

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Interac® Online cleared for takeoff with Air Canada

Acxsys Corporation and Air Canada on November 1, 2012 announced that Canadians can now purchase tickets and services online for Canada's largest airline using *Interac* Online. *Interac* Online allows consumers to shop easily and securely for products and services over the Internet, using funds withdrawn directly from their bank accounts.

### 2. Traffic growth continues to slow in September [2012]

The International Air Transport Association (IATA) announced global traffic results for September 2012 showing a continued slowdown in the rate of traffic growth. Demand for passenger traffic for September 2012 was 4.1% above the level of September 2011. For air cargo, demand growth was even weaker at 0.6%. Year-to-date (January to September 2012) data indicate demand for passenger traffic rose 5.7% and traffic growth declined 1.9%. The growth trend in air travel started to flatten in the second quarter, with no growth in the passenger market between April and August 2012.

### 3. Airlines revving up for their new discount carriers

Strong third-quarter earnings from Air Canada and WestJet Airlines Ltd. this week (November 5, 2012) are likely to show that a certain formula is working well for the two carriers, even as they gird for mounting competition. Air Canada is preparing to soon unveil the name, branding and flying schedules for its new low-cost carrier, a discount subsidiary that will fly to sun destinations and Europe. Meanwhile, WestJet is prepping the launch of its regional carrier Encore, in Calgary which is due to take off in the second half of 2013.

### 4. WestJet achieves record load factor of 81.2 percent

WestJet achieved record load factor for October 2012 of 81.2 percent a 3.8 point increase over October 2011. Available seat miles (capacity) and revenue passenger miles (traffic) increased by 0.9% and 5.9% for October 2012 compared to the same month a year earlier. President and CEO of WestJet said "We are pleased with the October results ..." Year-to-date results indicate load factor, available seat miles and revenue passenger miles increases of: 3.1 points, 4.2% and 8.2%.

### 5. Porter Airlines releases October statistics

Porter Airlines reported a 59.4 per cent load factor for October 2012. This is a decrease from October of 2011 of 8.3 points. Figures for the month (October) show 125 million Available Seat Miles (ASMs) and 74.2 million Revenue Passenger Miles (RPMs). ASMs grew 5.5 per cent from 118.5 million and RPMs decreased 7.5 per cent from 80.2 million last year.

### 6. Air Canada Reports Record October Load Factor

For the month of October 2012, Air Canada reported a record system load factor of 82.9 per cent, versus 79.4 per cent in October 2011, an increase of 3.5 percentage points. System traffic increased 4.9 per cent on a system-wide capacity increase of 0.4%. Year-to-date results

## AIR TRANSPORTATION

### Canada

1. Interac® Online cleared for takeoff with Air Canada, November 1, 2012, [www.aircanada.ca](http://www.aircanada.ca)
2. Traffic growth continues to slow in September [2012], November 2, 2012, [www.iata.org](http://www.iata.org)
3. Airlines revving up for their new discount carriers, November 4, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
4. WestJet achieves record load factor of 81.2 percent, November 5, 2012, [www.westjet.ca](http://www.westjet.ca)
5. Porter Airlines releases Oct. statistics, Nov 5, 2012, [www.flyporter.com](http://www.flyporter.com)
6. Air Canada Reports Record October Load Factor, November 5, 2012, [www.aircanada.ca](http://www.aircanada.ca)
7. WestJet reports third quarter earnings of 71 million, up 80 percent, November 5, 2012, [www.westjet.ca](http://www.westjet.ca)
8. Air Canada Reports Third Quarter 2012 Results, November 7, 2012, [www.aircanada.ca](http://www.aircanada.ca)
9. Air Canada back in the black on foreign exchange gains, November 8, 2012, [www.globeandmail.ca](http://www.globeandmail.ca)
10. Infrastructure to Support Asian Growth, November 9, 2012, [www.iata.org](http://www.iata.org)
11. Minister Lebel to strengthen trade and transportation ties with China, November 9, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Single European Sky feel the force, November 9, 2012, [www.iata.org](http://www.iata.org)
13. Minister Lebel promotes aviation and trade cooperation in China, November 13, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
14. Canadian airlines laud EU decision to 'stop the clock' on emissions plan, November 14, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)
15. Chorus shares take off as dividend looks safe, November 14, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)
16. Self-service Kiosks - First Among Equals, November 16, 2012, [www.iata.org](http://www.iata.org)
17. WestJet launches service to Trinidad and Tobago, November 16, 2012, [www.westjet.ca](http://www.westjet.ca)
18. Air Canada eyes \$150-million special pensions cap, letter shows, November 16, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)
19. TNT Express agrees to conditional

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

indicate load factor, available seat miles and revenue passenger miles increases of: 2.4 points, 1.1% and 1.1%. Calin Rovinescu, President and CEO said "This record load factor for the month and strong traffic results overall underscore the effectiveness of our ongoing disciplined approach to managing capacity..."

#### **7. WestJet reports third quarter earnings of 71 million, up 80 percent**

WestJet reported 2012 third quarter earnings of 70.6 million or 0.52 cents per diluted share up from 39.3 million or 28 cents per diluted share for the same quarter a year ago. This is the thirtieth quarter of profitable earnings reported by WestJet. Both the national newspapers *Globe and Mail* and the *National Post* noted its success.

#### **8. Air Canada Reports Third Quarter 2012 Results**

Air Canada reported earnings before interest, taxes, depreciation, amortization and impairment, and aircraft rent (EBITDAR), before the impact of certain benefit plan amendments, of \$554 million in the third quarter of 2012 compared to EBITDAR of \$535 million in the third quarter of 2011, an increase of \$19 million. Adjusted net income of \$230 million for the third quarter of 2012 increased \$37 million from the third quarter of 2011. Adjusted net income per diluted share was \$0.82 in the third quarter of 2012 compared to adjusted net income per diluted share of \$0.68 in the same quarter in 2011.

#### **9. Air Canada back in the black on foreign exchange gains**

Air Canada posted a robust profit in the third quarter of 2012, boosted by foreign-exchange gains. The company also said it has begun talks with the federal government for an extension of pension deficit funding relief. The Montreal-based airline said third quarter profit was \$429-million or \$1.54 per share, compared to a loss of \$124-million or 45 cents in the year-earlier period. The improvement was based largely on favourable foreign-exchange gains.

#### **10. Infrastructure to Support Asian Growth**

The International Air Transport Association (IATA) urged Asia-Pacific aviation leaders to focus on airport and air traffic management infrastructure as the region's demand for connectivity continues to grow.

#### **11. Minister Label to strengthen trade and transportation ties with China**

The Honourable Denis Label, Minister of Transport, Infrastructure and Communities, and Minister of the Economic Development Agency of Canada for the Regions of Quebec, will visit China from November 11-13, 2012. During his visit, Minister Label will promote Canada's global leadership in civil aviation and open new opportunities for Canadian businesses through strengthened transport and trade relations.

#### **12. Single European Sky feel the force**

According to the European Commission (EC), by 2020 the Single European Sky (SES) will deliver a threefold increase in capacity. This will reduce delays, both on the ground and in the air, improve safety performance by a factor of 10, enable a 10% reduction in carbon emissions, and cut 50% of the airline bill for air traffic management (ATM) services. But as of the end of 2012, this does not appear that this will be achieved as they are behind the projected goal.

#### **13. Minister Label promotes aviation and trade cooperation in China**

The Honourable Denis Label, Minister of Transport, Infrastructure and Communities, and Minister of the Economic Development Agency of

sale of airline, November 16, 2012,

[www.americanshipper.com](http://www.americanshipper.com)

20. IATA Announces Successful Trials of Electronic Consignment Security Declaration, November 20, 2012, [www.joc.com](http://www.joc.com)

21. Government of Canada invests in safety at Sault Ste. Marie Airport, November 21, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)

22. WestJet introduces self-service bag tagging to the US, November 23, 2012, [www.westjet.ca](http://www.westjet.ca)

23. FedEx to add cargo capacity to Edmonton, November 26, 2012, [www.joc.com](http://www.joc.com)

24. Obama Signs Bill to Protect US Airlines From EU Carbon Tax, November 27, 2012, [www.joc.com](http://www.joc.com)

25. Air Canada Plans Major International Expansion this Summer with a Focus on Key Gateways to Asia, November 29, 2012, [www.aircanada.ca](http://www.aircanada.ca)

26. Hurricane Sandy Added to Industry Challenges in October, November 29, 2012, [www.iata.org](http://www.iata.org)

27. Minister Label announces funding for Baie-Comeau Airport to improve safety, November 29, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)

28. 'We need a champion': Air Canada urges action to improve competitiveness of Canadian airports, November 29, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)

#### **US**

1. 2nd-Quarter [US] Domestic Air Fares Rose 4.1% from 2nd Quarter 2011, November 2, 2012, [www.dot.gov](http://www.dot.gov)

2. August 2012 [US] Employment [scheduled passenger airlines] Increased 0.1 Percent from August 2011, November 2, 2012, [www.dot.gov](http://www.dot.gov)

3. Airlines Report No Tarmac Delays Over Three Hours on Domestic Flights or Longer than Four Hours on International Flights in September, November 8, 2012, [www.dot.gov](http://www.dot.gov)

4. EU ETS Pause Gives Positive Opportunity for Climate Agreement, November 12, 2012, [www.iata.org](http://www.iata.org)

5. [US] Freight Shipments Rose 0.2% in September from August, November 15, 2012, [www.dot.gov](http://www.dot.gov)

6. Civil aviation operating statistics, September 2012, September 2012, November 20, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

7. August 2012 [US] Airline System Traffic Unchanged from August 2011, November 28, 2012, [www.dot.gov](http://www.dot.gov)

8. September 2012 Passenger Airline Employment Down 0.6 Percent from September 2011, November 29, 2012, [www.dot.gov](http://www.dot.gov)

Canada for the Regions of Quebec was in Zhuhai, China, on November 13, 2012 and in Hong Kong, China, on November 12, 2012 to meet with his counterparts and further Canada-Asia transportation and trade relations.

#### **14. Canadian airlines laud EU decision to ‘stop the clock’ on emissions plan**

Canadian airlines joined their international counterparts on November 13, 2012 in lauding the decision by the European Commission to “stop the clock” temporarily on the industry’s inclusion in the emission trading scheme for the 27-member states. The European Union said the decision was made to give the international community time to come up with an alternative, global strategy for combating carbon dioxide emissions. Canadian airlines laud the EU decision to ‘stop the clock’ on emissions plan.

#### **15. Chorus shares take off as dividend looks safe**

Shares of Chorus Aviation Inc. jumped 37¢ or 12.3% to \$3.39 on November 14, 2012 after it appeared that the regional affiliate of Air Canada would be able to avoid the significant cut to its dividend. This is because some had feared that growth for Jazz could not be anticipated as Air Canada was looking to lower its regional costs and to diversify the sources of regional lift. While Chorus remains Air Canada’s primary regional affiliate, Air Canada has been diversifying its regional partnerships in an attempt to drive down costs. In the past two years, the bulk of Air Canada’s additional regional flying has gone to its new partner, Sky Regional Airlines, due to its lower costs.

#### **16. Self-service Kiosks - First Among Equals**

The self-service kiosk is only 15 years old and the common use kiosk six years younger than that. However, there are already whispers that their life span is nearing an end. The theory is that online bookings, self-printing, and the power of mobile technology have combined to create a fresh travel experience. Check-in will be automatically completed alongside a seat assignment during the booking process. According to the SITA/Airline Business IT Trends Survey 2012, 71% of respondents believe smartphones and websites will be the dominant channels for passenger processing beyond 2015. For airlines, it appears to make good sense. Compared with a kiosk, functionality is much easier to improve on the web and mobile devices, the improvements are quicker to market and the systems are easier and cheaper to maintain.

#### **17. WestJet launches service to Trinidad and Tobago**

On January 16, 2012, WestJet launched one daily non-stop service to Port of Spain (Trinidad and Tobago) from Toronto International Airport.

#### **18. Air Canada eyes \$150-million special pensions cap, letter shows**

Air Canada wants to cap special payments toward its pension fund deficit at \$150-million a year for the next decade, a letter from Chief Executive Calin Rovinescu to Finance Minister Jim Flaherty shows. Air Canada has already won approval from its labor unions and its pensioners for a cap. There appears to be doubts whether the cap at \$150 million a year will succeed if the discount rate declines. Rovinescu said the \$2.2-billion increase in Air Canada’s pension deficit during 2011 was the result of a reduction in the discount rate used to calculate pension liabilities, to 3.3% from 4.5%.

#### **19. TNT Express agrees to conditional sale of airline**

TNT Express, one of four integrated express delivery companies operating around the world, announced on November 16, 2012 that it will sell in-house airline TNT Airways and Pan Air Lineas Areas SA to ASL Aviation Group on the condition that European Union regulators approve TNT’s sale to rival UPS. UPS offered last spring to buy TNT for \$6.5 billion, but EU competition authorities have yet to grant approval because of concerns that the deal would leave consumers without viable alternatives.

#### **20. IATA Announces Successful Trials of Electronic Consignment Security Declaration**

The International Air Transport Association on November 20, 2012 announced successful trials of the Electronic Consignment Security Declaration, which meets regulatory demands for evidence that security measures have been applied to air cargo and mail.

#### **21. Government of Canada invests in safety at Sault Ste. Marie Airport**

Bryan Hayes, Member of Parliament for Sault Ste. Marie, on behalf of the Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, announced on November 21, 2012 funding for the Sault Ste. Marie Airport to make an important safety improvement.

#### **22. WestJet introduces self-service bag tagging to the US**

WestJet has introduced self-service bag tagging to the US from Toronto, Vancouver, Montreal, Winnipeg and Edmonton. They will be able to print their bag tags and apply them.

#### **23. FedEx to add cargo capacity to Edmonton**

FedEx subsidiary FedEx Express Canada plans to upgrade its international freight services between

Edmonton International Airport in Alberta and the FedEx World Hub in Memphis, Tenn., by deploying an Airbus 310, beginning in January 2013.

**24. Obama Signs Bill to Protect US Airlines From EU Carbon Tax**

President Obama on November 27, 2012 signed into law the bill S. 1956, the European Union Emissions Trading Scheme Prohibition Act of 2011, signifying to the European Union that the imposition of a unilateral tax scheme on the U.S. civil aviation industry will not be tolerated. The bill requires U.S. airlines be excluded from an EU carbon emissions tax on all airlines flying into and out of EU airports.

**25. Air Canada Plans Major International Expansion this Summer with a Focus on Key Gateways to Asia**

Air Canada is bringing the world closer this 2013 summer with a major expansion of its international services. The carrier is launching a new non-stop route between Toronto and Seoul, starting service to Istanbul subject to government approval, adding seven weekly departures to Beijing from Toronto and Vancouver, and upgrading its Calgary-Tokyo Narita route to provide daily service.

**26. Hurricane Sandy Added to Industry Challenges in October**

The International Air Transport Association (IATA) announced global traffic results for October 2012 showing a persistent softening of passenger traffic growth and a significant deterioration in freight demand. Passenger demand rose 2.8% compared to October 2011, but declined 0.5% compared to September 2012. Capacity increased by 2.3% over the year-ago period, and load factor rose 0.4 percentage points to 78.8%. October 2012 freight demand was 3.5% below the previous year level and declined 2.2% compared to September 2012. The freight load factor weakened to 46.1% from 46.7% a year ago. Slowing demand and hurricane sandy were responsible for decline in North American traffic.

**27. Minister Lebel announces funding for Baie-Comeau Airport to improve safety**

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, on November 29, 2012 announced funding for the Baie-Comeau Airport to make an important safety improvement.

**28. 'We need a champion': Air Canada urges action to improve competitiveness of Canadian airports**

Air Canada is urging all levels of government and the country's airport authorities to co-ordinate their efforts to improve the competitiveness of Canadian airports. Mr. Smith said the tax and fee structure at Canadian airports, and the immigration laws here, are of particular concern for the carrier. Being able to effectively transfer passengers through Canadian airports onto other destinations is instrumental in making several routes here competitive by helping fill planes, he said. But the burdens placed on Air Canada and other Canadian carriers at home put them at a competitive disadvantage to other nearby airports in the U.S., he said. US airports are more cost competitive to land at, and, in some cases, some landing and airport improvement fees are waived for passengers simply passing through those hubs onto other destinations. In Canada we do the opposite charging a fee for connecting here require transfer visas which act as a deterrent.

## **WATER TRANSPORTATION**

### **1. Port Tracker Forecasts Full-Year Drop in European Imports, While Exports Will Grow**

Container imports at ports in North Europe will shrink by 0.6 percent to 16.40 million 20-foot-equivalent units for the full year (2012) as a result of the now-official EU recession, but containerized exports are projected to grow by 3.9 percent to 17.54 million TEUs, according to the latest forecast by North Europe Global Port Tracker.

### **2. Prince Rupert Port Authority – Monthly traffic statistics**

On November 8, 2012, the Prince Rupert Port Authority reported its monthly traffic statistics for October 2012. Total traffic in terms of TEUs was 50,271 for the month of October 2012 a 22% increase compared to the same month in 2011. TEUs year-to-date indicate a 44% increase compared to the same period a year ago. Imports indicate an increase of 14% compared to an increase of exports of 33% for the month of October 2012 in terms of TEUs.

### **3. Vancouver sees modest growth in 2012 cruise season**

Port Metro Vancouver has concluded a successful 2012 Vancouver-Alaska cruise season, posting a modest increase in passengers more than the 663,000 passengers the Port welcomed in 2011. For the upcoming 2013 cruise season, Port Metro Vancouver is anticipating an increase of more than 20% in cruise passengers in 2013, with more than 820,000 passengers expected to pass through the Port's two cruise terminals.

### **4. Port Metro Vancouver – Accumulated Container Traffic [January to October 2012]**

On November 16, 2012, the Port Metro Vancouver released its accumulated container traffic for the period of January to October 2012 in terms of TEUs. For this period, container traffic was 1,221,471 TEUs an increase of 11.2%. Exports increased by 5.1% and imports increased by 8.3%.

### **5. Canada's protectionist foreign flag rule hurting Canadian exporters, Broad tells CILTNA**

Ensuring amendments are made to Canada's *Coasting Trade Act*, which currently prevents foreign flag ships from carrying cargo between Canadian ports, will be the top priority next year for the Shipping Federation of Canada, according to its president Mike Broad. Protecting the market for Canadian flag ships is one thing but in the case of empty marine containers, the law is creating inefficiencies for Canadian exporters, particularly those from Atlantic Canada, Broad told a transportation workshop put on by the Chartered Institute of Logistics and Transport North America (CILTNA) in Ottawa on November 20, 2012. That's because Transport Canada lawyers have deemed containers to be cargo and not conveyance.

### **6. Reefer Ships Lose Share to Box Carriers**

Conventional refrigerated ships continue to lose market share to container lines offering increased capacity for reefer boxes, according to a new analysis of the market by the Netherlands-based research and consulting firm Dynamar. Traditional reefer ships carried half of all seaborne shipments of refrigerated cargoes as recently as 2000. Their share slipped below 30 percent in 2011. The gains were made by container vessels due to significant investment by them in refrigerated containers and increase in capacity.

### **7. Ports of Los Angeles and Long Beach crippled by strike action**

Terminals at the ports of Los Angeles and Long Beach were shut down on November 28, 2012 after workers refused to cross picket lines set up by striking clerical workers with the International Longshore and Warehouse Union (ILWU).

## **WATER TRANSPORTATION Canada**

1. Port Tracker Forecasts Full-Year Drop in European Imports, While Exports Will Grow, November 1, 2012, [www.joc.com](http://www.joc.com)
2. Prince Rupert Port Authority – Monthly traffic statistics, November 8, 2012, [www.portrupertport.com](http://www.portrupertport.com)
3. Vancouver sees modest growth in 2012 cruise season, November 14, 2012, [www.portvancouver.com](http://www.portvancouver.com)
4. Port Metro Vancouver – Accumulated Container Traffic [January to October 2012], November 19, 2012, [www.portvancouver.com](http://www.portvancouver.com)
5. Canada's protectionist foreign flag rule hurting Canadian exporters, Broad tells CILTNA, November 21, 2012, [www.ctl.ca](http://www.ctl.ca)
6. Reefer Ships Lose Share to Box Carriers, November 23, 2012, [www.joc.com](http://www.joc.com)
7. Ports of Los Angeles and Long Beach crippled by strike action, November 28, 2012, [www.ctl.ca](http://www.ctl.ca)

## RAIL TRANSPORTATION

### 1. Arc Terminals, CN to Build Rail Tank Car Unloading Terminal in Alabama

Arc Terminals is working with Canadian National Railway to build a rail tank car unloading terminal in Mobile, Alabama to handle western Canadian heavy and Bakken light crude oils destined to Gulf Coast refineries. The CN-served facility will have a maximum crude oil handling capacity of 75,000 barrels or up to 120 tank cars per day. Operations are scheduled to start by June 2013.

### 2. Weak International demand stagnates intermodal

Intermodal volume rose 3.2 percent in the third quarter of 2012, according to the Intermodal Association of North America (IANA). Volume grew to nearly 3.8 million units year-on-year despite signs of an economic slowdown in the quarter. Trailer volume dropped 10.7 percent, as shippers continued to move away from 45-foot and 48-foot equipment, although 53-foot trailer shipments held close to last year's volumes, dropping only a minimal 0.2 percent year-over-year

### 3. More innovative services, better customer services key to future growth for rail

The future success for railroads in Canada will hinge on their ability to provide more innovative offerings and improve customer service rather than provide low pricing, according to Jean Jacques Ruest, executive vice president of CN. Trucking has become more competitive with rail. While it was previously believed that rail was more competitive after 500 miles the current thinking is that the advantage has narrowed and it is only more competitive after 750 miles.

### 4. Canadian National Announces \$500 Million Debt Offering

Canadian National Railway on November 9, 2012 announced a \$500 million debt offering, expected to close on Nov. 20, comprised of \$250 million 2.25 percent notes due in 2022 and \$250 million 3.50 percent notes due in 2042. The North American railroad plans to use the net proceeds from the offering for general corporate purposes, including the redemption and refinancing of outstanding indebtedness.

### 5. United Steelworkers (USW) local 1976 and Canadian Pacific ratify five-year agreement

Canadian Pacific and the United Steel Workers (USW), Local 1976, representing approximately 800 clerical and intermodal workers, on November 9, 2012 announced that a five-year contract has been ratified with 87% of the membership voting in favour of the contract terms. The new collective agreement begins in January 2013 and allows for wage increases of 3% in each of the next five years.

### 6. Ontario Launches GO Train 15-Minute Service Guarantee

Starting on November 15, 2012, GO Train riders will be able to get a credit if their train arrival is delayed 15 minutes or more. The new 15-minute service guarantee is another step in Ontario's efforts to continually improve GO customer service. Under the guarantee, riders will get a credit based on the fare they paid.

### 7. Canadian Pacific Railway, Signal Workers Reach Tentative Deal

Canadian Pacific and the International Brotherhood of Electrical Workers, System Council 11, on November 15, 2012 reached a tentative five-year labor agreement covering about 450 employees who maintain and install railway signals and communications systems across Canada. Details of the preliminary contract are being withheld pending ratification by IBEW membership.

### 8. New Windsor VIA Rail Station Officially Opens

On November 16, 2012, as part of the ongoing modernization of VIA Rail Canada facilities, the Honourable Steven Fletcher, Minister of State (Transport), and Yves Desjardins-Siciliano, Chief Legal and Corporate Affairs Officer and Corporate Secretary of VIA Rail, officially opened the new VIA Rail Windsor Station.

### 9. CP Rail attracting more U.S. investors as Canadians cool

CP Rail is expected to attract more US investors than Canadian. An analyst said the reasons include improving fuel efficiency; reducing headcounts and improving productivity of existing workers; lowering equipment rents; insourcing car and locomotive maintenance costs; and through pricing improvements and

## RAIL TRANSPORTATION Canada

1. Arc Terminals, CN to Build Rail Tank Car Unloading Terminal in Alabama, November 2, 2012, [www.joc.com](http://www.joc.com)
2. Weak International demand stagnates intermodal, November 6, 2012, [www.americanshipper.com](http://www.americanshipper.com)
3. More innovative services, better customer services key to future growth for rail, November 6, 2012, [www.ctl.ca](http://www.ctl.ca)
4. Canadian National Announces \$500 Million Debt Offering, November 9, 2012, [www.joc.com](http://www.joc.com)
5. United Steelworkers (USW) local 1976 and Canadian Pacific ratify five-year agreement, November 9, 2012, [www.cpr.ca](http://www.cpr.ca)
6. Ontario Launches GO Train 15-Minute Service Guarantee, November 14, 2012, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
7. Canadian Pacific Railway, Signal Workers Reach Tentative Deal, November 15, 2012, [www.joc.com](http://www.joc.com)
8. New Windsor VIA Rail Station Officially Opens, November 16, 2012, [www.viarail.ca](http://www.viarail.ca)
9. CP Rail attracting more U.S. investors as Canadians cool, November 27, 2012, [www.nationalpost.ca](http://www.nationalpost.ca)
10. Railway carloadings, September 2012, November 28, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

growth in new markets. But he also noted investors in Canada seem to be a little cooler than their counterparts in the U.S. about whether Mr. Harrison's goal is achievable.

#### **10. Railway carloadings, September 2012**

The Canadian railway industry carried 27.0 million tonnes of freight in September 2012, down 2.1% from the same month in 2011. The drop was attributable to decreased traffic from both domestic and international rail operations and it marked the first September decline since 2009. Domestic intermodal loadings also declined, falling 1.6% to 2.4 million tonnes. The drop was the result of decreased activity in both containerized cargo shipments and trailers on flat cars.

### **HIGHWAY TRANSPORTATION**

#### **1. August 2012 Surface Trade with Canada and Mexico Rose 2.6 Percent From August 2011**

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners, Canada and Mexico, was 2.6 percent higher in August 2012 than in August 2011, totaling \$82.5 billion, unadjusted for inflation. U.S.-Canada trade was \$47.0 billion, a 1.0 percent decrease due to a decrease in imports from Canada. Michigan continued to be the top trading US state with Canada.

#### **2. Surface transportation rates on the increase**

Surface transportation rates for Canadian shippers went up 0.8% in August 2012, compared to July 2012 results.

#### **3. Canada's minister of transport releases statement on proposition 6 on the Michigan Ballot**

The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, on November 7, 2012 issued this statement following the result of Proposition 6 on the Michigan ballot. "The defeat of Proposition 6 clears the way for the construction of the new bridge across the Detroit River. This is good news for travellers, workers and industry on both sides of the border, who will benefit from the new publicly-owned bridge. ..."

#### **4. Truckers Say Michigan Voters Got It Right on New Windsor-Detroit Bridge**

The vote by the people of Michigan to defeat a ballot proposition that would have held up construction of the long-awaited second bridge at Windsor-Detroit, is "terrific news and shows that the people of Michigan reject the self-interest and cronyism that so many of the state's legislators have fallen victim to in recent years," says David Bradley, president of the Ontario Trucking Association.

#### **5. Meyers Transportation Services acquires new warehouse, distribution facility**

Meyers Transportation Services has acquired Cheektowaga N.Y.-based Meyers Distribution International (MDI). MDI is an 80,000-sq.-ft. warehousing and distribution facility, located within minutes of the border and Buffalo International Airport.

#### **6. UPS-TNT merger on the ropes**

Major roadblocks thrown up by European Union regulators have increased the chances of UPS abandoning its effort to acquire TNT Express, which would give it a large market share equivalent to that of Germany's DHL. Together, UPS and DHL would control about half the courier market in Europe. In October 2012, the European Commission delivered to UPS and TNT a confidential statement listing its objections to the proposed merger. There are some doubts whether they will meet the objections.

#### **7. FedEx expands early LTL delivery to Canada**

FedEx Freight, the less-than-truckload subsidiary of FedEx Corp.,

### **HIGHWAY TRANSPORTATION Canada**

1. August 2012 Surface Trade with Canada and Mexico Rose 2.6 Percent From August 2011, November 2, 2012, [www.dot.gov](http://www.dot.gov)
2. Surface transportation rates on the increase, November 4, 2012, [www.ctl.ca](http://www.ctl.ca)
3. Canada's minister of Transport releases statement on proposition 6 on the Michigan Ballot, November 7, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
4. Truckers Say Michigan Voters Got It Right on New Windsor-Detroit Bridge, November 7, 2012, [www.cantruck.ca](http://www.cantruck.ca)
5. Meyers Transportation Services acquires new warehouse, distribution facility, November 7, 2012, [www.ctl.ca](http://www.ctl.ca)
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8. Road Network File, 2012, November 14, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
9. Ontario Helps Unveil New TTC Streetcars, November 15, 2012, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
10. C-TPAT Suspension Process Needs Fixing, says Bradley, November 15, 2012, [www.todaystrucking.com](http://www.todaystrucking.com)
11. Launch of public consultations on the environmental assessment for the new bridge for the St. Lawrence, November 16, 2012, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Study: Trucking across the Canada-US border, 2004 to 2009, November 19, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
13. Travel between Canada and other countries, September 2012, November 20, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
14. Truck Tonnage Index Down Again in October, November 20, 2012, [www.todaystrucking.com](http://www.todaystrucking.com)
15. CTA Chief Appears Before Senate Committee on Omnibus Bill, November 22, 2012, [www.ontruck.org](http://www.ontruck.org)
16. Transport CFOs outline top industry concerns in GE survey, November 12, 2012, [www.cantruck.org](http://www.cantruck.org)
17. Large Urban Transit, September 2012, November 23, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
18. Truckers increasingly concerned over economy, OTA survey indicates, November 23, 2012, [www.ctl.ca](http://www.ctl.ca)
19. Manitoba's Infrastructure Renewal Plan a Good Start, But Lots of Room for Growth, November 23, 2012, [www.cantruck.ca](http://www.cantruck.ca)
20. September 2012 Surface Trade with Canada and Mexico Fell 0.1 Percent From September 2011, November 28, 2012,

said on November 12, 2012 that it has expanded its 10:30 a.m. delivery option to include Canada. This service is now available for FedEx Freight Priority and FedEx Freight Economy shipments to and from the United States and Canada, and for intra-Canada destinations. The 10:30 a.m. delivery, which is also available in the United States, is supported by a money-back guarantee.

#### **8. Road Network File, 2012**

The road network file contains the national road network, which reflects the National Geographic Database road layer content as it existed in September 2012. Applications of this file may include mapping, geocoding, area delineation and database maintenance as a source for street names and locations.

#### **9. Ontario Helps Unveil New TTC Streetcars**

Ontario helped unveil a new generation of TTC streetcars on November 15, 2012, marking another step in the province's plan to help improve transit in Toronto. The province is helping the TTC purchase 204 new streetcars to replace its current fleet from the late 1970s to the late 1980s.

#### **10. C-TPAT Suspension Process Needs Fixing, says Bradley**

The Canadian Trucking Alliance (CTA) is asking the US Customs and Border Protection (CBP) Agency to follow due process as it relates to C-TPAT suspensions and appeals. The current process is administered in a way that can have a "devastating impact on a carrier's business without due process, prior notice/communication, or consideration of the level of exposure carriers involved in moving high volumes of freight across the border face," said CTA president and CEO, David Bradley.

#### **11. Launch of public consultations on the environmental assessment for the new bridge for the St. Lawrence**

The Government of Canada is moving forward with plans to build a new bridge for the St. Lawrence and invites interested persons to attend open houses on the environmental assessment, in the Montreal region from December 2, 2012 to December 10, 2012. The Government of Canada will also accept written comments on topics covered in the first preliminary environmental assessment report and during these open houses until January 15, 2013.

#### **12. Study: Trucking across the Canada-US border, 2004 to 2009**

In 2009, it cost 15% more to ship cargo across the border from Canada to the United States by truck than it did to transport equivalent goods the same distance between two destinations within Canada. The cost of importing these goods (US to Canada) was estimated at 28% more than shipping the same goods domestically. The two main factors in cross-border trucking costs are fixed costs per shipment of moving goods across the border and higher line-haul costs of trucking cargo over longer distances.

#### **13. Travel between Canada and other countries, September 2012**

Canadian travel to destinations abroad increased in September 2012, while travel to Canada from abroad declined. In total, Canadian residents took 5.6 million trips to the United States and overseas countries combined, up 2.9% from August 2012. In the opposite direction, total travel to Canada fell 0.9% to 2.1 million trips in September 2012.

#### **14. Truck Tonnage Index Down Again in October**

The American Trucking Associations' (ATA) advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index decreased by 3.8 percent in October 2012 after falling 0.4 percent in September 2012.

#### **15. CTA Chief Appears Before Senate Committee on Omnibus Bill**

Canadian Trucking Alliance CEO David Bradley was invited to Ottawa on November 21, 2012 by the Senate transport committee to comment on two aspects of the federal government's omnibus bill: the Bridge to Strengthen Trade Act, which would exempt the construction of the new Windsor-Detroit bridge from requiring certain environmental permits, approvals or authorizations under a number of federal laws; and proposed changes to the Customs Act to require a single carrier code. Bradley spoke in favor of both provisions.

#### **16. Transport CFOs outline top industry concerns in GE survey**

A GE Capital Mid-Market Survey found that transportation CFOs (chief financial officers) were the most optimistic about Canada's economy over the next 12 months compared with other sectors, with 52 percent predicting expansion during that period. They were also the most optimistic when it came to industry growth, with 45 percent saying the transportation industry will expand over the next 12 months.

#### **17. Large Urban Transit, September 2012**

[www.dot.gov](http://www.dot.gov)

21. Traffic Act Amendments to Help During Disasters, November 27, 2012, [www.todaystrucking.com](http://www.todaystrucking.com)

22. Couriers and Messengers Services Price Index, October 2012, November 29, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)

23. September's Canadian Freight Index Stays Steady, November 29, 2012, [www.todaystrucking.com](http://www.todaystrucking.com)



Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems (80% of all) rose 5.8% from September 2011 to \$292.1 million in September 2012. Over the same period, ridership levels increased 0.2% to 149.3 million passenger trips.

**18. Truckers increasingly concerned over economy, OTA survey indicates**

While a slim majority of Ontario trucking company owners and executives remained optimistic about the industry's overall prospects heading into the fourth quarter of 2012, confidence levels are slipping according to the most recent Ontario Trucking Association survey of business conditions in the bellwether sector.

**19. Manitoba's Infrastructure Renewal Plan a Good Start, But Lots of Room for Growth**

According to a release by Manitoba Infrastructure and Transportation Minister Steve Ashton on November 23, 2012, the focus for Manitoba Infrastructure and Transportation in 2013 will be bridges and roads. This announcement is a positive step according to the Manitoba Trucking.

**20. September 2012 Surface Trade with Canada and Mexico Fell 0.1 Percent From September 2011**

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners, Canada and Mexico, was 0.1 percent lower in September 2012 than in September 2011, totaling \$77.7 billion, unadjusted for inflation, according to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation. This is the first year over year decrease since November 2009. Adjusted for inflation and exchange rates, the September 2012 total was \$56.3 billion in 2004 dollars, up 1.4 percent from September 2011. The value of U.S. surface transportation trade with Canada and Mexico in September 2012 increased by 69.6 percent compared to September 2002, a period of 10 years. U.S.-Canada trade was \$45.7 billion, a 0.9 percent decrease due to a decrease in imports from Canada.

**21. Traffic Act Amendments to Help During Disasters**

The province is proposing amendments to the Highway Traffic Act that would allow for heavier loads and for the province to quickly implement detours for trucks during severe weather and floods. The province says the goal is to add flexibility to the Highway traffic Act. Any changes to the Act's allowable vehicle weight regulations are currently set by cabinet, and amending those regulations takes considerable time. The proposed changes would give the minister authority to temporarily increase weights or classifications on highways as needed.

**22. Couriers and Messengers Services Price Index, October 2012**

The Couriers and Messengers Services Price Index increased 0.5% in October 2012 compared with September 2012. The courier portion rose 0.5% and the local messenger component advanced 0.1%. The index increased 3.8% in October 2012 compared with the same month in 2011.

**23. September's Canadian Freight Index Stays Steady**

The Canadian General Freight Index (CGFI) reported on November 29, 2012 that the cost of ground transportation for Canadian shippers increased a very slight 0.03 percent in September 2012 from August's results.

**GENERAL TRANSPORTATION**

**Canada**

**1. North American Transportation Statistics, 2012**

An updated version of the *North American Transportation Statistics* (NATS) database, a unique online source for comprehensive information on transportation activity, is being released on November 14, 2012. The database is the result of a tripartite initiative representing the transportation and statistical agencies of Canada, the United States and Mexico.

**2. Proposed Revisions to the Canadian Transportation Agency General Rules – Consultation**

The Canadian Transportation Agency is consulting on proposed revisions to its General Rules which include, in Part II, new Rules of Procedure for Adjudicating Disputes. These revised General Rules will replace the current General Rules. The aim is to have the revised General Rules come into effect by March 2013.

**Canada**

1. North American Transportation Statistics, 2012, November 14, 2012, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Proposed Revisions to the Canadian Transportation Agency General Rules – Consultation, November 15, 2012, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

**US**

1. Airships, <http://www.prairiepublic.org/television/prairie-public-on-demand/prairie-pulse/prairie-pulse-1008>