

Transportation Information Update*

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AIR TRANSPORTATION

1. WestJet announces service to Whitehorse

On January 30, 2012, WestJet announced daily non-stop service from Vancouver to Whitehorse beginning May 17, 2012.

2. WestJet announces service to Kingston, Jamaica and Aruba

WestJet announced on January 30, 2012 non-stop service to Kingston, Jamaica three times a week beginning April 30, 2012 and non-stop service to Aruba once a week on Sunday beginning May 6, 2012. Both services are from Pearson International Airport.

3. Billy Bishop Toronto City Airport passengers can now get lunch To Go

Passengers at Billy Bishop Toronto City Airport can now enjoy a range of premium food options on sale in each lounge. This is a result of a new partnership between City Centre Terminal Corp., a subsidiary of Porter Aviation Holdings Inc., and To Go Foodbar, an independent café and coffee bar in Toronto.

4. 2011 Ends on a Positive Note - Capacity, Economy Loom as Issues in 2012

The International Air Transport Association (IATA) reported that full year 2011 passenger demand rose 5.9% compared to 2010, in line with long-term growth trends. In contrast, cargo markets contracted by 0.7% for the year; but recorded positive demand growth in December of 0.2%. Growth in demand lagged capacity increases at 6.3% (passenger) and 4.1% (cargo) putting downward pressure on load factors. The average passenger load factor for 2011 was 78.1%, down from 78.3% in 2010, while the freight load factor was just 45.9%, down from 48.1% in 2010.

5. Air Canada, WestJet upgraded to outperform

A capital market analyst at RBC upgraded both Air Canada and WestJet Airlines Ltd. on February 3, 2012 to an outperform as load factors tightened in the final three months of the year allowing for fare increases. He also increased his price target for Air Canada to \$2 a share, from \$1.50 previously, and on WestJet to \$16 a share, from \$13 previously. Both airlines are expected to report their fourth-quarter earnings in the coming weeks.

6. Air Canada Reports Record January Load Factor

For the month of January 2012, Air Canada reported a record system load factor of 79.1 per cent, versus 78.0 per cent in January 2011, an increase of 1.1 percentage points. System traffic (RPM) increased 3.3 per cent on a system-wide capacity (ASM) increase of 1.9 per cent.

7. WestJet reports record load factor

On February 6, 2012, WestJet reported a record load factor of 79.9 for January 2012, a 2.1 increase compared to the same month last year (2011). Available seat miles (capacity) increased 8.6% and revenue passenger miles increased 11.5 percent. Greg Saretsky said "We are happy with this strong start to 2012..."

8. Porter Airlines January load factor up 4 points

Porter Airlines had a record January 2012 load factor of 55.7 per cent, 4 points higher than the previous year. January results show 111.6 million Available Seat Miles (ASMs) and 62.2 million Revenue

AIR TRANSPORTATION

Canada

1. WestJet announces service to Whitehorse, January 30, 2012, www.westjet.ca

2. WestJet announces service to Kingston, Jamaica and Aruba, January 30, 2012, www.westjet.ca

3. Billy Bishop Toronto City Airport passengers can now get lunch To Go, January 30, 2012, www.flyporter.com

4. 2011 Ends on a Positive Note - Capacity, Economy Loom as Issues in 2012, February 1, 2012, www.iata.org

5. Air Canada, WestJet upgraded to outperform, February 3, 2012, www.nationalpost.ca

6. Air Canada Reports Record January Load Factor, February 6, 2012, www.aircanada.ca

7. WestJet reports record load factor, February 6, 2012, www.westjet.ca

8. Porter Airlines January load factor up 4 points, February 6, 2012, www.flyporter.com

9. 2011 freight stagnates at key airports, Feb. 6, 2012, www.americanshipper.com

10. Building a More Competitive European Aviation Sector - Avoiding Unintended Consequences of Legislation, February 7, 2012, www.iata.org

11. WestJetters vote 91 percent in favour of regional airline, February 8, 2012, www.westjet.com

12. WestJet announces dividend increase and normal course issuer bids, February 8, 2012, www.westjet.com

13. Air Canada Introduces All-Inclusive Price Advertising with Worldwide Seat Sale Marking its 75th Anniversary Celebrations, February 8, 2012, www.aircanada.ca

14. Air Canada pilots nearing strike vote, Feb. 7, 2012, www.theglobeandmail.ca

15. A Waste of Waste, February 8, 2012, www.iata.org

16. WestJet reports fourth quarter results; full year net earnings up 65%, February 8, 2012, www.westjet.ca

17. Air Canada Reports Full Year and Fourth Quarter 2011 Results, February 9, 2012, www.aircanada.ca

18. Air Canada pilot union calls for strike vote, Feb. 9, 2012, www.globeandmail.ca

19. Air Canada weighs low-cost carrier options, February 9, 2012, www.nationalpost.ca

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

Passenger Miles (RPMs). ASMs increased 31 per cent from 85.2 million and RPMs grew 41 per cent compared to 44.1 million last year. "It is nice to see 2012 begin with strong growth," said Robert Deluce, president and CEO of Porter Airlines.

9. 2011 freight stagnates at key airports

Cargo growth in 2011 at two of the world's largest air freight airports largely showed stagnation in the industry. Volume rose 0.8 percent in 2011 at Amsterdam's Schipol International Airport, with the airport handling 1.5 million tons of freight during the year. The airport is the third largest cargo-handling airport in Europe. Volume from North America rose markedly in 2011, by 13.3 percent, to 136,065 tons, but volume from Asia dropped noticeably.

10. Building a More Competitive European Aviation Sector - Avoiding Unintended Consequences of Legislation

The International Air Transport Association (IATA) urged European policymakers to focus aviation efforts on measures to shore-up the competitiveness of Europe's aviation sector. "Safety and security must always come first. But at this critical time for European economies it is important that policies focus on measures that support economic growth and job creation, enhance competitiveness and support sustainable development," said Tony Tyler, IATA's Director General and CEO. Tyler also urged policymakers to work with industry on win-win solutions.

11. WestJetters vote 91 percent in favour of regional airline

WestJetters voted overwhelmingly – 91% - in favour of a regional airline as a subsidiary. The regional airline is expected to take off the ground in 2013.

12. WestJet announces dividend increase and normal course issuer bids

WestJet Board of Directors have announced a dividend increase of twenty percent to 6 cents per common voting share and variable voting share from 5 cents for the final quarter of 2011. It also announced that the TSX has accepted its notice to make normal course issuer bid to purchase common voting shares and variable voting shares on the open market in accordance with TSX rules.

13. Air Canada Introduces All-Inclusive Price Advertising with Worldwide Seat Sale Marking its 75th Anniversary Celebrations

On February 8, 2012, Air Canada launched a worldwide seat sale to kick-off a yearlong celebration of the airline's 75th anniversary and introduced a new, all-inclusive pricing approach to advertising (i.e., a breakdown of the base fare plus the total cost of additional charges, such as taxes, fees and surcharges) that makes it easier for customers to shop, compare and determine the final cost of air travel.

14. Air Canada pilots nearing strike vote

The Air Canada Pilots Association is warning that mediated labour talks have entered a crucial phase with no signs of management budging. The committee will wrap up two days of presentations to pilots on Feb. 8, clearing the way for a 5-day strike vote to start as early as Feb. 9, 2012.

15. A Waste of Waste

Airlines have been involved in recycling for years. But their progressive attitude to waste must be mirrored by the entire aviation community if recycling efforts are to reach their full potential. IATA indicates that further progress in this area is being stifled by factors such as suitable infrastructure and outdated regulations on quarantine especially on international flights.

16. WestJet reports fourth quarter results; full year net earnings up 65%

20. Porter Airlines introduces 'one price' advertising, February 8, 2012, www.flyporter.com

21. Expansion of the Canada-China Air Transport Agreement, February 9, 2012 www.pm.gc.ca

22. Consultations on Air Services Price Advertising Regulations, February 13, 2012, www.cta-otc.gc.ca

23. Air Canada and IAMAW Reach Tentative Agreement on New Contract, February 9, 2012, www.aircanada.ca

24. Air Canada and CAW Reach Tentative Agreement on New Contract for In-flight Service Crew Schedulers, February 11, 2012, www.aircanada.ca

25. Air Canada and CALDA Reach Tentative Agreement on New Contract for Flight Dispatchers, February 12, 2012, www.aircanada.ca

26. Use Aviation Strategically, Feb. 13, 2012, www.iata.org

27. Aircraft movement statistics: Small airports, February 13, 2012, www.statcan.gc.ca

28. Air Canada dodges pilots in low-cost venture, February 14, 2012, www.globeandmail.ca

29. Air Canada, union agree to extend mediation process, February 14, 2012, www.nationalpost.ca

30. Air Canada Confirms Ratification of New Collective Agreement by In-flight Service Crew Schedulers, February 16, 2012, www.aircanada.ca

31. Civil aviation operating statistics, February 16, 2012, www.statcan.gc.ca

32. Introducing Porter Escapes, February 16, 2012, www.flyporter.com

33. Aircraft movement statistics: Major airports – January 2012, February 22, 2012, www.statcan.gc.ca

34. Air Canada Confirms Ratification of New Collective Agreement by Flight Dispatchers, February 21, 2012, www.aircanada.ca

35. Air Canada Confirms Business as Usual Following IAMAW Vote, February 22, 2012, www.aircanada.ca

36. Air Canada Applauds British Columbia's move to Eliminate Provincial Fuel Tax for International Flights, February 23, 2012, www.aircanada.ca

37. WestJet commends BC government of fuel jet tax leadership, February 23, 2012, www.westjet.ca

38. WestJet celebrates 16th Birthday with special offer, February 23, 2012, www.westjet.ca

US

1. [US]Airlines Post Best December On-Time Record, Lowest December

The airline reported 2011 fourth quarter net earnings of \$35.6 million or 26 cents per share and full year earnings of \$148.7 million or \$1.06 cents per share up significantly from \$90.2 million or \$0.62 per share reported in 2010. WestJet CEO said “We are very pleased with our strong fourth quarter and full year results for 2011.

Cancellation Rate in 17 Years, February 14, 2012, www.dot.gov
2. November 2011 Airline System Traffic Down 0.1 Percent from November 2010, February 23, 2012, www.dot.gov

17. Air Canada Reports Full Year and Fourth Quarter 2011 Results

Air Canada on February 9, 2012 reported full year operating income of \$179 million compared to operating income (before a net reduction of \$46 million for provision of cargo investigations) of \$232 million in 2010, a decrease of \$53 million. Adjusted net loss per diluted share was \$0.72 in 2011 compared to an adjusted net loss per diluted share of \$0.58 in 2010. In the fourth quarter of 2011, Air Canada recorded an operating loss of \$98 million compared to operating income (before the net reduction for provision of cargo investigations) of \$15 million in the fourth quarter of 2010, a decrease of \$113 million.

18. Air Canada pilot union calls for strike vote

Air Canada is striving to avert a showdown next week after the union representing pilots called a strike vote.

19. Air Canada weighs low-cost carrier options

Air Canada said on February 9, 2012 that the launch of a new low-cost carrier is a top priority for the airline despite opposition from some employee groups. Calin Rovinescu, Air Canada’s chief executive, confirmed on a conference call the airline is exploring various options for getting the proposed subsidiary off the ground. The issue has been a contentious issue with its employees.

20. Porter Airlines introduces ‘one price’ advertising

On February 8, 2012, Porter Airlines reported that it is the first airline in Canada to advertise the total cost of a flight as a single, simple number with all taxes, surcharges and mandatory fees included. No required cost will be added to prices displayed in advertising or on Porter’s website.

21. Expansion of the Canada-China Air Transport Agreement

Prime Minister Stephen Harper announced on February 9, 2012 an expansion of the 2005 Canada-China Air Transport Agreement. This new agreement will: reduce restrictions related to the use of flights from third country airlines, commonly referred to as code-sharing, support efforts by several Canadian and Chinese air carriers to expand their services and compete in priority markets, while providing more convenience and choice to travellers and shippers; enable airlines to react more quickly with pricing initiatives to address changing market conditions and face fewer government administrative conditions; and improve the viability of China Southern Airlines’ existing service by allowing the airline to carry freight between Vancouver and Los Angeles together with freight between China and Canada.

22. Consultations on Air Services Price Advertising Regulations

The Canadian Transportation Agency is developing regulations requiring air carriers to include all fees, charges and taxes in their advertised prices for air services. The intent of the regulations is to ensure greater transparency for Canadians and to allow consumers to easily determine the total price of an air service in order to make an informed choice. The Agency is seeking broad public input on air services price advertising. Comments should be provided to the Agency by February 26, 2012.

23. Air Canada and IAMAW Reach Tentative Agreement on New Contract

On February 9, 2012, Air Canada announced that it has reached a tentative collective agreement with its largest union, the International Association of Machinists and Aerospace Workers (IAMAW), representing the airline’s approximately 8,600 mechanics, baggage handlers and cargo agents. The agreement has to be ratified by its union members.

24. Air Canada and CAW Reach Tentative Agreement on New Contract for In-flight Service Crew Schedulers

On February 11, 2012, Air Canada announced that it has reached a tentative collective agreement with Local 2002 of the Canadian Auto Workers union (CAW) for the airline’s 76 in-flight service crew schedulers who coordinate work schedules for flight attendants. The agreement has to be ratified by its union members.

25. Air Canada and CALDA Reach Tentative Agreement on New Contract for Flight Dispatchers

On February 12, 2012, Air Canada announced that it has reached a tentative collective agreement with the Canadian Airline Dispatchers Association (CALDA), representing the airline’s flight dispatchers. Air Canada’s 74 flight dispatchers are based at the airline’s central operations control centre near Toronto

Pearson International Airport and assist flight crew in the preparation for flight departures and arrivals. The agreement has to be ratified by its union members.

26. Use Aviation Strategically

On February 13, 2012, the International Air Transport Association (IATA) urged policy-makers to use aviation as a strategic asset. Tony Tyler, IATA's Director General and CEO said "Policies that support aviation's competitiveness deliver wide-ranging benefits across economies by connecting business to markets." This is because aviation is a key economic contributor.

27. Aircraft movement statistics: Small airports – November 2011

The number of take-offs and landings at the 131 Canadian airports without air traffic control towers reached 50,857 movements in November 2011. Of the 128 airports for which year-over-year comparisons were possible, 64 reported increases in traffic.

28. Air Canada dodges pilots in low-cost venture

Air Canada is going ahead with plans to launch a discount unit over the objections of its pilots' union and is seeking to bring in a foreign airline as a minority partner in the venture.

29. Air Canada, union agree to extend mediation process

On February 15, 2012, the Federal Labour Minister Lisa Raitt received written confirmation from Air Canada and the union representing its pilots that they will submit to an extended mediation process. A spokeswoman for the Minister said "The Minister would like to thank both parties for their commitment to the collective bargaining process and for ensuring that a work stoppage is avoided."

30. Air Canada Confirms Ratification of New Collective Agreement by In-flight Service Crew Schedulers

On February 16, 2012, Air Canada said that it has received confirmation from the Canadian Auto Workers (CAW) union Local 2002 that the airline's in-flight service crew schedulers have ratified a new four year collective agreement. The agreement has also been approved by the Air Canada board of directors.

31. Civil aviation operating statistics

Statistics Canada reported that operational data on civil aviation are now available free on CANSIM for December 2011.

32. Introducing Porter Escapes

Porter Aviation Holdings Inc. (PAHI) announced on February 16, 2012 that it is opening a new division, Porter Escapes, to offer vacation packages to customers. The initial focus is primarily on leisure areas, including Myrtle Beach, S.C., Mont Tremblant, Que., and Burlington, Vt. Other popular cities, such as Toronto, Ottawa, Quebec City, Montreal, Boston, New York, Washington and Chicago, are also intended to be part of the initial rollout before going to other locations. Packages will be available in the second quarter of 2012.

33. Aircraft movement statistics: Major airports – January 2012

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations were virtually unchanged in January 2012 (355,410 movements) from January 2011.

34. Air Canada Confirms Ratification of New Collective Agreement by Flight Dispatchers

On February 21, 2012, Air Canada said that it has received confirmation from the Canadian Airline Dispatchers Association (CALDA) that the airline's flight dispatchers have ratified a new collective agreement. The agreement has also been approved by the Air Canada board of directors. The five-year agreement is in effect until February 29, 2016.

35. Air Canada Confirms Business as Usual Following IAMAW Vote

Air Canada confirmed it is business as usual for the airline and that its customers can continue to book Air Canada flights with confidence. This announcement on February 22, 2012 followed the results of a vote by members of the International Association of Machinists and Aerospace Workers (IAMAW) not to ratify the tentative agreement reached by the Company and the IAMAW union. It concurrently gave union leadership a strike mandate if a subsequent agreement is not reached.

36. Air Canada Applauds British Columbia's move to Eliminate Provincial Fuel Tax for International Flights

On February 23, 2012, Air Canada welcomed the BC Minister of Transport's announcement to eliminate the provincial aviation fuel tax for international flights from British Columbia.

37. WestJet commends BC government of fuel jet tax leadership

Westjet commended the British Columbia government for removal of provincial fuel jet tax on international flights beginning April 1, 2012. The CEO of WestJet praised the government for recognition of growth and job creation in the province that aviation brings.

38. WestJet celebrates 16th Birthday with special offer

WestJet will celebrate its 16th birthday by offering passengers born on February 29 one way tickets for \$16 (excluding other fees and taxes) on any of WestJets domestic destinations.

WATER TRANSPORTATION

1. TC Backs Away From Ferry Tiff; Fee Hikes 'Cost of Doing Business'

In response to the Atlantic Provinces Trucking Association calling for Ottawa to step in and halt hefty fee increases by the ferry service, Transportation Minister Denis Lebel's office issued a statement saying Marine Atlantic is a Crown corporation which is "arm's-length from the Government of Canada and is responsible for its own operations, including fare structures." In effect this means that it has chosen not to intervene in this matter.

2. Port of Montreal - Cumulative container traffic statistics January to December 2012

Total containerized traffic in terms of TEUs (twenty-foot-equivalent units) at the Port of Montreal for 2012 was 1,362,975. This represents a 2.4% increase compared to 2011. Inbound traffic increased 3.1% to 671,931 TEUs and outbound traffic increased 1.5% to 691,044.

3. Strong, Stable 2011 at Port Metro Vancouver

Canada's largest and most diverse port has released its 2011 year-end results, with strong, stable numbers showing continued growth in key sectors. The 2011 year-end statistics report shows that Port Metro Vancouver handled 122.5 million tonnes of cargo, a 3.4 per cent increase over 2010.

4. Port of Prince Rupert – Containerized Cargo Summary (January 2012)

Containerized traffic at the Port of Prince Rupert increased 92.8% to 44,749 TEUs in January 2012 compared to the same period a year ago. Imports increased 100.5% and exports increased 83.3%.

5. Government of Canada creates Canada Port Authority to operate the Port of Oshawa

A minister announced the creation of a Canada Port Authority (CPA) to operate the Port of Oshawa. The transition to port authority status will allow the port to more fully pursue commercial opportunities, while taking into account input from port users and other stakeholders such as the local community. Currently his port is the only remaining Harbour Commission in Canada, strategically located at the eastern edge of the Greater Toronto Area. The port serves a range of industries that are dependent on reliable, cost-effective marine transportation.

6. Port launches 'Container Truck Efficiency Pilot Program'

The new Container Truck Efficiency Pilot Program is a six-month GPS

communication pilot program that will benefit Port terminal operations, truckers and trucking companies. This new pilot program builds on several initiatives already underway, including a review of how container trucks currently access the Port, a new decal program and the terminal operator gate compliance initiative.

7. Harper government announces job-creating investments in the Port of Sept-Îles

Ministers on behalf of the federal government announced that it will make investments to modernize the Port of Sept-Îles. The Government of Canada sees Quebec's ports as a gateway to global markets. The benefits these investments will bring to the iron ore industry in the region will strengthen the economy of Labrador and Quebec, and will encourage growth for many years to come.

8. EU Liner Conference Ban Didn't Hurt US Shippers, Study Says

According to a two-year Federal Maritime Commission study released on February 16, 2011, U.S. shippers have been relatively unaffected by the European Union's 2008 decision to outlaw liner conferences. It examined conference rates before and after the EU ban on liner conferences.

WATER TRANSPORTATION

Canada

1. TC Backs Away From Ferry Tiff; Fee Hikes 'Cost of Doing Business', February 3, 2012, www.cantruck.ca

2. Port of Montreal - Cumulative container traffic statistics January to December 2012, February 6, 2012, www.portofmontreal.ca

3. Strong, Stable 2011 at Port Metro Vancouver, February 3, 2012, www.portmetrovancover.com

4. Port of Prince Rupert – Containerized Cargo Summary (January 2012), February 7, 2012, www.rupertport.com

5. Government of Canada creates Canada Port Authority to operate the Port of Oshawa, February 10, 2012, www.tc.gc.ca

6. Port launches 'Container Truck Efficiency Pilot Program', February 10, 2012, www.portvancouver.com

7. Harper government announces job-creating investments in the Port of Sept-Îles, February 13, 2012, www.tc.gc.ca

8. EU Liner Conference Ban Didn't Hurt US Shippers, Study Says, February 16, 2012, www.joc.com

9. \$15 Million Investment by Government of Canada Accelerates Gateway Development at Port of Prince Rupert, February 23, 2012, www.rupertport.com

10. Government of Canada applauds New York State for withdrawing its ballast water requirements, February 23, 2012, www.tc.gc.ca

11. Port Activity (2010 – preliminary), February 28, 2012, www.statcan.gc.ca

US

1. TUI Expected to Sell Hapag-Lloyd Stake This Week, February 13, 2012, www.joc.com

9. \$15 Million Investment by Government of Canada Accelerates Gateway Development at Port of Prince Rupert

During a waterfront gathering on February 23, 2012, the Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, announced that the Government of Canada will be contributing \$15 million to the Port of Prince Rupert's Road Rail Utility Corridor initiative on Ridley Island. By providing shared-use transportation and utility infrastructure for development sites, the Corridor project will unlock port expansion and job creation on Ridley Island.

10. Government of Canada applauds New York State for withdrawing its ballast water requirements

Parliamentary Secretary Poilievre welcomed New York State's decision on ballast water saying that "Canada applauds New York State for withdrawing its unattainable ballast water requirements and agrees that uniform standards are the best way to protect the marine environment. We welcome this action as enforcement of the rules on transiting ships would have stopped commercial shipping on the Seaway. This could have affected almost \$11 billion in business revenue and up to 72,000 jobs in Canada and the United States."

11. Port Activity (2010 – preliminary)

Canadian ports and marine terminals handled 450.0 million tonnes of cargo in 2010, up 9.8% from 2009. This was the first increase in tonnage in three years and the largest growth rate in two decades. The increase after two years of decline came mainly because of an increase in international cargo and a small increase of domestic cargo.

RAIL TRANSPORTATION

1. CP executives hitting the road to defend their strategy

Canadian Pacific Railway Ltd.'s directors and executives will embark on a road show in the first week of February 2012 in hopes of persuading institutional investors to back CP's efficiency strategy and shun activist investor Bill Ackman's push for a new chief executive officer.

2. CN's newest intermodal terminal opens in Chippewa Falls, Wis.

On February 3, 2012, CN marked the opening of its newest intermodal terminal at Chippewa Falls in a ribbon-cutting ceremony here. The terminal, located only 100 miles east of Minneapolis/St. Paul, offers Wisconsin and Minnesota customers new supply chain options to ship and receive goods in containers.

3. Canadian Pacific comments on Pershing Square Town Hall meeting

Canadian Pacific on February 6, 2012 issued the following statement in response to Pershing Square Capital Management, L.P.'s town hall meeting for Canadian Pacific shareholders: "Pershing Square continues to offer no plan or clear timetable to improve CP's operations, or even any concrete suggestions. ...Based on the presentation made at today's town hall meeting and the spoken remarks made by Bill Ackman, Chief Executive Officer of Pershing Square, Mr. Harrison and Pershing Square's director nominees, it appears that Pershing Square still has no plan or clear timetable to improve CP's operations.

4. CP's big investors hint they favour change

Bill Ackman met with 15 percent of CP fund managers to determine if they would like a change in the Board of Directors at CP. It appears that they favour a change. It has been suggested that in anticipation of a change, CP's stock prices have been increasing. If a change is not made it is believed that CP's stock prices could fall.

5. CN says maintenance-of-way employees in Canada ratify new collective agreement

On February 9, 2012, CN announced that members of the United Steelworkers (USW) have ratified a new collective agreement covering approximately 2,800 maintenance-of-way employees in Canada. The three-year contract, retroactive to Jan. 1, 2012, provides wage increases along with standard benefit improvements to the USW members at CN.

RAIL TRANSPORTATION Canada

1. CP executives hitting the road to defend their strategy, January 31, 2012, www.globeandmail.ca
2. CN's newest intermodal terminal opens in Chippewa Falls, Wis., February 3, 2012, www.cn.ca
3. Canadian Pacific comments on Pershing Square Town Hall meeting, February 3, 2012, www.cpr.ca
4. CP's big investors hint they favour change, February 7, 2012, www.globeandmail.ca
5. CN says maintenance-of-way employees in Canada ratify new collective agreement, February 10, 2012, www.cn.ca
6. CN board cancels Harrison's retirement benefits, February 8, 2012, www.cn.ca
7. Canada needs bold business leadership and sound public policy to ensure global competitiveness, says CN President and CEO Claude Mongeau, February 16, 2012, www.cn.ca
8. CN cranks up steam on rival CP, Feb. 16, 2012, www.globeandmail.ca
9. CN targets \$1.75-billion in 2012 investments, February 17, 2012, www.globeandmail.ca
10. CP talks with union heading for conciliation, February 17, 2012, www.globeandmail.ca
11. CP Railway asks for conciliator in labour negotiations, February 17, 2012, www.nationalpost.ca
12. STB to examine Buffet's BNSF buy, February 17, 2012, www.americanshipper.com
13. Canadian Pacific Railway Limited declares dividend, February 27, 2012,

6. CN board cancels Harrison's retirement benefits

Directors of Canadian National Railway Co. have voted to cancel its former chief executive officer's lucrative retirement benefits, alleging that Hunter Harrison ran afoul of his non-compete pact when he appeared this week at a town hall organized by a U.S. activist investor in its competitor rail, Canadian Rail.

www.cpr.ca

US

1. RailAmerica Acquires Two Short-Line Railroads, February 2, 2012, www.joc.com

7. Canada needs bold business leadership and sound public policy to ensure global competitiveness, says CN President and CEO Claude Mongeau

Claude Mongeau, president and chief executive officer of CN says Canadian business and governments must take bold steps to develop world-class enterprises that will drive the nation's competitiveness in global markets. To win its fair share of world markets, the nation needs greater corporate innovation and productivity, buttressed by sound public policies relying on commercial frameworks.

8. CN cranks up steam on rival CP

CN is positioning itself to become a major transporter of potash and coal by increasingly pushing into the market of embattled Canadian Pacific Railway Ltd. It has won an estimated 20 per cent of a new 10-year contract with Canpotex Ltd., breaking CP's exclusive hold with the potash marketing agency. Movement of coal also has good potential and CN is considering moving coal to the Port of Prince Rupert.

9. CN targets \$1.75-billion in 2012 investments

CN says it plans to invest \$1.75-billion in 2012, slightly more than last year, to maintain and upgrade its rail network and fund growth and productivity initiatives.

10. CP talks with union heading for conciliation

Contract talks are headed for conciliation at Canadian Pacific Railway Ltd. amid an impasse over pension reform for unionized workers. CP chief executive officer Fred Green said "We have a number of proposed options for pension plan modifications, some of which align with the industry, all of which are fair to employees, and none of which have any impact on existing pensioners."

11. CP Railway asks for conciliator in labour negotiations

On February 17, 2012, Canadian Pacific Railway said it has asked the federal government to appoint a conciliator to assist its negotiations with the union representing 4,800 train crew employees and rail traffic controllers. Their contract expired at the end of 2011.

12. STB to examine Buffet's BNSF buy

The U.S. Surface Transportation Board said on February 16, 2012 that it will hold a March 22 public hearing to explore the impact of Berkshire Hathaway's acquisition of the BNSF Railway in 2010 on certain costing determinations. Berkshire, headed by the billionaire investor Warren Buffett, paid \$43 billion to acquire BNSF.

13. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on February 27, 2012 declared a quarterly dividend of thirty cents (\$0.30) Canadian per share on the outstanding Common Shares.

HIGHWAY TRANSPORTATION

1. Penske Truck Leasing, Logistics to add 3,500 jobs across N.A. in 2012

Penske Truck Leasing and Penske Logistics are planning to create about 200 positions in Canada in 2012, the companies announced. Officials say the increase in hiring that will result, which will also include a whopping 3,300 jobs in the US, stems from an increase in demand for its services.

2. Trimac Moves to Acquire Fortress Transport

Trimac Transportation Ltd announced on January 30, 2012 that it has entered into a letter of intent to acquire a majority interest in the parent company of Fortress Transport Inc. Fortress is a premium carrier in the chemical industry.

3. November 2011 Surface Trade with Canada and Mexico Rose 12.7 Percent from November 2010

According to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation, trade using surface transportation between the United States and its North American

HIGHWAY TRANSPORTATION Canada

1. Penske Truck Leasing, Logistics to add 3,500 jobs across N.A. in 2012, January 30, 2012, www.ctl.ca
2. Trimac Moves to Acquire Fortress Transport, January 30, 2012, www.todaystrucking.ca
3. November 2011 Surface Trade with Canada and Mexico Rose 12.7 Percent from November 2010, January 31, 2012, www.dot.gov
4. Trimac takes 29% stake in Northern Resource Trucking, February 8, 2012, www.ctl.ca
5. Chamber Report: Impeding Worker Shortage 'Desperate', February 8, 2012, www.cantruck.ca
6. TransCore's N.A. Freight Index marks record January, slips month-over-month, February 13, 2012, www.ctl.ca

neighbours, Canada and Mexico, was 12.7 percent higher in November 2011 than in November 2010, totaling \$76.7 billion. U.S.-Canada surface transportation trade increased compared to November 2010 with U.S.-Canada reaching \$44.3 billion, a 12.2 percent increase. Michigan led all states in surface trade with Canada as it has in previous years.

4. Trimac takes 29% stake in Northern Resource Trucking

Trimac Transportation has entered into an agreement to acquire 29% of Northern Resource Trucking. The transaction is valued at \$9 million. Northern Resource Trucking serves the uranium mining industry in Northern Saskatchewan. The company has about 80 tractors, 140 trailers and 150 drivers and owner/operators. It operates out of Saskatoon, Sask.

5. Chamber Report: Impeding Worker Shortage 'Desperate'

A report released on February 8, 2012 by the Canadian Chamber of Commerce concludes that despite current unemployment rates, an increasingly "desperate" labour shortage will hamper economic growth in the near future. It noted that over the next decade there will be a shortfall of 37,000 truck drivers. The report indicated that other barriers which federally regulated businesses face are: a complex tax system; trade barriers within Canada; regional disparities in the Employment Insurance Program; and infrastructure that is rapidly aging.

6. TransCore's N.A. Freight Index marks record January, slips month-over-month

For the month of January 2012, TransCore's North American Freight Index marked a record high, up 5% compared to January 2011. However, month-over-month, increase was down.

7. Annual Trucking Survey [Statistics Canada]

The 56,800 active businesses in the trucking industry reported \$40.8 billion in operating revenue in 2010, a 4.9% increase from 2009. Operating expenses were up 4.6% to \$37.9 billion. The industry's operating margin (operating revenue less operating expenses) increased 10.0% to \$2.9 billion. The operating ratio (operating expenses divided by operating revenue) was 0.928 in 2010 compared with 0.931 in 2009. The larger firms did better than the smaller firms. Although the latter make up the majority of trucking businesses, the smaller firms account for little more than one-quarter of total operating revenue. Of the freight hauled by the industry, 77% percent was within Canada and the remainder was nearly equally divided between incoming and outgoing transborder traffic. Trucking firms reported 201,000 employees most of whom (128,000) were salaried drivers.

8. Transportation infrastructure renewal: \$16.8-million contract awarded for Antigonish Highway

Increased safety and better traffic flow on Highway 104 near Antigonish is expected thanks to a multi-million-dollar investment by the Government of Canada and the Province of Nova Scotia. A \$16,750,533 contract was recently awarded to Dexter Construction to complete the eight-kilometre Phase 1 section of a controlled access, 100-series highway from Addington Forks to the east of Beech Hill Road.

9. TNT rejects acquisition bid from UPS

The Netherlands-based document and small package delivery company TNT Express said on February 17, 2012 that it received and rejected an unsolicited acquisition bid from UPS. Atlanta-based UPS offered 9 euros per share, TNT said, or a total of about 4.99 billion euros (\$6.4 billion).

10. ATA launches court challenge of new US HOS rules

The American Trucking Associations (ATA) announced that it will challenge the "flawed" US hours-of-service rule that places greater restrictions on drivers. The association said on February 15, 2012 that it has filed a petition with the US Circuit Court of Appeals for the District of Columbia, asking the court to review the FMCSA's recently published final rule.

11. Travel between Canada and other countries – December 2011

Canadian residents made 5.1 million trips outside the country in December 2011, a 1.5% increase from November 2011. It was the first time since March 1994 that monthly travel abroad surpassed 5 million trips. Travel from the United States increased 0.5% to over 1.6 million trips and travel from overseas countries increased 1.3% to 389,000 trips, the highest level since September 2008.

12. Mullen Group Reports Big Revenue Gains for 2011

Alberta-based Mullen Group generated nearly 1.4 billion in revenue for 2011, with an operating income of \$288 million. Net income for the year came in at \$119.4 million, compared to \$78.3 million in 2010. Most of its gains came from oil field services.

7. Annual Trucking Survey, February 16, 2012, www.statcan.gc.ca

8. Transportation infrastructure renewal: \$16.8-million contract awarded for Antigonish Highway, www.tc.gc.ca

9. TNT rejects acquisition bid from UPS, February 17, 2012, www.americanshipper.com

10. ATA launches court challenge of new US HOS rules, February 15, 2012, www.ctl.ca

11. Travel between Canada and other countries – December 2011, February 20, 2011, www.statcan.gc.ca

12. Mullen Group Reports Big Revenue Gains for 2011, February 23, 2011, www.todaystrucking.com

GENERAL TRANSPORTATION

Canada

1. TransCore's Canadian Freight Index sees record Performance in 2011

TransCores's Canadian Spot Market Freight Index had a record-breaking year in 2011 with the highest annual volume over the last decade.

2. Open US-Canada wheat trade sought

The National Association of Wheat Growers (NAWG) and U.S. Wheat Associates (USW) each passed a resolution calling for an open border with Canada that provides reciprocal bilateral wheat trade.

3. Freight Shipments Rose 3.9% in December from November

According to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS) Freight Transportation Services Index (TSI), the amount of freight carried by the for-hire transportation industry rose 3.9 percent in December 2011 from November 2011, the largest monthly rise in 17 years which brought the level of freight shipments to an all-time high.

4. Harper government opens security lines for speedy air travel from Canada to the United States

On February 14, 2012, NEXUS members flying to the United States will be able to use NEXUS cards in designated security lines for pre-board screening at airports for faster service. The recent decision follows the Action Plan on Perimeter Security and Economic Competitiveness announced by Prime Minister Harper and United States President Obama.

5. TransCore's Canadian Freight Index starts 2012 with slight uptick in January results

TransCore's Canadian spot market freight index saw a steady start to the new year with volumes increasing one percent from December while year over year it was off slightly by 1 percent from January 2011.

6. Canada's Asia-Pacific Gateway gets stronger

On February 22, 2012, the Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, and Robin Silvester, president and chief executive officer of Port Metro Vancouver, announced the completion of the Brooksbank Avenue underpass project at the North Shore Trade Area (NSTA) in Vancouver. The underpass will deepen trade ties with high growth Asian markets.

7. International travel account (fourth quarter 2011 – preliminary)

Canadian travellers spent \$8.3 billion outside of the country during the fourth quarter of 2011, a 2.4% decrease compared with the third quarter of 2011. Receipts from foreign travellers in Canada declined 0.8% to \$4.3 billion during the fourth quarter. On an annual basis, Canada's international travel deficit reached \$15.9 billion in 2011, an increase of \$1.6 billion from 2010.

Canada

1. TransCore's Canadian Freight Index sees record Performance in 2011, January 2012, www.ctl.ca

2. Open US-Canada wheat trade sought, Feb. 3, 2012, www.americanshipper.com

3. Freight Shipments Rose 3.9% in December from November, February 8, 2012, www.dot.gov

4. Harper government opens security lines for speedy air travel from Canada to the United States, February 14, 2012, www.tc.gc.ca

5. TransCore's Canadian Freight Index starts 2012 with slight uptick in January results, February 21, 2012, www.ctl.ca

6. Canada's Asia-Pacific Gateway gets stronger, February 22, 2012, www.tc.gc.ca

7. International travel account (fourth quarter 2011 – preliminary), February 28, 2012, www.statcan.gc.ca