

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Edmonton airport looks to stem passenger leakage to Calgary

Calgary is Alberta's busiest airport, handling 12.2 million passengers in 2009 – double the 6.1 million travellers who used the Edmonton terminal. There is a friendly rivalry between the two airports. Airline passengers sometimes travel by road from Edmonton to Calgary to take an airflight. To discourage this diversion, a campaign has been devised by the Edmonton airport aimed at slashing the number of trips taken by Edmontonians who decide it's worth driving three hours south to catch flights at Calgary International Airport.

### 2. Singapore Airlines Guilty in Cargo Price-Fixing

Singapore Airlines Cargo agreed to plead guilty to a charge of fixing air cargo rates on shipments to and from the U.S. between 2002 and 2006, the U.S. Department of Justice said Nov. 30, 2010. The airline, one of twentieth world's largest airlines accused of conspiring to fix rates and surcharges, will pay a \$48 million fine and continue to cooperate in the department's investigation as part of the one-count felony plea agreement. To date, the department has imposed \$1.7 billion in fines on 18 airlines for price fixing.

### 3. Air Canada Voted North America's Top Airline in Global Survey of Business Travelers

Air Canada has been voted the Best Airline in North America by the readers of *Global Traveler* magazine in an international survey of business travelers.

### 4. TNT to Sell Express Business

TNT said on December 2, 2010 that it plans to sell its air express business, completing the breakup of one of the world's largest transportation companies. It plans to focus on its mail operations while selling a 70.1 percent stake in its express unit, one of the world's top four international expedited services providers.

### 5. ACE begins divesting Air Canada holding

Montreal-based ACE Aviation Holdings Inc. said that it will reduce its equity stake in Air Canada to 11.5 per cent, or 31 million shares, from 27 per cent. It will sell 44 million Air Canada shares at 3.70 per share.

### 6. Air Canada almost free to fly on its own

ACE has been breaking its ties from Air Canada for some time. In August 2010, the company announced Air Canada had paid back about \$157-million to terminate a loan arranged when Air Canada raised a total of \$1-billion from several parties in July 2009 to weather a rough year for travel. The deal is driven by Air Canada's soaring stock price. Since July 1, the Class B shares are up 127 per cent.

### 7. Air Canada Reports November Traffic

For November 2010, Air Canada reported a system load factor of 74.8 per cent on a consolidated basis with Jazz (from which Air Canada purchases regional capacity), versus 74.7 per cent in November 2009, an increase of 0.1 percentage points. System traffic (RPM) increased 7.5 per cent on a system wide capacity (ASM) increase of 7.3 per cent over the two period. The increase in RPM and ASM were particularly impressive for the transborder and pacific sectors.

## Current Developments in Brief

### Air Transportation

#### CANADA

1. Edmonton airport looks to stem passenger leakage to Calgary, November 29, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
2. Singapore Airlines Guilty in Cargo Price-Fixing, November 30, 2010, [www.joc.com](http://www.joc.com)
3. Air Canada Voted North America's Top Airline in Global Survey of Business Travelers, December 1, 2010, [www.aircanada.ca](http://www.aircanada.ca)
4. TNT to Sell Express Business, December 3, 2010, [www.joc.com](http://www.joc.com)
5. ACE begins divesting Air Canada holding, December 3, 2010, [www.theglobeandmail.ca](http://www.theglobeandmail.ca)
6. Air Canada almost free to fly on its own, December 3, 2010, [www.theglobeandmail.ca](http://www.theglobeandmail.ca)
7. Air Canada Reports November Traffic, December 6, 2010, [www.aircanada.ca](http://www.aircanada.ca)
8. WestJet reports record November load factor of 77.7 percent, December 6, 2010, [www.westjet.ca](http://www.westjet.ca)
9. Porter eyes N.B., Philadelphia as next stops, December 6, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
10. WestJet denies alliance talks with Emirates, December 8, 2010, [www.nationalpost.ca](http://www.nationalpost.ca)
11. WestJet teams up with British Airways, December 8, 2010, [www.nationalpost.ca](http://www.nationalpost.ca)
12. WestJet eyes revenue boost with British Air deal, December 9, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
13. WestJet launches new service between Ottawa and Las Vegas, December 8, 2010, [www.westjet.ca](http://www.westjet.ca)
14. Air Canada Voted Top Honours by Readers of Business Traveler Magazine, December 10, 2010, [www.aircanada.ca](http://www.aircanada.ca)
15. Aircraft movement statistics: Small airports, December 13, 2010, [www.statcan.gc.ca](http://www.statcan.gc.ca)
16. Improved Profitability but Margins Still Pathetic - Europe Continues to Lag, December 14, 2010, [www.iata.org](http://www.iata.org)

\* The CTRF is not responsible for the information provided in this Update. \*\* The information provided is from the Authors and neither the Competition Bureau or Industry Canada is responsible for it.

## 8. WestJet reports record November load factor of 77.7 percent

WestJet reports a November 2010 load factor of 77.7 percent, 1.8 points higher than the same period a year ago. Revenue passenger miles (RPM) increased 17.9% year over year and capacity as measured by available seat miles (ASM) increased 15.3% over the same period

## 9. Porter eyes N.B., Philadelphia as next stops

Porter Airlines Inc.'s shortlist of new destinations for 2011 will be Philadelphia and New Brunswick. The regional carrier will add four more planes as it gears up for competition with Air Canada at Toronto's Island airport.

## 10. WestJet denies alliance talks with Emirates

WestJet Airlines denied on December 7, 2010 that it was in talks with Dubai-based carrier Emirates on an alliance. There's a list of 70 carriers that have expressed an interest in WestJet and Emirates was one of those 70 on the list. Spokesman for WestJet said WestJet's contact with Emirates was just a phone call.

## 11. WestJet teams up with British Airways

According to the *Financial Post*, WestJet Airlines Ltd. appears to have quietly agreed to implement a new strategic partnership with British Airways Plc starting early next year. The Calgary-based carrier has had a preliminary deal in place since last year, but has since converted it to a formal inbound interline agreement.

## 12. WestJet eyes revenue boost with British Air deal

When British Airways arrives at Canadian airports in 2011, they will be able to seamlessly transfer to WestJet flights under a new deal that has landed the Calgary-based carrier its biggest overseas partner. WestJet will focus on collecting some of the estimated 3,400 British Airways customers who fly to Canada daily on average, capturing connecting traffic that should bolster WestJet's revenue and also increase British Airways bookings. WestJet already has inbound interline deals in place with Air France-KLM, Taiwan's China Airlines and, effective November 2010, American Airlines Inc. of Fort Worth, Tex.

## 13. WestJet launches new service between Ottawa and Las Vegas

WestJet launched a new non-stop service between Ottawa and Las Vegas beginning December 9, 2010 at 2.00 pm.

## 14. Air Canada Voted Top Honours by Readers of Business Traveler Magazine

On December 10, 2010, Air Canada reported that it has won five top honours in *Business Traveler's* "Best in Business Travel" award program, the most first place awards won by any airline in the world in this influential magazine's annual reader survey.

## 15. Aircraft movement statistics: Small airports [September 2010]

The number of take-offs and landings at the 130 airports without air traffic control towers reached 57,379 movements in September 2010. Year over year increases were reported by 58 of these airports.

## 16. Improved Profitability but Margins Still Pathetic - Europe Continues to Lag

The International Air Transport Association revised its industry outlook for 2010 to a net profit of \$15.1 billion (up from the \$8.9 billion forecast in September 2010). Similarly, the Association revised upwards its projections for 2011 to a net industry profit of \$9.1 billion (up from the \$5.3 billion forecast in September). However, net margins remain weak at 2.7% for 2010 and falling to 1.5% in 2011. The industry is still fragile. The recovery in 2011 will pause and conditions will be tougher.

## 17. Airport security tunnels: IATA's new plan

The airline industry body IATA unveiled a plan on December 14, 2010 to replace lengthy and sometimes intrusive passenger security checks at airports with a new system aimed at finding "bad people, not bad objects." After checking in heavy bags and passing passport controls, travellers would identify themselves at security with a fingerprint, biometric

17. Airport security tunnels: IATA's new plan, December 14, 2010, [www.nationalpost.ca](http://www.nationalpost.ca)
18. Airlines Complete Move to Bar Coded Boarding Passes, December 15, 2010, [www.iata.org](http://www.iata.org)
19. Air Fare [2009], December 15, 2010, [www.statcan.gc.ca](http://www.statcan.gc.ca)
20. Transat quarter helped by lower fuel hedging losses, December 16, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
21. Transat betting on more winter vacation bookings, December 16, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
22. Air Canada tops list for business travel, December 17, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
23. Heavy snow whacks Europe, grounds Air Canada flights, December 19, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
24. Heathrow Closure Forces Cancellation Of Additional Air Canada flights, December 19, 2010, [www.aircanada.ca](http://www.aircanada.ca)
25. Transat quarter helped by lower fuel hedging losses, December 16, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
26. Minister of Transport announces designations for new international scheduled air services to Guyana and Turkey, December 17, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
27. Canada reaches open skies agreements with Jamaica and Trinidad and Tobago, December 20, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
28. Aircraft movement statistics: Major airports [November 2010], December 21, 2010, [www.statcan.gc.ca](http://www.statcan.gc.ca)
29. WestJet Leases Boeing 727-200 to provide additional non-stop service from Alberta to Hawaii, December 21, 2010, [www.westjet.ca](http://www.westjet.ca)
30. Canada reaches an expanded air transport agreement with Egypt, December 21, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
31. Finance - The Debt Trap, December 23, 2010, [www.iata.org](http://www.iata.org)
32. WestJet sets new record, December 23, 2010, [www.westjet.ca](http://www.westjet.ca)
33. Air Canada Announces Closing of Secondary Offering of its Shares by Ace Aviation Holdings Inc., December 23, 2010, [www.aircanada.ca](http://www.aircanada.ca)
34. Civil aviation operating and financial statistics, December 24, 2010, [www.statcan.gc.ca](http://www.statcan.gc.ca)
35. Air Traffic Dipped in November, December 30, 2010, [www.iata.org](http://www.iata.org)

passport or mobile phone boarding pass, and be checked electronically against their stored profile. They would then be automatically assigned to one of the tunnels — one for registered "known travellers" where checks would be light, one where checks would be at "normal security" level, and the third an "enhanced security" lane.

### **18. Airlines Complete Move to Bar Coded Boarding Passes**

The International Air Transport Association announced on December 15, 2010 that a historic milestone in passenger travel with the 100% worldwide implementation of 2D bar coded boarding passes (BCBP). BCBP replaces the previous generation of more expensive and less efficient magnetic stripe boarding passes.

### **19. Air Fare [2009]**

Fare Basis Survey annual data are now available on Statistics Canada's website for 2009. The survey covers Air Canada, Jazz, Air Canada's Canadian regional code-share partners, Air Transat and WestJet.

### **20. Transat quarter helped by lower fuel hedging losses**

On December 16, 2010, shares of Transat A. T. Inc. rose 7 per cent after the travel company reported higher profits of \$52.4-million in the fourth-quarter, and lower non-cash losses related to fuel hedging. Revenues rose to \$778.6-million, from \$719.7-million.

### **21. Transat betting on more winter vacation bookings**

The country's largest tour operator, Transat Inc., is raising its seat capacity by 13 per cent this winter [2010-11] to accommodate increased leisure travel to Mexico and the Caribbean. It believes that Canadians think that the recession is over and will continue their vacation after scaling back during the recession.

### **22. Air Canada tops list for business travel**

Air Canada has come out on top in *Business Traveler* magazine's best-of list for 2010. Of the 53 awards, Air Canada received five, including best North American airline for international travel. This was the largest number of awards received by an airline.

### **23. Heavy snow whacks Europe, grounds Air Canada flights**

Blizzards and freezing temperatures shut down runways, train tracks and highways across Europe on December 18, 2010, disrupting flights and leaving shivering drivers stranded on roadsides. Air Canada issued a news release that day, predicting the weather would affect European travel for the next few days. It expected both direct and connecting flights would likely be affected.

### **24. Heathrow Closure Forces Cancellation Of Additional Air Canada flights**

Air Canada advised on December 19, 2010 that due to continuing severe winter storm conditions in England and elsewhere in Europe there will be delays and cancellations of London and Paris flights, as well as an impact on connecting flights within Europe, for at least another 48 hours.

### **25. Transat quarter helped by lower fuel hedging losses**

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### **26. Minister of Transport announces designations for new international scheduled air services to Guyana and Turkey**

The Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities, announced on December 17, 2010 the designation of Enerjet to operate scheduled international air services between Canada and Guyana, and of Air Transat to operate scheduled international air services between Canada and Turkey. Since the launch of the Blue Sky policy in November 2006, the Government of Canada has negotiated air transport agreements with more than 50 countries, including: open skies-type agreements with nine countries; expanded agreements with seven countries; new "first-time" agreements with eight countries; and a comprehensive air transport agreement between Canada and the European Union's 27 member states.

### **27. Canada reaches open skies agreements with Jamaica and Trinidad and Tobago**

The Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities, and the Honourable Peter Van Loan, Minister of International Trade, on December 20, 2010 announced that open skies-type air transport agreements

### **US**

1. United States, Brazil Reach Open-Skies Aviation Agreement, December 6, 2010, [www.dot.gov](http://www.dot.gov)
2. September 2010 U.S. Airline Traffic Data: System Traffic Up 4.9 Percent from September 2009, December 9, 2010, [www.dot.gov](http://www.dot.gov)
3. October 2010 Passenger Airline Employment Down 0.4 Percent from October 2009, December 16, 2010, [www.dot.gov](http://www.dot.gov)
4. 3rd-Quarter 2010 Airline Financial Data: Network and Low-Cost Airlines Report Profits, December 20, 2010, [www.dot.gov](http://www.dot.gov)

have been concluded with both Jamaica, and Trinidad and Tobago. The new agreements give airlines additional flexibility for route selection, frequency of service and price setting. Airports will also be in a position to better market their services.

#### **28. Aircraft movement statistics: Major airports [November 2010]**

Statistics Canada reported on December 21, 2010 that aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 6.3% in November 2010 compared with November 2009.

#### **29. WestJet Leases Boeing 727-200 to provide additional non-stop service from Alberta to Hawaii**

WestJet indicated its intention to operate a Boeing 727-200 to provide non-stop service between Calgary and Honolulu and Maui subject to Canadian government approval. The service will operate from February 12, 2011 to April 30, 2011.

#### **30. Canada reaches an expanded air transport agreement with Egypt**

Government officials on December 21, 2010 announced that an expanded air transport agreement has been concluded with Egypt. This expanded agreement allows airlines to operate more flights between Canada and Egypt, and provides airlines with the flexibility to adjust their prices for travel between Canada and Egypt according to market forces. Airlines may also choose to offer air services using the flights of other airlines, commonly known as code-sharing services.

#### **31. Finance - The Debt Trap**

Aviation, like government and many industries, have a high level of debt to service. IATA estimates that the aviation industry debt is about \$211 billion. In the past decade at no point has this figure fallen below \$150 billion. This financial burden has a big impact on how airlines go about their business and will continue to have a significant impact on aviation's sustainability.

#### **32. WestJet sets new record**

WestJet announced that it will fly 50,336 guests on 434 flights on December 23, 2010. This sets a new record for the airline overtaking the previous record of 49,545 guests on 418 flights on Thanksgiving Day, October 8, 2010. On average WestJet flies 40,000 guests per day on its airline network.

#### **33. Air Canada Announces Closing of Secondary Offering of its Shares by Ace Aviation Holdings Inc.**

Air Canada announced on December 23, 2010 that ACE Aviation Holdings Inc. has completed its previously announced public secondary offering of 44,000,000 shares of Air Canada for aggregate gross proceeds of \$162,800,000. Air Canada did not receive any of the proceeds from this offering.

#### **34. Civil aviation operating and financial statistics**

In 2009, Canadian Level I to III air carriers reported 55 million enplaned passengers, down 4.7% from 2008. The domestic sector declined 4.7% in 2009 to 32.3 million passengers, while the international sector (including Canada-United States) edged down 1.2% to 22.7 million passengers. Canadian Level I to III air carriers recorded a net income of \$225.6 million in 2009 compared to a loss of \$677.1 million in 2008. Total operating revenues in 2009 generated by the air carriers in the same levels amounted to \$15.4 billion, down 12.0% from 2008, reversing the upward trend that began in 2004. The total operating expenses decreased to \$15.3 billion in 2009, down 9.7% from the previous year. The aviation industry's earning power is reflected in the profitability ratios of profit margin, return on investment and return on assets. In 2009, the profit margin was 1.5% compared to -3.9% in 2008. Total assets of the Canadian Level I to III air carriers reached \$15.5 billion in 2009, down 4.1% compared to 2008. Total employment in the aviation industry grew 2.2% to 42,824. For more details see Statistics Canada publication 51-004-X.

#### **35. Air Traffic Dipped in November**

On December 30, 2010, the International Air Transport Association (IATA) announced the international scheduled traffic results for November 2010. It showed a 8.2% year-on-year passenger traffic growth and a 5.4% increase for freight. The passenger load factor for November averaged 75.6% while the freight load factor stood at 55.2% for the month. The slowdown in 2010 is partially skewed because of the exceptionally rapid rise in traffic volumes recorded during the fourth quarter of 2009. However, when viewed in absolute terms, air travel fell by 0.8% and air freight fell by 1.1% between October and November 2010.

## MARINE TRANSPORT

### 1. Government of Canada extends eastern ferry services

On November 30, 2010, government officials announced an investment to extend ferry services in Eastern Canada. The investment will allow for continued ferry services between Saint John, New Brunswick, and Digby, Nova Scotia, and between Wood Islands, Prince Edward Island, and Caribou, Nova Scotia, to March 31, 2014. It will also support a year-round ferry service between Îles-de-la-Madeleine, Quebec, and Souris, Prince Edward Island, for four years beginning in 2011, which includes support for a two-month extension of service during February and March 2011.

### 2. More fed cash to keep Bay of Fundy ferry afloat

Details of the package to extend the service between Digby and Saint John have not yet been released by the federal government. The Bay of Fundy Transportation Coalition gets \$32 million a year with periodic infusions of cash (about \$5.75 million each year). Besides more money, Bay of Fundy Transportation Coalition wants this service treated similarly to Marine Atlantic, which is a Crown corporation.

### 3. Truckers say some companies driving down rates at Vancouver port

New regulations by the Port Metro Vancouver were protested by the Vancouver Container Truckers Association. Port Metro implemented a new fee of \$300 annually for license plate approvals for entry into the port. The port also announced a lift on the ban of new licenses together with the imposition of a ban on trucks into the port based on its age regardless if the trucks are legal on BC's road. The Association is worried that this will hurt container truck drivers, a move they claim can lead to more trucks, less work and fewer owner operators. The Association has also accused the provincial and federal governments for failing to ensure stable rates for truckers.

### 4. Opposition push through motion to ban B.C. oil tanker traffic

The opposition parties have teamed up and passed a motion urging the government to immediately propose legislation to "ban bulk oil tanker traffic" through the Dixon Entrance, Hecate Strait and Queen Charlotte Sound, off the north coast of British Columbia. Lack of preparedness in case of an oil spill and the need to clarify policy is becoming more urgent. This is so especially as tanker traffic along Canada's west and Arctic coasts is expected to increase in the coming years as companies seek new energy routes to Asia and melting ice clears the way for more shipping activity through the Northwest Passage.

### 5. Open the northern gateway

A controversy has arisen as to whether we should ban tanker traffic on the West Coast — unless it comes through Vancouver. Last week a motion was passed to do so. Opponents see that this would kill jobs and prosperity for tens of thousands of Canadians, they claim that oil tankers pass by Stanley Park under the Lions Gate Bridge now. Further, the northern routes are wider, deeper and easier to navigate. So an opposition private member's motion is expected to be presented to the House of Commons for its decision this week. It argues that we can create good jobs and still protect our environment. And it will be done by incorporating world-class maritime and pipeline safety standards, strict regulations and best practices.

### 6. Prince Rupert Port Authority Monthly Container Traffic Summary and Year To Date

For the month of November 2010, container traffic in terms of total TEUs increased by 14.3% compared to the same month a year ago. Imports increased by 6.6% and exports by 24% in terms of total TEUs for the two periods. Year-to-date (January to November 2010) total container traffic (TEUs) increased 34.9%, imports increased by 29.7% and exports by 42.4% compared to the same period a year ago (January to November 2009). The total includes both loaded and empty boxes.

### 7. Seaway Cargo Shipments Gain 19 Percent

On the Seaway, total cargo shipments year-to-date (December 9) for 2010 are up 19 percent to 31.9 million metric tons from 26.9 million in 2009. Iron ore on the Lakes is up 76 percent from a very difficult 2009. The strong growth is based on exports of grain and iron and ore.

### 8. Direct West Coast of South America service begins at the Port of Halifax

On December 12, 2010, the first vessel in CMA-CGM's expanded Black Pearl service will inaugurate weekly and direct container service to Ports in Panama, Ecuador, Peru and Chile from the South End Container Terminal, operated by

## Marine Transport

### Canada

1. Government of Canada extends eastern ferry services, November 30, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
2. More fed cash to keep Bay of Fundy ferry afloat, December 2, 2010, [www.todaystrucking.ca](http://www.todaystrucking.ca)
3. Truckers say some companies driving down rates at Vancouver port, November 27, 2010, [www.vancouver.sun.ca](http://www.vancouver.sun.ca)
4. Opposition push through motion to ban B.C. oil tanker traffic, December 8, 2010, [www.nationalpost.ca](http://www.nationalpost.ca)
5. Open the northern gateway, December 8, 2010, [www.nationalpost.ca](http://www.nationalpost.ca)
6. Prince Rupert Port Authority Monthly Container Traffic Summary and Year To Date, December 8, 2010, [www.rupertport.com](http://www.rupertport.com)
7. Seaway Cargo Shipments Gain 19 Percent, December 9, 2010, [www.joc.com](http://www.joc.com)
8. Direct West Coast of South America service begins at the Port of Halifax, December 8, 2010, [www.portofhalifax.ca](http://www.portofhalifax.ca)
9. Shipper Group Criticizes FMC Carrier Report, December 12, 2010, [www.joc.com](http://www.joc.com)
10. Port Metro Vancouver - Accumulated Container Traffic Report YTD November 2010, December 17, 2010, [www.portvancouver.com](http://www.portvancouver.com)
11. Port Metro Vancouver's Top Ten of 2010, December 29, 2010, [www.portvancouver.com](http://www.portvancouver.com)
12. St. Lawrence Seaway Traffic Up 17 Percent, December 30, 2010, [www.joc.com](http://www.joc.com)
13. Cumulative containerized statistics January to November 2010, December 31, 2010, [www.portofmontreal.ca](http://www.portofmontreal.ca)

### US

1. 17% box growth for 2010, Port Tracker says, December 16, 2010, [www.americanshipper.com](http://www.americanshipper.com)
2. DP World Sells 75 Percent of Australian Ports Business [to Citi Infrastructure Investors], December 23, 2010, [www.joc.com](http://www.joc.com)

Halterm Container Terminal Limited, at the Port of Halifax.

### **9. Shipper Group Criticizes FMC Carrier Report**

The National Industrial Transportation League is decrying the Federal Maritime Commission's lack of action on a nine-month investigation into ocean carrier practices on the Pacific and says it may take legal action to release the regulatory agency's closed report.

### **10. Port Metro Vancouver - Accumulated Container Traffic Report YTD November 2010**

Container traffic (TEUs) at the Port Metro Vancouver increased 17% between January and November 2010 compared to the same period in 2009. Total TEUs for this period was 2,306,495 compared to the earlier period of 1,969,257. Imports increased by 16% to 1,193,999 and exports increased by 18% to 1,112,497.

### **11. Port Metro Vancouver's Top Ten of 2010**

Port Metro Vancouver has listed its top ten achievements or goals of 2010 as follows: We are reducing air emissions; We are collaborating; We are investing in infrastructure; We are increasing capacity; We are improving efficiency; We are reaching out; We are increasing volumes; We are supporting communities; We are strengthening the Canadian economy; and We are tweeting.

### **12. St. Lawrence Seaway Traffic Up 17 Percent**

Unaudited results from the 2010 season, which ended on December 29, 2010, indicated that the 51-year-old St. Lawrence Seaway waterway carried 35.1 million metric tons of cargo, an estimated 16.9 percent increase from 2009. This is the best season that the St. Lawrence Seaway has had in four years. The increases in grain, iron ore, chemicals and general cargo were significant contributors to the increased traffic. The 2010 tonnage could reflect a rebounding global economy.

### **13. Cumulative containerized statistics January to November 2010 [Port of Montreal]**

For the first eleven months of 2010, at the Port of Montreal the number of TEUs increased to 1,233,027 from 1,156,052 a year ago, a 6.7% increase. Inbound traffic increased by 6.5% and outbound by 6.8%. Outbound traffic was 630,323 TEUs and inbound traffic was 602,704 TEUs for the above period.

## **RAIL TRANSPORTATION**

### **1. Changes to Transit City plan will cost city**

Ontario transportation minister Kathleen Wynne said on November 30, 2010 that the provincially-funded transit agency will consider modifying a plan for light-rail transit in Toronto, but the city will have to swallow "significant costs".

### **2. Councillors insist they'll have final say on transit plan**

Toronto Mayor Rob Ford has ordered the Toronto Transit Commission to abandon the Transit City light-rail plan in favour of subway construction. But a large majority of councillors from across the political spectrum are already insisting that council, not the nine-member commission, should make the ultimate decision.

### **3. Government of Canada launches consultations for locomotive emissions regulations**

The Honourable Rob Merrifield, Minister of State (Transport), on December 1, 2010 launched the consultation process with stakeholders to develop emissions regulations for locomotives under the *Railway Safety Act*. These regulations will address criteria air contaminants, which are produced in many ways, including burning fossil fuels (such as in fuel-burning engines and motors). Reducing criteria air contaminants from the rail sector is part of a broader strategy to reduce emissions from the transportation sector.

### **4. Feds launch consultations for locomotive emissions regulations**

The Government of Canada has launched a consultation process with stakeholders to develop emissions regulations for locomotives under the *Railway Safety Act*.

### **5. Canadian Pacific Railway Limited declares dividend**

The Board of Directors of Canadian Pacific Railway Limited declared on December 15, 2010 a quarterly dividend of twenty seven cents (\$0.27) Canadian per share on the outstanding Common Shares, payable December 31, 2010.

### **6. President and CEO Claude Mongeau says CN's remarkable transformation driven by vision, innovation and execution**

Claude Mongeau, president and chief executive officer of CN, addressing the Montreal Board of Trade said on December 14, 2010 that CN's rise to rail industry leader from industry laggard is "one of the most profound transformations in Canadian business

history". It is the product of a compelling corporate vision, continual innovation and strong operational execution.

### **Rail Transportation**

#### **Canada**

1. Changes to Transit City plan will cost city, December, 1, 2010, [www.nationalpost.ca](http://www.nationalpost.ca)
2. Councillors insist they'll have final say on transit plan, December 2, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
3. Government of Canada launches consultations for locomotive emissions regulations, December 1, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
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9. Canadian rail carloadings continue climb in October, December 23, 2010, [www.ctl.ca](http://www.ctl.ca)
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#### **US**

1. NY-NJ Rail Containers Rebound to Pre-recession Levels, December 15, 2010, [www.joc.com](http://www.joc.com)
2. STB Fines CN Over Chicago Street Blockage Reporting, December 21, 2010, [www.joc.com](http://www.joc.com)
3. Strong Rail Traffic Pulls Through Blizzards, December 22, 2010, [www.joc.com](http://www.joc.com)

#### **7. CN completes construction of Griffith, Ind., rail connection**

On December 20, 2010, CN announced that it has completed construction of the first major rail connection built as part of the continuing integration of the Elgin, Joliet and Eastern Railway Company (EJ&E). This connection will enhance the fluidity of train movements along CN routes in the greater Chicago area. This is the first of the five major connections in the EJ&E integration program.

#### **8. Both CN and CPR Under Western Grain Revenue Caps for Crop Year 2009-2010**

The Canadian Transportation Agency on December 21, 2010 announced that the revenues of the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CPR) for the movement of Western grain had not exceeded their respective revenue caps for crop year 2009-2010. CN's grain revenue of \$463,919,885 was \$3,734,477 below its revenue cap of \$467,654,362. CPR's grain revenue of \$454,043,873 was \$1,681,884 below its cap of \$455,725,757.

#### **9. Canadian rail carloadings continue climb in October**

Statistics Canada reports that the Canadian railway industry recorded a strong growth in freight loadings for October 2010, as both domestic and international freight traffic rose. Non-intermodal loadings increased to 20.8 million tonnes a gain of 5.4% in October 2010 compared to the same month in 2009. Intermodal loadings rose 6.5% to 2.4 million tonnes compared to the same month last year.

#### **10. CN elects Donald J. Carty to its Board of Directors**

On December 23, 2010, CN announced that Donald J. Carty has been elected to serve on the Board of Directors of CN. Carty will join the Board on Jan. 1, 2011. He has served in the airline and other industries.

## HIGHWAY

### 1. September 2010 Surface Trade with Canada and Mexico Rose 19.3 Percent from September 2009

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners Canada and Mexico was 19.3 percent higher in September 2010 than in September 2009, reaching \$68.3 billion, according to the US Bureau of Transportation Statistics (BTS). However, it is still less than the figure reached in 2008 of \$71.81 billion. The rate of increase of 19.3 percent in September is less than the previous month increase of 25.3 percent and less than the year to date increase of 28 percent. US-Canada surface transportation trade totalled \$40.2 billion in September 2010, up 15.7 percent compared to September 2009.

### 2. End Of The Road For Suspended And Impaired Drivers

Starting on December 1, 2010, new measures will help keep suspended and impaired drivers off Ontario's roads. This change will also provide added enforcement against people who have had their driver's licences suspended for consistently not paying family support.

### 3. Vitran division headed to new frontier

Canadian LTL giant Vitran Corp. has sold its U.S. same-day truckload subsidiary, Frontier Transport, to Online Transport of Indianapolis for about \$5 million.

### 4. The Government of Canada Announces a 12-month Extension for Child Seat Regulations

On December 2, 2010, the Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities, announced an extension to December 31, 2011, of the transition period for the *Motor Vehicle Restraint Systems and Booster Seats Safety Regulations*. The original implementation date was January 1, 2011.

### 5. FedEx Freight Canada improves cross-border service times

On December 7, 2010, Canadian Transportation and Logistics reported that FedEx Freight Canada reduced transit times in more than 500 lanes connecting Toronto and Montreal to dozens of cities and regions in the US. The company says these service enhancements are designed to enable cross-border LTL shippers to achieve supply chain improvements.

### 4. Peace Bridge Plaza improvements complete

On December 10, 2010, government and other officials celebrated the completion of the Peace Bridge Plaza improvements with a ribbon-cutting ceremony at the newly constructed laneway. "The Peace Bridge is the third-busiest Canada-U.S. commercial truck crossing and a key component for international trade with the United States," said Minister Nicholson. "These improvements will enhance the efficiency and security of this important trade corridor, while contributing to Canada's long-term economic prosperity."

### 5. TransLink selects Cubic/IBM to design, build and operate electronic smart card and faregate system

TransLink has selected Cubic Transportation Systems with IBM Canada as the preferred proponent to design, build and operate the electronic fare card and fare-gate system, set to begin operations in the Metro Vancouver transit system by 2013. The Province of British Columbia is providing \$40 million and the Government of Canada is contributing up to \$30 million from the Building Canada Fund to support the approximately \$100 million in eligible costs attributed to the faregates and required station improvements.

### 6. Dynamex deal expands TransForce's courier footprint

## Highway Transportation

### Canada

1. September 2010 Surface Trade with Canada and Mexico Rose 19.3 Percent from September 2009, November 30, 2010, [www.dot.gov](http://www.dot.gov)
2. End Of The Road For Suspended And Impaired Drivers, December 1, 2010, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
3. Vitran division headed to new frontier, December 1, 2010, [www.todaystrucking.ca](http://www.todaystrucking.ca)
4. The Government of Canada Announces a 12-month Extension for Child Seat Regulations, December 2, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
5. FedEx Freight Canada improves cross-border service times, December 7, 2010, [www.ctl.ca](http://www.ctl.ca)
4. Peace Bridge Plaza improvements complete, December 10, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
5. TransLink selects Cubic/IBM to design, build and operate electronic smart card and faregate system, December 10, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
6. Dynamex deal expands TransForce's courier footprint, December 15, 2010, [www.todaystrucking.com](http://www.todaystrucking.com)
7. TransCore freight index reflects strong November, December 20, 2010, [www.ctl.ca](http://www.ctl.ca)
8. Kriska to acquire JMS Transportation, December 21, 2010, [www.ctl.ca](http://www.ctl.ca)
9. Driver Shortage Will Be Reflected in Capacity Crunch, December 20, 2010, [www.ontruck.org](http://www.ontruck.org)
10. Livingston sells off event logistics biz, December 22, 2010, [www.ctl.ca](http://www.ctl.ca)
11. For-hire Motor Carrier Freight Services Price Index, December 24, 2010, [www.statcan.gc.ca](http://www.statcan.gc.ca)
12. Couriers and Messengers Services Price Index, December 24, 2010, [www.statcan.gc.ca](http://www.statcan.gc.ca)
13. Northern Manitoba remote rail service completes upgrades with Government of Canada funding, December 29, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
14. Mullen expands fluid-hauling capacity, December 29, 2010, [www.ctl.ca](http://www.ctl.ca)
15. Seatbelts Saving Lives In Ontario For 35 Years, December 29, 2010, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)



TransForce's latest US\$248 million offer for Dynamex was approved by its board of directors in the second week of December 2010. TransForce chairman, president and CEO Alain Bedard said in a statement. "The acquisition of Dynamex will enhance service to existing customers while proposing a powerful service offering to potential clients, as Dynamex specializes almost exclusively in same-day delivery services, a segment generally not offered by TransForce, and by opening doors to the U.S. markets," Dynamex, derives 40 percent of its revenue in Canada, employs more than 1,500 workers and has about 3,700 independent contractors.

## US

1. Freight Transportation Services Index (TSI) Rose 0.2% in October from September, December 8, 2010, [www.dot.gov](http://www.dot.gov)
2. FedEx to Acquire Mexican Package Carrier [Multipack], December 16, 2010, [www.dot.gov](http://www.dot.gov)
3. UK Unveils Initiative to Boost Low-Emission Mobility, December 19, 2010, [www.cemt.org](http://www.cemt.org)
4. DOT Proposes Cell Phone Restrictions, December 20, 2010, [www.joc.com](http://www.joc.com)

### **7. TransCore freight index reflects strong November**

TransCore's Canadian Freight Index showed a 37% increase in freight volumes for November 2011 compared to the same month last year. Volumes were also up 2% compared to October 2010. All this despite Thanksgiving Day in November which shows a decline in freight volumes.

### **8. Kriska to acquire JMS Transportation**

Kriska has acquired JMS Transportation. JMS is a 30-truck fleet based in Point Edward, Ont. that provides domestic and cross-border truckload services to customers in Canada and the US. Kriska is a well-respected organization and their decision to expand into the southwestern Ontario market with the acquisition of JMS will allow them the resources of a larger carrier to be more effective and efficient.

### **9. Driver Shortage Will Be Reflected in Capacity Crunch**

According to David Bradley, CEO of the Ontario Trucking Association, the demographics of the trucking industry, combined with concerns over compensation of company drivers and owner-operators as well as lifestyle issues are creating the conditions for a severe shortage of professional truck drivers in North America. Indeed, even with the modest growth in economic activity that we have seen over the past few quarters, the shortage is already being felt in certain markets and capacity is tightening. This trend is expected to worsen with modest growth predictions for 2011.

### **10. Livingston sells off event logistics biz, December 22, 2010, [www.cfl.ca](http://www.cfl.ca)**

Livingston International has sold its event logistics business to ICECORP Logistics. Livingston Event Logistics provides specialized services for trade shows and other events.

### **11. For-hire Motor Carrier Freight Services Price Index [Third Quarter 2010]**

The For-Hire Motor Carrier Freight Services Price Index increased 0.4% in the third quarter of 2010 from the second quarter of 2010. The specialized freight trucking component increased 0.2%, while the general freight trucking component increased 0.5%. On a year-over-year basis, the index advanced 1.3% in the third quarter of 2010 compared with the third quarter of 2009.

### **12. Couriers and Messengers Services Price Index [November 2010]**

The Couriers and Messengers Services Price Index increased 0.2% in November 2010 compared with October 2010. The courier portion rose 0.2% and the local messenger component advanced 0.3%. On a year-over-year basis, the index advanced 2.7% in November 2010 compared with November 2009.

### **13. Northern Manitoba remote rail service completes upgrades with Government of Canada funding**

On December 29, 2010, the Government of Canada announced the completion of several federally funded projects to upgrade the Keewatin Railway Company's passenger rail service. Among these is the construction of a new passenger station and loading ramp in the community of Pukatawagan.

### **14. Mullen expands fluid-hauling capacity**

Mullen Group announced a series of transactions that will expand its fluid-hauling and handling capacity in northern Alberta and northeastern B.C. The expansion has been or is being accomplished by acquiring Radium Industrial Solutions GP, a Grande Prairie-based fluid hauler; Panda Tank and Vac Truck Services, also out of Grande Prairie, Alta; and an undisclosed private company based in northern Alberta.

### **15. Seatbelts Saving Lives In Ontario For 35 Years**

After 35 years of its seat belt law in Ontario, 92.8 per cent of all Ontarians buckle up - that's up from just 17.2 per cent in 1976. Ontario was the first province to require all drivers and passengers to wear a seatbelt. The McGuinty government has since expanded the law to include: increased fines for seatbelt, child seat, and booster seat violations; a requirement that every vehicle occupant be buckled up - one person, one seatbelt; and the mandatory use of appropriate booster and child car seats at all times, whether children are driving with a parent, grand parent or other caregiver. It is estimated that seatbelt use has saved over 8,000 lives.

## GENERAL

### 1. Canada gets ready to walk away from Kyoto Protocol

At the global climate summit on December 7, 2010, the Canadian government is expected to withdraw from the Kyoto Protocol, in its current form. But formal withdrawal is not expected until next year. Canada ratified the Kyoto Protocol and then publicly renounced its 2012 emission targets. China, India and U.S. major emitters of carbon into the atmosphere have not signed the protocol and it is believed they have no intention of doing so. The Protocol which found favour under the Liberal government lost its appeal under the Conservative government.

### 2. Speaking notes for the Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities to the House of Commons Standing Committee on Transportation, Infrastructure and Communities

Minister Strahl in his speech of December 6, 2010, provided the Committee with an update on certain issues for both Transport and Infrastructure. These issues were on: transportation sector's role in the Canadian economy; the effects that infrastructure investments have had on communities across Canada; and our partnerships – with the provinces, territories and municipalities. He also spoke on what the future may hold.

### 3. Climate Change: Cancun Agreements

Jack Short, Secretary General of the International Transport Forum said "The Cancun Agreements decided at COP 16 may have given new impetus to a stalled UN negotiating process but will have no direct impact on continued global growth of transport CO2 emissions". This will not increase pressure on Transport to reduce CO2 emissions. Transport is responsible for 23% of global CO2 emissions from fossil fuel combustion.

### 4. International Travel Survey [2009]

Statistics Canada reports that international tourist arrivals worldwide dropped 4.2% to 880.0 million in 2009. As a result, international tourism receipts dropped 5.7% to US\$852.0 billion, representing the first year of decline since 2003. As far as Canada is concerned, United States residents made about 11.7 million overnight trips to Canada in 2009, down 6.7% from 2008 and the lowest level since 1985. Canadian travel to the United States reached 18.0 million overnight trips in 2009, down 5.0% from 2008. Canada's international travel deficit was up \$87.7 million to \$12.2 billion in 2009, the fifth consecutive increase. Canadians spent \$27.7 billion outside the country in 2009, down 3.3% from the record high of \$28.6 billion set in 2008.

## General

### Canada

1. Canada gets ready to walk away from Kyoto Protocol, December 6, 2010, [www.globeandmail.ca](http://www.globeandmail.ca)
2. Speaking notes for the Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities to the House of Commons Standing Committee on Transportation, Infrastructure and Communities, December 6, 2010, [www.tc.gc.ca](http://www.tc.gc.ca)
3. Climate Change: Cancun Agreements, December 14, 2010, [www.cemf.org](http://www.cemf.org)
4. International Travel Survey [2009], December 23, 2010, [www.statcan.gc.ca](http://www.statcan.gc.ca)

## Publications

1. International Network Workshop on Unilateral Conduct - December 2 and 3, 2010, [www.europa.eu](http://www.europa.eu)