0 percent; air, 4.6 percent; and vessel, 3.4 percent. The surface transportation modes of truck, rail and pipeline carried 84.8 percent of the value of total U.S.-Canada freight flows. The value of trade by NAFTA (USA-Mexico and Canada) members declined 3.1 percent to \$89.8 billion in the total current dollar value of cross-border freight.

GENERAL TRANSPORTATION

Canada

1. National tourism indicators, first quarter 2016

Tourism spending in Canada rose 1.1% in the 2016 first quarter, after growing 0.3% in the 2015 fourth quarter. This was the 12th consecutive quarterly gain in tourism spending and the largest increase since the second quarter of 2014. Most of the increase in tourism spending—about four out of every five dollars—was attributable to international visitors in Canada.

2. Canada should prepare for new trade, technology era: Conference Board

A new report from The Conference Board of Canada warns that Canada is facing a dramatically different global economic and business world and can no longer rely on high commodity prices or traditional manufacturing for future export successes and wealth. The report, *Canada's New Trade and Technology Paradigm: Finding the Right Policy Mix*, highlights the need for Canada to position itself for a new trade era, characterized by a rebounding U.S. economy, the end of the commodity super-cycle and an acceleration of data-driven international business.

3. Canada Post agrees to 30-day extension followed by binding arbitration

Canada Post has informed the Canadian Union of Postal Workers (CUPW) that it is fully prepared to negotiate intensively for the next 30 days under an extended “cooling off period” to reach negotiated settlements. However, if the parties are unable to successfully conclude negotiations within that period, both parties must agree to binding arbitration.

4. Media Advisory: Meeting of the Canadian Transportation Agency and the US Surface Transportation Board

On July 11, 2016, Scott Streiner, Chair and CEO of the Canadian Transportation Agency hosted Daniel Elliott, Chairman of the United States Surface Transportation Board, to discuss opportunities for their agencies to work together and to share information and best practices in areas of mutual interest. At the meeting, it was agreed that a Memorandum of Understanding would be developed to support ongoing exchanges and collaboration between the agencies. The agreement would see the agencies share information on their respective regulatory requirements, oversight processes, guidelines and best practices, and developments in rail transportation.

5. US imports forecast to rise slightly in second half

U.S. containerized imports should slightly rise over the second half of 2016, according to a report in the *Journal of Commerce*.

6. Travel between Canada and other countries, May 2016

Canadian residents made 3.4 million trips to the United States in May 2016, up 1.9% compared with the previous month. Travel by Canadian residents to overseas countries also increased 1.9% from April 2016, with 990,000 trips in May 2016. United States residents made 2.0 million trips to Canada in May, virtually unchanged from April. Travel to Canada by residents of overseas countries decreased 2.3% from April to 482,000 trips in May.

7. IMF downgrades global growth projections

The International Monetary Fund is forecasting the global economy to increase at a 3.1 percent pace in 2016 and 3.4 percent in 2017, both down 0.1 percentage points from previous projections, following the UK's surprise vote last month to leave the EU.

8. Feds develop long-term transportation agenda for Canada

The Honourable Marc Garneau, Minister of Transport, was in Winnipeg July 21, 2016 to wrap up a series of roundtables. The discussions focused on the following five themes: 1. Safer transportation; 2. Trade corridors to global markets; 3. Green and innovative transportation; 4. The traveller; and, 5. Waterways, coasts and the North.

Canada

1. National tourism indicators, first quarter 2016, June 29, 2016, www.statcan.gc.ca

2. Canada should prepare for new trade, technology era: Conference Board, July 7, 2016, www.ctl.ca

3. Canada Post agrees to 30-day extension followed by binding arbitration, June 8, 2016, www.ctl.ca

4. Media Advisory: Meeting of the Canadian Transportation Agency and the US Surface Transportation Board, July 11, 2016, www.cta-otc.gc.ca

5. US imports forecast to rise slightly in second half, July 12, 2016, www.joc.com

6. Travel between Canada and other countries, May 2016, July 20, 2016, www.statcan.gc.ca

7. IMF downgrades global growth projections, July 21, 2016, www.americanshipper.com

8. Feds develop long-term transportation agenda for Canada, July 24, 2016, www.ctl.ca