

# Transportation Information Update\*

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Editor: Joseph Monteiro\*

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Associate Editor: Gerald Robertson\*

## AIR TRANSPORTATION

### 1. Porter is Best Small Airline in World: Condé Nast Traveler

Porter Airlines is the best small airline in the world according to Condé Nast Traveler’s 2013 Readers’ Choice Awards. It also ranks third overall among airlines in all categories.

### 2. 7 wonderful years at Porter Airlines

Porter Airlines, one of North America’s airline success stories, begins its seventh year of service. After beginning service in 2006 with two Bombardier Q400 aircraft and one route between Billy Bishop Toronto City Airport and Ottawa, Porter is now clearly recognized around the world for providing a leading airline experience. This includes an all-Canadian Q400 fleet of 26 aircraft and 19 destinations in Canada and the U.S.

### 3. Air Travel Demand Continues To Improve

The International Air Transport Association (IATA) announced global passenger traffic results for September 2013 showing a continuation of the strong demand trend despite a slight slowdown from August 2013. Total revenue passenger kilometers (RPKs) rose 5.5% compared to September 2012. Capacity increased at a slightly lower pace at 5.3% over the same period. The load factor in September (80.3%) was largely in line with levels achieved in September 2012.

### 4. WestJet reports October load factor of 79.2 per cent

WestJet on November 5, 2013 announced October 2013 traffic results with a load factor of 79.2 per cent. Revenue passenger miles (RPMs), or traffic, increased 5.4 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 8.1 per cent over the same period. Load factor was down two points compared to October 2012. The airline flew a record 1.5 million guests in October, a year-over-year increase of 4.3 per cent or approximately 62,000 additional guests.

### 5. WestJet profit tops estimate as costs fall

WestJet Airlines Ltd, Canada’s second-largest carrier, reported a better-than-expected quarterly profit as expenses fell. Cost per available seat mile (CASM), excluding fuel and employee profit-sharing costs, declined 1.5 per cent in the third quarter ended Sept. 30, 2013. However, the company said the fall in costs would be less for the full year at only 0.5 per cent. WestJet plans to save about \$100 million in costs in 2014.

### 6. WestJet profit slides despite revenue growth as costs weigh

On November 4, 2013, WestJet Airlines Ltd. reported a slide in third quarter earnings and cautioned that it expected its unit revenue growth to be under pressure for the remainder of the year as it starts its regional airline, Encore, and new “Plus” premium economy seating. The Calgary-based airline reported a third-quarter net income of \$65.1-million, or 50 cents a diluted share, down nearly 8% from a year ago when it reported earnings of \$70.6-million, or 52 cents a share. That was, however, ahead of analysts’ expectations of 48 cents a share,

## AIR TRANSPORTATION

### Canada

1. Porter is Best Small Airline in World: Condé Nast Traveler, October 30, 2013, [www.flyporter.com](http://www.flyporter.com)
2. 7 wonderful years at Porter Airlines, October 30, 2013, [www.flyporter.com](http://www.flyporter.com)
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4. WestJet reports October load factor of 79.2 per cent, November 5, 2013, [www.westjet.ca](http://www.westjet.ca)
5. WestJet profit tops estimate as costs fall, November 5, 2013, [www.globeandmail.ca](http://www.globeandmail.ca)
6. WestJet profit slides despite revenue growth as costs weigh, November 5, 2013, [www.nationalpost.ca](http://www.nationalpost.ca)
7. Enhancing Security through Global Partnership, November 5, 2013, [www.iata.org](http://www.iata.org)
8. Air Canada Reports October Load Factor, November 5, 2013, [www.aircanada.ca](http://www.aircanada.ca)
9. Remarks of Tony Tyler at the AACO Annual General Meeting in Doha, November 6, 2013, [www.iata.org](http://www.iata.org)
10. Civil aviation operating statistics, August 2013, November 7, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
11. Canadian business honours WestJet CEO, November 7, 2013, [www.westjet.ca](http://www.westjet.ca)
12. Air Canada Reports Record Third Quarter 2013 Results, November 8, 2013, [www.aircanada.ca](http://www.aircanada.ca)
13. Government of Canada invests in safety at Northern Rockies Regional Airport, November 9, 2011, [www.tc.gc.ca](http://www.tc.gc.ca)
14. Aircraft movement statistics: Major airports, August 2013, November 12, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
15. Porter Airlines passes 10 million, November 12, 2013, [www.flyporter.com](http://www.flyporter.com)
16. American Airlines, US Airways settlement clears way for mega merger, November 12, 2013, [www.nationalpost.ca](http://www.nationalpost.ca)
17. Aircraft movement statistics: Small airports, July 2013, November 14, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
18. Céad míle fáilte! WestJet welcomes Dublin to our network, November 15, 2013, [www.westjet.ca](http://www.westjet.ca)
19. Remarks of Tony Tyler at the ALTA Airline Leaders Forum in Cancun, November 14, 2013, [www.iata.org](http://www.iata.org)

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

according to Bloomberg estimates.

### **7. Enhancing Security through Global Partnership**

The International Air Transport Association (IATA) called for a partnership between industry, governments and regulators to enhance aviation security by embracing a globally harmonized, risk-based system. Tony Tyler noted three key areas for improving security cooperation: 1. The importance of early collaboration between industry and government; 2. That the shift to a risk-based approach should be pursued more aggressively; and 3. Security is best enhanced through a strengthened and harmonized global system—not adopting disparate regimes.

### **8. Air Canada Reports October Load Factor**

For the month of October 2013, Air Canada reported a system load factor of 81.3 per cent, versus 82.9 per cent in October 2012, a decrease of 1.6 percentage points on a system-wide capacity increase of 3.2 per cent. On this additional capacity, system traffic for October increased 1.3 per cent. Air Canada reports traffic results on a system-wide basis, including Air Canada *rouge*. Calin Rovinescu, President and Chief Executive Officer said "I am pleased to report a load factor of 81.3 per cent for the month of October, Air Canada's second highest load factor on record for the month."

### **9. Remarks of Tony Tyler at the AACO Annual General Meeting in Doha**

Tony Tyler (IATA's CEO) message at the Doha meeting on November 6, 2013 was that Global standards are a strategic asset for our industry. They support our global operations. They give us guidance in solving complex problems. And they are worth protecting and fostering. The positive impact of global standards on safety is irrefutable. And it makes sense to use them as a framework for cooperation to ensure our broad future success. That means regulations that fit together to support the global system, air traffic management systems that work together for the greatest efficiency, a global approach to environmental sustainability and modernized standards for distribution that will serve our customers with even greater choice.

### **10. Civil aviation operating statistics, August 2013**

Operational data on civil aviation are now available for August 2013, on the Statistics Canada website.

### **11. Canadian business honours WestJet CEO**

WestJet announced on November 7, 2013 that Canadian Business magazine has named WestJet President and CEO Gregg Saretsky top new CEO, as part of its inaugural CEO of the Year awards.

### **12. Air Canada Reports Record Third Quarter 2013 Results**

Air Canada on November 8, 2013 reported adjusted net income of \$365 million or \$1.29 per diluted share in the third quarter of 2013 compared to adjusted net income of \$229 million or \$0.82 per diluted share in the third quarter of 2012, an increase of 59.4 per cent. Third quarter 2013 EBITDAR amounted to \$626 million compared to EBITDAR (excluding benefit plan amendments) of \$551 million in the third quarter of 2012, an increase of \$75 million. Calin Rovinescu, President and Chief Executive Officer said "I am extremely pleased to report Air Canada's best quarterly performance in the Corporation's history, surpassing previous records for adjusted net income and EBITDAR."

20. The Government of Canada takes action to enhance air safety, November 16, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
21. WestJet foray into Europe poses challenge to Air Canada Rouge, analyst says, November 18, 2013, [www.nationalpost.ca](http://www.nationalpost.ca)
22. Civil aviation operating statistics, September 2013, November 20, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
23. Air Canada Cargo and Cargojet Begin Discussions Towards Commercial Cooperation, November 20, 2013, [www.aircanada.ca](http://www.aircanada.ca)
24. Air Canada plans to beef up Pearson airport's role as international hub, November 19, 2013, [www.globeandmail.ca](http://www.globeandmail.ca)
25. WestJet Encore arrives today in Terrace-Kitimat, November 25, 2013, [www.westjet.ca](http://www.westjet.ca)
26. Aircraft movement statistics: Small airports, August 2013, November 26, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
27. Air Canada rouge launches up to 6 flights daily linking Toronto-Orlando: new Premium rouge service on A-319 aircraft offers more comfort choice, November 25, 2013, [www.aircanada.ca](http://www.aircanada.ca)
28. Global Standards for Africa - Strengthening Safety and Boosting Connectivity, November 25, 2013, [www.iata.org](http://www.iata.org)
29. Air Canada Comments on Jazz Benchmark Arbitration, November 26, 2013, [www.aircanada.ca](http://www.aircanada.ca)
30. Porter Airlines brings seasonal greetings to Mont Tremblant, Vermont and Myrtle Beach, November 27, 2013, [www.flyporter.com](http://www.flyporter.com)
31. Porter's jet ambitions stall amid noise debate, November 28, 2013, [www.globeandmail.ca](http://www.globeandmail.ca)
32. Canada Jetlines: Ultra-low cost carrier being proposed for Western Canada, November 28, 2013, [www.nationalpost.ca](http://www.nationalpost.ca)

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1. Global Standards Driving Middle East Success, November 6, 2013, [www.iata.org](http://www.iata.org)
2. 2nd-Quarter 2013 (US) Domestic Air Fare Down 3.6% from 2nd Quarter 2012 (Adjusted for Inflation), November 6, 2013, [www.dot.gov](http://www.dot.gov)
3. Emirates Group's Revenue, Profit Rise, Nov. 14, 2013, [www.joc.com](http://www.joc.com)
4. August 2013 U.S. Airline Systemwide Passengers Down 0.1 Percent from August 2012, November 21, 2013, [www.dot.gov](http://www.dot.gov)
5. September 2013 Passenger Airline Employment Down 1.6 Percent from September 2012, September 26, 2013, [www.dot.gov](http://www.dot.gov)

### **13. Government of Canada invests in safety at Northern Rockies Regional Airport**

On November 9, 2013, the federal government announced \$297,952 in funding for two safety improvement projects at the Northern Rockies Regional Airport.

### **14. Aircraft movement statistics: Major airports, August 2013**

Aircraft take-offs and landings at the 93 Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 2.3% in August 2013 from August 2012. These airports reported 525,823 movements in August 2013.

### **15. Porter Airlines passes 10 million**

On November 12, 2013, Porter Airlines confirmed that it carried passenger number 10 million in its history on November 8, 2013, a new milestone. In 2007, Porter's first full calendar year of business, 300,000 people travelled with the airline. A record of 2.5 million passengers flew in 2012. Robert Deluce, CEO of Porter Airlines stated "Our growth shows that travellers are extremely satisfied with the distinct service they experience with Porter."

### **16. American Airlines, US Airways settlement clears way for mega merger**

The US Justice Department says it has reached an agreement to allow American Airlines and US Airways to merge, creating the world's biggest airline. The agreement requires the airlines to scale back the size of the merger at Washington's Reagan National Airport and in other big cities. In August 2013, the government attempted to block the merger, saying it would restrict competition and drive up prices for consumers on hundreds of routes around the U.S. On the other hand, the airlines have said that their deal would increase competition by creating another big competitor to United Airlines and Delta Air Lines, which grew through recent mergers.

### **17. Aircraft movement statistics: Small airports, July 2013**

Statistics Canada reports that the number of take-offs and landings for 130 airports without air traffic control towers reached 78,269 movements in July 2013. Trois-Rivières, Quebec and Goose Bay, Newfoundland and Labrador were the most active sites.

### **18. Céad míle fáilte! WestJet welcomes Dublin to our network**

WestJet on November 15, 2013 announced Dublin, Ireland, as the airline's first transatlantic destination with seasonal daily service from June 15, 2014 to October 5, 2014, with non-stop flights to Dublin from St. John's, Newfoundland, direct (same-aircraft) flights from Toronto and connections from across WestJet's network. Highlights of the new service include: 1) New daily non-stop flights between St. John's and Dublin; 2) New daily direct (same-aircraft) flights between Toronto and Dublin; 3) New daily non-stop flights between Ottawa and St. John's connecting to Dublin; and 4) Daily connections between Dublin and Halifax, Montreal, Vancouver, Calgary, Edmonton, Winnipeg and other cities across WestJet's network.

### **19. Remarks of Tony Tyler at the ALTA Airline Leaders Forum in Cancun**

Tony Tyler addressed the ALTA Airlines leaders in Cancun on November 14, 2013. His remarks covered the following areas: safety, regulation, taxation, infrastructure, environment and distribution. He emphasized that global standards and appreciation of this fact makes for a more sustainable industry.

### **20. The Government of Canada takes action to enhance air safety**

On November 16, 2013, the Honourable Lisa Raitt, Minister of Transport, announced proposed new regulations to enhance the safety of offshore helicopter operations in Canada. These regulations will: 1) prohibit offshore helicopter operations when weather or water conditions make ditching in the water unsafe; 2) require operators to carry emergency underwater breathing apparatus for each passenger onboard offshore flights; and 3) require all crew members to wear a water immersion survival suit specifically designed for crew.

### **21. WestJet foray into Europe poses challenge to Air Canada Rouge, analyst says**

WestJet Airlines Ltd.'s move to start flying across the Atlantic next summer may have more of a dramatic impact on the competitive landscape in Canada — in particular on Air Canada Rouge — than most would assume, one analyst argues. It also undercuts the business case for Air Canada's new low-cost carrier Rouge, which aimed to provide a discount service for leisure travellers across the Atlantic in the summer.

### **22. Civil aviation operating statistics, September 2013**

Operational data on civil aviation are now available for September 2013 on the Statistics Canada website.

### **23. Air Canada Cargo and Cargojet Begin Discussions Towards Commercial Cooperation**

Air Canada and Cargojet on November 20, 2013 announced they have signed a Letter of Intent (LOI) to explore strategic opportunities in both cargo and airline operations within Canada and in international markets. The carriers intend to pursue strategic opportunities and increase cooperation in various areas such as global sales and marketing, expanded interline opportunities and enhanced connectivity that would

increase revenues and reduce operating costs. Both airlines would work towards providing optimized services to the shipping community on their respective networks.

**24. Air Canada plans to beef up Pearson airport's role as international hub**

With the allure of hassle-free flights, Air Canada plans to woo U.S. business travellers to fly through Toronto en route to Europe and Asia. It may boost the airline's revenue by about \$400-million annually, the company says. The plan is not to compete with U.S. airlines and international carriers on price but by offering connections, less travel hassle and better service. The focus is on business travellers for whom convenience is usually more important than price.

**25. WestJet Encore arrives today [November 25, 2013] in Terrace-Kitimat**

WestJet Encore's began new twice-daily, non-stop service between Vancouver and Terrace, B.C. on November 25, 2013 with a kick-off at the Vancouver International Airport and ceremony in Terrace-Kitimat's Northwest Regional Airport.

**26. Aircraft movement statistics: Small airports, August 2013**

The number of take-offs and landings for 130 airports without air traffic control towers reached 65,885 movements in August 2013. Peterborough, Ontario and Goose Bay, Newfoundland and Labrador were the most active sites.

**27. Air Canada rouge launches up to 6 flights daily linking Toronto-Orlando: new Premium rouge service on A-319 aircraft offers more comfort choice**

Air Canada rouge on November 25, 2013 begins year round flying between Toronto and Orlando, Florida with 3 daily departures and two more starting on December 14, 2013. By March 1, 2014 the airline will fly 6 times daily to/from Orlando, more than any other Canadian carrier.

**28. Global Standards for Africa - Strengthening Safety and Boosting Connectivity**

The International Air Transport Association (IATA) renewed its call for African governments to focus on adoption and adherence to global standards to assure a safe, efficient and integrated air transport system.

**29. Air Canada Comments on Jazz Benchmark Arbitration**

Air Canada provides the following statement on the November 26, 2013 decision in the arbitration relating to the benchmarking provisions of its Capacity Purchase Agreement ('CPA') with Jazz Aviation LP (Jazz), a wholly owned subsidiary of Chorus Aviation Inc. The arbitration relates to the method and calculations Air Canada and Jazz are to use to compare the rate of growth of Jazz's controllable unit costs to those of a group of comparable operators. Air Canada states that in line with its priority for cost reduction and sustainable profitability, Air Canada will both work with Jazz to explore cost reduction initiatives and continue to pursue its regional airline diversification strategy that includes the Request for Proposal (RFP) process underway for certain existing U.S. regional transborder routes.

**30. Porter Airlines brings seasonal greetings to Mont Tremblant, Vermont and Myrtle Beach**

On November 27, 2013, Porter Airlines announced that it is back with service to three popular seasonal destinations this coming winter and spring – Mont Tremblant, Que., Burlington, Vt., and Myrtle Beach, S.C.

**31. Porter's jet ambitions stall amid noise debate**

A push by Porter Airlines to fly jets out of Toronto's island airport has stalled, with city officials recommending council delay a decision on expansion plans until 2015, say sources familiar with a report to be released on November 28, 2013.

**32. Canada Jetlines: Ultra-low cost carrier being proposed for Western Canada**

A group of aviation veterans is looking to launch a new ultra-low cost carrier in Vancouver next fall that carries the potential of significantly cutting the cost of travel in Western Canada. A group of aviation veterans is looking to launch a new ultra-low cost carrier in Vancouver next fall that carries the potential of significantly cutting the cost of travel in Western Canada.

## **WATER TRANSPORTATION**

### **1. Minister Raitt discusses safe and efficient marine transportation at the 2013 World Maritime Day Observance Conference in New York**

On October 30, 2013, the Honourable Lisa Raitt, Minister of Transport spoke to participants at the 2013 World Maritime Day Observance Conference in New York about Canada's commitment to safe, secure and sustainable marine practices. The event was hosted by the North American Marine Environment Protection Association (NAMEPA) and the United States Coast Guard.

### **2. Prince Rupert Port Authority – Monthly Traffic Report, October 2013**

The Port of Prince Rupert Authority indicated that its total traffic for October 2013 was 446,990 TEUs, a 11.87% decline from the same month a year ago. Imports declined by 9.02% and exports declined by 15.07%. in terms of TEUs. Year to date statistics (January to October 2013) indicate that its total traffic in terms of TEUs was down 5.67%.

### **3. Canadian Transport Minister and Michigan Governor meet to discuss the Detroit River International Crossing (DRIC) / New International Trade Crossing (NITC) project**

On November 12, 2013, the Honourable Lisa Raitt, Canada's Minister of Transport and Michigan Governor Rick Snyder met in Lansing, Michigan to discuss the progress and the next steps towards the building of the Detroit River International Crossing (DRIC) / New International Trade Crossing (NITC) project. Both the Minister and the Governor reiterated their strong commitment to move the new publicly-owned crossing forward as soon as possible.

### **4. Liners focus on cost saving, efficiencies**

Ocean liner carriers "have had little choice but to focus on cost savings and increased efficiency as their strategy," said Christopher Koch, president and chief executive officer of the World Shipping Council in a speech to the World Trade Association of Philadelphia in the first week of November 2013. The liner industry must contend with higher fuel and regulatory cost and currently has more capacity than cargo demand to fill that capacity. On top of that, the industry is cyclical.

### **5. Port Metro Vancouver – Accumulated Container Traffic Report – October 2013**

On November 14, 2013, the Port of Metro Vancouver reported its accumulated traffic for October 2013. Total traffic (January to October 2013) in terms of TEUs shipped was 2,350,363, a 4% increase from the same period a year ago. Imports increased by 3.2% and exports by 5%. Imports were 1, 260,160 TEUs and exports were 1,089,753 TEUs.

### **6. Minister Raitt highlights benefits of historic Canada-EU Trade Agreement to Ontario-Quebec maritime shipping and tourism industry**

On November 14, 2013, the Honourable Lisa Raitt, Minister of Transport, addressed members and stakeholders of the St. Lawrence Economic Development Council during a conference on the sustainability and competitiveness of the St. Lawrence – Great Lakes trade corridor, hosted at the Port of Montreal. The Minister highlighted the benefits of the Canada-EU Comprehensive Economic and Trade Agreement (CETA) for the St. Lawrence – Great Lakes region. "This historic agreement between Canada and the EU will give Canadian businesses access to a half-billion new customers in Europe," said

## **WATER TRANSPORTATION Canada**

1. Minister Raitt discusses safe and efficient marine transportation at the 2013 World Maritime Day Observance Conference in New York, October 30, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Prince Rupert Port Authority – Monthly Traffic Report, October 2013, [www.rupertport.com](http://www.rupertport.com)
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7. 2013 set to be record year for transport infrastructure deals, says KPMG, November 14, 2013, [www.ctl.ca](http://www.ctl.ca)
8. Drewry, Repeal the Jones Act, November 18, 2013, [www.joc.com](http://www.joc.com)
9. Fraser Surrey Docks Project Update - Environmental Impact Assessment Available for Public Review and Comment, November 18, 2013, [www.portmetrovancover.com](http://www.portmetrovancover.com)
10. New containerization facility perfect fit with Port of Montreal strategy to provide value-added services, November 21, 2013, [www.ctl.ca](http://www.ctl.ca)
11. Antitrust: Commission opens proceedings against container liner shipping companies, November 22, 2013, [www.europa.eu](http://www.europa.eu)
12. Government of Canada awards contract for preparatory studies for electronic systems for the new bridge for the St. Lawrence project, November 26, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
13. EU Cargo Probe Threatens Shipping Alliance, November 28, 2013, [www.portofmontreal.ca](http://www.portofmontreal.ca)

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1. (US) Maritime Administration Announces \$1.4 Million for Two LNG Projects, Nov. 7, 2013, [www.dot.gov](http://www.dot.gov)
2. U.S.-flag Great Lakes tonnage up 14.4% in October [2013], November 14, 2013, [www.americanshipper.com](http://www.americanshipper.com)

Minister Raitt. “And it will create thousands of jobs for Canadians. In fact, its benefits are equal to creating almost 80,000 new jobs.”

#### **7. 2013 set to be record year for transport infrastructure deals, says KPMG**

According to an analysis by global advisory firm KPMG, deal values for global transactions of transport infrastructure assets including airports, ports and road operations have risen steeply since the beginning of the year with 2013 poised to be a record year for transport infrastructure deals.

#### **8. Drewry, Repeal the Jones Act**

The U.S. Jones Act, which requires that U.S. domestic ocean cargo is carried from port to port in ships that are built in the U.S., manned mostly by U.S. seamen and flagged in the U.S., should be repealed, Drewry Maritime Research said on November 18, 2013. The *Merchant Marine Act of 1920*, which is known as the *Jones Act*, is getting increasingly expensive for U.S. consumers and no longer has the same level of political support that has kept it as the law of the land for the last 73 years, Drewry said in its Container Insight Weekly.

#### **9. Fraser Surrey Docks Project Update - Environmental Impact Assessment Available for Public Review and Comment**

On November 18, 2013, Port Metro Vancouver invited the public to review and comment on the Environmental Impact Assessment (EIA) conducted by Fraser Surrey Docks on their proposed Direct Transfer Coal Facility in Surrey B.C.

#### **10. New containerization facility perfect fit with Port of Montreal strategy to provide value-added services**

The Port of Montreal said it is extremely pleased that CanEst Transit Inc., a new company (founded by La Coop fédérée, Transit BD Inc. and MGT Holdings) will create, on port territory, a facility that will specialize in the containerization of agricultural products destined for local and international markets.

#### **11. Antitrust: Commission opens proceedings against container liner shipping companies**

The European Commission has opened formal antitrust proceedings against several container liner shipping companies to investigate whether they engaged in concerted practices, in breach of EU antitrust rules. Container liner shipping is the transport of containers by ship at a fixed time schedule on a specific route between a range of ports at one end (e.g. Shanghai - Hong Kong - Singapore) and another range of ports at the other end (e.g., Rotterdam – Hamburg - Southampton). Opening of proceedings does not prejudge the outcome of the investigation.

#### **12. Government of Canada awards contract for preparatory studies for electronic systems for the new bridge for the St. Lawrence project**

The Government of Canada on November 26, 2013 awarded a contract to IBI Group to further the work on the Government of Canada’s commitment to a new bridge for the St. Lawrence.

#### **13. EU Cargo Probe Threatens Shipping Alliance**

A probe by the European Union into price fixing in the container-shipping industry makes it less likely that the world’s three biggest container shippers will get regulatory clearance any time soon for a major new alliance on the busiest global trade routes, according to people familiar with the matter. Danish shipping group Maersk Line, France’s CMA CGM and Swiss-based Mediterranean Shipping Co.—the three shippers planning the alliance.

## RAIL TRANSPORTATION

### 1. CN reaches tentative labour contract settlements with TCRC-CTY union in Canada

CN said it has reached tentative collective agreements with the Teamsters Canada Rail Conference - Conductors, Trainpersons and Yardpersons (TCRC-CTY). The TCRC-CTY represents approximately 3,000 CN train conductors, trainpersons, yardpersons and traffic coordinators on CN's network in Canada.

### 2. BNSF Profit Rises on Volume, Revenue Gains

BNSF Railway profit rose nearly 5.6 percent year-over-year to \$989 million in the 2013 third quarter, as revenue expanded 5.8 percent on a 4.6 percent gain in volume. A 5.4 percent increase in intermodal traffic helped push total revenue to \$5.65 billion in the period, according to a third quarter financial release and traffic statistics. Domestic shipments drove the majority of the intermodal volume gains, the Berkshire Hathaway-owned company said in its third quarter filing.

### 3. Rail-car shortage knocks grain exports off track

Record crops in Canada, the world's top canola grower and second-largest wheat exporter, are overwhelming the country's rail system, creating a shortage of grain cars and slowing shipments to foreign buyers. The nation's two major carriers, Canadian National Railway Co. and Canadian Pacific Railway Ltd., are each providing about 5,000 to 5,500 cars a week to move grain at a time when companies need more than twice that amount, said Wade Sobkowich, the executive director of the Winnipeg-based Western Grain Elevator Association, which represents grain-handlers including Cargill Inc. and Glencore Xstrata Plc's Viterra unit.

### 4. Genesee & Wyoming's Profit, Revenue Soar

Genesee & Wyoming reported net income of \$66.2 million in the third quarter of 2013, compared with a net loss of \$19.6 million in the same period last year. "The third quarter of 2013 was the third reporting period in which G&W's consolidated results included the former RailAmerica railroads," said Jack Hellmann, president and CEO of G&W, in a written statement. Quarterly revenue for G&W was \$401.4 million, jumping 80.2 percent from \$222.7 million in the third quarter of 2012.

### 5. Expect higher transportation pricing in years ahead: Cormark's Newman

The potential for synchronous global growth could ignite demand for transportation, leading to higher carrier pricing, a recovery of profitability, and the potential for industry consolidation, according to David Newman, a transportation market analyst with Cormark Securities and the luncheon speaker at the CITT conference on November 4, 2013. Surface transportation volumes have actually been relatively sluggish with the railways realizing modest growth, although above GDP, and the TL and LTL trucking segments suffering declines. But motor carriers have done a "phenomenal job at cost and capacity management and their balance sheets are in excellent shape," Newman said.

### 6. Minister Raitt marks National Railway Day

On November 7, 2013, the Honourable Lisa Raitt, Minister of Transport, marked National Railway Day, which commemorates the day the last spike was driven into the Canadian Pacific Railway at Craigellachie, British Columbia in 1885 – a major milestone for the railways and for Canada. Minister Raitt said "Our government understands the continued importance of Canada's rail system, that's why we are taking strong actions to ensure its safety and security and

## RAIL TRANSPORTATION Canada

1. CN reaches tentative labour contract settlements with TCRC-CTY union in Canada, October 31, 2013, [www.ctl.ca](http://www.ctl.ca)
2. BNSF Profit Rises on Volume, Revenue Gains, November 1, 2013, [www.joc.com](http://www.joc.com)
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5. Expect higher transportation pricing in years ahead: Cormark's Newman, November 4, 2013, [www.ctl.ca](http://www.ctl.ca)
6. Minister Raitt marks National Railway Day, November 7, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
7. Rail industry "focused on improving safety while benefiting domestic and global economies": RAC president, November 7, 2013, [www.ctl.ca](http://www.ctl.ca)
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10. CN freight train derailed near Fort Frances, Ont., November 11, 2013, [www.ctl.ca](http://www.ctl.ca)
11. Railroad profits stage a resurgence, November 12, 2013, [www.joc.com](http://www.joc.com)
12. Harper government acts to increase transportation of dangerous goods information sharing between rail companies and municipalities, November 20, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
13. Transport Minister threatens to prosecute oil shippers that flout federal safety rules, November 25, 2013, [www.globeandmail.ca](http://www.globeandmail.ca)
14. Consultations on Third Party Liability Insurance Coverage Regulations for Federal Railways, November 19, 2013, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
15. Minister Raitt acts on recommendations in Auditor General's report on rail safety oversight, November 26, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
16. Railway carloadings, September 2013, November 27, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
17. Canadian Pacific Railway Declares Dividend, November 27, 2013, [www.cpr.ca](http://www.cpr.ca)
18. CWB takes direct stake in Prairie grain handling, November 27, 2013, [www.portmontreal.ca](http://www.portmontreal.ca)
19. CN investing in special program to enhance already strong rail and wheel flaw detection capability, October 28, 2013, [www.cn.ca](http://www.cn.ca)

why we are working with stakeholders in the transportation sector to make Canada's rail system a model of world class safety."

#### **7. Rail industry "focused on improving safety while benefitting domestic and global economies": RAC president**

The rail sector is squarely focused on improving an already strong safety record as it remains the backbone of Canada's domestic and international supply chains, said Michael Bourque, President and CEO of the Railway Association of Canada, on November 7, 2013 as part of National Rail Day.

#### **8. Railcar shortage leaves farmers in lurch**

Western Canadian farmers and grain handlers are struggling to move a record crop amid a shortage of railcars that some say is worsened by the surge in the energy industry's oil shipments by rail. Grain elevators are full and farmers are scrambling for ways to store grain after a season of good weather helped them harvest an 81-million-tonne crop. That has led to major backups in the transportation system designed to move grains from the field to export hubs and on to dinner tables around the world.

#### **9. CN freight train carrying lumber derailed in Saskatchewan west of Saskatoon**

A CN freight train has derailed, in Saskatchewan near the town of Asquith about 33 kilometres west of Saskatoon. The RCMP say six cars came off the tracks on November 9, 2013 evening around 7:30. The cars were carrying lumber and not dangerous goods.

#### **10. CN freight train derailed near Fort Frances, Ont.**

On November 11, 2013, about 40 CN freight cars loaded with grain came off the tracks in a train derailment near Fort Frances, Ontario. No injuries were reported by the Transportation Safety Board investigators.

#### **11. Railroad profits stage a resurgence**

U.S.-based major railroads' profit growth surged back in the 2013 third quarter, as resilient pricing and increased operational efficiencies overcame a 2.8 percent drop in total volume hauled compared to the same period last year.

#### **12. Harper government acts to increase transportation of dangerous goods information sharing between rail companies and municipalities**

On November 20, 2013, the Honourable Lisa Raitt, Minister of Transport, issued a protective direction directing rail companies to share information with municipalities. Effective immediately, Transport Canada requires that: 1) Any Canadian Class 1 railway company that transports dangerous goods must provide municipalities with yearly aggregate information, presented by quarter, on the nature and volume of dangerous goods the company transports by rail through that municipality; and 2) Any person who transports dangerous goods by rail, who is not a Canadian Class 1 railway company, must provide municipalities with yearly aggregate information on the nature and volume of dangerous goods transported through that municipality and notify municipalities of any significant changes to that information, as soon as possible.

#### **13. Transport Minister threatens to prosecute oil shippers that flout federal safety rules**

Transport Minister Lisa Raitt is threatening to prosecute oil shippers caught sending crude by rail without first testing it for safety, calling it "completely unacceptable" if companies are flouting federal rules. The move comes after an investigation by *The Globe and Mail* revealed that large amounts of potentially explosive crude are going untested because of a perceived loophole in federal regulations.

#### **14. Consultations on Third Party Liability Insurance Coverage Regulations for Federal Railways**

Increasing shipments of crude oil and other hazardous materials by rail, and the tragic derailment in Lac-Mégantic, have highlighted the need to review the current approach to determining the adequacy of railway third party liability coverage and appropriate accountability of federal railways for liabilities related to their operations. The Agency has issued a Consultation paper and is seeking views of various aspects of this issue.

#### **15. Minister Raitt acts on recommendations in Auditor General's report on rail safety oversight**

On November 26, 2013, the Honourable Lisa Raitt, Minister of Transport, agreed with the recommendations outlined in the Auditor General of Canada's fall 2013 report and issued the following statement: "In response to the Auditor General's findings and recommendations, the department is: 1) improving processes, procedures and tools inspectors use to assess risk; 2) reviewing inspection tools and continuing to improve them as necessary; 3) ensuring timely and mandatory training for inspectors and managers; 4) determining whether the current workforce has the required skills and competencies; and 5) adopting a quality assurance plan that supports consistent oversight and inspection methodology.

#### **16. Railway carloadings, September 2013**

Canadian railways carried 29.4 million tonnes of freight in September 2013, a 9.0% increase over the same month last year. The gain was driven by robust demand for coal, which accounted for half of the overall growth in tonnage of domestic non-intermodal shipments. Intermodal freight rose 4.3% to 2.5 million tonnes in September 2013. Both containerized cargo shipments and trailers loaded on flat cars saw increased activity during the month.

#### **17. Canadian Pacific Railway Declares Dividend**

The Board of Directors of Canadian Pacific Railway Limited on November 27, 2013 declared a quarterly dividend of thirty-five cents (\$0.35) Canadian per share on the outstanding Common Shares.

#### **18. CWB takes direct stake in Prairie grain handling**

The grain company formerly known as the Canadian Wheat Board has made its first hands-on play in the Prairie grain handling game. Winnipeg-based CWB on November 26, 2013 announced an agreement to buy the grain handling and port terminal assets from the Soumat arm of Toronto's Upper Lakes Group Inc. (ULGI) for an undisclosed sum.

#### **19. CN investing in special program to enhance already strong rail and wheel flaw detection capability**

CN announced on November 28, 2013 a special program (at a cost of \$10 million) to acquire additional monitoring equipment to enhance its strong technological base for early detection of defects. Jim Vena, CN executive vice-president and chief operating officer, said: "We're stepping up our inspection and detection capabilities. We've had a major push in recent years to increase the number and quality of track, wheel and bearings inspections that help prevent accidents. This has positioned us well in the rail industry. With this program, we intend to go further when it comes to safe rail operations."

## **HIGHWAY TRANSPORTATION**

### **1. Couriers and Messengers Services Price Index, September 2013**

The Couriers and Messengers Services Price Index increased 0.4% in September 2013 compared with August 2013. The courier portion rose 0.6% while the local messenger component declined 0.1%. The index was up 3.5% in September 2013 compared with the same month in 2012.

### **2. HOS Rules Impacting Productivity: Schneider**

Since the new hour of service rules took effect on July 1, 2013 drivers aren't feeling any more rested, but productivity has taken a hit, according to one of the largest truckload carriers in the U.S.

### **3. Construction on Team Gushue Highway Extension Advances with \$9.4 Million in Tender Contracts**

Construction crews continue to make progress along the Team Gushue Highway extension with the recent awarding of \$9.4 million in tender contracts to construct a series of underpasses along the route. "This investment of \$9.4 million signifies our commitment to continue to invest in regional projects that strengthen communities and stimulate further growth," said Minister McGrath. "The Team Gushue Highway extension is an important piece of regional infrastructure that will substantially improve traffic flow for motorists on the Northeast Avalon. The multi-year project is scheduled for completion in 2015." The Team Gushue Highway Extension project is expected to cost \$50 million.

### **4. August Freight Costs For Canadian Shippers Stay Flat**

The total cost of ground transportation increased 1.2 percent in August 2013 from July 2013, according to the Canadian General Freight Index (CGFI). "Total Cost of Freight is down three percent from a year ago," said Doug Payne, President & COO, Nulogx. "Base Freight costs are 3.4 percent below last year."

### **5. A busy week for Canada's biggest trucker**

In the final week of October 2013, Montreal-based TransForce

## **HIGHWAY TRANSPORTATION Canada**

1. Couriers and Messengers Services Price Index, September 2013, October 31, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. HOS Rules Impacting Productivity: Schneider, October 30, 2013, [www.cantruck.ca](http://www.cantruck.ca)
3. Construction on Team Gushue Highway Extension Advances with \$9.4 Million in Tender Contracts, October 30, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
4. August Freight Costs For Canadian Shippers Stay Flat, October 30, 2013, [www.todaystrucking.com](http://www.todaystrucking.com)
5. A busy week for Canada's biggest trucker, November 1, 2013, [www.todaystrucking.com](http://www.todaystrucking.com)
6. Three of Five Modes Carried More U.S. NAFTA Trade in August 2013 than in August 2012, November 7, 2013, [www.dot.gov](http://www.dot.gov)
7. Manitoba Trucking Association pleased infrastructure upgrades included in Throne Speech; helps protect vital cross-border trade routes, November 14, 2013, [www.ctl.ca](http://www.ctl.ca)
8. Government of Canada enhances tire safety regulations, November 20, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
9. Large urban transit, September 2013, November 22, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
10. Stoney Trail expands to 70 km of free flow traffic, November 22, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
11. CTA Issues White Paper on Transportation of Dangerous Goods by Truck, November 26, 2013, [www.ontruck.ca](http://www.ontruck.ca)
12. Global beverage logistics company acquires satellite logistics group, November 26, 2013, [www.ctl.ca](http://www.ctl.ca)
13. Couriers and Messengers Services Price Index, October 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)

announced that profits for the Q3 of 2013 were down from 2012; that it was buying Clarke Transport Inc., and Clarke Road Transport Inc., two subsidiaries of Clarke Inc, and finally, that the very profitable company will be shifting some of its priorities to stem losses. The Clarke deal should close later this year and is expected to generate annual revenues of approximately \$190 million. The two acquired entities employ more than 600 staff and independent contractors.

US

1. [US] Freight [For-hire] Shipments Rose 0.8% in September from August, November 14, 2013, [www.dot.gov](http://www.dot.gov)

#### **6. Three of Five Modes Carried More U.S. NAFTA Trade in August 2013 than in August 2012**

Three of the five transportation modes carried more U.S.-NAFTA trade in August 2013 than in August 2012 as the value of overall U.S. trade with its North American Free Trade Agreement (NAFTA) partners, Canada and Mexico, rose 2.0 percent from year to year, according to the August NAFTA freight data released on November 7, 2013 by the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation

#### **7. Manitoba Trucking Association pleaded infrastructure upgrades included in Throne Speech; helps protect vital cross-border trade routes**

The Manitoba Trucking Association (MTA) says it is encouraged that the Manitoba Government has included plans to upgrade highway infrastructure in the Throne Speech. Of note is: the multi-year reconstruction of PTH 75 to help protect the vital trade route from flood-related closures, major upgrades to the Trans-Canada Highway to Ontario, a new Trans-Canada Highway bypass around Headingley and major investments for the Perimeter Highway system.

#### **8. Government of Canada enhances tire safety regulations**

On November 20, 2013, the Honourable Lisa Raitt, Minister of Transport, announced important regulations that will enhance the safety of tires manufactured for the Canadian market. These regulations will replace the current *Motor Vehicle Tire Safety Regulations, 1995* (MVTSR, 1995). "Safety is paramount when out on the road," said Minister Raitt. "The safety of Canadian road users will be improved as all tires sold in Canada must meet the new testing requirements, in addition to proposed standards for appropriately marked winter tires."

#### **9. Large urban transit, September 2013**

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems (80% of total) rose 5.1% in September 2013 from the same month in 2012 to \$301.8 million. Over the same period, ridership levels increased 1.9% to 150.1 million passenger trips.

#### **10. Stoney Trail expands to 70 km of free flow traffic**

On November 22, 2013, Transport Canada announced that the six-lane Southeast Stoney Trail in Calgary opened paving the way for growth, connecting Albertans to each other and to global markets. "This is a celebration, not just for local families and communities enjoying a safer and faster commute, but for all Albertans. Stoney Trail is critical to our provincial transportation network which reaches out to markets across Canada and around the world. Our Building Alberta Plan is delivering real results for Alberta and Albertans."

#### **11. CTA Issues White Paper on Transportation of Dangerous Goods by Truck**

In a white paper of the *Transportation of Dangerous Goods by Truck in Canada*, CTA repeats its long-standing position that the federal government should introduce a universal mandate requiring all trucks, where the driver is currently required to carry a logbook under the federal hours of service regulations, to be equipped with an electronic recording device (ELD); and introduce a manufacturing standard (in lock-step with the United States) requiring all new heavy trucks to be equipped with a roll stability system. In addition, CTA says all provinces should follow the lead of Ontario and Quebec by requiring the mandatory activation of truck speed limiters at no more than 105 km/hr and also introduce mandatory entry level training for truck drivers based on a national industry standard.

#### **12. Global beverage logistics company acquires satellite logistics group**

Satellite Logistics Group (SLG), supply-chain solution provider for the beverage industry, announced that the company has been purchased by JF Hillebrand Group AG (JFHG), a global beverage logistics company. The acquisition, which supports SLG's growth plans and complements JFHG's business portfolio, will enable both companies to better serve their customers with more expansive, global capabilities.

#### **13. Couriers and Messengers Services Price Index, October 2013**

The Couriers and Messengers Services Price Index increased 0.1% in October 2013 compared with September 2013. The courier portion rose 0.2% while the local messenger component declined 0.4%. The index increased 3.1% in October 2013 compared with the same month in 2012.

## GENERAL TRANSPORTATION

### Canada

#### **1. Minister Raitt confirms federal commitment to P3 partnerships for public infrastructure**

The Honourable Lisa Raitt, Minister of Transport on November 7, 2013 said “Our government is pleased to provide support to Canadian infrastructure priorities by encouraging the use of public-private partnership financing arrangements”. “In our 2013 Economic Action Plan, we delivered a record investment in infrastructure funding — the longest and largest commitment in Canadian history — and it is our commitment to ensure that Canadians get the best value for their hard-earned tax dollars. When an infrastructure project can generate better value for money by being delivered through a P3, it should be delivered as a P3.”

#### **2. Canada and Yukon taking action to better understand the unique transportation challenges in Canada's North**

On November 13, 2013, the government announced funding to evaluate the effects of climate change and permafrost degradation on transportation in Yukon. “It is important to maintain and improve northerners’ access to safe and efficient transportation. We are acting to improve our understanding of the unique challenges in Canada’s North,” said MP Leef. “This work will lead to the development of tools to adapt our northern transportation networks to climate change.” “Investments in our transportation infrastructure are crucial for the development and growth of Yukon,” said Minister Dixon. “The impacts of climate change mean additional resources are required to help ensure the sustainability of our northern transportation network and we are thrilled to sign this agreement with the Government of Canada.”

#### **3. Minister Raitt asks Standing Committee on Transport, Infrastructure and Communities to review the Canadian regime regarding the safe transportation of dangerous goods and the role of Safety Management Systems across all modes of transportation**

On November 18, 2013, the Honourable Lisa Raitt, Minister of Transport, made the following statement after meeting with the Standing Committee on Transport, Infrastructure and Communities (SCOTIC): “I reiterated to the Standing Committee on Transport, Infrastructure and Communities the Government of Canada’s commitment to ensuring a safe transportation system and enhancing the safety of the transportation of dangerous goods. Whenever dangerous goods are being moved — we want to make sure it is done safely...”

#### **4. Minister Raitt reaffirms Canada’s commitment to the safe transportation of dangerous goods at meeting with the Canadian Association of Fire Chiefs**

On November 19, 2013, the Honourable Lisa Raitt, Minister of Transport, met with the Canadian Association of Fire Chiefs to further discuss enhancing the safe transportation of dangerous goods (TDG) as part of an ongoing dialogue with Canada’s first responders. “The safety of Canadians is Transport Canada’s top priority,” said Minister Raitt. “The department continues to work closely with all stakeholders, including first responders, to examine all means of improving rail safety and the transportation of dangerous goods.”

### Canada

1. Minister Raitt confirms federal commitment to P3 partnerships for public infrastructure, November 7, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)

2. Canada and Yukon taking action to better understand the unique transportation challenges in Canada's North, November 13, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)

3. Minister Raitt asks Standing Committee on Transport, Infrastructure and Communities to review the Canadian regime regarding the safe transportation of dangerous goods and the role of Safety Management Systems across all modes of transportation, November 18, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)

4. Minister Raitt reaffirms Canada’s commitment to the safe transportation of dangerous goods at meeting with the Canadian Association of Fire Chiefs, November 19, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)

### Publications

1. The Airport Voice Newsletter, October 2013, October 31, 2013, [www.cac.ca](http://www.cac.ca)

2. Newsletter, International Transport Forum: November 2013, November 18, 2013, [www.cemt.org](http://www.cemt.org)