

Transportation Information Update*

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AIR TRANSPORTATION

1. Belize welcomes WestJet as its first non-stop flight from Canada

On October 29, 2016, with the departure of flight 2604 from Toronto Pearson International Airport, WestJet officially becomes the only Canadian carrier directly connecting Canadians to the beautiful country of Belize.

2. WestJet reports record third quarter net earnings

WestJet on November 1, 2016, announced its third quarter results for 2016, with net earnings of \$116.0 million, or \$0.97 per fully diluted share, as compared with net earnings of \$101.8 million, or \$0.82 per fully diluted share reported in the third quarter of 2015. WestJet achieved its 46th consecutive quarter of profitability and flew a record 5.9 million guests. Based on the trailing twelve months, the airline recorded a return on invested capital of 11.6 per cent, up 0.2 percentage points from the 11.4 per cent reported in the previous quarter. Its net earnings, diluted earnings per share, and total revenue represented changes of 13.9%, 18.3%, and 7.6% from the same quarter in 2015. "I am very pleased with how our robust business model has, even during an economic downturn in Alberta, delivered not only record third quarter net earnings, but also achieved our second best ever quarterly net earnings and earnings per share in our twenty-year history."

3. Salut, Sudbury!

WestJet announced on November 1, 2016 that it will begin daily service between the Greater Sudbury Airport and Toronto Pearson International Airport starting February 3, 2017. Operated by WestJet's regional airline, WestJet Encore, the service will increase to three daily flights in May 2017.

4. Aircraft movement statistics: Major airports, August 2016

There were 538,254 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations in August compared with 506,610 movements in August 2015.

5. Winter begins in Mont Tremblant with Porter Airlines flights

Porter Airlines kicks off the ski season with winter service between Billy Bishop Toronto City Airport and Mont Tremblant on December 9, 2016. Flights are available until April 3, 2017, with service up to six times weekly during the peak schedule.

6. Canada to boost foreign ownership cap in airlines to 49%

The Liberal government plans to introduce legislation to ease foreign ownership restrictions on domestic airlines to 49 per cent from the current 25 per cent. The government also announced its intention to bring in legislation that will spell out a traveller's bill of rights, which will give passengers some remedies if they feel they've been wronged by a carrier.

7. WestJet responds to transportation act review

WestJet on November 3, 2016 responded to Transport Canada's review of the Canada Transportation Act. "We recognize and appreciate the

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1. Belize welcomes WestJet as its first non-stop flight from Canada, October 29, 2016, www.westjet.ca
2. WestJet reports record third quarter net earnings, November 1, 2016, www.westjet.ca
3. Salut, Sudbury!, November 1, 2016, www.westjet.ca
4. Aircraft movement statistics: Major airports, August 2016, November 3, 2016, www.statcan.gc.ca
5. Winter begins in Mont Tremblant with Porter Airlines flights, November 2, 2016, www.flyporter.com
6. Canada to boost foreign ownership cap in airlines to 49%, November 3, 2016, www.globeandmail.ca
7. WestJet responds to transportation act review, November 3, 2016, www.westjet.ca
8. Air Freight Posts Stronger September Growth, November 3, 2016, www.iata.org
9. IATA: Airfreight volumes soar in September, November 3, 2016, www.americanshipper.com
10. Air Canada Reports Record Third Quarter 2016 Results, November 7, 2016, www.aircanada.ca
11. Air Canada profit beats estimates as it flies more passengers, November 7, 2016, www.globeandmail.ca
12. Air Canada Cargo adds Frankfurt to its freighter network, November 5, 2016, www.ctl.ca
13. Strong Passenger Demand Resumes in September, November 4, 2016, www.iata.org
14. Air Canada Named One of Canada's Top 100 Employers for Fourth Consecutive Year, November 7, 2016, www.aircanada.ca
15. Cargojet welcomes Transport Canada's review of Canada Transportation Act, November 7, 2016, www.ctl.ca
16. Air fares, 2015, November 9, 2016, www.statcan.gc.ca
17. Air Canada to launch Vancouver-Frankfurt and Vancouver-London Gatwick flights for Summer 2017, November 9, 2016, www.aircanada.ca

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

extensive consultation that has been undertaken by the federal government over the past year, and we are supportive of many measures announced today," said Gregg Saretsky, WestJet President and CEO. "However, we firmly believe the largest challenge to ensuring low fares for Canadian consumers is the rising cost of aviation infrastructure. Canada is a much more expensive jurisdiction in which to operate than other jurisdictions. We are disappointed the government has not signaled more clearly a willingness to meaningfully review aviation taxation and cost structure." With respect to specific policy announcements, its views were: **a. Canadian Air Transport Security Authority (CATSA):** WestJet strongly supports the plans to fully examine CATSA service delivery and improve processing times to align with international standards. This is an exercise that can be undertaken quickly to affect meaningful change. **b. Passenger rights:** As an airline that prides itself on industry-leading guest service, WestJet welcomes the opportunity to work with the government as it develops further regulation, and clarifies carrier obligations. **c. Foreign ownership:** WestJet's position has been that changes to foreign ownership should be done on a reciprocal and negotiated basis with other countries, versus a unilateral increase, which was announced on November 3, 2016.

8. Air Freight Posts Stronger September Growth

The International Air Transport Association (IATA) released data for global air freight markets in September 2016 showing that demand, measured in freight tonne kilometers (FTKs), rose 6.1% year-on-year. This was the fastest pace of growth since the disruption caused by the US West Coast seaports strike in February 2015. Freight capacity, measured in available freight tonne kilometers (AFTKs), increased 4.7% over the same period. Load factors remained historically low, keeping yields under pressure.

9. IATA: Airfreight volumes soar in September

The International Air Transport Association (IATA) reported on November 3, 2016 that global airfreight volumes in September 2016 rose 6.1 percent from a year prior, the largest increase since February 2015 when the disruption at U.S. West Coast seaports led to a shift in freight shipments from ocean to air. Meanwhile, available airfreight capacity in September 2016 rose 4.7 percent year-over-year, while load factors remained historically low, keeping yields under pressure.

10. Air Canada Reports Record Third Quarter 2016 Results

Air Canada on November 7, 2016 reported third quarter 2016 EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rent) of \$1.248 billion, the highest in its history for any quarter, compared to the previous record EBITDAR of \$1.076 billion in the same quarter in 2015. Air Canada generated record adjusted net income of \$821 million or \$2.93 per diluted share compared to adjusted net income of \$734 million or \$2.50 per diluted share in the third quarter of 2015, an increase of \$87 million or 11.9 per cent from the same quarter in 2015. On a GAAP basis, Air Canada reported record operating income of \$896 million, an improvement of \$81 million from the same quarter in 2015. The airline also reported net income of \$768 million or \$2.74 per diluted share in the third quarter of 2016 compared to net income of \$437 million or \$1.48 per diluted share in the third quarter of 2015. "I am very pleased to report record third quarter results, surpassing the previous records for EBITDAR, operating revenues, operating income and adjusted net income," said Calin Rovinescu, President and Chief Executive Officer.

11. Air Canada profit beats estimates as it flies more passengers

Air Canada reported a better-than-expected quarterly profit on November 7, 2016 as it flew more passengers, particularly on new international routes, and benefited from lower fuel costs. Traffic increased almost 19 per cent in the third quarter from a year earlier. Air Canada, which added 10 international routes

18. Clarification of proposed legislation on international ownership, November 9, 2016, www.tc.gc.ca
19. Air Canada: Record Profits Could Bring Major Troubles, November 12, 2016, www.msn.com
20. WestJet says hello again, Hamilton, November 14, 2016, www.westjet.ca
21. Addressing Infrastructure to Unlock Benefits of Aviation in Latin America, November 14, 2016, www.iata.org
22. CTA Chair and CEO Scott Streiner to speak at the ATAC National Aviation Conference and Tradeshow, November 15, 2016, www.cta-otc.gc.ca
23. Flight Cancellations at All-Time Lows; New Discrimination Data Available, November 15, 2016, www.dot.gov
24. September 2016 Passenger Airline Employment Data, November 17, 2016, www.bts.gov
25. WestJet welcomes Mesa, Arizona, to its growing network, November 18, 2016, www.westjet.ca
26. Top 10 U.S. Cargo Airports, November 22, 2016, www.inboundlogistics.com
27. Airfreight Forwarders Ride Headwinds and Tailwinds, November 22, 2016, www.inboundlogistics.com
28. Drones: Commissioner Bulc presents plans for the creation of a European drone services market, November 23, 2016, www.europa.eu
29. Monthly civil aviation statistics, September 2016, November 29, 2016, www.statcan.gc.ca
30. Quarterly civil aviation statistics, first quarter 2016, November 29, 2016, www.statcan.gc.ca
31. Infrastructure, Taxes & Charges, Consumer Protection, Security Top Agenda at AACO, November 29, 2016, www.iata.org

earlier this year, said there was 27.9 per cent growth in international-to-international passengers connecting via Canada. The carrier's fuel cost per liter fell 10.2 per cent in the quarter ended Sept. 30, 2016.

12. Air Canada Cargo adds Frankfurt to its freighter network

Air Canada Cargo is introducing Frankfurt to its network of all-freighter routes, with service between Frankfurt and Toronto commencing November 19, 2016. The weekly 767-300 freighter flights, operated by Cargojet through a wet lease agreement with Air Canada, are in addition to the 28 weekly widebody flights between Canada and Frankfurt currently operated by Air Canada.

13. Strong Passenger Demand Resumes in September

The International Air Transport Association (IATA) announced global passenger traffic results for September 2016 showing that demand (measured in revenue passenger kilometers, or RPKs) grew 7% compared to the same month in 2015. This was the strongest year-over-year increase in seven months. Capacity climbed 6.6% and load factor edged up 0.3 percentage points to 81.1%. Growth in domestic traffic slightly outpaced growth in international traffic.

14. Air Canada Named One of Canada's Top 100 Employers for Fourth Consecutive Year

Air Canada has been named one of "Canada's Top 100 Employers" for the fourth consecutive year in an annual employer survey by Mediacorp Canada Inc. The national competition for 2017 recognizes employers with exceptional human resources programs and forward-thinking workplace policies after a detailed review of company operations and Human Resources practices, including a comparison of others in their industry and region.

15. Cargojet welcomes Transport Canada's review of Canada Transportation Act

Cargojet Inc. released a statement in response to Transport Canada's review of the recently announced Canada Transportation Act. "Cargojet welcomes the decision by the Honourable Minister of Transport, Marc Garneau to maintain current foreign ownership levels at twenty five percent (25%) for air cargo operators. ..." Cargojet also fully supports the Government initiatives outlined "pertaining to enhanced safety and security measures that will ensure a safe and secure supply chain for all Canadians and the \$10.1B infrastructure investment in Canada's overall transportation system."

16. Air fares, 2015

Total air fares, domestic and international combined, averaged \$241.00 in 2015, down 1.1% from 2014. This was the second consecutive annual decline, following a year-over-year increase in 2013 (+0.2%). The decrease in 2015 was mainly the result of year-over-year declines in the last three quarters, with the most notable drop occurring in the fourth quarter. The average domestic fare was \$176.70, down 4.4% from the previous year, while the average international fare edged down 0.3% to \$314.40.

17. Air Canada to launch Vancouver-Frankfurt and Vancouver-London Gatwick flights for Summer 2017

Air Canada on November 9, 2016, announced that it is further boosting international flights at its Vancouver hub next summer with daily seasonal flights from YVR to Frankfurt, and three times weekly seasonal flights from YVR to London Gatwick. Flights begin June 1, 2017 and June 8, 2017 respectively, and tickets are now available for purchase.

18. Clarification of proposed legislation on international ownership

On November 3, 2016, the Honourable Marc Garneau, Minister of Transport, announced that the Government of Canada intends to introduce legislation that would raise the limit of international ownership of Canadian air carriers' voting interests to 49 per cent, up from a ceiling of 25 per cent, with accompanying safeguards. On November 9, 2016, Transport Canada wished to clarify the scope of the proposed legislative change. The Government of Canada proposes to liberalize international ownership limits that would apply to all carriers, including those providing all-cargo services. Under the Government's proposal, the only persons exempt from these new limits would be operators providing specialty air services, who would remain subject to the current 25 per cent limit.

19. Air Canada: Record Profits Could Bring Major Troubles

Air Canada did exceptionally well in the 2016 third quarter. But will it continue to generate record profits? The article indicates that there may be clouds ahead. Canada's transport minister is proposing to lift foreign investment limits for Canadian airlines to 49% from 25%. The aim is to increase competition to help lower fares. The government believes the new rules will also help launch new low-cost airlines—a model that has been springing up across the globe, particularly in Europe. "I expect fares to go down because of competition, and I expect more destination choices for Canadians," Transport Minister Marc Garneau said in Montreal. Not surprisingly, Air Canada shares fell 3.2% on the news.

20. WestJet says hello again, Hamilton

WestJet announced on November 14, 2016 that the airline will increase its capacity out of John C. Munro Hamilton International Airport by 40 per cent in 2017 with the return of non-stop service to Edmonton and Halifax and a new route to Winnipeg. Four-time weekly service to Edmonton returns January 16, 2017 until October 28, 2017. Daily service to Halifax returns January 16 until October 28. Three-time weekly service to Winnipeg, starts January 17, 2017 until October 26, 2017.

21. Addressing Infrastructure to Unlock Benefits of Aviation in Latin America

The International Air Transport Association (IATA) urged governments in Latin America and the Caribbean to work with industry to make infrastructure a priority in unlocking aviation's economic and social benefits. Passenger demand in Latin America and the Caribbean is expected to more than double from 298 million in 2015 to 658 million in 2035. If that demand is met, the number of jobs supported by aviation in the region will grow from 5.4 million to 8.4 million over the same period. And aviation's contribution to regional GDP will increase from \$176 billion to \$380 billion.

22. CTA Chair and CEO Scott Streiner to speak at the ATAC National Aviation Conference and Tradeshow

Scott Streiner, Chair and CEO of the Canadian Transportation Agency, will speak at the [Air Transport Association of Canada's](#) National Aviation Conference and Tradeshow. Mr. Streiner will focus on the Agency's role in: 1. air licensing and foreign ownership; 2. consumer protection for air travellers; and 3. accessibility for Canadians with disabilities.

23. Flight Cancellations at All-Time Lows; New Discrimination Data Available

The U.S. Department of Transportation's monthly *Air Travel Consumer Report* (ATCR) released on November 15, 2016, states that reporting carriers canceled 0.3 percent of their scheduled domestic flights in September 2016, the lowest for any of the 261 months with comparable records since January 1995, below the previous low of 0.4 percent in September 2015. The cancellation rate in August 2016 was 1.4 percent. The ATCR also introduces data about discrimination complaints that the Department has received.

24. September 2016 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 4.3 percent more workers in September 2016 than in September 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on November 17, 2016. September was the highest monthly total (414,591) since July 2005 (414,923) and was the 35th consecutive month that U.S. scheduled passenger airline full-time equivalent (FTE) employment exceeded the same month of the previous year.

25. WestJet welcomes Mesa, Arizona, to its growing network

WestJet announced on November 18, 2016 that it will begin serving Phoenix-Mesa Gateway Airport from Calgary and Edmonton starting January 19, 2017. Seats will be available for purchase by calling WestJet at 1-888-937-8538 (1-888-WESTJET) and through travel agencies as of 12 p.m. MST on Monday, November 21, and on [westjet.com](#) as of 12 p.m. MST on Tuesday, November 22, 2016

26. Top 10 U.S. Cargo Airports

The following airports are ranked as the US's top 10 air cargo airports. 1. Memphis International Airport, Tennessee; 2. Ted Stevens Anchorage International Airport, Alaska; 3. Louisville International Airport, Kentucky; 4. Miami International Airport, Florida; 5. Los Angeles International Airport, California; 6. Chicago O'Hare International Airport, Illinois; 7. John F. Kennedy International Airport, NY; 8. Indianapolis International Airport, Indiana; 9. Cincinnati/Northern Kentucky International Airport, Kentucky; and 10. Newark Liberty International Airport, New Jersey. These airports offer top-flight cargo facilities and infrastructure, among other features. Their total cargo volume ranges from 4,290,638 tons to 683,760 tons.

27. Airfreight Forwarders Ride Headwinds and Tailwinds

Despite turbulence, forwarders continue to find cruising altitudes, providing reliable transport for shippers who need to quickly move goods—from fashionable apparel to critical components. Airfreight forwarders have reason to buckle up. Facing sluggish consumer demand, shippers are increasingly willing to try ocean transport, even though it takes longer. After all, they can turn to sophisticated supply chain software that boosts visibility to goods in transit, helping them balance the lower cost of ocean or over-the-road shipping with longer transit times. Additionally, changes in the airline industry mean fewer routes for cargo shipments. The long-term impact of Amazon and e-commerce in general remains at the top of mind for most airfreight forwarders.

28. Drones: Commissioner Bulc presents plans for the creation of a European drone services market

Commissioner for Transport Violeta **Bulc** stated on November 23, 2016 the intention of making drones part of the European citizens' daily lives by 2019. New common standards will be put in place to create a U-

Space: an efficient framework for all individuals and businesses to operate drones at lower levels, up to 150m high. The U-Space will make denser traffic of automated drones operations over longer distances possible, including over cities, and so open the door to a **drone service market with huge economic potential**. It would be a reliable system guaranteeing easy and fair access for everyone. At the same time it would provide a safe environment, and make privacy and security rules effective. As a first step, the Commission will present a concept on how drone operations should be organised in a U-Space within the next 6 months and start demonstration projects as soon as possible.

29. Monthly civil aviation statistics, September 2016,

The six Canadian Level I air carriers flew 6.2 million passengers on scheduled and charter services in September 2016, up 11.7% from September 2015. Traffic increased 15.4% to 16.8 billion passenger-kilometres, while capacity rose 15.7% to 20.3 billion available seat-kilometres. This resulted in a slightly lower passenger load factor in September (82.7%) compared with the same month a year earlier (83.0%), as capacity growth outpaced traffic growth. Total operating revenue was \$1.7 billion in September, up 5.0% from the same month the previous year.

30. Quarterly civil aviation statistics, first quarter 2016

Total operating revenue for the 24 largest Canadian air carriers was \$5.1 billion in the 2016 first quarter, down 1.6% from the same quarter in 2015. Total operating expenses grew 1.5% to \$4.9 billion. As a result, net operating income fell 38.6% to \$248.4 million. This amount, combined with a net non-operating income of \$45.4 million, produced a net income of \$293.8 million. These airlines recorded a profit margin of 5.8% (net income divided by operating revenue). In other words, every dollar of service sold in the first quarter earned 5.8 cents of profit for the carriers.

31. Infrastructure, Taxes & Charges, Consumer Protection, Security Top Agenda at AACO

The International Air Transport Association (IATA) highlighted four priorities in the Middle East and North Africa (MENA) which must be addressed for aviation to deliver maximum economic and social benefits. These are: 1. Sufficient and affordable infrastructure capacity (including air traffic management), aligned with user needs; 2. Curbing the spate of unprecedented increases in taxes and charges over the last year; 3. Aligning consumer protection regulations with global standards; and 4. Enhancing security efforts

WATER TRANSPORTATION

1. EU shipowners say CETA good for industry

European shipowners were relieved on October 27, 2016 when the Belgian delegation to the EU and Canadian negotiations involving the Comprehensive Economic and Trade Agreement (CETA) had agreed to move forward with the trade deal. “More and smoother trade means more and better maritime transport operations, shipping being the main vector of trade,” said Patrick Verhoeven, secretary general of the European Community Shipowners’ Association, in a statement.

2. PortGraphic: alliances in container shipping-impact of Korean/Japanese carrier dynamics

Since 2015, four alliances are operational in the container shipping market: 2M, Ocean Three, CKY(H)E and G6. The merger of China Shipping and Cosco to form China Cosco Container Lines (COSCOCS) and the acquisition of APL/NOL by CMA CGM were the first major market changes signalling major changes in the current alliance structure. By Q2 of 2017, the new alliance landscape would include the 2M alliance and two new large-scale alliances, i.e. the Ocean Alliance and THE Alliance.

3. Halifax Port Authority congratulates Canada-EU on signing CETA

The Halifax Port Authority applauds the efforts of the Government of Canada and the European Union in signing the Comprehensive Economic and Trade Agreement, more widely known as CETA. “The Comprehensive Economic and Trade Agreement between Canada and the European Union is a landmark deal that will increase trade opportunities,” said Karen Oldfield, President and CEO, Halifax Port Authority. “The Government of Canada and European Union countries deserve recognition for their dedication in reaching this historic agreement.”

4. Analysts anticipate further ocean carrier consolidation

Earlier this week, Japan’s three major ocean carriers - MOL, NYK Line and “K” Line - jointly announced their plans to merge their container operations in mid-2017. The combined companies would have a total operating fleet capacity of 1.46 million TEUs, making it the sixth largest carrier in the world, according to data from ocean carrier schedule and capacity database BlueWater Reporting. All three of Japan’s “Big 3” carriers are due to become part of the THE Alliance next year. THE Alliance will also include Yang Ming of Taiwan and Germany’s Hapag-Lloyd, which UASC will be merging into. The recent announcement on Japan’s three major ocean carriers - MOL, NYK Line and “K” Line - merging container operations has left the industry wondering if more consolidation is to come.

5. Vancouver Fraser Port Authority welcomes federal government’s commitment to transportation

Vancouver Fraser Port Authority applauds the Transport 2030 vision outlined in Montreal by the Honourable Marc Garneau, Minister of Transport. “We are very pleased to see some of our key recommendations to the Canada Transportation Act Review Panel reflected in Minister Garneau’s remarks,” said Robin Silvester, president and chief executive officer at Vancouver Fraser Port Authority. “The focus on the importance of the overall transportation network and the commitment to innovation and investment is truly welcomed.”

6. Port of NY/NJ posts drop in box volumes

The Port of New York and New Jersey in September 2016 experienced an 11.3 percent decline in loaded import containers from a year prior,

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1. EU shipowners say CETA good for industry, October 28, 2016, www.americanshipper.com
2. PortGraphic: alliances in container shipping-impact of Korean/Japanese carrier dynamics, November 1, 2016, www.porteconomics.com
3. Halifax Port Authority congratulates Canada-EU on signing CETA, November 1, 2016, www.portofhalifax.ca
4. Analysts anticipate further ocean carrier consolidation, November 2, 2016, www.americanshipper.com
5. Vancouver Fraser Port Authority welcomes federal government’s commitment to transportation, November 3, 2016, www.portmetrovancover.com
6. Port of NY/NJ posts drop in box volumes, November 4, 2016, www.americanshipper.com
7. Great Lakes limestone trade falls 3.5% in October, November 4, 2016, www.americanshipper.com
8. Cargo Becomes *Intelligent* So Do Ports, November 1, 2016, www.inboundlogistics.com
9. Vancouver Fraser Port Authority Applauds Federal Government Five-Year National Oceans Protection Plan, November 8, 2016, www.portmetrovancover.com
10. OCEAN Alliance sets out network, November 8, 2016, www.ctl.ca
11. Panama Canal Expansion to Spur East Coast Shipping Boom, November 2016, www.inboundlogistics.com
12. Great Lakes iron ore trade remains flat in October, November 11, 2016, www.americanshipper.com
13. Port of Los Angeles reports 15.6% jump in box volumes, November 15, 2016, www.americanshipper.com
14. GSF report says radical changes to container shipping market need new solutions, November 15, 2016, www.ctl.ca
15. ACCC levies criminal cartel charges against “K” Line, November 15, 2016, www.americanshipper.com
16. Port volumes dip in October, November 16, 2016, www.transportweekly.com
17. Importers look past tight Vancouver warehousing to Calgary, November 15, 2016, www.joc.com
18. A ‘weird’ rally in some shipping stocks, November 16, 2016, www.americanshipper.com
19. Halifax Port Authority preparing for next stage in global shipping, November 18, 2016, www.portofhalifax.ca
20. Hapag-Lloyd’s Q3 profit surges

handling only 254,033 TEUs during the month, according to the port authority. Loaded exports in September 2016 fell 5.2 percent year-over-year to 106,170 TEUs. Total TEUs (through the port during the month, including loaded and empty containers), reached 497,704 TEUs, down 12.7 percent from September 2015.

7. Great Lakes limestone trade falls 3.5% in October

Shipments of limestone on the Great Lakes totaled 3.3 million tons in October 2016, down 3.5 percent from a year prior as the increase in loadings from Canadian quarries was not enough to offset the decline in shipments from U.S. quarries. During the month limestone loadings from U.S. quarries totaled 2.7 million tons, a 7.8 percent year-over-year decline, the Lake Carriers' Association reported. Limestone shipments from Canadian quarries surged 21.4 percent from October 2015 to 613,000 tons. Overall, on a year-to-date basis, 22.8 million tons of limestone has been shipped on the Great Lakes, a 7.3 percent decline from the corresponding period in 2015.

8. Cargo Becomes *Intelligent* So Do Ports

Having all supply chain players connected to an intelligent cargo system maximizes the use of port infrastructure and keeps everyone informed on the "where is my cargo?" question. Accessing and sharing information on cargo through new technologies will not only smooth flows but it will also secure them.

9. Vancouver Fraser Port Authority Applauds Federal Government Five-Year National Oceans Protection Plan

Vancouver Fraser Port Authority is encouraged by the federal government National Oceans Protection Plan announced by Prime Minister Justin Trudeau on November 7 in Vancouver. "We are very pleased with Prime Minister Trudeau's announcement of a national coastal strategy that will help establish Canada as a world leader in marine safety," said Duncan Wilson, vice president, corporate social responsibility at Vancouver Fraser Port Authority. "The focus on environmental sustainability and responsible commercial use is truly commendable." The port authority is particularly supportive of the federal government's plans to fully resource the Canadian Coast Guard, which is critical to effectively responding to spills on our coasts.

10. OCEAN Alliance sets out network

Members of the OCEAN Alliance, COSCO Container Lines, CMA CGM, Evergreen Line and Orient Overseas Container Line, have signed a document entitled the Day One Product, which sets out the proposed OCEAN Alliance's network, including port rotation for each service loop. The Day One network intends to deploy around 350 container vessels with an estimated total carrying capacity of 3.5 million TEUs. The vessel deployment details for each service loop will be released around end of November 2016.

11. Panama Canal Expansion to Spur East Coast Shipping Boom

After nearly 10 years and \$5.4 billion, worldwide shipping is in for a major shakeup. With the nearly triple-the-size expansion of the Panama Canal completed in late June 2016, a vastly increased quantity of goods will be able to easily traverse one of the world's most important waterways. This change comes amid a slump in the global shipping industry attributed to China's faltering economy and a decrease in global demand. The impact of the expansion will be felt across the global supply chain, especially by ports in the United States.

12. Great Lakes iron ore trade remains flat in October

Iron ore shipments on the Great Lakes and St. Lawrence Seaway totaled 5.3 million tons in October 2016, virtually unchanged from October 2015, according to the Lake Carriers' Association, which represents 14 American companies that operate 56 U.S.-flag vessels on the Great Lakes. Shipments from U.S. ports on the Great Lakes totaled 4.8 million tons in October 2016, a 5.4 percent increase from October 2015.

13. Port of Los Angeles reports 15.6% jump in box volumes

The Port of Los Angeles handled 814,574 TEUs of cargo in October 2016, marking the busiest month ever at a Western Hemisphere container port, according to data from the American Association of Port Authorities. The Southern California port said that October box volumes were 15.6 percent higher than in October 2015.

14. GSF report says radical changes to container shipping market need new solutions

The Global Shippers Forum (GSF) has published a major new report suggesting radical changes to shape and structure the container shipping market. This implies that ship operators and their customers need to

150pc, November 17, 2016, www.transportweekly.com

21. Halifax Port Authority releases final cruise numbers for 2016, November 21, 2016, www.portofhalifax.ca

22. New Montreal container terminal boosts capacity, November 22, 2016, www.ctl.ca

23. Mergers: Commission approves container liner shipping merger between Hapag-Lloyd and UASC, subject to conditions, November 23, 2016, www.europa.eu

develop new commercial approaches. The report entitled 'The Implications of Mega-Ships and Alliances for Competition and Total Supply Chain Efficiency: An Economic Perspective' is a detailed analysis of the global container shipping industry and a review of competition policy and the impacts of consolidation. The report questions the received wisdom in the shipping industry that vessel sharing agreements and alliances are good for competition. With important parameters of competition such as capacity, sailing frequency and ports of call removed, many shippers are questioning whether dealing with fewer fully-independent shipping companies could be better than dealing with a larger number of allied shipping companies in alliances. The paper carries out a detailed competition policy analysis of the impacts of mega-ships and alliances, the main drivers behind consolidation in the container shipping market. "The report raises various competition issues related to mega-ships and alliances and concludes that the new market structures and trend towards consolidation may require new competition and regulatory approaches. These include prior notification and approval of alliance and consortia agreements, and greater use of merger legislation in the assessment of the competition impacts of alliances and consortia agreements, and the maintenance of genuine independent competitors on key trade routes to alliances," Welsh said.

15. ACCC levies criminal cartel charges against "K" Line

The Australian Competition and Consumer Commission (ACCC) has filed criminal charges against Japanese ocean carrier "K" Line in relation to alleged cartel behavior, ACCC said in a statement. The case against "K" Line, which went before the Downing Centre Local Court in Sydney on November 15, 2016 stems from conduct surrounding the international shipping of automobiles to Australia between July 2009 and September 2012. ACCC noted the charges against "K" Line are the second instance of criminal charges being brought against a company under the criminal cartel provisions of the country's Competition and Consumer Act 2010.

16. Port volumes dip in October

October 2016 container volumes were down 6.2 percent at the Port of Long Beach compared to the same month last year, as the fallout from the Hanjin bankruptcy continues to settle. A total of 581,808 twenty-foot equivalent units (TEUs) moved through docks last month. Export TEUs were 1.2 percent down, relatively flat compared to last October, to 126,770 TEUs. Total imports were 296,711 TEUs, 3.7 percent off. Empty containers experienced the largest drop of 13.8 percent to 158,327 boxes. Port officials noted the harbor's last October volume was the best in the previous eight years, and came during a string of six consecutive months of cargo growth to end 2015.

17. Importers look past tight Vancouver warehousing to Calgary

Tightening space and rising rental rates in Vancouver are driving some Western Canadian importers to move their distribution hubs inland — roughly 604 miles inland to Calgary.

18. A 'weird' rally in some shipping stocks

Freight rates and shipping stock prices have risen sharply in recent days, with some ascribing the jump to the presidential election victory of Donald Trump. "Shipping Gets Weird: The Trump Rotation & Retail Momentum," is the way that Michael Webber, a senior analyst at Wells Fargo Securities titled an equity research note published today. "Over the past five trading sessions, the dry bulk universe is up 378 percent," he wrote, adding "that's not a typo."

19. Halifax Port Authority preparing for next stage in global shipping

The Halifax Port Authority has commenced a significant master planning exercise to prepare for the arrival of 'ultra-class' containerized vessels of over 10,000 TEU; large scale industrial mega projects; increasing larger cruise vessels; and how the Halifax Seaport District can complement the urban growth and revitalization currently underway in downtown Halifax and Dartmouth.

20. Hapag-Lloyd's Q3 profit surges 150pc

Germany's Hamburg-based container shipping group Hapag-Lloyd has posted a net profit increase of more than 150 per cent to EUR8.2 million (US\$8.8 million) in the three months ending September 30, 2016 up from EUR3.2 million a year earlier. Profit before interest and tax (EBIT) came to EUR 65.6 million, down from EUR80.9 million previously, according to Reuters. "The market has been very difficult so far this year, but in that environment, Hapag-Lloyd has performed relatively well, which underlines our competitiveness," said chief executive Rolf Habben Jansen.

21. Halifax Port Authority releases final cruise numbers for 2016

The Port of Halifax welcomed over 238-thousand cruise guests during the 2016 cruise season. This year saw 238,217 guests arriving on 136 cruise vessels. The busiest passenger day was October 11, a five-ship day. This year saw an increase of just over 7% in overall passenger counts. The cruise season in Halifax typically runs from mid-April 2016 to the end of October 2016.

22. New Montreal container terminal boosts capacity

A new terminal in the Vieux-Port sector of the Port of Montreal inaugurated November 18, 2016 boosts the port's handling capacity by 350,000 TEUs. Canada's second largest port after Vancouver is positioning itself for increased global trade, with North Atlantic shipments a prime target amidst strong competition from the Port of New York/New Jersey in particular.

23. Mergers: Commission approves container liner shipping merger between Hapag-Lloyd and UASC, subject to conditions

The European Commission has cleared under the EU Merger Regulation the proposed acquisition of United Arab Shipping Company ("UASC") by Hapag-Lloyd of Germany, subject to conditions. Both companies operate in the container liner shipping sector. The clearance is conditional on the withdrawal of UASC from a consortium on the trade routes between Northern Europe and North America, where the merged entity would have faced insufficient competitive constraint. Commissioner Margrethe Vestager, in charge of competition policy, said: *"European companies rely on container liner shipping services for their transatlantic shipments. It's very important that the markets remain open. The commitments offered by Hapag-Lloyd ensure that the takeover will not lead to price increases on the routes between Northern Europe and North America."*

RAIL TRANSPORTATION

1. Government of Canada invests in infrastructure improvements at VIA Rail's Kingston Station

The Government of Canada on October 28, 2016 highlighted an investment for improvements at VIA Rail's Kingston station. The investment includes repairs to the station's roof, parking and roadways, as well as upgrades to the pedestrian tunnel and station kiosks. They also include improvements to transportation aids at the station including the north escalator and Garaventa lifts.

2. Transport Minister delivers on promise to accelerate removal of legacy DOT-111 tank cars from crude oil transport

The Honourable Marc Garneau, Minister of Transport, on October 31, 2016 highlighted that legacy DOT-111 tank cars will be completely removed for crude oil service by 12:01 a.m. tonight, in accordance with Protective Direction 38. Any person or organization importing, handling, offering for transport or transporting crude oil can no longer ship crude oil in legacy DOT-111 tank cars into or within Canada.

3. TSB releases new watchlist for transportation industry

The Transportation Safety Board of Canada (TSB) has released its latest safety Watchlist, at the same time announcing a more proactive approach to engage government and industry leaders in dialogue and action that leads to safety improvements across Canada's transportation network. "No longer is it enough to point out a problem and wait for others to take notice," said TSB Chair Kathy Fox. "In the next few days and weeks, we'll meet with key stakeholders to push for concrete action, and then we'll report publicly on the results."

4. CP disappointed with TSB Chair's misguided statements regarding latest Watchlist

Canadian Pacific (CP) is disappointed in the Transportation Safety Board's (TSB) misguided comments on the topic of fatigue in the railway industry, which do little to enhance industry safety or improve the quality of life for conductors and engineers.

5. A rich harvest: How the Canadian Wheat Board's demise unleashed a grain bonanza

More than \$200 million has been invested in agricultural handling facilities in Hamilton since 2008. Like any economic rebirth, it is hard to point to one single catalyst. But the privatization of the Winnipeg-

RAIL TRANSPORTATION Canada

1. Government of Canada invests in infrastructure improvements at VIA Rail's Kingston Station, October 28, 2016, www.tc.gc.ca
2. Transport Minister delivers on promise to accelerate removal of legacy DOT-111 tank cars from crude oil transport, October 31, 2016, www.tc.gc.ca
3. TSB releases new watchlist for transportation industry, November 1, 2016, www.ctl.ca
4. CP disappointed with TSB Chair's misguided statements regarding latest Watchlist, November 1, 2016, www.cpr.ca
5. A rich harvest: How the Canadian Wheat Board's demise unleashed a grain bonanza, October 27, 2016, www.financialpost.ca
6. CN to purchase its common shares under a specific share repurchase program, November 2, 2016, www.cn.ca
7. Intermodal volumes continue decline in Q3, November 3, 2016, www.americanshipper.com
8. The Evergreen Line Project, November 7, 2016, www.tc.gc.ca
9. CP reports best-ever month of grain movement to Vancouver; reiterates call for collaboration not criticism, November 7, 2016, www.cpr.ca
10. CP launches fact-based website on work, rest and time off, November 8, 2016, www.cpr.ca
11. BNSF Q3 profits slip again amid coal, energy decline, November 8, 2016, www.americanshipper.com
12. CP seeks changes to maximum work hours for locomotive engineers and conductors, November 10, 2016, www.cpr.ca

based Canadian Wheat Board four years ago and 2,000 kilometres away certainly stands out as one. The upshot of that controversial decision is a rapidly changing grain transportation network that is affecting Canadian farmers, grain handlers, railways and ports from the West Coast to the Arctic and the St. Lawrence Seaway. And it's big business: Canada's grain and oilseed exports were worth \$5.9 billion in 2014, according to Agriculture and Agri-Food Canada.

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

CN announced on November 2, 2016 that it will repurchase common shares under a specific share repurchase program. The purchase will form part of the Normal Course Issuer Bid for up to 33 million shares (Bid) announced on Oct. 25, 2016.

7. Intermodal volumes continue decline in Q3

Total intermodal traffic fell 4.6 percent to 4.35 million trailers and containers in the third quarter of 2016 compared to the same period a year ago, according to the Intermodal Association of North America's (IANA) latest quarterly Intermodal Market Trends and Statistics report. Contributing to the loss were intermodal trailer volumes, which dropped 26.9 percent to 295,933 units, and international shipments, which fell 6.7 percent to 2.2 million units.

8. The Evergreen Line Project

The Evergreen Line Project is an 11-kilometre extension to the existing SkyTrain system in Metro Vancouver. It will be a fast, frequent and convenient SkyTrain service, connecting Coquitlam City Centre through Port Moody to Lougheed Town Centre in approximately 15 minutes. When the extension opens, Metro Vancouver's SkyTrain system will become the longest fully-automated and driverless rapid transit system in the world. Evergreen will link Burnaby, Port Moody and Coquitlam to Vancouver and will be fully integrated into the existing SkyTrain system at Lougheed Town Centre Station. It will carry 70,000 passengers per day by 2021. Funding for the Evergreen Line Project is a partnership between the Government of Canada, the Government of B.C. and TransLink. The project cost is \$1.43 billion and the line will open in December 2016.

9. CP reports best-ever month of grain movement to Vancouver; reiterates call for collaboration not criticism

Canadian Pacific announced that, despite a weather-delayed harvest, October 2016 was its best-ever month for Western Canadian grain movement to Vancouver and stands ready to work with its supply chain partners through the 2016/17 season to transport a bumper crop to world markets. A record 15,865 carloads were moved to West Coast ports in October, beating the previous record of 15,449 carloads in March 2016. Total Western Canadian grain movements in the month climbed 3.9 percent over last year, just off the record set in May 2014.

10. CP launches fact-based website on work, rest and time off

Canadian Pacific (CP) on November 8, 2016 launched a website that presents the facts relating to work, rest and time off for Canadian-based running trades employees. The site, www.workrestandtimeoff.ca, also outlines CP's labour relations story, communications CP has had with the Teamsters Canada Rail Conference – Train & Engine (TCRC-T&E) leadership and models CP has presented. It also dispels the many myths and outdated perceptions concerning work and time off for train crews at CP.

11. BNSF Q3 profits slip again amid coal, energy decline

BNSF Railway Co. saw its third quarter 2016 net income fall 11.8 percent to \$1.02 billion compared with the third quarter of 2015, according to the company's most recent financial statements. The Fort Worth, Texas-based Class I freight railroad, a wholly-owned merger subsidiary of billionaire investor Warren Buffett's Berkshire Hathaway, reported total revenues of \$5.17 billion for the quarter, down 7.7 percent from the previous year.

12. CP seeks changes to maximum work hours for locomotive engineers and conductors

Canadian Pacific (CP) has provided notice to the Teamsters Canada Rail Conference (TCRC) that it will be seeking changes by Transport Canada that would reduce by a third the maximum permissible hours that its Canadian-based running trades employees can spend at the controls of a train. This effort further highlights CP's leadership role in addressing issues of work, rest and time off. The letter sent to the TCRC and copied to Transport Canada is available at www.workrestandtimeoff.ca/what-are-we-doing/.

13. CN recognized for excellence in corporate governance

13. CN recognized for excellence in corporate governance, November 18, 2016, www.cn.ca

14. BNSF, KCS to start joint intermodal service to Mexico, November 17, 2016, www.americanshipper.com

15. UP approves new share repurchase program, November 21, 2016, www.americanshipper.com

16. Canadian Pacific named a 2017 military-friendly employer, November 23, 2016, www.cpr.ca

CN on November 18, 2016 announced that it has received the 2016 Best Overall Corporate Governance award for publicly-listed companies from the Governance Professionals of Canada (GPC). CN received the award this week during the GPC's fourth annual Excellence in Governance Awards ceremony in Toronto recognizing leadership in corporate governance best practices. "CN has always recognized the importance of good governance and their governance practices are truly integrated in their business operations and are not viewed in isolation," the GPC awards panel said. "CN has consistently been at the top of the class since governance assessments started in the early 2000s."

14. BNSF, KCS to start joint intermodal service to Mexico

BNSF Railway BNSF Railway Co. and Kansas City Southern will offer a new joint intermodal service connecting shippers in the Chicago and Dallas/Fort Worth areas, as well as other major markets along BNSF's rail lines to the Kansas City Southern de México network. The new service, which starts Dec. 1, 2016, will provide intermodal transport five days a week, the railroads said.

15. UP approves new share repurchase program

The board of directors of Union Pacific Corp. has approved the renewal of its share repurchase program one year ahead of the previous deadline, the company said in a statement. Effective Jan. 1, 2017, the Omaha, Neb.-based Class I railroad has authorized the repurchase of up to 120 million common shares by Dec. 31, 2020, about 15 percent of current outstanding stock.

16. Canadian Pacific named a 2017 military-friendly employer

Canadian Pacific (CP) has been named a 2017 Military Friendly Employer by Victory Media, publisher of G.I. Jobs magazine. The award recognizes the many veterans, National Guard members, and reservists that CP employs. "Hiring veterans and service-members is a way we can honor those who serve their country. It's also a way to attract loyal, hard-working employees who often thrive in the 24/7 environment of the railroad," said Keith Creel, CP's President and Chief Operating Officer and U.S. Army veteran. "We appreciate Victory Media's recognition, as well as the hard work that our veteran employees perform every day to serve our customers."

HIGHWAY TRANSPORTATION

1. Proposed regulations improve rear visibility for drivers, save lives and prevent injuries

Surrounded by students at Le Trillium Public Elementary School in Ottawa, Minister Garneau proposed new regulations that will require rear-visibility systems on all new vehicles sold in Canada to help drivers see behind their vehicle when they back up. While rear-view cameras and displays are found on a number of vehicles today, some models don't include them. The proposed regulations will rectify this by providing all new car owners with improved visibility to spot people and objects behind a vehicle when backing up. The proposed changes are published in Canada Gazette, Part I.

2. Minister Garneau responds to Transportation Safety Board of Canada's Watchlist

"The Honourable Marc Garneau, Minister of Transport issued the following statement regarding the Transportation Safety Board of Canada's (TSB) updates to their Watchlist: "Transport Canada shares the TSB's commitment to advancing the safety of Canada's transportation system and we will continue to work with them to address all identified safety issues."

3. Couriers and Messengers Services Price Index, September 2016

The Couriers and Messengers Services Price Index (CMSPI) declined 0.4% in September 2016. This was the first decrease since April 2016. The couriers component fell 0.6%, while the local messengers and local delivery component was unchanged. The CMSPI rose 3.0% in September compared with the same month a year earlier. The couriers component increased 3.7%, while the local messengers and local delivery component declined 0.8%.

4. USDOT Issues 30-Day Extension to Public Comment Period for Proposed Rule Requiring Speed Limiters for Large Commercial Vehicles

The U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA) and Federal Motor Carrier Safety Administration (FMCSA) on November 1, 2016 announced a [30-day extension](#) of the public comment period for a [September 7, 2016 Notice of Proposed Rulemaking](#) which would require all newly manufactured U.S. trucks, buses, and multipurpose passenger vehicles with a gross vehicle weight rating more than 26,000 pounds to be equipped with speed limiting devices. The new public comment deadline of December 7, 2016 will provide all interested parties sufficient opportunity to fully develop and submit comments and evidentiary materials to the agencies via www.regulations.gov.

5. Manitoulin to open three new southeastern Ontario terminals
three new terminals for Manitoulin Transport means that the company is now providing direct service to all cities and towns in Southeastern Ontario.

6. Manitoulin Transport provides direct service to all towns and cities in Southeastern Ontario

Manitoulin Transport is now providing direct service to all towns and cities in southeastern Ontario via three new strategically located terminals in Cornwall, Peterborough and Kingston. Direct service in the region will enhance Manitoulin's ability to provide faster transit times and increase shipment visibility for its customers.

HIGHWAY TRANSPORTATION Canada

1. Proposed regulations improve rear visibility for drivers, save lives and prevent injuries, October 31, 2016, www.tc.gc.ca
2. Minister Garneau responds to Transportation Safety Board of Canada's Watchlist, October 31, 2016, www.tc.gc.ca
3. Couriers and Messengers Services Price Index, September 2016, October 31, 2016, www.statcan.gc.ca
4. USDOT Issues 30-Day Extension to Public Comment Period for Proposed Rule Requiring Speed Limiters for Large Commercial Vehicles, November 1, 2016, www.dot.gov
5. Manitoulin to open three new south eastern Ontario terminals, November 2, 2016, www.todaystrucking.com
6. Manitoulin Transport provides direct service to all towns and cities in Southeastern Ontario, November 3, 2016, www.ctl.ca
7. Province Improving Public Transit in Communities Across Ontario, November 2, 2016, www.mto.gov.on
8. Transport Canada identifies brake safety issue with certain Ford F-150 models, November 4, 2016, www.tc.gc.ca
9. Deutsche Post Q3 earnings soar despite 'weak economic tailwind', November 8, 2016, www.americanshipper.com
10. DHL Global Forwarding posts first quarterly volume rise since Q1 2015, Nov. 11, 2016, www.transportweekly.com
11. Cargo Becomes *Intelligent* So Do Ports, November 2016, www.inboundlogistics.com
12. Canadian freight volumes down month-over-month, up year-over-year, November 15, 2016, www.ctl.ca
13. North American Transportation Statistics, 2015, November 16, 2016, www.statcan.gc.ca
14. Seat Belt Use in U.S. Reaches Historic 90 Percent, November 21, 2016, www.dot.gov
15. Three-Country North American Transportation Statistics Database Updated, November 21, 2016, www.bts.gov
16. Canadians should understand the purpose of user charges; road construction costs: report, November 22, 2016, www.ctl.ca
17. Supply chain should brace for carbon-based fuel price spike: OTA, November 21, 2016, www.ctl.ca
18. ATRI Report on Autonomous Vehicles Examines Industry Concerns, November 22, 2016, www.cantruck.ca
19. Large Urban Transit, September 2016, November 25, 2016, www.statcan.gc.ca
20. Transplace acquires Canadian 3PL Lakeside Logistics, November 28, 2016, www.ctl.ca
21. Intermodal rates stem 21-month decline in October, November 28, 2016, www.americanshipper.com

7. Province Improving Public Transit in Communities Across Ontario

Ontario is improving public transit for commuters and families across the province by making it more affordable for municipalities to buy buses and improve their local transit systems. On November 2, 2016, the province, along with Metrolinx and St. Catharines Transit, marked the delivery of the 1,000th bus purchased through Metrolinx's Transit Procurement Initiative (TPI). The 12-metre bus carries up to 38 seated passengers and will soon go into service for commuters in St. Catharines.

8. Transport Canada identifies brake safety issue with certain Ford F-150 models

The Honourable Marc Garneau, Minister of Transport is advising the public of an issue with the brake vacuum assist system in certain Ford F-150 models and is seeking the public's input. Transport Canada received over 100 consumer complaints involving a failed electric vacuum pump in the power brake system, which may result in an unexpected, longer stopping distance. Following an investigation, the department determined that 2011 and 2012 F-150 trucks equipped with a 3.5L EcoBoost engine contain a defect in the pump. Transport Canada has communicated its findings to the manufacturer. After reviewing additional feedback from Canadians on the affected vehicle models, the Minister will make a final determination on whether Ford Motor Company of Canada will be ordered to issue a notice of safety defect (recall) to all owners of affected vehicles.

9. Deutsche Post Q3 earnings soar despite 'weak economic tailwind'

Deutsche Post DHL Group saw consolidated net profits in the third quarter of 2016 skyrocket to 618 million euros (U.S. \$682.9 million) compared with just EUR 49 million in the same 2015 period, according to the company's most recent financial statements. The Bonn, Germany-based parcel carrier and logistics provider posted earnings per share (EPS) of EUR 0.49 compared with EUR 0.04 per share in third quarter 2015, in-line with consensus analyst expectations.

10. DHL Global Forwarding posts first quarterly volume rise since Q1 2015

DHL Global Forwarding has recorded a two per cent year-on-year increase in air freight export tonnage during the third quarter to 520,000 tonnes, ending five consecutive quarterly demand declines, according to Shipping Gazette. However, air freight turnover in the third quarter fell by 8.8 per cent compared to the same period a year earlier and gross profits for the mode fell by 5.2 per cent to EUR220 million (US\$241.3 million), reported Air Cargo News.

11. Cargo Becomes *Intelligent* So Do Ports

Having all supply chain players connected to an intelligent cargo system maximizes the use of port infrastructure and keeps everyone informed on the "where is my cargo?" question. Accessing and sharing information on cargo through new technologies will not only smooth flows but it will also secure them.

12. Canadian freight volumes down month-over-month, up year-over-year

Cross-border volumes between Canada and the U.S. dropped 8% in October 2016 compared to the month prior, but up the same percent year-over-year, according to TransCore Link Logistics. Intra-Canadian load volumes represent 28% of the total volumes and increased by 10% compared to October 2015, while cross-border loads average 66% of the total data submitted by Canadian-based customers, which were higher compared to last year.

13. North American Transportation Statistics, 2015

A new version of the *North American Transportation Statistics* (NATS) database is now available. NATS is a tripartite initiative of Canada, Mexico and the United States to provide consistent and comparable transportation data. Updated with available 2015 data, the database contains 39 tables organized by 12 themes including transportation and the economy, passenger and freight movements, environmental impacts and energy consumption as well as safety. A selected number of trends from 2006 to 2015 are presented using an index with the base year (2006) equated to 100, to take into account the relative size differences among the three countries.

14. Seat Belt Use in U.S. Reaches Historic 90 Percent

Seat belt use in the United States has reached its highest level since the Federal government began regular national surveys in 1994, according to a study released by the U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA). The new data – drawn from a large-scale observational study conducted by NHTSA in June 2016, shows daytime belt use (drivers and right-front passengers of passenger vehicles from 7 a.m. to 6 p.m.) reached 90.1 percent, a statistically significant increase from 88.5 percent in 2015.

15. Three-Country North American Transportation Statistics Database Updated

New three-country data was added this week to the North American Transportation Statistics (NATS) Online Database in the 12th annual website update. A product of the North American Transportation

Statistics Interchange, the [NATS Online Database \(link is external\)](#) contains comparable transportation-related data available from the United States, Canada, and Mexico in a one-stop online resource.

16. Canadians should understand the purpose of user charges; road construction costs: report

According to a Conference Board of Canada report, (Congestion Costs, Road Capacity and Implications for Policymakers) as policymakers look at options intended to improve infrastructure and reduce congestion, such as increased investment in roads, highways and bridges — new ways to pay for these projects are being considered. Transportation infrastructure projects are typically large and for the long term. Recent discussions at the federal and provincial levels help direct large sums to pay for these investments is part of the solution. Road tolls or user fees are considered a mean to advance this agenda but a new Conference Board of Canada report recommends bringing clarity between proposed policy tools and policy goals.

17. Supply chain should brace for carbon-based fuel price spike: OTA

This New Year will usher in a new [carbon pricing policy](#) in Ontario, setting the stage for diesel price increases of up to five cents a litre over the current average wholesale rack price for 2016, the Ontario Trucking Association advises. The anticipated price increase slated to take effect Jan. 1, 2016 would be consistent with the impact of carbon pricing on diesel prices in Quebec and with forecasts previously made by Ontario's Premier Wynne.

18. ATRI Report on Autonomous Vehicles Examines Industry Concerns

Hours of service, CSA scores and the driver shortage are all areas identified as being impacted by autonomous vehicle technology, in a new report from the American Transportation Research Institute. As reported by *Heavy Duty Trucking*, ATRI (the research arm of the American Trucking Associations and to which CTA is a member) surveyed carriers, executives, and drivers, ranking the top 10 issues concerning autonomous vehicles in the trucking industry. Among the top issues were hours of service; the FMCSA's CSA (Compliance, Safety, Accountability) program; and the driver shortage. Because HOS regulations by their definition limit productivity in drivers in order to ensure the driver is rested, a fully autonomous vehicle could lead to changes. Automated driving systems could support changes to HOS rules that would account for rest a driver is getting while still in a productive state.

19. Large Urban Transit, September 2016

Total operating revenues (excluding subsidies) for 10 of Canada's largest urban transit systems rose 0.4% year over year to \$325.4 million in September 2016. Over the same period, ridership decreased 0.6% to 151.8 million passenger trips. Growth in the number of passenger trips continues to slow. On a year-over-year basis, the number of passenger trips declined for the fourth consecutive month

20. Transplace acquires Canadian 3PL Lakeside Logistics

Transplace announced that it has acquired Lakeside Logistics, a Canadian-based logistics services company. This acquisition expands Transplace's presence throughout North America and further supports the company's commitment to strategic growth in order to meet the supply chain needs of its growing customer base. Terms of the transaction were not disclosed.

21. Intermodal rates stem 21-month decline in October

Intermodal rates ticked up 0.4 percent in October 2016 compared to the same month last year, the first year-over-year increase since December 2014, according to the latest Cass Intermodal Price Index, which measures all-in per-mile costs.

GENERAL TRANSPORTATION

Canada

1. U.S. economy on the upswing after sluggish first half

United States gross domestic product (GDP) - the broadest measure of a nation's overall economic health - grew 2.9 percent during third quarter 2016, according to the "advance" estimate from the Department of Commerce, up from a revised 1.4 percent growth rate in the second quarter and a 0.8 percent advance in the first quarter.

2. Characteristics of international overnight travellers, 2015 (final)

Canadian residents made 32.3 million overnight trips abroad in 2015, spending \$39.7 billion. Of these trips, 20.7 million were to the United States, accounting for \$19.9 billion worth of spending.

3. PwC: Logistics M&A activity 'remains strong' despite Q3 decline

Merger and acquisition activity in the transportation and logistics industry remained "strong" in the third quarter of 2016 despite declining from the previous quarter and third quarter 2015, according to a quarterly analysis of global deal activity in the sector by multinational professional services and consulting firm PricewaterhouseCoopers (PwC). Sequentially, total deal value for mergers and acquisitions in the sector plunged 30 percent to \$26 billion compared with second quarter 2016 as the number of deals was relatively stable, slipping from 51 in Q2 2016 to 50 in Q3 2016. Compared with the same period in 2015, however, deal value was down just 5 percent and volume 11 percent.

4. Minister Garneau presents his strategy for the future of transportation in Canada: Transportation 2030

Minister Garneau was at the Chamber of Commerce of Metropolitan Montréal on November 3, 2016 to present his strategy, *Transportation 2030*. The strategy was highlighted under the titles: **The traveller** (i.e. supporting greater choice, better service, lower costs, and new rights for travellers); **Safer transportation** (i.e. building a safer, more secure transportation system that Canadians trust); **Green and Innovative Transportation** (i.e. reducing air pollution and embrace new technologies to improve Canadians' lives); **Waterways, Coasts and the North** (i.e. building world-leading marine corridors that are competitive, safe and environmentally sustainable, and enhance northern transportation infrastructure); and **Trade Corridors to Global Markets** (i.e. improving the performance and reliability of our transportation system to get products to markets to grow Canada's economy).

5. Canadian tourism satellite account, 2012

The Canadian Tourism Satellite Account for 2012 is now available. The Canadian Tourism Satellite Account includes estimates of supply, demand (domestic and exports), gross domestic product and employment, by tourism commodity and industry.

6. Transportation 2030 encouraging for shippers: FMA

The Freight Management Association of Canada (FMA) said the Federal Transport Minister's long-term transportation policies under *Transportation 2030* are "encouraging for shippers."

7. Agency releases its 2015-2016 Annual Report

The Agency Report summarizes activities on each of the Agency's three core mandate areas: 1. To help ensure that the national transportation system runs efficiently and smoothly in the interests of all Canadians; including those who work and invest in it; the producers, shippers, travellers and businesses who rely on it; and the communities where it operates. 2. To protect the human right of persons with disabilities to an accessible transportation network. 3. To provide consumer protection for air passengers.

8. September 2016 Freight Transportation Services Index (TSI)

Canada

1. U.S. economy on the upswing after sluggish first half, October 28, 2016, www.americanshipper.com

2. Characteristics of international overnight travellers, 2015 (final), November 1, 2016, www.statcan.gc.ca

3 PwC: Logistics M&A activity 'remains strong' despite Q3 decline, October 31, 2016, www.americanshipper.com

4. Minister Garneau presents his strategy for the future of transportation in Canada: Transportation 2030, November 3, 2016, www.tc.gc.ca

5 Canadian tourism satellite account, 2012, November 3, 2016, www.statcan.gc.ca

6. Transportation 2030 encouraging for shippers: FMA, November 5, 2016, www.ctl.ca

7. Agency releases its 2015-2016 Annual Report, November 8, 2016, www.cta-otc.gc.ca

8. September 2016 Freight Transportation Services Index (TSI), November 9, 2016, www.dot.gov

9. US\$1b freight infrastructure investment welcomed by industry, Nov. 16, 2016, www.transportweekly.com

10. Chair and CEO Scott Streiner addresses the Chartered Institute of Logistics and Transport in North America (CILTNA) on November 14, 2016, November 18, 2016, www.cta-otc.gc.ca

11. Travel between Canada and other countries, September 2016, November 21, 2016, www.statcan.gc.ca

12. How Supply Chain Strategies Impact E-commerce Success, November 22, 2016, www.inboundlogistics.com

13. Characteristics of international overnight travellers, second quarter 2016, November 28, 2016, www.statcan.gc.ca

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 0.6 percent in September 2016 from August 2016, falling for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The September 2016 index level (121.5) was 28.2 percent above the April 2009 low during the most recent recession.

9. US\$1b freight infrastructure investment welcomed by industry

Democrats and Republicans alike are encouraged that a Trump Administration could inject freight infrastructure with a much-needed funding boost, allowing shippers to avoid disruptions and save on transport costs, IHS Media reported. Participants at the recent 2016 JOC Inland Distribution Conference in Memphis lauded the Trump team's promise to introduce legislation within his first 100 days in office that would "spur US\$1 trillion in infrastructure investment" over the course of a decade. The Republican president-elect has also promised the bill will be "revenue neutral," leveraging "public-private partnerships, and private investments through tax incentives."

10. Chair and CEO Scott Streiner addresses the Chartered Institute of Logistics and Transport in North America (CILTNA) on November 14, 2016

Chair and CEO Scott Streiner addressed the Chartered Institute of Logistics and Transport in North America (CILTNA) on November 14, 2016. He indicated that the Agency's job is to help keep the foundation strong. To do so, we need to pay attention to the opportunities and challenges facing transportation service providers and users. And we need to examine how we deliver our mandates. Major forces are re-shaping the world in which transportation services are organized, marketed, and purchased. He addressed: possible legislative changes; regulatory modernization; improving dispute resolution processes; and outreach and engagement. He concluded by saying that despite my unwavering belief in the importance of fluid supply chains: the best regulators and best adjudicators are the ones who understand realities on the ground. The Agency will never move away from our commitment to neutrality and following the evidence.

11. Travel between Canada and other countries, September 2016

Residents of overseas countries made 541,000 trips to Canada in September 2016, up 1.1% from August 2016 and 13.5% higher than the same month a year earlier. The figure for September was the highest since modern recordkeeping began in 1972. Travel by Canadian residents to overseas countries also reached a new high with 1.0 million trips in September 2016, up 0.5% from August 2016.

12. How Supply Chain Strategies Impact E-commerce Success

E-commerce has emerged as part of a company's omni-channel marketing program. Achieving success requires not only an agile, lean supply chain, but also a strategy to get there. Many e-commerce companies sell a variety of products, and each type of product establishes different strategic needs. For example, functional products require lean and flexible network strategies, while innovative products require more responsive or agile strategies. Some key factors to consider when employing an e-commerce strategy include: 1. Individual product characteristics; 2. Demand volatility; 3. Product variety; 4. Product life cycle length and position; 5. Criteria for orders, profit margins, and dominant costs—for example, physical vs. marketing; 6. Quality of information available; and 7. Type of forecast used—qualitative vs. quantitative.

13. Characteristics of international overnight travellers, second quarter 2016

Canadian residents made 7.5 million overnight trips abroad in the 2016 second quarter, spending \$10.8 billion. Of these trips, 4.7 million were to the United States, accounting for \$6.0 billion in spending. United States residents made 3.7 million overnight trips to Canada in the 2016 second quarter, spending \$2.5 billion during their trips, while overseas residents made 1.5 million overnight trips to Canada, spending \$2.4 billion.