

Transportation Information Update*

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AIR TRANSPORTATION

1. Amazon jets combine with UPS, FedEx air cargo to maximise profitability

Global American e-tailer Amazon.com has devised way to leverage its new air cargo fleet to minimise overhead while getting the most out of shipping partners Fedex and UPS, says Reuters. Although Amazon says the fleet is only meant to supplement Fedex and UPS, its own air cargo business will eventually play an important part in letting Amazon handle end-to-end logistics, said the report.

2. Air Canada Stock Outperforms all North American Airline Peers in 2016

Air Canada provided a review of 2016 highlights as it prepares to celebrate its 80th anniversary year in 2017. Calin Rovinescu, President and Chief Executive Officer said "We had a highly satisfying year in 2016 on many fronts and at the start of this new year, in which we celebrate both Air Canada's 80th anniversary and Canada's 150th, I would like to thank our loyal customers, dedicated employees and invaluable business partners who have helped us achieve it." Air Canada's common shares returned nearly 34 per cent over the year, outperforming all of our North American airline peers, the Dow Jones U.S. Airlines Index and the S&P/TSX Composite Index.

3. Air cargo peak season volume healthiest in years

It has been a long time since the air cargo industry had a peak season to remember for the right reasons, but 2016 has brought about a change and the air market is now moving in the right direction.

4. IATA seeks shipper feedback on air cargo service

The International Air Transport Association (IATA) is soliciting input from air cargo users about their shipping experience in an effort to learn how airlines can improve service. The Global Shippers' Survey takes less than five minutes to complete, according to the trade association.

5. November air cargo volume up 6.9pc

The usual air cargo peak season at the end of the year is shaping up as one of the better ones in a long time, reports the American Journal of Transportation. Financial yields increased by a much larger percentage than in previous years, while November 2016 showed an acceleration in year-on-year tonnage growth for the fourth month in a row. Globally, financial yield improved in November 2016 by 3.9 per cent over the previous month (and by 8.7 per cent compared with August 2016), while volume increased by 6.9 per cent.

6. WestJet reports December load factor of 80.8 per cent

WestJet on January 10, 2017 announced December 2016 traffic results with a load factor of 80.8 per cent, an increase of 1.6 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 9.1 per cent year over year (i.e. to 2.098b from 1.923b), and capacity measured in available seat miles (ASMs), grew 7.1 per cent (i.e. to 2.598b from 2.426b) over the same period.

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1. Amazon jets combine with UPS, FedEx air cargo to maximise profitability, December 30, 2016, www.transportweekly.com
2. Air Canada Stock Outperforms all North American Airline Peers in 2016, January 3, 2016, www.aircanada.ca
3. Air cargo peak season volume healthiest in years, January 4, 2017, www.joc.com
4. IATA seeks shipper feedback on air cargo service, January 5, 2017, www.americanshipper.com
5. November air cargo volume up 6.9pc, January 9, 2017, www.transportweekly.com
6. WestJet reports December load factor of 80.8 per cent, January 10, 2017, www.westjet.ca
7. WestJet reports December load factor of 80.8 per cent, January 10, 2017, www.westjet.ca
8. WestJet reports December load factor of 80.8 per cent, January 10, 2017, www.westjet.ca
9. November Air Freight Demand Reflects Strong Peak Season, January 10, 2017, www.iata.org
10. Strong Demand Growth Returns in November, January 11, 2017, www.iata.org
11. WestJet wants 'more fuel-efficient' aircraft for overseas expansion, CFO says, January 12, 2017, www.nationalpost.ca
12. October 2016 U.S. Airline Traffic Data, January 12, 2017, www.bts.gov
13. WestJet launches Winnipeg/Hamilton service today, January 17, 2017, www.westjet.ca
14. Flight Cancellations, Mishandled Baggage Rate at All-Time Low, January 17, 2017, www.dot.gov
15. London Heathrow sees cargo volumes rise, January 18, 2017, www.transportweekly.com
16. WestJet inaugurates service to Mesa, Arizona, January 19, 2017, www.westjet.ca
17. 3rd-Quarter 2016 Air Fare Data, January 18, 2017, www.dot.gov
18. Last quarter (2016) air cargo rush

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

7. WestJet reports 2016 fourth quarter results

WestJet on January 10, 2017 announced 2016 fourth quarter traffic results with a load factor of 80.2 per cent, an increase of 1.8 percentage points year from the same quarter in 2015. Revenue passenger miles (RPMs), or traffic, increased 13.7 per cent year over year (i.e. to 5.816b from 5.114b), and capacity measured in available seat miles (ASMs), grew 11.2 per cent (i.e. to 7.253b from 6.525b) over the same period in 2015. In the fourth quarter of 2016, the airline flew a record 5.4 million guests, a year-over-year increase of 11.0 per cent or approximately 531,000 additional guests.

8. WestJet reports 2016 results

WestJet on January 10, 2017 announced 2016 traffic results for the year with a load factor of 81.8 per cent, an increase of 1.8 percentage points compared to 2015. Revenue passenger miles (RPMs), or traffic, increased 11.3 per cent year over year (i.e. to 23.968b from 21.526b), and capacity measured in available seat miles (ASMs), grew 8.9 per cent (i.e. to 29.298b from 26.902b) over 2015.

9. November Air Freight Demand Reflects Strong Peak Season

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), rose 6.8% in November 2016 compared to the year-earlier period. This was a slight slowdown from the 8.4% annual growth recorded in October 2016 - which was a 20-month high - but was still more than 2.5 times the average annual monthly growth rate of 2.6% over the past decade. Growth in freight capacity, measured in available freight tonne kilometers (AFTKs), slowed to 4.4% in November 2016.

10. Strong Demand Growth Returns in November

The International Air Transport Association (IATA) announced global passenger traffic results for November 2016 showing the strongest demand growth in nine months. Total revenue passenger kilometers (RPKs) rose 7.6% compared to November 2015. Capacity (available seat kilometers or ASKs) increased by 6.5%, and load factor rose 0.8 percentage points to 78.9%. “Stronger demand for air travel reflects—and is supporting—a pick-up in the global economic cycle. As the stimulus effect of lower oil prices recedes in the rear view mirror, the strength of the economic cycle will play a key role in the pace of demand growth in 2017,” said Alexandre de Juniac, IATA’s Director General and CEO.

11. WestJet wants ‘more fuel-efficient’ aircraft for overseas expansion, CFO says

WestJet Airlines Ltd. is thinking about adding yet another aircraft type to its fleet as it evaluates “more fuel-efficient” options for its international expansion plans. The airline’s pilots voted in December 2016 to approve expanded wide-body operations after rejecting an earlier offer. Chief executive Gregg Saretsky said the vote would allow WestJet to turn its attention “to acquiring additional wide-body aircraft.” Currently, 767s are used on flights to London’s Gatwick Airport from Toronto and Calgary and to Hawaii from Edmonton and Calgary, as well as some domestic routes. But 767s are not considered the most fuel efficient according to its Chief Financial Officer (CFO) and WestJet is considering alternatives.

12. October 2016 U.S. Airline Traffic Data

The U.S. Department of Transportation’s Bureau of Transportation Statistics (BTS) reported on January 12, 2017 that U.S. airlines’ systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – rose to 83.8 percent in October 2016, seasonally adjusted, rising for the second consecutive month. Seasonal adjustment allows the comparing of monthly load factors to all other months.

13. WestJet launches Winnipeg/Hamilton service today

The departure of WestJet flight 321 on January 17, 2017 marked the start of non-stop service to Winnipeg from John C. Munro Hamilton International Airport. WestJet also relaunched non-stop service to Edmonton and Halifax from Hamilton on January 16, 2017.

lifts Asian hubs, January 18, 2017, www.joc.com

19. November 2016 Passenger Airline Employment Data, January 19, 2017, www.dot.gov

20. Re-designed aircanada.com Website Offers Modern Digital Customer Experience and Enhanced Functionality, January 23, 2017, www.aircanada.ca

21. Edmonton International Airport has strong 2016 led by cargo, January 24, 2017, www.ctl.ca

22. IATA, UNCTAD Collaborate to Boost Global Adoption of Cargo Messaging Standards, January 25, 2017, www.iata.org

23. Passenger Air Services Price Index, 2015, January 26, 2017, www.statcan.gc.ca

24. Air Canada Receives Award for Best Corporate Sustainability Report - Transportation from the Finance and Sustainability Initiative, January 26, 2017, www.aircanada.ca

14. Flight Cancellations, Mishandled Baggage Rate at All-Time Low

The US reporting carriers cancelled 0.29 percent of their scheduled domestic flights in November 2016, the lowest for any of the 263 months with comparable records beginning in January 1995, and below the previous low of 0.33 percent in September 2016, according to the *Air Travel Consumer Report (ATCR)* released on January 17, 2017. The reporting carriers cancelled 1.0 percent of their flights in both November 2015 and October 2016. In addition, the U.S. carriers reporting mishandled baggage data posted a mishandled baggage rate of 2.02 reports per 1,000 passengers in November, the lowest rate since mishandled baggage reporting started in 1987. The previous low rate was 2.06 in October 2016.

15. London Heathrow sees cargo volumes rise

London Heathrow airport handled 1.54 million tonnes of cargo in 2016, three per cent more than in 2015, after finishing the year on a high note, handling 133,641 tonnes in December 2016, a 5.1 per cent increase on the back of growth to emerging market destinations.

16. WestJet inaugurates service to Mesa, Arizona

WestJet officially inaugurated the start of service to Phoenix-Mesa Gateway Airport from Calgary on January 19, 2017. Inaugural service from Edmonton begins January 21, 2017.

17. 3rd-Quarter 2016 Air Fare Data

The average US domestic air fare decreased to \$344 in the third quarter of 2016, down 8.8 percent from \$377 in the third quarter of 2015, adjusted for inflation, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on January 18, 2017.

18. Last quarter (2016) air cargo rush lifts Asian hubs

The peak season 2016 fourth quarter saw a sharp increase in air cargo volumes that improved the full-year performance of Hong Kong and Shanghai terminals. This resulted in air cargo volumes rising at Asian hubs.

19. November 2016 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 3.7 percent more workers in November 2016 than in November 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on January 19, 2017. November 2016 was the highest monthly FTE total (416,046) since January 2005 (417,789) and was the 37th consecutive month that U.S. scheduled passenger airline full-time equivalent (FTE) employment exceeded the same month of the previous year.

20. Re-designed aircanada.com Website Offers Modern Digital Customer Experience and Enhanced Functionality

Air Canada has launched its new, completely re-designed website www.aircanada.com which now offers a simple, intuitive user experience that is fully accessible across all devices and screen sizes, enhanced functionality and an easier-than-ever booking process.

21. Edmonton International Airport has strong 2016 led by cargo

Edmonton International Airport experienced a busy year in 2016, not only serving 7,523,864 passengers, but also moving forward with many cargo, commercial development and infrastructure projects that will benefit local and regional economy, the airport said.

22. IATA, UNCTAD Collaborate to Boost Global Adoption of Cargo Messaging Standards

The International Air Transport Association (IATA) and the United Nations Conference on Trade and Development (UNCTAD) announced that IATA's Cargo-XML messaging standard has now been fully integrated into ASYCUDA World, the UNCTAD automated customs management system used by 90 countries worldwide for their customs procedures. The integration of Cargo-XML in ASYCUDA World standardizes the electronic communications between airlines and customs authorities using the program.

23. Passenger Air Services Price Index, 2015

The Passenger Air Services Price Index (PASPI) decreased 2.0% in 2015 compared with 2014. Both domestic fares (-4.6%) and international fares (-0.1%) posted declines, reflecting the decrease in jet fuel prices. Air fares have historically responded to changes in jet fuel prices, as seen in 2009 when PASPI

24. Air Canada Receives Award for Best Corporate Sustainability Report - Transportation from the Finance and Sustainability Initiative

Air Canada has been recognized by the Finance and Sustainability Initiative (FSI) with the "2017 Award for Best Corporate Sustainability Report - Transportation" in Canada. This annual competition aims to promote excellence in sustainable development reporting among Canadian public companies.

WATER TRANSPORTATION

1. 2017 to be a big year for South Asia ports

An exciting region for port development globally, South Asia had a busy 2016 and much more is expected in 2017.

2. Global seafreight market to grow: Technavio

Technavio research analysts forecast the global seafreight forwarding market to grow at a CAGR (compound annual growth rate) of more than 3% during the forecast period, according to their latest report. The study covers the present scenario and growth prospects of the global seafreight forwarding market for 2017-2021. The report also segments the market into services such as packaging, documentation, value-added services (VASs), and transportation and warehousing.

3. Southeast Asia transshipment hubs to compete fiercely in 2017

Southeast Asia's port scene is incredibly dynamic, and 2017 will be a year of significant changes with big implications for shippers.

4. Long list of issues awaits US maritime regulators

US maritime regulators are on the forefront of monitoring the market for anti-competitive practices while nudging stakeholders to make containerized supply chains more efficient and reliable.

5. Emerging Competition in Regulated North America

The recent opening of the enlarged Panama Canal has resulted in intra-modal and inter-modal competition on several fronts in container transportation. Prior to its opening, super-sized container ships capable of carrying more than double the container payload as Panamax ships, called at west coast North American ports to transfer containers to eastbound trains - except that the study undertaken by Sea-Point of New Orleans revealed that maritime transportation of containers between Long Beach and Memphis on the Mississippi River saved some \$2,000 per container over railway transportation. Part of the business case for enlarging the Panama Canal to transit larger ships involved savings in transportation costs in moving containers for far east Asian ports to east coast North American ports. Customers willing to wait an additional four days for delivery could save over \$2,500 per container over the combination super-ships sailing to west coast ports and trains carrying containers some 3,000-miles across a nation. The arrival of Neo-Panamax ships at ports such as Newark has also influenced the transportation of containers from Asia into Canada's most populous province of Ontario.

6. Don't expect year-end rate high to last, say industry experts

The sharp increase in freight rates at the end of 2016 will be temporary, with overcapacity dragging prices back down after Chinese New Year, according to industry watchers.

7. China's dominance in intra-Asia trade troubles carriers

Fierce competition, weak freight rates and infrastructure shortcomings at many ports across Asia are making life difficult for ocean liners in the world's largest container trade.

8. Container ship fleet growth expected to accelerate in 2017

The global container ship fleet is expected to grow faster in 2017 than in 2016.

9. 2016 saw bump in freight, drop in passengers at Port of Montreal

More than 35 million tonnes of freight came through the Port of Montreal in 2016, an increase of more than 10 per cent over the previous year. According to preliminary statistics, the port also welcomed nearly

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1. 2017 to be a big year for South Asia ports, December 29, 2016, www.joc.com
2. Global seafreight market to grow: Technavio, December 29, 2016, www.ctl.ca
3. Southeast Asia transshipment hubs to compete fiercely in 2017, January 2, 2017, www.joc.com
4. Long list of issues awaits US maritime regulators, January 2, 2017, www.joc.com
5. Emerging Competition in Regulated North America, January 1, 2017, www.maritime-executive.com
6. Don't expect year-end rate high to last, say industry experts, January 3, 2017, www.joc.com
7. China's dominance in intra-Asia trade troubles carriers, January 1, 2017, www.joc.com
8. Container ship fleet growth expected to accelerate in 2017, January 3, 2017, www.joc.com
9. 2016 saw bump in freight, drop in passengers at Port of Montreal, January 5, 2017, www.montreal.ctv.ca
10. First Tropical Shipping Sailing through Port of Halifax January 9, 2017, January 5, 2017, www.portofhalifax.ca
11. Forwarders see liner profitability years away, January 9, 2017, www.joc.com
12. Canadian ports anticipate higher cargo volume shipments in 2017, January 11, 2017, www.transportweekly.com
13. OOCL takeover rumors spark trading rush, January 10, 2017, www.joc.com
14. The Impact of Mega-Ships: The Case of Gothenburg, January 11, 2017, www.itf-oecd.org
15. PSA container throughput surged 5.5%, January 12, 2017, www.transportweekly.com
16. Chamber of Shipping applauds B.C.'s coastal protection plan, January 12, 2017, www.ctl.ca
17. Port of Los Angeles 2016 cargo volumes "busiest ever" for Western hemisphere port, January 12, 2017, www.ctl.ca
18. Shanghai handles record 37m TEU in 2016, remains highest globally, January 13, 2017, www.transportweekly.com
19. Ocean Alliance partners best placed to buy OOCL if line is for sale, January 12, 2017, www.joc.com

86,000 passengers and crew, a slight decrease from 2015. In 2017, the Port of Montreal expects to accommodate 110,000 passengers and crew at its new cruise terminal, an increase of 20 per cent over 2016.

10. First Tropical Shipping Sailing through Port of Halifax January 9, 2017

Tropical Shipping is set to begin its service from the Port of Halifax, Nova Scotia. On January 9, 2017, the *Vega Omega* voyage 0011 will depart Halterm International Container Terminal bringing improved import and export connectivity to customers in Florida, The Bahamas, Puerto Rico and the Caribbean.

11. Forwarders see liner profitability years away

Years of unprofitability lie ahead for liner carriers with excess capacity. Low rates are likely to drive carriers to further consolidation.

12. Canadian ports anticipate higher cargo volume shipments in 2017

Some of Canada's largest ports are anticipating a stronger year for the transportation of cargo. The Port of Montreal says a new cargo terminal should again bolster volumes, which grew 10 per cent in 2016 to a record 35.2 million tonnes. The Ontario ports of Hamilton and Thunder Bay say increased shipments of steel and wheat respectively should boost volumes above around nine million tonnes each handled last year. Thunder Bay says bulk tonnage has increased an average of two million tonnes a year since changes were made to the Canadian Wheat Board. The Port of Prince Rupert's Fairview terminal will celebrate its 10th anniversary with the completion of a \$350-million investment that will expand capacity with a second berth and cranes to handle large ships. A future expansion by DP World and its financial partner, Quebec's Caisse de depot, is expected to be unveiled in 2017. When completed around 2021, it is expected to handle growing liquid natural gas.

13. OOCL takeover rumors spark trading rush

Takeover talk has long swirled around Hong Kong-listed OOIL, parent of OOCL, and new rumors are again seeing intense trading on the local bourse.

20. Port of Montreal handles record cargo tonnage, January 17, 2017, www.americanshipper.com

21. Wind power has potential for commercial shipping, January 17, 2017,

22. Antwerp port sets TEU record, January 17, 2017, www.joc.com

23. European ports to end 2016 with record freight, January 17, 2017, www.transportweekly.com

24. Port of Halifax: Container Traffic for the fourth quarter of 2016 and Y-T-D, January 20, 2017, www.portofhalifax.ca

25. April launch of new alliances could create uncertainty in the market, January 20, 2017, www.transportweekly.com

26. Commentary: Shippers can form alliances too, January 20, 2017, www.americanshipper.com

27. Port of Montreal: Container Traffic for 2016, January 25, 2017, www.portofmontreal.ca

28. Port of Halifax anticipating busiest cruise season to date, January 26, 2017, www.portofhalifax.ca

29. New incentive for cargo and cruise vessels intended to quiet waters around the Port of Vancouver for at-risk whales, January 25, 2017, www.portmetrovanancouver.com

30. Biggest box maker issues profit warning, blames world trade decline, January 26, 2017, www.transportweekly.com

31. OOCL reports higher Q4 volumes, revenues, January 27, 2017, www.americanshipper.com

14. The Impact of Mega-Ships: The Case of Gothenburg

This report is part of the International Transport Forum's Case-Specific Policy Analysis series. These are topical studies on specific issues carried out by the ITF in agreement with local institutions.

15. PSA container throughput surged 5.5%

PSA International Pte Ltd (PSA) handled 67.63 million Twenty-foot Equivalent Units (TEUs) of containers at its port projects around the world for the year ending 31 December 2016. The Group's volume increased by 5.5% over 2015, with flagship PSA Singapore Terminals contributing 30.59 million TEUs (-0.1%) and PSA terminals outside Singapore handling 37.04 million TEUs (+10.6%). Mr Tan Chong Meng, Group CEO of PSA, said, "2016 served up another difficult year for the port and shipping industry. We had to grapple with sluggish global trade, weak demand for container shipment, sustained excess shipping capacity and depressed freight rates.

16. Chamber of Shipping applauds B.C.'s coastal protection plan

The Chamber of Shipping has applauded the B.C. government for approving the environmental assessment for the Trans Mountain Expansion Project and ensuring that the five conditions established by the province were met. This decision marks an important step towards growing Canada's trade capacity and improving coastal protection, the Chamber said.

17. Port of Los Angeles 2016 cargo volumes "busiest ever" for Western hemisphere port

Cargo volumes at the Port of Los Angeles reached 8,856,782 Twenty-Foot Equivalent Units in 2016, marking the busiest year ever for a Western Hemisphere Port. The previous record was set in 2006, when the Port of Los Angeles handled 8,469,853 TEUs.

18. Shanghai handles record 37m TEU in 2016, remains highest globally

The port of Shanghai moved another record throughput of 37.13 million TEU in 2016, a rise of 1.6 per cent compared to the previous record throughput of 36.54 million TEU in 2015. Shanghai International Port

(Group) Co (SIPG) announced that it has retained its crown as the world's busiest container port, ahead of its closest rival Singapore port, which has handled 30.9 million TEU in 2016, similar to 2015, according to media reports.

19. Ocean Alliance partners best placed to buy OOCL if line is for sale

OOCL's partners in the Ocean Alliance are the carriers most likely to buy the Hong Kong-based container line, analysts say, provided it is for sale.

20. Port of Montreal handles record cargo tonnage

The Port of Montreal handled a record 35.2 million metric tons of freight in 2016, an increase of more than 10 percent from 2015, according to the Canadian port's preliminary statistics. However, container volumes took a slight decline, falling from 1.45 million TEUs in 2015 to 1.43 million TEUs in 2016. In November, the port opened a new container terminal in the Viau sector, boosting the port's container handling capacity by 450,000 TEUs.

21. Wind power has potential for commercial shipping

A new study on the potential for using wind propulsion technology in the commercial shipping industry has concluded that if some wind propulsion technologies for ships reach marketability in 2020, the maximum market potential for bulk carriers, tankers and container vessels is estimated to add up to around 3,700-10,700 installed systems until 2030, including both retrofits and installations on newbuilds.

22. Antwerp port sets TEU record

The increase in cargo traffic consolidates Antwerp's position as Europe's second-largest container hub.

23. European ports to end 2016 with record freight

Contrary to expectations that the Brexit referendum in June 2016 would adversely affect European trade, cargo volumes were evenly split between the first and second halves of 2016. In a sign of the continuing strength of exports to and from Britain during 2016, P&O Ferries have announced that it handled more freight units at its principal continental hub at Zeebrugge than in any year since it began operations from the Belgian port in 1966, reported the UK's Handy Shipping Guide. The increase in volumes was also recorded at the Antwerp port and the Port of Stockholm.

24. Port of Halifax: Container Traffic for the fourth quarter of 2016 and Y-T-D

The Port of Halifax released its quarterly container statistics (TEUs – twenty-foot equivalent units) for the fourth quarter of 2016 on January 20, 2017. Total container traffic (TEUs) increased 11.6% (i.e. to 126,178 from 113,067); imports (TEUs) increased 11.5% (i.e. to 59,236 from 53,148); and exports (TEUs) increased 11.7% (i.e. to 66,942 from 59,919). For the entire 2016 year (i.e. Y-T-D) total container traffic (TEUs) increased 14.9% (i.e. to 480,722 from 418,359); imports (TEUs) increased 10.4% (i.e. to 231,797 from 209,904); and exports (TEUs) increased 19.4% (i.e. to 248,925 from 208,455).

25. April launch of new alliances could create uncertainty in the market

The realignment of the four global vessel-sharing alliances into three larger and more powerful alliances can be viewed as the shipping industry's latest attempt to cut costs and increase leverage in a cut-throat environment. However, the impact of these changes on ports, marine terminal operators, and beneficial cargo owners (BCOs) must not be overlooked. As carriers consolidate their vessel calls into fewer port pairs, there will be winners and losers. For BCOs, there will be fewer choices of routes, and there will be no guarantee that the shipments they book with certain carriers will travel on those vessels because of the numerous slot-sharing arrangements that will be in place when the new alliances begin operating on April 1, 2017.

26. Commentary: Shippers can form alliances too

The increased use of mega-vessels and widespread consolidation seen in the container shipping industry last year has alarmed some shippers, as highlighted by a report issued by the Global Shippers' Forum (GSF) in November 2016. GSF members include the National Industrial Transportation League in the United States, and the Freight Management Association of Canada (FMA). Last year saw CMA CGM acquire APL, COSCO and China Shipping merge, Hapag-Lloyd announce plans to combine with UASC, Maersk agree to purchase Hamburg Süd, and the three largest Japanese carriers - NYK, MOL and "K" Line - join forces to form a container shipping joint venture that will begin operations in early 2018. Not surprisingly the European Shippers' Council (ESC) has rejoined the Global Shippers' Forum, ESC Chairman Denis Choumert is hopeful the Asian Shippers' Association and other Asian shipper groups will work with the forum to address concerns.

27. Port of Montreal: Container Traffic for 2016

The Port of Montreal released its container statistics (TEUs – twenty-foot equivalent units) for 2016. Total container traffic (TEUs) increased 1% (i.e. to 1,447,566 from 1,446,075); imports (TEUs) decreased 1.5% (i.e. to 716,911 from 727,612); and exports (TEUs) increased 1.7% (i.e. to 730,655 from 718,463).

28. Port of Halifax anticipating busiest cruise season to date

The 2017 cruise season in Halifax will be the busiest to date. A record number of passenger visits and vessel calls will get underway on April 24, 2017 with the arrival of the Phoenix Reisen, an Amadea vessel. “We are very excited about the year ahead,” said Cathy McGrail, Interim Vice President, Operations, Halifax Port Authority. “We look forward to working with our partners across the tourism industry as we welcome returning visitors and introduce new guests to Nova Scotia and Atlantic.”

29. New incentive for cargo and cruise vessels intended to quiet waters around the Port of Vancouver for at-risk whales

The Vancouver Fraser Port Authority has launched an industry-leading incentive program for marine vessels operating in the Port of Vancouver, aimed at addressing concerns about underwater vessel noise affecting at-risk marine life.

30. Biggest box maker issues profit warning, blames world trade decline

Shenzhen's China International Marine Containers (CIMC), the world's biggest container manufacturer, has issued a profit warning to investors, according to the Shipping Gazette. In a filing to the Hong Kong stock exchange, CIMC told the market that its net profit for 2016 will range from zero to half of what it was in 2015 - that was CNY1.97 billion (US\$288 million). "Shareholders and potential investors are advised to exercise caution when dealing in the shares of the company," said CIMC. The company blamed its plight mainly to shrinking international trade.

31. OOCL reports higher Q4 volumes, revenues

The increase in 2016 fourth quarter revenues was not enough to stop a slide for the full year Hong Kong-based shipping company Orient Overseas Container Line (OOCL). The company said it had revenues of \$1.3 billion for the fourth quarter of 2016, up 10.3 percent from the same 2015 period. The increase in fourth quarter revenues accompanied an even greater increase in volumes.

RAIL TRANSPORTATION

1. CSX runs first double-stacked trains through new Washington DC tunnel

US railway CSX has announced the on-time completion of the first phase of the new Virginia Avenue Tunnel in Washington, DC, clearing the way for double-stacked trains between mid-Atlantic seaports and the Midwest. The tunnel is the last of 61 clearance projects that comprise the US\$850 million National Gateway Initiative, a public-private partnership to create rail freight routes, reports the American Journal of Transportation.

2. CP fourth-quarter 2016 results: Conference call with financial community on January 18, 2017

Canadian Pacific (CP) will release its fourth-quarter financial and operating results at 4:01 p.m. eastern time (2:01 p.m. mountain time) on January 18, 2017.

3. ADVISORY - CN to report fourth-quarter and year-end 2016 financial and operating results on Jan. 24, 2017

CN (CN) will issue its fourth-quarter and year-end 2016 financial and operating results on Jan. 24, 2017, at 4.01 p.m. Eastern Time (ET).

4. Commission sets date to put standardised European railway signalling system in place

On January 5, 2017, the European Commission adopted an implementing regulation on the new European Rail Traffic Management System European Deployment Plan (ERTMS EDP). ERTMS allows trains to run seamlessly across borders by replacing differing national technical systems. The plan sets new targets until 2023 by which about 50% of the Core Network Corridors shall be equipped.

5. US rail off 8.2pc

US rail carload volume was down 8.2 per cent year on year to 13.1 million units in 2016 while intermodal containers fell 1.6 per cent to 13.5 million units at the same time, reports the Association of American Railroads (AAR). Total rail carload volume in the United States was down five per cent from the same period last year to 26.6 million carloads, the AAR said. "Last year was challenging for freight railroads," said AAR vice president John Gray. "Carloads were down for a second year, due to weak manufacturing and turmoil in energy markets, while intermodal failed to set its fourth straight annual record." Traffic in the US grew 2.8 per cent in December 2016 to 973,642 carloads, while intermodal surged 11.2 per cent 1.01 million containers and trailers compared to the same month last year, according to the AAR. For December 2016, combined US carload and intermodal originations were 1.99 million up 6.9 per cent or 128,362 carloads and intermodal units from December 2015, reports the American Journal of Transportation.

6. U.S. Department of Transportation Announces \$1.07 Billion in Federal Funding To Improve Rail Transit Service in Chicago

The U.S. Department of Transportation's (DOT) Federal Transit Administration (FTA) on January 9, 2017 announced approximately \$1.07 billion in federal grant funds to the Chicago Transit Authority (CTA) for the first phase of the Red and Purple Modernization Project. The project will reconstruct a section of the rail lines on the north side of Chicago in order to expand capacity on one of the busiest corridors of the CTA system.

7. Keith Creel to become CEO of Canadian Pacific; E. Hunter Harrison to retire

RAIL TRANSPORTATION Canada

1. CSX runs first double-stacked trains through new Washington DC tunnel, Dec 30, 2016, www.transportweekly.com
2. CP fourth-quarter 2016 results: Conference call with financial community on January 18, 2017, January 5, 2017, www.cpr.ca
3. ADVISORY - CN to report fourth-quarter and year-end 2016 financial and operating results on Jan. 24, 2017, January 5, 2017, www.cn.ca
4. Commission sets date to put standardised European railway signalling system in place, January 5, 2017, www.europa.eu
5. US rail off 8.2pc, January 9, 2017, www.transportweekly.com
6. U.S. Department of Transportation Announces \$1.07 Billion in Federal Funding To Improve Rail Transit Service in Chicago, January 9, 2017, www.dot.gov
7. Keith Creel to become CEO of Canadian Pacific; E. Hunter Harrison to retire, January 18, 2017, www.cpr.ca
8. CP reports record low operating ratio for fourth quarter and full year amid challenging conditions, January 18, 2017, www.cpr.ca
9. CP reports record low operating ratio for fourth quarter and full year amid challenging conditions, January 18, 2017, www.cpr.ca
10. CSX posts full-year earnings, January 18, 2017, www.americanshipper.com
11. Rail industry consolidation could be back on the table as Harrison steps down from CP, January 19, 2017, www.nationalpost.ca
12. Union Pacific reports lower net income for full-year 2016, January 19, 2017, www.americanshipper.com
13. CSX stock hits 5-year high on Harrison takeover talk, January 20, 2017, www.americanshipper.com
14. Hunter Harrison restricted by CP non-compete clause, January 24, 2017, www.globeandmail.ca
15. CN announces 10 per cent increase in quarterly cash dividend, January 24, 2017, www.cn.ca
16. CN reports record Q4-2016 net income of C\$1,018 million, with diluted earnings per share (EPS) up 12 per cent to C\$1.32 and up four per cent to C\$1.23 on an adjusted basis, January 24, 2017, www.cn.ca
17. CN reports record Q4-2016 net

Canadian Pacific Railway Limited (CP) announced on January 18, 2017 that Keith Creel will become President and Chief Executive Officer of the company effective January 31, 2017 following E. Hunter Harrison's decision to retire from CP.

8. CP reports record low operating ratio for fourth quarter and full year amid challenging conditions

Canadian Pacific Railway Limited (CP) on January 18, 2017 announced its lowest-ever 2016 fourth-quarter operating ratio ("OR") of 56.2 percent and a record-low full-year OR of 58.6 percent as focussed cost control helped offset softer than expected volumes. Fourth-quarter revenues decreased 3 percent to C\$1.64 billion from \$1.69 billion, while diluted earnings per share ("EPS") increased 25 percent to \$2.61 from \$2.08 and adjusted diluted EPS rose 12 percent to \$3.04 from \$2.72. E. Hunter Harrison, CP's Chief Executive Officer said "While the fourth quarter was weighed down by challenging operating conditions, including unexpected and extreme weather on the West Coast that compounded the impact of an already delayed grain harvest, it once again highlighted our resiliency and ability to operate efficiently under tough conditions."

income of C\$1,018 million, with diluted earnings per share (EPS) up 12 per cent to C\$1.32 and up four per cent to C\$1.23 on an adjusted basis, January 24, 2017, www.cn.ca

18. Norfolk Southern increases net income in 2016, January 26, 2017, www.americanshipper.com

19. UP admits ocean container pricing challenges, January 26, 2017, www.joc.com

9. CP reports record low operating ratio for fourth quarter and full year amid challenging conditions

CP's full-year results were: 1. Revenues decreased 7 percent to \$6.23 billion from \$6.71 billion; 2. Operating ratio fell to a record 58.6 percent, improving on the 2015 reported OR by 140 basis-points and the adjusted OR by 240 basis-points; 3. Reported diluted EPS increased 27 percent to \$10.63 from \$8.40; adjusted diluted EPS rose 2 percent to \$10.29 from \$10.10; and 4. Reported Free cash flow was \$1 billion. E. Hunter Harrison, CP's Chief Executive Officer said "2016 featured stiff economic headwinds and a challenging volume environment, headlined by a precipitous decline in crude oil shipments and weakness in grain movements, particularly in the first half."

10. CSX posts full-year earnings

CSX Corporation reported net earnings of \$1.7 billion on revenues of \$11.1 billion for 2016, year-over-year declines of 13 percent and 6 percent, respectively, driven down by headwinds from low global commodity prices and the strength of the U.S. dollar, the company said. Earnings per share for 2016 totalled \$1.81, down from \$2.00 for the prior year. In addition, volumes fell 5 percent year-over-year, largely due to the weak coal business.

11. Rail industry consolidation could be back on the table as Harrison steps down from CP

"It would have to be a friendly deal, but if Hunter is the CEO of CSX in a merger with CP, then it's friendly as hell," says one analyst.

12. Union Pacific reports lower net income for full-year 2016

Union Pacific Corporation reported a net income of \$4.2 billion on revenues of \$19.9 billion for 2016, year-over-year declines of 11 percent and 9 percent, respectively, according to the company's latest financial statements. "While full-year volumes were down substantially year-over-year, we did see declines moderate in the fourth quarter," Union Pacific Chairman, President and CEO Lance Fritz said. For the fourth quarter of 2016, business volumes were down 3 percent from a year prior. Union Pacific's net income for the fourth quarter reached \$1.1 billion, up 2 percent from a year earlier, while operating revenues totalled \$5.2 billion, down 1 percent for a year prior.

13. CSX stock hits 5-year high on Harrison takeover talk

CSX Corp.'s stock hit a 5-year high on January 19, 2017 on speculation that outgoing Canadian Pacific Railway (CP) CEO E. Hunter Harrison may be eyeing the Jacksonville, Fla.-based Class I railroad as his next landing spot. Shares in CSX jumped 23.4 percent on January 19, 2017 to close at \$45.51, the biggest jump in company stock in more than 36 years, but the stock came back to earth slightly on January 20, 2017.

14. Hunter Harrison restricted by CP non-compete clause

The separation agreement Hunter Harrison signed when he quit his chief executive officer post at Canadian Pacific Railway Ltd. restricts him from taking jobs at CP's biggest rivals, and breaks down the \$118-million worth of stock and benefits he forfeits.

15. CN announces 10 per cent increase in quarterly cash dividend

CN announced on January 24, 2017 that its Board of Directors has approved a 10 per cent increase in the Company's quarterly cash dividend. With this increase, CN's dividend on an annualized basis is C\$1.65 per common share.

16. CN reports record Q4-2016 net income of C\$1,018 million, with diluted earnings per share (EPS) up 12 per cent to C\$1.32 and up four per cent to C\$1.23 on an adjusted basis

CN on January 24, 2017 reported its financial and operating results for the fourth quarter for Dec. 31, 2016.

1) Net income increased eight per cent to C\$1,018 million, while diluted EPS increased 12 per cent to C\$1.32, compared with the fourth quarter of 2015. 2) Adjusted net income increased one per cent to \$952 million, with adjusted diluted EPS increasing four per cent to C\$1.23. 3) Operating income increased three per cent to C\$1,395 million. 4) Revenues increased by two per cent to C\$3,217 million. Carloadings increased three per cent, and revenue ton-miles increased four per cent. 5) The operating ratio improved by 0.6 points to 56.6 per cent. Luc Jobin, president and chief executive officer, said: "Despite facing difficult winter conditions in December, CN delivered very strong fourth-quarter results and throughout 2016 demonstrated once again its ability to perform well in a mixed economic environment.

17. CN reports record Q4-2016 net income of C\$1,018 million, with diluted earnings per share (EPS) up 12 per cent to C\$1.32 and up four per cent to C\$1.23 on an adjusted basis

CN on January 24, 2017 reported its financial and operating results for the year ended Dec. 31, 2016.

1) Net income increased three per cent to C\$3,640 million, with diluted EPS rising six per cent to C\$4.67. 2) Adjusted net income remained essentially flat at C\$3,581 million, while adjusted diluted EPS increased three per cent to C\$4.59. 3) Operating income rose one per cent to C\$5,312 million. 4) Revenues decreased by five per cent to C\$12,037 million. Carloadings and revenue ton-miles both declined by five per cent in 2016. 5) The operating ratio for 2016 improved by 2.3 points to 55.9 per cent. 6) Free cash flow was a record C\$2,520 million, compared with C\$2,373 million for 2015.

18. Norfolk Southern increases net income in 2016

Norfolk Southern's board of directors on January 25, 2017 increased the regular quarterly dividend to \$0.61 per share. Norfolk Southern reported a net income of \$416 million for the fourth quarter of 2016, up 15 percent from a year prior, despite total railway operating revenues falling 1.1 percent year-over-year to \$2.49 billion. For the full year in 2016, the Class I railway's net income rose 7 percent from 2015 to \$1.67 billion.

19. UP admits ocean container pricing challenges

Union Pacific Railroad's discussion of pricing challenges for ocean containers in the fourth quarter was a rare admission of its inability to charge ocean carriers what it wants.

HIGHWAY TRANSPORTATION

1. TFI International announces acquisition of National Fast Freight

TFI International Inc., formerly known as TransForce Inc., announced that a wholly-owned subsidiary of TFI International has acquired Brampton, Ontario based National Fast Freight (NFF) from Calyx Transportation Group, Inc. Founded in 1992, NFF is a non-asset Canadian-based transportation company providing LTL intermodal services across Canada. NFF will increase TFI International's density in the Canadian intermodal segment, and the company will operate under its current management as a standalone business unit of TFI International.

2. Tolling Set to Begin on Highway 407 and Highway 412

On February 1, 2017, tolling will begin on Ontario's new Highway 407 and Highway 412. Revenue generated from the tolls will be used to help fund new infrastructure and transit projects across the province. Toll [rates](#) for Highways 407 and 412 are lower than tolls on Highway 407 ETR. The province's rates are, on average, approximately 15 per cent lower during off-peak periods, and approximately 30 per cent lower during peak periods, as compared to Highway 407 ETR.

3. Acquisition drives logistics provider NFI deeper into Canada

NFI's acquisition of Dominion Warehousing and Distribution is the latest of several cross-border deals between US and Canadian logistics and transport operators.

4. NFI buys Canadian 3PL

NFI, a privately held integrated supply chain solutions provider, acquired Dominion Warehousing & Distribution at the end of 2016. Dominion is a third-party logistics company based in Ontario, Canada. The acquisition, financial terms of which were not disclosed, increased NFI's Canadian service offering, which includes freight brokerage, global freight forwarding, asset-based transportation, and value added warehousing and distribution.

5. BTS Statistics Release: October 2016 North American Freight Numbers

Three transportation modes – air, vessel and truck – carried less U.S. freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in October 2016 compared to October 2015 as total freight on all modes decreased 3.6 percent to \$93.2 billion in current dollars, according to the annual TransBorder Freight Data released on January 5, 2017 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). From October 2015 to October 2016, the value of **U.S.-Canada** freight flows fell 2.5 percent to \$46.5 billion due to decreases in the value of goods moved by vessel (down 31.1 percent), air (down 8.8 percent) and truck (down 3.1 percent). The value of freight carried on pipeline and rail increased 21.7 percent and 2.5 percent respectively. Trucks carried 60.8 percent of the value of the freight to and from Canada. Rail carried 16.1 percent followed by pipeline, 9.2 percent; air, 4.6 percent; and vessel, 2.9 percent.

6. UPS acquires U.K.-based truck broker

United Parcel Service Inc. (UPS) has acquired United Kingdom-based truck broker Freightex, according to a statement from the company. With the purchase of the asset-light truckload (TL), less-than-truckload (LTL), specialized and refrigerated trucking services firm, UPS aims to expand its U.K. and European truckload brokerage

HIGHWAY TRANSPORTATION Canada

1. TFI International announces acquisition of National Fast Freight, December 29, 2016, www.ctl.ca
2. Tolling Set to Begin on Highway 407 and Highway 412, January 3, 2017, www.mto.gov.on.ca
3. Acquisition drives logistics provider NFI deeper into Canada, January 4, 2017, www.joc.com
4. NFI buys Canadian 3PL, January 5, 2017, www.americanshipper.com
5. BTS Statistics Release: October 2016 North American Freight Numbers, January 5, 2017, www.dot.gov
6. UPS acquires U.K.-based truck broker, January 9, 2017, www.americanshipper.com
7. Youth in Trucking Survey Launched, January 10, 2017, www.cantruck.ca
8. Windsor company receives \$3 million to develop new automotive technologies, January 10, 2017, www.ctl.ca
9. Bus terminal to be built in Vaughan for York Region Transit, January 11, 2017, www.tc.gc.ca
10. Carriers, Shippers Swing Price Pendulum Back and Forth, January 11, 2017, www.ontruck.ca
11. BTS Statistics Release: November 2016 Freight Transportation Services Index (TSI), January 11, 2017, www.dot.gov
12. Cross-Border Truck Freight Value Falls Again, January 12, 2017, www.cantruck.ca
13. CAA: Hwy 401 Near T.O. One of North America's Worst Bottlenecks, January 13, 2017, www.cantruck.ca
14. Analyst: US Freight Recession is 'Over', January 13, 2017, www.cantruck.ca
15. TFI International acquires World Courier Ground, January 17, 2017, www.ctl.ca
16. NFI completes acquisition of Dominion Warehousing & Distribution, January 17, 2017, www.ctl.ca
17. Truck Freight Outlook: 'Maximum Impact' in 2018, January 18, 2017, www.cantruck.ca
18. November 2016 North American Freight Numbers, January 19, 2017, www.dot.gov
19. Dicom launches smart4 shipping as part of the new smart4 technology suite, January 19, 2017, www.ctl.ca
20. Ontario Replacing Bridge and Widening Highway 401 in Kingston, January 19, 2017, www.mto.gov.on.ca
21. 2017 Federal Budget Should Focus on Shift to Low Carbon Trucking, January 20, 2017, www.cantruck.ca
22. Large urban transit, November 2016, January 24, 2017, www.statcan.gc.ca
23. Manitoulin Transport opens new Wawa terminal, January 23, 2017, www.ctl.ca
24. Canada's heavy-duty aftermarket transforming, January 23, 2017, www.todaystrucking.com
25. ATA: Truck tonnage index drops again in December, January 24, 2017, www.americanshipper.com

business by establishing an immediate presence in the third-party truck market with an established base of customers and carriers.

7. Youth in Trucking Survey Launched

Trucking HR Canada has launched its *Youth with Drive* survey, as a next step in developing a national employment strategy for youth in the trucking industry. The goal of the survey is to gather information about young people (18-35) currently employed in the trucking industry from both an employer and employee perspective. The survey questions cover three main themes, including; attraction, engagement and challenges.

8. Windsor company receives \$3 million to develop new automotive technologies

The Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development, announced funding of up to \$3 million for Nematik of Canada Corporation, which in partnership with Arbec Tool and Machine Ltd. will support the development of stronger engine blocks made of lightweight aluminum. These engine blocks will make cars lighter, more fuel-efficient and better for the environment.

9. Bus terminal to be built in Vaughan for York Region Transit

Government officials marked the start of construction of a new inter-regional transit terminal in the City of Vaughan, Ontario. The new inter-regional terminal will have nine bus bays, and a customer and pedestrian connection to Viva Bus Rapid Transit a short walk away on Highway 7, and to the TTC subway through an underground pathway. The terminal will be located off Millway Avenue north of Highway 7, serving as a transit hub, connecting customers to destinations in York Region and neighbouring regions. Construction is underway, with the opening of the bus terminal for service expected by the end of 2017.

10. Carriers, Shippers Swing Price Pendulum Back and Forth

As the traditional bid season heats up, some shippers are trying to take early advantage of the loose capacity from earlier in 2016, rather than base negotiations on tighter capacity in the fourth quarter and expectations of a more robust 2017, say some trucking execs. *Transport Topics* reports that while most industry analysts have said they expect 2017 contract rates to go up in the low single digits, trucking executives believe shippers are trying to use the lag effect between spot and contract rates hikes to their advantage.

11. BTS Statistics Release: November 2016 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.5 percent in November 2016 from October 2016, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The November 2016 index level (123.2) was 30.1 percent above the April 2009 low during the most recent recession.

12. Cross-Border Truck Freight Value Falls Again

The value of U.S.-Canada freight flows fell 2.5% to \$46.5 billion between October 2015 and the same month in 2016. Truck shipments were down 3.1%. The top commodity category transported between the U.S. and Canada by all modes was vehicles and parts, of which \$5.2 billion, or 56.9%, moved by truck and \$3.8 billion, or 40.8%, moved by rail. Overall, trucks carried 60.8% of the value of the freight to and from Canada. Rail carried 16.1% followed by pipeline, 9.2%; air, 4.6%; and vessel, 2.9%. The surface transportation modes of truck, rail and pipeline carried 86% of the value of total U.S.-Canada freight flows.

13. CAA: Hwy 401 Near T.O. One of North America's Worst Bottlenecks

Hwy. 401 across the top of Toronto is the most congested artery in Canada and one of the worst bottlenecks in North America, costing travellers time and money, according to a new study by the Canadian Automobile Association. Canada's top 20 most congested traffic bottlenecks cover just 65 km, but they collectively cost drivers over 11.5 million hours and drain an extra 22 million litres of fuel per year, reports CAA in a study titled Grinding to a Halt, Evaluating Canada's Worst Bottlenecks. Toronto placed 10 bottlenecks in the top 20. Montreal placed five, Vancouver placed four and Quebec City placed one.

14. Analyst: US Freight Recession is 'Over'

The freight recession is over, writes DAT freight market rate expert Mark Montague in the first line of his latest column. That 18-month malaise was triggered by the worldwide collapse of oil prices at the end of 2014, he writes, with accompanying freight drying up. To add insult to injury, line haul rates fell, too, in a cycle of year-over-year declines that lasted through the middle of 2016.

15. TFI International acquires World Courier Ground

TFI International Inc., formerly known as TransForce Inc., announced that a wholly-owned subsidiary of

26. Long-life Surfacing for Roads, January 27, 2017, www.itf-oecd.org

27. MTO Expands, Makes Improvements to Ontario LCV Program, January 27, 2017, www.ontruck.ca

28. OTA Lauds Announcement Taking T.O. Tolls Off the Table, January 27, 2017, www.ontruck.ca

TFI International has acquired World Courier Ground U.S., the U.S. ground transportation division of World Courier, from AmerisourceBergen Corporation. Established in 1983, World Courier Ground U.S. is an asset light, time critical courier and logistics provider. Operating nationally across the U.S., the company offers same day courier, rush trucking and warehousing services primarily to the medical industry, as well as to the environmental, financial, chemical and industrial sectors.

16. NFI completes acquisition of Dominion Warehousing & Distribution

NFI announced the 2016 year end acquisition of Canadian 3PL Dominion Warehousing & Distribution. NFI is headquartered in N.J. with facilities and operations throughout North America. The Dominion acquisition will increase NFI's Canadian-based revenue to over \$125 million and will continue to expand its Canadian service offering which includes freight brokerage, global freight forwarding, asset-based transportation, and value added warehousing and distribution.

17. Truck Freight Outlook: 'Maximum Impact' in 2018

Truckload rates will increase about 4% in the U.S. this year, with capacity pressure brought on by the looming ELD mandate more than compensating for an economic recovery that's become "stale," contends transportation economist Noël Perry, as reported by Fleet Owner magazine. "Our economy has shifted from a high-growth, high-cyclical economy to a slower-growth, more consumer-oriented economy where it grows at about 2%," Perry said on January 19, 2017, speaking for the monthly [FTR State of Freight webinar](#) series. While he expects modest buoyancy in the economy this year, he did warn about the chance of a recession, "certainly for 2018-19."

18. November 2016 North American Freight Numbers

U.S.-NAFTA freight totaled \$91.1 billion in current dollars as all five major transportation modes carried more freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in November 2016 compared to November 2015, according to the TransBorder Freight Data released on January 19, 2017 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). The 3.3 percent rise from November 2015 was only the second time since December 2014 in which the year-over-year value of U.S.-NAFTA freight increased from the same month of the previous year. From November 2015 to November 2016, the value of **U.S.-Canada** freight flows increased by 2.2 percent to \$46.1 billion as the value of freight on three modes increased from a year earlier. The value of freight carried on pipeline increased by 30.1 percent, reflecting the increased value of mineral fuels year over year. Trucks carried 59.0 percent of the value of the freight to and from Canada. Rail carried 16.0 percent followed by pipeline, 9.8 percent; air, 4.8 percent; and vessel, 3.4 percent.

19. Dicom launches smart4 shipping as part of the new smart4 technology suite

Dicom Transportation Group announced the launch of a new shipping system that leverages the latest in development technology. smart4 shipping is a newly developed platform enabling efficient domestic and cross border shipments, leveraging mobile technologies, and providing a variety of essential reporting tools and visually engaging dashboards, Dicom said. smart4 shipping is currently being used across Dicom's network, which spans the United States and Canada.

20. Ontario Replacing Bridge and Widening Highway 401 in Kingston

Ontario is replacing the Cataraqui River Bridge and widening Highway 401 from four to six lanes, which will help keep traffic moving and improve the daily commute for those living in the Kingston region. Work is expected to begin in spring 2017 and is anticipated to be completed in spring 2020. This is part of the Provinces jobs creation goal to improve traffic flow by investing in key infrastructure

21. 2017 Federal Budget Should Focus on Shift to Low Carbon Trucking

The 2017 budget will likely be tabled sometime in February or March 2017. The focus of CTA's submission this year is on GHG-reduction. The industry wants to transition to lower carbon heavy trucks, trailers and fuel. Why wouldn't it? Diesel is the second largest component of operating costs. But, there are significant obstacles and costs associated with the transitioning from initial stage adoption to a mature lower carbon market.

22. Large urban transit, November 2016

Total operating revenues (excluding subsidies) for 10 of Canada's largest urban transit systems rose 2.5% year over year to \$302.3 million in November 2016. Over the same period, ridership increased 0.7% to 144.4 million passenger trips.

23. Manitoulin Transport opens new Wawa terminal

Manitoulin Transport has opened a new transportation terminal in Wawa, Northern Ontario. The new terminal at 164 Mills Drive, Wawa, which sits on 1.8 acres of yard, has greater storage capacity than Manitoulin's existing Wawa terminal and is able to handle twice as many shipments.

24. Canada's heavy-duty aftermarket transforming

Truck and trailer sales continue to drop in Canada, but the value of the aftermarket that serves them continues to rise, according to statistics released.

25. ATA: Truck tonnage index drops again in December

Domestic truck tonnage fell back again in December 2016, dropping 6.2 percent compared with the previous month, following a revised 8.4 percent jump in November 2016, according to the American Trucking Associations' (ATA) advanced seasonally adjusted For-Hire Truck Tonnage Index. The seasonally adjusted index equaled 133.8 for the month, down 0.7 percent compared with December 2015, after growing 5.9 percent year-over-year in November 2016.

26. Long-life Surfacing for Roads

A report (Long-life Surfacing for Roads) by the OECD is the third and final output of a ten-year international research project studying the costs and viability of long-life road pavement surfacings. It describes the results of tests conducted with epoxy asphalt and high performance cementitious materials (HPCM) on real road sections in France, New Zealand and the United Kingdom.

27. MTO Expands, Makes Improvements to Ontario LCV Program

MTO signaled the introduction of its next phase of the Long Combination Vehicles (LCV) Program, which includes eliminating certain caps on the number of LCV units per fleet, new vehicle configurations and several highway network expansions. In a recent letter to the OTA, the ministry highlighted some of the changes to the LCV Program: 1) The expansion of the primary highway network (to include Hwy 403, Hwy 407 E and Hwy 412 as well as Hwy 400 to Parry Sound); 2) The removal of the cap on the number of permits available to each carrier (previously 16); 3) The removal of the cap on the number of carriers in the program (previously 100); 4) The introduction of two new vehicle configurations (for transporting vehicles and container chassis); and 5) The expansion to 5 km the distance LCV's can travel off the primary highway network to access shipper and carrier facilities (previously 2 km).

28. OTA Lauds Announcement Taking T.O. Tolls Off the Table

The Ontario Trucking Association is confident the announcement by Premier Wynne on January 27, 2017 to double the portion of the fuel tax transferred to Toronto and other municipalities will eliminate plans for tolls on the Gardiner/DVP highways – at least until 2024.

GENERAL TRANSPORTATION

Canada

1. National tourism indicators, third quarter 2016

Tourism spending by Canadians in Canada increased 2.0% in the 2016 third quarter, following a 1.3% gain in the second quarter. This was the fastest pace of growth since the first quarter of 2011. Growth was mainly driven by passenger air transport (+4.3%), with motor vehicle fuel (+2.6%) and accommodation (+2.0%) also contributing. Tourism spending on non-tourism goods and services, such as groceries and clothing, increased 0.5%. Conversely, outlays on travel services declined 0.8%.

2. Jousting with Dragons: A Resilience Engineering Approach to Managing Safety Management Systems (SMS) in the Transport Sector

System resilience is the ability for complex, dynamic-adaptive socio-technical systems to absorb and rebound from trauma or stress, and avoid “*jousting with dragons*” where results are uncertain, and often fatal. This paper addresses the issues of understanding and managing complex, dynamic-adaptive systems through the quality of resilience, and how to avoid “*jousting with dragons*” in the transport sector using a Resilience Engineering lens.

3. Leading indicator of cross-border traveller volume, December 2016 (preliminary)

Data on the number of US travellers entering Canada by car in December are now available upon request. Data are available by the visitors' state of residence and province of entry into Canada.

Canada

1. National tourism indicators, third quarter 2016, January 5, 2017, www.statcan.gc.ca
2. Jousting with Dragons: A Resilience Engineering Approach to Managing Safety Management Systems (SMS) in the Transport Sector, Discussion Paper, January 5, 2017, www.itf-oecd.org
3. Leading indicator of cross-border traveller volume, December 2016 (preliminary), January 12, 2017, www.statcan.gc.ca
4. Transportation Economic Trends Report Released, January 10, 2017, www.bts.gov
5. USDOT creates new federal automation committee, January 12, 2017, www.americanshipper.com
6. Quantifying the Socio-economic Benefits of Transport, January 13, 2017, www.itf-oecd.org
7. Canadian Megatrends – The evolution of Canadian tourism, 1946 to 2015, January 16, 2017, www.statcan.gc.ca
8. Four Technologies Set to Change the Future of Logistics, January 2017, www.inboundlogistics.com
9. Travel Survey of Residents of Canada, second quarter 2016, January 17, 2017,

4. Transportation Economic Trends Report Released

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) has released *Transportation Economic Trends*, BTS's first stand-alone volume on transportation and the economy. The 94-page report uses a variety of data series to highlight relevant trends and explain related measurement concepts. The topics covered in the report are the Transportation Services Index, a monthly summary of freight and passenger movement; what transportation contributes to the American economy; the costs that households and businesses pay for transportation; transportation-related employment; trends in transportation productivity; household spending on transportation goods and services; government transportation spending and revenue; and the value of transportation.

www.statcan.gc.ca

10. Travel between Canada and other countries, November 2016, January 19, 2017, www.statcan.gc.ca

11. Quantifying the Socio-economic Benefits of Transport, January 20, 2017, www.itf-oecd.org

12. Global logistics execs pick India as leading investment spot, January 24, 2017, www.transportweekly.com

13. PwC: Logistics M&A activity declines in 2016 despite second half increase, January 24, 2017, www.americanshipper.com

14. U.S. economy falters in Q4 2016 after strong Q3, January 27, 2017, www.americanshipper.com

15. ITF Transport Outlook 2017, January 30, 2017, www.itf-oecd.org

5. USDOT creates new federal automation committee

The U.S. Department of Transportation is establishing a new advisory committee focused on automation research, development and regulation across several transportation modes, the department said in a statement. The committee will hold its first meeting Jan. 16, 2017 to discuss best practices, challenges, and opportunities in automation of vehicles, including cars, buses, trains, planes, and UAS (drone) systems, and the needs of the DOT with regard to continued research, policy and regulation surrounding the budding technology.

6. Quantifying the Socio-economic Benefits of Transport

This report sets out several of the recent advances to the quantification and valuation of economic benefits of transport and points to the most promising approaches. The sophistication of modern supply chains and the growing prominence of the services sector have increased the interest of decision-makers in economic benefits beyond those traditionally captured in transport appraisal. Recent advances in assessment methodologies, and their application in decision-making procedures, make it useful to review the state of the art in two areas in particular: reliability benefits and wider economic benefits that flow from transport-related development.

7. Canadian Megatrends – The evolution of Canadian tourism, 1946 to 2015

This issue of *Canadian Megatrends* takes a historical look at Canadian tourism, describing the long-term changes in who has been visiting Canada—and where Canadians have been visiting.

8. Four Technologies Set to Change the Future of Logistics

The following four technologies are sure to disrupt the business of logistics: **1. 3-D Printing** - The technology of 3-D printing makes it possible for manufacturers, other businesses, and even individuals to print exact working replicas of parts and products using metals, plastic, composite materials, and even human tissue. **2. The Internet of Things (IoT)** - This revolutionary technology allows devices to communicate with each other through an internet-like infrastructure, without human intervention. A McKinsey survey in 2015 predicted the economic impact of the IoT to be \$11 trillion by 2025. **3. Drone Delivery** – Use of small unmanned aerial vehicles, known as drones, for making last-mile deliveries. **4. Driverless Vehicles** – Using artificial intelligence system that pilots the self-driving car.

9. Travel Survey of Residents of Canada, second quarter 2016

In the 2016 second quarter, the number of domestic trips increased 0.3% from the same quarter of 2015 to 80.1 million. Total expenditures for those trips increased 0.2% to \$11.5 billion.

10. Travel between Canada and other countries, November 2016

United States residents made 2.0 million trips to Canada in November 2016, an increase of 0.6% from October 2016. Canadian residents made 3.4 million trips to the United States in November 2016, down 3.6% compared with the previous month. Both overnight travel (-1.4%) and same-day car travel (-3.9%) declined. Residents of overseas countries made 544,000 trips to Canada in November 2016, down 1.0% from October 2016. Travel by Canadian residents to overseas countries was also down in November 2016, decreasing 1.6% from October 2016 to 1.0 million trips.

11. Quantifying the Socio-economic Benefits of Transport

This report sets out several of the recent advances to the quantification and valuation of economic benefits of transport and points to the most promising approaches. The sophistication of modern supply chains and the growing prominence of the services sector have increased the interest of decision-makers in economic

benefits beyond those traditionally captured in transport appraisal. Recent advances in assessment methodologies, and their application in decision-making procedures, make it useful to review the state of the art in two areas in particular: reliability benefits and wider economic benefits that flow from transport-related development.

12. Global logistics execs pick India as leading investment spot

Logistics executives pick India as their top investment destination and say the health of China's economy is likely to set the tone for emerging markets overall in 2017 in a new supply chain industry survey. The annual survey of more than 800 logistics professionals is part of the 2017 Agility Emerging Markets Logistics Index, an annual snapshot of industry sentiment and a ranking of the world's 50 leading emerging markets by size, business conditions, infrastructure and transport connections. China, the world's second-largest economy, again topped the 50-country ranking. India climbed past the United Arab Emirates (UAE) to the No. 2 spot, its highest-ever Index ranking. Malaysia at No. 4 and Indonesia at No. 6 were unchanged from a year ago. In the survey, industry executives identified India as the emerging market with the most potential as a logistics market and as the place their companies are most likely to invest in the next five years. Twenty-three percent of survey respondents said passage of a key tax reform made their companies more likely to invest in India.

13. PwC: Logistics M&A activity declines in 2016 despite second half increase

Merger and acquisition activity in the transportation and logistics sector declined in 2016 despite increasing in the second half of the year, according to a quarterly analysis of global deal activity in the sector by multinational professional services and consulting firm PricewaterhouseCoopers (PwC). Compared with the full year in 2015, total deal value for mergers and acquisitions in the sector plunged 31 percent to \$122 billion, as the number of deals slipped 6 percent to 225 transactions for the year. For the second half of 2016, however, deal value was down 22 percent, but volume grew 6 percent compared with the first half.

14. U.S. economy falters in Q4 2016 after strong Q3

U.S. GDP grew 1.9 percent during fourth quarter 2016, according to the "advance" estimate from the Department of Commerce United States gross domestic product (GDP) - the broadest measure of a nation's overall economic health. U.S. GDP grew at a revised 3.5 percent rate in the third quarter and a 1.4 percent rate in the second quarter.

15. ITF Transport Outlook 2017

The ITF Transport Outlook is now available from the OECD. It provides an overview of recent trends and near-term prospects for the transport sector at a global level, as well as long-term prospects for transport demand to 2050, for freight (maritime, air and surface), passenger transport (car, rail and air) and CO2 emissions.