

Transportation Information Update*

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AIR TRANSPORTATION

1. Hong Kong Airlines to make first flight to Vancouver in 2017

Hong Kong Airlines announced non-stop daily service between Hong Kong International Airport (HKG) and Vancouver International Airport (YVR) starting on June 30, 2017. This year-round service marks the airline’s North American debut and will offer increased access from Vancouver to Hong Kong.

2. Aircraft movement statistics: Major airports, September 2016

There were 500,675 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations in September 2016 compared with 497,637 movements in September 2015.

3. Toronto’s Pearson Airport wants to be a mega-hub, but high costs and congestion stand in the way

Pearson is already well on its way to meeting the goal of becoming a mega-air-hub since it attracts more international passengers than any other airport in North America except John F. Kennedy International Airport (JFK) in New York City. Toronto’s primary airport is now the fourth-largest entry point by air into the United States, surpassing many large U.S. airports, according to National Bank analyst Cameron Doerksen. But to become a true mega-hub comparable in scope and status to the Dubais of the world, a lot needs to change. Pesky taxes and fees make Pearson “the most expensive airport in the world at which to land a plane,” according to a 2012 Senate report. There’s also the problem of congestion — in the airport, on its runways and on surrounding roadways — that will only get worse unless significant investments are made in infrastructure.

4. Air Canada Inaugurates New International Maple Leaf Lounge at Montreal-Trudeau Airport Showcasing Canadian and Quebec Design and Artwork

December 1, 2016 marks the reopening of Air Canada’s international Maple Leaf Lounge at Montreal-Trudeau airport following a year-long complete makeover. Located between gates 52 and 53, the new lounge measures 1,022 square meters and has seating capacity for 259 customers. With floor to ceiling windows offering spectacular tarmac views, it reflects a contemporary and elegant design. Eligible Air Canada and Star Alliance customers will discover a new exclusive lounge experience with a calm and comfortable environment of understated luxury in which to relax or work prior to their flight.

5. UK Airspace Policy Can Point Way for Europe-Wide Airspace Improvements

The International Air Transport Association (IATA) declared its support for and participation in the Sky’s the Limit campaign for more efficient air traffic routes in the UK, and called for similar momentum for airspace change throughout Europe. NATS, the UK air traffic control

AIR

TRANSPORTATION Canada

1. Hong Kong Airlines to make first flight to Vancouver in 2017, November 29, 2016, www.ctl.ca
2. Aircraft movement statistics: Major airports, September 2016, December 1, 2016, www.statcan.gc.ca
3. Toronto’s Pearson Airport wants to be a mega-hub, but high costs and congestion stand in the way, December 1, 2016, www.nationalpost.ca
4. Air Canada Inaugurates New International Maple Leaf Lounge at Montreal-Trudeau Airport Showcasing Canadian and Quebec Design and Artwork, December 1, 2016, www.aircanada.ca
5. UK Airspace Policy Can Point Way for Europe-Wide Airspace Improvements, December 2, 2016, www.iata.org
6. Cargojet anticipates record peak season volumes, December 6, 2016, www.ctl.ca
7. Aircraft movement statistics: Small airports, August 2016, December 6, 2016, www.statcan.gc.ca
8. Air Canada Spices up its U.S. Schedule with Six New Transborder Routes for 2017, December 7, 2016, www.aircanada.ca
9. Air Cargo Connectivity Enhances Global Trade Participation, December 7, 2016, www.iata.org
10. October Air Freight Demand Up 8.2%. December 7, 2016, www.iata.org
11. October Passenger Demand Moderates, December 7, 2016, www.iata.org
12. Another Strong Year for Airline Profits in 2017, December 8, 2016, www.iata.org
13. DOT Proposes Rule to Protect Airline Passengers From Being Unwillingly Exposed to Voice Calls on Aircraft, December 8, 2016, www.dot.gov
14. WestJet reports November load factor of 80.0 per cent, December 12, 2016, www.westjet.ca
15. Airports, Business Leaders Discuss the Role of Canada’s Airports to Drive Tourism and Trade, December 8, 2016, www.cac.ca

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

company, has plans for important airspace changes to update a system originally designed 50 years ago. But it needs a government policy framework to provide the necessary political support for change.

6. Cargojet anticipates record peak season volumes

Cargojet Inc. said it is fully prepared for the record peak season volumes expected from its overnight network customers in 2016. Ajay Virmani, President and Chief Executive Officer said "The tremendous growth of on-line shopping by Canadians is definitely contributing to increased demand for Cargojet's time sensitive overnight air cargo services by all of our customers."

7. Aircraft movement statistics: Small airports, August 2016

Take-offs and landings at 117 Canadian airports without air traffic control towers reached 63,587 movements in August 2016. Overall, 10 airports accounted for 41% of the activity in August 2016.

8. Air Canada Spices up its U.S. Schedule with Six New Transborder Routes for 2017

Air Canada announced on December 7, 2016 that it will launch six new non-stop U.S. services beginning Spring 2017. Three of the routes, Toronto to San Antonio, Memphis and Savannah, bring new destinations into the airline's U.S. network, while the addition of Montreal to Dallas-Fort Worth, Vancouver to Denver and the conversion of the Vancouver-Phoenix route to year-round operation, will deepen Air Canada's already industry-leading transborder schedule.

9. Air Cargo Connectivity Enhances Global Trade Participation

The International Air Transport Association (IATA) released a study identifying a quantitative link between a country's air cargo connectivity and its participation in global trade. A 1% increase in air cargo connectivity was associated with a 6.3% increase in a country's total trade.

10. October Air Freight Demand Up 8.2%

The International Air Transport Association (IATA) released data for global air freight markets in October 2016 showing that demand, measured in freight tonne kilometers (FTKs), rose 8.2% year-on-year in October. This was the fastest pace of growth seen in 18 months. Freight capacity, measured in available freight tonne kilometers (AFTKs), increased 3.6% over the same period.

11. October Passenger Demand Moderates

The International Air Transport Association (IATA) announced global passenger traffic results for October 2016 showing that demand (measured in revenue passenger kilometers, or RPKs) rose 5.8% compared to the same month last year. Capacity grew 6.3% and load factor slid 0.4 percentage points to 80.1%. October's performance was a slow-down on the 7.1% year-on-year growth rate recorded in September 2016 but still was broadly in line with 10-year averages. Domestic and international travel growth largely was in balance.

12. Another Strong Year for Airline Profits in 2017

The International Air Transport Association (IATA) announced that it expects the global airline industry to make a net profit in 2017 of \$29.8 billion. On forecast total revenues of \$736 billion, that represents a 4.1%

16. BTS Releases 3rd Quarter 2016 Airline Financial Data, December 12, 2016, www.bts.gov
17. October 2016 Airline On-Time Performance Equal to September 2016, Slightly Down From October 2015, December 13, 2016, www.bts.gov
18. Boeing sees growth take off, Dec. 13, 2016, www.americanshipper.com
19. Air Canada and Virgin Australia to Introduce Codeshare Services and Reciprocal Frequent Flyer Benefits in Strategic Cooperation, December 14, 2016, www.aircanada.ca
20. DOT Grants Antitrust Immunity to Delta-Aeromexico, December 14, 2016, www.dot.gov
21. Air Fares, First Quarter 2016, December 16, 2016, www.statcan.gc.ca
22. BTS Statistics Release: September 2016 U.S. Airline Traffic Data, December 15, 2016, www.dot.gov
23. Drone Delivery Canada, NAPA Auto Parts Canada sign agreement expanding logistics platform, December 15, 2016, www.ctl.ca
24. Air Canada Launches New Non-Stop Service between Montreal and San Juan, Puerto Rico, December 17, 2016, www.aircanada.ca
25. Aircraft movement statistics: Major airports, October 2016, December 20, 2016, www.statcan.gc.ca
26. Canadian Transportation Agency Launches Consultation on Air Transportation – Phase 2 of its Regulatory Modernization Initiative, December 19, 2016, www.cta-otc.gc.ca
27. Air Canada Inaugurates Year-Round Service between Toronto and Port of Spain, Trinidad, December 20, 2016, www.aircanada.ca
28. Aeromexico Announces New Service Between Mexico City And Calgary, Canada, December 20, www.ctl.ca
29. Transport Canada improving safety for Canadians and supporting innovation in growing industry, December 21, 2016, www.tc.gc.ca
30. Air Canada and Cathay Pacific to Introduce Codeshare Services and Reciprocal Mileage Accrual and Redemption Benefits in Strategic Cooperation, December 22, 2016, www.aircanada.ca
31. Air Canada Inaugurates Twice-Weekly, Non-Stop Service between Montreal and San Jose, Costa Rica, December 22, 2016, www.aircanada.ca
32. WestJet pilots endorse long-haul expansion plans, December 23, 2016, www.westjet.ca

net profit margin. This will be the third consecutive year (and the third year in the industry's history) in which airlines will make a return on invested capital (7.9%) which is above the weighted average cost of capital (6.9%).

13. DOT Proposes Rule to Protect Airline Passengers From Being Unwillingly Exposed to Voice Calls on Aircraft

The U.S. Department of Transportation (DOT) on December 8, 2016 announced its proposal to require airlines and ticket agents to disclose in advance to consumers if the carrier operating their flight allows passengers to make voice calls using mobile wireless devices.

14. WestJet reports November load factor of 80.0 per cent

WestJet on December 12, 2016 announced November 2016 traffic results with a load factor of 80.0 per cent an increase of 1.4 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 14.3 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 12.4 per cent over the same period. The airline flew a record 1.7 million guests in November 2016, a year-over-year increase of 12.1 per cent or approximately 185,000 additional guests

15. Airports, Business Leaders Discuss the Role of Canada's Airports to Drive Tourism and Trade

Panelists discussed the need for a strong but nimble border, to ensure the continued smooth flow of legitimate travellers and goods. Working with airports and the broader air transport sector, the Canada Border Services Agency (CBSA) has promoted innovation over the past decade with the introduction of trusted traveller programs and kiosks for a more strategic, targeted approach to securing the border, however, resources need to be strengthened to support growing demand on services. Participants also cited access to federal infrastructure funding to enable smaller airports access to enough capital for infrastructure maintenance and upgrades.

16. BTS Releases 3rd Quarter 2016 Airline Financial Data

The 25 U.S. scheduled service passenger airlines reported an after-tax net profit as a group for the 14th consecutive quarter. In addition to the after-tax net profit of \$3.8 billion based on net income reports, the scheduled service passenger airlines reported a \$7.2 billion pre-tax operating profit in the third quarter of 2016, down from \$7.9 billion in the second quarter of 2016 and down from \$8.8 billion in the third quarter of 2015. The airlines reported a pre-tax operating profit - as a group - for the 22nd consecutive quarter.

17. October 2016 Airline On-Time Performance Equal to September 2016, Slightly Down From October 2015

The reporting carriers posted an on-time arrival rate of 85.5 percent in October 2016, equal to the 85.5 percent mark in September 2016, but slightly down from the 87.0 percent on-time rate in October 2015, according to the *Air Travel Consumer Report* (ATCR) released on December 13, 2016.

18. Boeing sees growth take off

Boeing reached an agreement with Iran Air for 80 airplanes with a combined value of \$16.6 billion at list prices, the commercial aircraft manufacturer said December 11, 2016. The agreement includes 50 737 MAX8s, 15 777-300ERs, and 15 777-9s which have the highest cargo capacity of any passenger airplane. Boeing said the contract was reached within the terms of the U.S. Government license issued to Boeing in September 2016.

19. Air Canada and Virgin Australia to Introduce Codeshare Services and Reciprocal Frequent Flyer Benefits in Strategic Cooperation

Air Canada on December 14, 2016 announced that it has signed a Memorandum of Understanding for a strategic cooperation agreement with Virgin Australia, making it easier for Canadians to travel throughout Australia and New Zealand and providing Australians with more options to travel to Canada.

20. DOT Grants Antitrust Immunity to Delta-Aeromexico

The U.S. Department of Transportation (DOT) issued on December 14, 2016 a Final Order granting approval of, and antitrust immunity for, the proposed alliance agreements submitted by Delta Air Lines and Aeromexico. Delta and Aeromexico have proposed to use the antitrust immunity to operate a joint venture between the U.S. and Mexico and will coordinate their network planning, pricing, and sales activities, as well as enhance the alignment of their respective frequent flyer program.

21. Air Fares, First Quarter 2016

Total air fares, domestic and international combined, averaged \$225.70 in the 2016 first quarter, down 8.8% from the same quarter in 2015 and continuing the downward trend that began in the second quarter of 2015. The average domestic fare was down 9.3% from the same quarter a year earlier to \$166.40, while the average international fare fell 8.9% to \$279.60. Average domestic fares declined in all selected Canadian cities of enplanement. Decreases ranged from 5.0% in Vancouver to 15.5% in Halifax.

22. BTS Statistics Release: September 2016 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on December 15, 2016 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – rose to 83.6 percent in September 2016, seasonally adjusted, rising after two months of decline from July through August 2016.

23. Drone Delivery Canada, NAPA Auto Parts Canada sign agreement expanding logistics platform

Drone Delivery Canada has entered into a commercial agreement with UAP Inc. (NAPA) – one of Canada's largest automotive parts companies for testing of a drone delivery platform that looks to expand the logistic capabilities of UAP's NAPA Auto Parts delivery activities nationwide.

24. Air Canada Launches New Non-Stop Service between Montreal and San Juan, Puerto Rico

Air Canada on December 17, 2016 inaugurated a new non-stop service between Montreal and Puerto Rico. "This new route from Montreal will make it easier for customers to travel to Puerto Rico from eastern Canada and complements our existing twice-weekly services between Toronto and San Juan. ..."

25. Aircraft movement statistics: Major airports, October 2016

There were 444,564 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations, compared with 476,099 movements in October 2015.

26. Canadian Transportation Agency Launches Consultation on Air Transportation – Phase 2 of its Regulatory Modernization Initiative

As part of its Regulatory Modernization Initiative, the Agency is launching the second phase of its regulatory review, which focusses on air transportation. With the planned increase in thresholds in foreign ownership recently announced by the Government of Canada, a logical, predictable set of criteria and steps for control-in-fact determinations becomes even more important. To get there, the Agency will look at approaches used in other jurisdictions and increase the transparency of determinations.

27. Air Canada Inaugurates Year-Round Service between Toronto and Port of Spain, Trinidad

Air Canada on December 20, 2016 inaugurated new year-round service between Toronto and Trinidad. It marks the beginning of twice-weekly, non-stop flights from Toronto to Port of Spain's Piarco International Airport.

28. Aeromexico Announces New Service Between Mexico City And Calgary, Canada

Aeromexico, Mexico's global airline, announced the beginning of new service on June 1st, 2017 from Mexico City to Calgary, the largest city in the Canadian province of Alberta. With this new flight, Calgary becomes the fourth destination Aeromexico serves in Canada, and its 19th destination in North America.

29. Transport Canada improving safety for Canadians and supporting innovation in growing industry

Kate Young, Member of Parliament for London West and Parliamentary Secretary to the Minister of Transport, on behalf of Minister Marc Garneau, on December 22, 2016 outlined concrete steps that have been taken to improve safety and support innovation in one of Canada's fastest growing industries: drones. This includes launching a new incident-reporting tool to keep Canadians safe from reckless drone use and issuing new exemptions for non-recreational operators that will help industry evolve and develop in a rapidly changing field.

30. Air Canada and Cathay Pacific to Introduce Codeshare Services and Reciprocal Mileage Accrual and Redemption Benefits in Strategic Cooperation

Cathay Pacific and Air Canada on December 22, 2016 announced they have finalized a strategic cooperation agreement that will enhance travel services for Cathay Pacific customers when travelling within Canada and for Air Canada customers travelling via Hong Kong to Southeast Asian countries including the Philippines, Malaysia, Vietnam and Thailand.

31. Air Canada Inaugurates Twice-Weekly, Non-Stop Service between Montreal and San Jose, Costa Rica

Air Canada on December 22, 2016 inaugurated new twice-weekly flights between Montreal and Costa Rica. The service will be operated by Air Canada Rouge from Montreal to Costa Rica's Juan Santamaría International Airport that will operate until April 23, 2017.

32. WestJet pilots endorse long-haul expansion plans

WestJet announced on December 23, 2016 that its 1,380 pilots have voted in favour of the company's plans to expand its successful wide-body operations. Such approval is required under the airline's agreement with the WestJet Pilots Association. "Our long-haul, wide-body flights to Hawaii and London (Gatwick) have brought low fares and more choices to hundreds of thousands of guests, reinforcing our position as Canada's low-fare leader," said Gregg Saretsky, WestJet CEO.

WATER TRANSPORTATION

1. The Importance of our Nation's Deep-Water Shipping Ports

This article documents the reasons for the importance of Canada's shipping ports. One of the reasons is that it provides the primary backbone for importing and exporting manufactured goods to and from international destinations, which directly translates into billions of dollars for the national economy on an annual basis.

2. Maersk Line snaps up Hamburg Süd

Maersk Line announced that it had reached an agreement to buy Hamburg Süd.

3. Maersk's plan to buy Hamburg Süd caps active year for consolidation

Maersk Line's plan to acquire Hamburg Süd in 2017 caps a landmark year for consolidation in the container shipping industry, noted Mario Cordero, the chairman of the Federal Maritime Commission (FMC).

Next year, most of the container shipping industry will be controlled by 12 carriers operating in three alliances.

4. U.S. transportation sector hiring grows for second straight month in November

Neil Davidson, senior analyst in Drewry's said growth in the container terminal industry is slowing. It is forecasting annual growth of 3 percent in the container terminal industry, much more modest growth than in prior years. "The container port industry has been an extraordinary industry since its inception. It has seen growth that has outperformed the growth of most industries for a long and sustained period of time - 20-30 years of exceptional growth, sometimes extraordinary strong growth in the early 2000s.[8]

5. Maersk, Evergreen seek Russian antitrust settlement

Global container lines found guilty of cartel practices in the Russian market are seeking a settlement with Russian authorities in an attempt to avoid multi-million dollar fines.

6. Businesses ask FMC to address 'unfair' charges

A coalition representing retailers, manufacturers, truckers, transportation intermediaries and other business groups on December 7, 2016 filed a petition with the Federal Maritime Commission (FMC) asking it to establish a new policy that prevents terminal operators and ocean carriers from charging unfair fees when uncontrollable incidents, such as storms and strikes, keep cargo from being picked up from ports on time

7. Businesses ask U.S. Federal Maritime Commission for fee policy when cargo delayed at ports

The National Retail Federation and a coalition representing retailers, manufacturers, truckers, transportation intermediaries and other business groups asked the U.S. Federal Maritime Commission on December 8, 2016 to set new policy preventing terminal operators and ocean carriers from charging unfair fees when uncontrollable incidents such as storms and strikes keep cargo from being picked up from ports on time.

8. Fairview Container Terminal Expansion Project Reaches 75% Milestone

The Port of Prince Rupert and DP World on December 12, 2016 announced a significant milestone in the ongoing expansion of Fairview Container Terminal. The Phase II North container terminal expansion project, launched in the first quarter of 2015, is now more than 75% complete and is on schedule to increase annual capacity at Prince Rupert's container terminal to over 1.35 million TEUs by the third quarter of 2017.

WATER TRANSPORTATION Canada

1. The Importance of our Nation's Deep-Water Shipping Ports, December 1, 2016, www.cbj.ca

2. Maersk Line snaps up Hamburg Süd, December 1, 2016, www.joc.com

3. Maersk's plan to buy Hamburg Süd caps active year for consolidation, Dec. 2, 2016, www.americanshipper.com

4. U.S. transportation sector hiring grows for second straight month in November, December 2, 2016, www.americanshipper.com

5. Maersk, Evergreen seek Russian antitrust settlement, December 7, 2016, www.joc.com

6. Businesses ask FMC to address 'unfair' charges, December 7, 2016, www.americanshipper.com

7. Businesses ask U.S. Federal Maritime Commission for fee policy when cargo delayed at ports, December 8, 2016, www.ctl.ca

8. Fairview Container Terminal Expansion Project Reaches 75% Milestone, December 12, 2016, www.rupertport.com

9. Ports America partners with Nova Scotia port promoter, December 12, 2016, www.americanshipper.com

10. Moody's holds negative outlook for global shipping industry in 2017, Dec. 13, 2016, www.americanshipper.com

11. Parliament vote will facilitate private investment in ports, December 14, 2016, www.europanet.com

12. FMC approves 'THE Alliance' for U.S. trades, December 14, 2016, www.americanshipper.com

13. Ports of L.A./Long Beach post opposite throughput results for November, December 14, 2016, www.americanshipper.com

14. Proposed Centerm Expansion Project proceeds to formal project and environmental, December 16, 2016, www.portmetrovancover.com

15. Groups file discussion agreement with FMC on container port industry, December 19, 2016, www.americanshipper.com

16. Groups file discussion agreement with FMC to improve container port industry, December 20, 2016, www.americanshipper.com

17. Port of NY/NJ reports prosperous November, November 21, 2016, www.americanshipper.com

18. Clouds enshroud 2017 trans-Atlantic container trade, December 26, 2016, www.joc.com

19. Port of Metro Vancouver: Accumulated container statistics, January to November 2016, December 2016, www.portmetrovancover.com

9. Ports America partners with Nova Scotia port promoter

Ports America and Sydney Harbour Investment Partners (SHIP) reached an agreement for the promotion, development and management of "Novaport," a proposed container terminal at the Port of Sydney, Nova Scotia. They want to develop a dedicated, semi-automated, deep-water marine container facility that can handle ships carrying over 18,000 TEUs at the Port of Sydney, Nova Scotia.

10. Moody's holds negative outlook for global shipping industry in 2017

Moody's Investors Service holds a negative outlook for the global shipping industry in 2017, reflecting the continued oversupply of ships and a 7-10 percent decline in earnings before interest, taxes, depreciation and amortization. Container shipping companies will continue to face oversupply, and profitability could be put under even more pressure if bunker fuel prices increase, the credit rating agency said.

11. Parliament vote will facilitate private investment in ports

The European Parliament has on December 14, 2016 voted in favour of the Ports Regulation. The Regulation will create an enabling framework for maritime ports to reap the full benefits of the internal market, the EU investment plan and the Energy Union.

12. FMC approves 'THE Alliance' for U.S. trades

The Federal Maritime Commission (FMC) on December 14, 2016 approved a proposed liner carrier consortium of five ocean carriers for their planned services to and from the United States. The FMC's decision, which was made in a closed session during the agency's final meeting of 2016, allows THE Alliance to become effective Dec. 19, 2016. THE Alliance, announced in May, is composed of Hapag-Lloyd of Germany; Taiwan's Yang Ming; and "K" Line, MOL and NYK of Japan.

13. Ports of L.A./Long Beach post opposite throughput results for November

While the Port of Los Angeles posted positive container throughput results for the month of November 2016 compared to a year prior, the Port of Long Beach reported declines. During the month, the Port of Los Angeles handled 877,564 TEUs, surpassing all-time volumes for a Western Hemisphere port for the second straight month, and climbing 23.6 percent from last November.

14. Proposed Centerm Expansion Project proceeds to formal project and environmental

The Centerm Expansion Project has entered the formal federal authority project and environmental review process with the submission of a project permit application for a series of improvements to the Centerm container terminal and off-terminal road and rail infrastructure. Public consultation for the proposed project is expected to begin in early 2017.

15. Groups file discussion agreement with FMC on container port industry

Five large terminal companies and one European port authority have joined together to file a discussion agreement with the Federal Maritime Commission (FMC) in attempts to establish a structured organization to advance their efforts to promote the efficiency and effectiveness of the container port industry, the groups said in the agreement. The five terminal companies are: APM Terminals (APMT), DP World, Hutchison Port Holdings, PSA International, and the Shanghai International Port (Group) Co.

16. Groups file discussion agreement with FMC to improve container port industry

Five large terminal companies and one European port authority have joined together to file a discussion agreement with the Federal Maritime Commission (FMC) in attempts to establish a structured organization to improve the container port industry. The discussion agreement, known as the "Global Ports Group Agreement (Agreement No. 012449)," was filed with the FMC on December 16, 2016 and is scheduled to take effect Jan. 28, 2017.

17. Port of NY/NJ reports prosperous November

The Port Authority of New York and New Jersey said it experienced its best November 2016 ever in terms of containers handled. However, the port authority's share on the North American container market dropped to 14.8 percent for the first 11 months of 2016, down from a 15.8 percent share for the first 11 months of 2015, according to figures from the American Association of Port Authorities.

18. Clouds enshroud 2017 trans-Atlantic container trade

The Atlantic container trade is heading for another year of fine-tuning as major carriers focus on the pivotal Asia-Europe and trans-Pacific routes ahead of the spring launch of two new mega-alliances.

19. Port of Metro Vancouver: Accumulated container statistics, January to November 2016

20. Port of Metro Vancouver: Accumulated cruise statistics, January to December 2016, December 2016, www.portmetrovancover.com
21. NY/NJ November TEU new high, December 28, 2016, www.transportweekly.com
22. ZIM exits Transpacific Stabilization Agreement, December 28, 2016, www.americanshipper.com

Accumulated container statistics (TEUs) reported by the Port of Metro Vancouver for the period January to November 2016 were as follows: Total exports – 2,691,148; total imports – 1,429,008; and total exports – 1,262,140. This represented a change of -4.9; -2.4; and -7.6 compared to the same period in 2015.

20. Port of Metro Vancouver: Accumulated cruise statistics, January to December 2016

Accumulated cruise statistics (total revenue passengers) reported by the Port of Metro Vancouver for the period January to December 2016 were as follows: 826,820. This represented an increase of 2.7% compared to the same period in 2015 (i.e. from 805,435).

21. NY/NJ November TEU new high

The Port Authority of New York and New Jersey handled a total of 527,974 TEU in November, beating its previous record a year ago with a 5.5 per cent increase. Loaded import containers rose 9.1 per cent to 271,755 TEU while loaded export containers fell 1.8 per cent to 114,884 TEU.

22. ZIM exits Transpacific Stabilization Agreement

ZIM Integrated Shipping Services Ltd. is dropping out of the Transpacific Stabilization Agreement (TSA), a discussion agreement by the major container carriers moving cargo between the Far East and the United States. ZIM said it had "no comment at the moment" on why it was making the change. The latest revision to the agreement filed with the Federal Maritime Commission (No. 011223) indicates that ZIM will withdraw on Dec. 31. ZIM is the fifth carrier to leave.

RAIL TRANSPORTATION

1 CSX ups Q4 EPS projection after November cut

CSX Corp. has updated its earnings per share (EPS) projections for the fourth quarter of 2016 and is now expecting relatively stable profits compared with the same 2015 period, according to Chief Financial Officer Frank Longero.

2. NTSB blames crew fatigue for deadly UP train crash

The August 2014 collision of two Union Pacific freight trains in Hoxie, Ark. that claimed the lives of two UP employees and injured two more, was likely the result of worker fatigue, according to a recent report from the National Transportation Safety Board (NTSB).

3. Commission releases report on the development of the rail market

On December 8, 2016, the European Commission adopted the [fifth report on the development of the European rail market](#). The report shows that EU legislation on rail, which encourages competitiveness and market opening, has led to a more efficient and customer-responsive industry. In Member States where rail markets are opened, competition can result overall in lower fares for customers and better value for taxpayers. After [adoption of the 4th Railway Package](#), the focus of the Commission will be on the implementation of existing legislation to bring about further performance improvement. The report shows that, on average, the market share of competing freight operators (15% in 2006) had more than doubled by 2014. Market shares of competitors in passenger markets are lower, given the different stage of market opening, being well below 20% in all Member States except in Poland and the United Kingdom.

4. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited (CP) on December 13, 2016 declared a quarterly dividend of \$0.50 per share on the outstanding Common Shares. The dividend is payable on January 30, 2017.

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

CN announced on December 13, 2016 that it will repurchase common shares under a specific share repurchase program (Program). The purchase will form part of the Normal Course Issuer Bid for up to 33 million shares (Bid) announced on Oct. 25, 2016.

6. Parliamentary vote completes the reform of European railways

RAIL TRANSPORTATION Canada

- 1 CSX ups Q4 EPS projection after November cut, December 1, 2016, www.americanshipper.com
2. NTSB blames crew fatigue for deadly UP train crash, December 6, 2016, www.americanshipper.com
3. Commission releases report on the development of the rail market, December 8, 2016, www.europa.eu
4. Canadian Pacific Railway Limited declares dividend, December 13, 2016, www.cpr.ca
5. Canadian Pacific Railway Limited declares dividend, December 13, 2016, www.cpr.ca
6. Parliamentary vote completes the reform of European railways, December 14, 2016, www.europa.eu
7. Intermodal rates rise for second straight month in November, December 16, 2016, www.americanshipper.com
8. CN and CP exceed their Western Grain Revenue Entitlements for the 2015-2016 Crop Year, December 22, 2016, www.cta-otc.gc.ca
9. Global rail logistics market expected to grow: report, December 28, 2016, www.ctl.ca

The European Parliament has adopted on December 14, 2016 the so called "market pillar" proposals of the Fourth Railway Package, a series of measures that will make European railway more attractive, innovative and competitive. The measures will foster the completion of the single European railway area by opening up for competition domestic rail passenger markets, improving the impartiality of infrastructure managers and strengthening national rail regulators. The package delivers on President Juncker's agenda of a fairer and deeper internal market.

7. Intermodal rates rise for second straight month in November

Intermodal rates ticked up 0.3 percent in November 2016 compared to the same month last year, just the second year-over-year increase since December 2014, according to the latest Cass Intermodal Price Index, which measures all-in per-mile costs. Rates had fallen for the previous 21 consecutive months leading up to a modest 0.4 percent increase in October. The continued negative growth in rates was a record for the index, which was created in 2005.

8. CN and CP exceed their Western Grain Revenue Entitlements for the 2015-2016 Crop Year

In a determination issued on December 22, 2016, the Canadian Transportation Agency ruled that revenues of the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) have exceeded their Western grain revenue entitlements for the 2015-2016 crop year. 1. CN's grain revenue of \$685,791,606 was \$1,041,913 above its entitlement of \$684,749,693; and 2. CP's grain revenue of \$681,266,322 was \$3,386,483 above its entitlement of \$677,879,839. CN and CP now have 30 days to pay the amount by which they exceeded their 2015-2016 revenue entitlements, in addition to a five percent penalty of \$52,096 for CN and \$169,324 for CP. The *Railway Company Pay Out of Excess Revenue for the Movement of Grain Regulations* stipulate that such payments must be made to the Western Grains Research Foundation, a farmer-financed and directed organization set up to fund research that benefits Prairie farmers. In the 2015-2016 crop year, 40,393,402 tonnes of Western grain were moved—2.2 percent less than the volume moved during the previous crop year. The average length of haul of 951 miles was four miles, or 0.4 percent, higher than the previous crop year.

9. Global rail logistics market expected to grow: report

According to the latest market study released by Technavio, the global rail logistics market is expected to grow at a CAGR of nearly 4% during the forecast period. The research report, titled '*Global Rail Logistics Market 2017-2021*', provides an in-depth analysis of the market in terms of revenue and emerging market trends. This market research report also includes up to date analysis and forecasts for various market segments and all geographical regions. The important market drivers responsible for the growth of the global rail logistics market are an increased efficiency of rail freight over truck freight, reduction in traffic and road congestion in highways, and growth of rail intermodals. The global rail logistics market is forecast to be valued at USD 210.13 billion by 2021.

HIGHWAY TRANSPORTATION

1. Statement by the Minister of Transport in response to the 2016 Fall Report of the Auditor General of Canada

Following the tabling of the 2016 Fall Report of the Auditor General of Canada covering the period of January 2010 to September 2016, the Honourable Marc Garneau, Minister of Transport issued the following statement: "I welcome the Auditor General's report, which examined Transport Canada's activities in motor vehicle safety. "Transport Canada's safety requirements for vehicles, child seats, and tires are amongst the most stringent in the world. "To further enhance the valuable work my department does for Canadians, we're improving Transport Canada's long-term and research planning, as well as how we develop regulations. This will allow us to maximize our safety efforts, while also providing faster and better service to Canadians. "At the same time, my department is also working to improve its processes in motor vehicle data collection, stakeholder consultation, and the use of vehicles for compliance and research testing. In addition, I'm pleased that the *Strengthening Motor Vehicle Safety for Canadians Act* (S-2) continues to move through

HIGHWAY TRANSPORTATION Canada

1. Statement by the Minister of Transport in response to the 2016 Fall Report of the Auditor General of Canada, November 29, 2016, www.tc.gc.ca
2. September 2016 North American Freight Numbers, November 29, 2016, www.bts.gov
3. Couriers and Messengers Services Price Index, October 2016, November 30, 2016, www.statcan.gc.ca
4. Automation of the Driving Task: Some Possible Consequences and Governance Challenges, December 1, 2016, www.itf-oecd.org
5. Eastern provinces sign MOU to harmonize LCVs, December 1, 2016, www.ctf.ca
6. U.S. Drivers Log 2.4 Trillion Miles In First Nine Months of 2016, December 5, 2016, www.dot.gov
7. Trump Official: Administration Won't Gut NAFTA, December 7, 2016, www.cantruck.ca

the legislative process. Once passed by Parliament, this new law will address and rectify several findings highlighted in the report.”

2. September 2016 North American Freight Numbers

Two transportation modes – rail and air – carried more U.S. freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in September 2016 compared to September 2015 as total freight on all modes decreased 2.3 percent to \$91.1 billion in current dollars, according to the TransBorder Freight Data released on November 29, 2016 by the U.S. Department of Transportation’s Bureau of Transportation Statistics (BTS). From September 2015 to September 2016, the value of U.S.-Canada freight flows fell 4.4 percent to \$46.2 billion mainly due to decreases in the value of goods moved by vessel and pipeline. All modes of transportation except rail carried a lower value of U.S.-Canada freight than a year earlier. Trucks carried 59.6 percent of the value of the freight to and from Canada. Rail carried 16.4 percent followed by pipeline, 9.0 percent; air, 5.1 percent; and vessel, 2.9 percent. The surface transportation modes of truck, rail and pipeline carried 85.0 percent of the value of total U.S.-Canada freight flows.

3. Couriers and Messengers Services Price Index, October 2016

The Couriers and Messengers Services Price Index (CMSPI) increased 0.1% in 2016 October. The couriers component rose 0.1% while the local messengers and local delivery component was unchanged. Year-over-year change, the CMSPI rose 3.6% in October 2016 compared with the same month a year earlier. The couriers component increased 4.6%, while the local messengers and local delivery component declined 0.8%.

4. Automation of the Driving Task: Some Possible Consequences and Governance Challenges

This Discussion Paper from the OECD documents the consequences and governance issues arising from permitting vehicles to automate the driving task.

5. Eastern provinces sign MOU to harmonize LCVs

An agreement is now in place between Ontario, Quebec, New Brunswick and Nova Scotia to harmonize requirements for long combination vehicles (LCVs). The move will allow intra-provincial carriers to transport goods more easily and efficiently across the four provinces while reducing fuel consumption and emissions.

6. U.S. Drivers Log 2.4 Trillion Miles in First Nine Months of 2016

New data released on December 5, 2016 by the U.S. Department of Transportation’s (USDOT) Federal Highway Administration (FHWA) show that U.S. driving topped 2.4 trillion miles in the first nine months of 2016, lengthening a series of consecutive monthly increases that started in April 2014.

7. Trump Official: Administration Won’t Gut NAFTA

Members of the Trump transition team are trying to quell concerns that the incoming administration is bent on sparking a protectionist trade war with Canada, Mexico and other trading partners over the next four years, reports the U.S. political and government policy news site.

8. Milton Logistics Hub Project - Establishment of Review Panel

The Honourable Catherine McKenna, Minister of Environment and Climate Change and Dr. Scott Streiner, Chair of the Canadian Transportation Agency (CTA), announced on December 6, 2016 the establishment of a three-member panel to review the proposed Milton Logistics Hub Project in Ontario.

9. Bison One of Canada’s Most Admired’ Companies

For the second time, Waterstone Human Capital has named CTA member Bison Transport as one of Canada’s 10 Most Admired Corporate Cultures, making it the only trucking company to earn the honor.

10. Leading indicator of cross-border traveller volume, November 2016 (preliminary)

Data on the number of United States travellers entering Canada by car in November 2016 are now available upon request from Statistics Canada. Data are available by the visitors' state of residence and province of entry into Canada.

8. Milton Logistics Hub Project - Establishment of Review Panel, December 6, 2016, www.cta-otc.gc.ca
9. Bison One of Canada’s Most Admired’ Companies, Dec. 7, 2016, www.cantruck.ca
10. Leading indicator of cross-border traveller volume, November 2016 (preliminary), December 12, 2016, www.statcan.gc.ca
11. Trans-Canada Highway improvements completed at Hoffman’s Bluff, December 12, 2016, www.tc.gc.ca
12. October 2016 Freight Transportation Services Index (TSI), December 14, 2016, www.bts.gov
13. Truckload rates continue to fall in November, December 16, 2016, www.americanshipper.com
14. Large Urban Statistics, October 2016, December 19, 2016, www.statcan.gc.ca
15. For-hire Motor Carrier Freight Services Price Index, third quarter 2016, December 22, 2016, www.statcan.gc.ca
16. Parking Searches Can Cost Drivers \$4,600 Annually, December 21, 2016, www.cantruck.ca
17. FedEx grows earnings, revenues in Q2 FY2017, December 21, 2016, www.americanshipper.com
18. Uber should be allowed to operate in Winnipeg: report, December 22, 2016, www.ctvnews.ca
19. Couriers and Messengers Services Price Index, November 2016, November 23, 2016, www.statcan.gc.ca
20. CFA Announces Sale of Lakeside Logistics to Transplace Inc., December 22, 2016, www.ctl.ca
21. Titanium Transportation equipping fleet with BlackBerry radar trailer asset tracking, December 27, 2016, www.ctl.ca

11. Trans-Canada Highway improvements completed at Hoffman's Bluff

The Honourable Amarjeet Sohi, federal Minister of Infrastructure and Communities and the Honourable Todd Stone, British Columbia Minister of Transportation and Infrastructure announced that construction is now finished on three more kilometres of upgrades that will improve safety and reliability on the Trans-Canada Highway. Since 2001, the provincial and federal governments have invested or committed more than \$980 million on the Trans-Canada Highway between Kamloops and the Alberta border to improve reliability and to upgrade the highway to a modern, 100 kilometres/h, four-lane standard. Completed improvements have added over 60 kilometres of four lanes to the Trans-Canada Highway, increasing four-laning along the corridor by close to 20%.

12. October 2016 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 1.0 percent in October 2016 from September 2016, rising after two months of decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The October 2016 index level (122.0) was 28.8 percent above the April 2009 low during the most recent recession.

13. Truckload rates continue to fall in November

Truckload rates fell another 1.5 percent in November 2016 compared with the previous year, the ninth consecutive month of year-over-year declines, according to the latest Cass Truckload Linehaul Index. The November decrease followed pricing declines of 0.6 percent in March, 2.3 percent in April, 1.2 percent in May, 1.8 percent in June, 1.6 percent in July, 2.8 percent in August, 3.5 percent in September, and 1.4 percent in October.

14. Large Urban Statistics, October 2016

Total operating revenues (excluding subsidies) for 10 of Canada's largest urban transit systems rose 0.4% year over year to \$300.7 million in October 2016. Over the same period, ridership decreased 2.1% to 142.1 million passenger trips.

15. For-hire Motor Carrier Freight Services Price Index, third quarter 2016

The For-hire Motor Carrier Freight Services Price Index rose 0.2% in the 2016 third quarter. This was the first increase since the second quarter of 2014. Both the general freight trucking component (+0.1%) and the specialized freight trucking component (+0.4%) increased. The index was down 2.2% in the third quarter compared with the same quarter of 2015. This was the eighth consecutive year-over-year decrease. The general freight trucking component (-1.9%) and the specialized freight trucking component (-2.9%) both declined.

16. Parking Searches Can Cost Drivers \$4,600 Annually

Truck parking availability is a top concern of the trucking industry, according to ATRI, which, in new research, highlighted the anxiety that truckers feel in finding a place to stop and rest. A 'truck parking diary' conducted by ATRI collected detailed data from commercial truck drivers who agreed to provide documentation of their challenges in looking for safe, available truck parking. Over the course of 14 days, these truckers recorded their parking experiences and issues, representing over 4,700 parking stops. The search can cost drivers \$4,600 annually.

17. FedEx grows earnings, revenues in Q2 FY2017

FedEx Corp. grew its earnings and revenues for the second quarter of its fiscal year 2017, which ended Nov. 31, 2016 according to the company's most recent financial statements. The Memphis, Tenn.-based integrator posted a net income of \$700 million on revenues of \$14.9 billion for the quarter, year-over-year increases of 1.3 percent and 19.2 percent, respectively.

18. Uber should be allowed to operate in Winnipeg: report

A long awaited report on improving taxi services says companies like Uber should be allowed to zoom into Winnipeg. The 174-page report contains 40 recommendations that say a business such as Uber could improve service, but should be regulated to keep the playing field level with cab companies. Another suggestion is Uber would have to be insured, maintain vehicle standards and their drivers would have to undergo screening procedures similar to cabbies. On safety it says taxi driver ID's need to be displayed for passengers. The report also recommends adding up to 150 new cabs to city streets over three years to meet the demand in Winnipeg.

19. Couriers and Messengers Services Price Index, November 2016

The Couriers and Messengers Services Price Index (CMSPI) increased 0.2% in November 2016. The couriers component rose 0.4%, while the local messengers and local delivery component decreased 0.1%.

The CMSPI rose 3.9% in November 2016 compared with the same month a year earlier. The couriers component increased 4.8%, while the local messengers and local delivery component declined 0.3%.

20. CFA Announces Sale of Lakeside Logistics to Transplace Inc.

Corporate Finance Associates (CFA), an international investment banking firm providing merger, acquisition and financial advisory services is pleased to announce that Transplace Inc., a portfolio company of Greenbriar Equity Group, has acquired Oakville, Ontario based Lakeside Logistics Inc. This is the 10th transaction completed by CFA Toronto in 2016, the company announced.

21. Titanium Transportation equipping fleet with BlackBerry radar trailer asset tracking

Titanium Transportation Group Inc. is integrating BlackBerry Radar into its entire fleet of trailers to boost efficiencies, increase revenue per trailer and improve profitability. BlackBerry Radar is an Internet of Things (IoT)-based system that monitors the location of trailers via GPS and delivers custom, real-time alerts about events such as when a truck has crossed a user-defined area or when a trailer door has opened or closed.

GENERAL TRANSPORTATION

Canada

1. Commerce: U.S. economy grew more than estimated in Q3

United States gross domestic product (GDP) - the broadest measure of a nation's overall economic health - grew 3.2 percent during the third quarter 2016, according to the "second" advance estimate from the Department of Commerce, up from a preliminary estimate of 2.9 percent issued last month. U.S. GDP grew at a revised 1.4 percent rate in the second quarter and a 0.8 percent rate in the first quarter.

2. Government of Canada invests in low-carbon transportation

Canada's Minister of Natural Resources, the Honourable Jim Carr, has just announced low-carbon transportation initiatives that will make it easier for Canadians to use cleaner fuels and vehicles. The Government will help AddÉnergie, a Canadian company that develops electric vehicle recharging technology, install fast-charging stations for electric vehicles at 25 Canadian Tire locations throughout Ontario. The Government is providing almost half of the total \$1.8-million investment for the stations. The investment is part of the Government's plan to create a cleaner transportation sector by expanding the infrastructure that supports electric and alternative fuel vehicles. Budget 2016 will commit \$62.5 million over two years.

3. Government of Canada expands engagement to improve the safe transportation of dangerous goods

The Government of Canada works hard to set the conditions for the safe movement of dangerous goods throughout Canada, be it by road, rail, water, or air. It is continuously reviewing ways to make things even safer for Canadians who depend on these goods for their modern way of life. For this reason, the Government is engaging with Canadians and stakeholders to improve training for those who regularly work with dangerous goods and for those who respond to rail incidents involving them.

4. Adapting Transport to Climate Change and Extreme Weather

This report addresses the fundamental challenges that climate change poses to infrastructure owners, who face two major challenges. First, they must ensure continued asset performance under sometimes significantly modified climate conditions that may decrease the present value of their networks or increase maintenance and refurbishment costs. Second, they must build new assets in the context of changing and uncertain climate variables. This creates a risk of over- or under-specification of infrastructure design standards, potentially resulting in non-productive investments or network service degradation. This report investigates strategies that can help transport authorities contain network performance risks inherent in changing patterns of extreme weather.

5. Travel between Canada and other countries, October 2016

Residents of overseas countries made 551,000 trips to Canada in October 2016, up 1.4% from September 2016. Travel by Canadian residents to overseas countries also increased, rising 0.6% from September 2016.

Canada

1. Commerce: U.S. economy grew more than estimated in Q3, November 30, 2016, www.americanshipper.com
2. Government of Canada invests in low-carbon transportation, December 6, 2016, www.ctl.ca
3. Government of Canada expands engagement to improve the safe transportation of dangerous goods, December 6, 2016, www.tc.gc.ca
4. Adapting Transport to Climate Change and Extreme Weather, December 15, 2016, www.itf-oecd.org
5. Travel between Canada and other countries, October 2016, December 19, 2016, www.statcan.gc.ca
6. China faces pressure, December 27, 2016, www.transportweely.com

to 1.0 million trips in October 2016. United States residents made 2.0 million trips to Canada in October 2016, a slight increase from the previous month

6. China faces pressure

Chinese leaders are meeting to set economic targets for the coming year amid pressure from US President-elect Donald Trump and European governments over trade and market access. This year's Economic Work Conference, attended by President Xi Jinping and other Communist Party leaders, comes as Beijing faces complaints it is hindering access to its markets and subsidising exports in violation of its free-trade commitments. The Central Government has vowed to make China's economy more competitive and productive by giving market forces a bigger role, but reform advocates complain Beijing is failing to reduce the dominance of state companies.