

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Couriers and Messengers Services Price Index, July 2013

The Couriers and Messengers Services Price Index increased 0.2% in July 2013 compared with June 2013. Both the courier portion and the local messenger component advanced 0.2%. The index increased 2.9% in July compared with the same month in 2012.

### 2. Harper government promotes Canadian jobs, reciprocity and fairness in the air industry

The Honourable Lisa Raitt, Minister of Transport, on August 30, 2013 unveiled a new policy to promote Canadian employment and limit wet-leasing in the air industry. Wet-leasing occurs when one airline agrees to provide an aircraft and crew to another airline for the operation of the latter's air service. This policy will do the following: maintain Canadian safety and security standards; impose a cap of 20 per cent of a Canadian carrier's fleet that can be wet-leased from a foreign company for periods of more than 30 days; require reciprocity for Canadian airlines seeking opportunities in other jurisdictions; allow some flexibility for Canadian airlines to meet Canadians' seasonal demand for air travel; and promote a stable and predictable operating environment for the Canadian aviation industry by providing clear limits on the use of wet-leasing.

### 3. Continued Uptick in July Cargo Results - Asian Weakness Remains

The International Air Transport Association (IATA) announced global air cargo traffic results for July 2013 showing a continuation of the modest improvement trend experienced in June 2013. Global freight tonne kilometers (FTKs) were up 1.2% in July 2013 compared to the same month a year ago, slightly better than the 0.9% year-on-year increase recorded in June, as growth in Europe and the Middle East offset weakness in Asia. As a result of the July performance, air freight volumes are at their highest level since mid-2011. Capacity increased 3.4% versus July 2012, pushing load factor down to 43.3%. However, load factors have stabilized compared to the data in the first few months of 2013.

### 4. We are landing in Brandon

On September 3, 2013, WestJet launches new daily non-stop service between Calgary and Brandon, Manitoba. The first flight leaves Calgary International Airport at 9:50 a.m. MDT (mountain daylight time) and arrives at the Brandon Municipal Airport at 12:50 CDT.

### 5. Air Canada Issues 2012 Corporate Sustainability Report

Air Canada on September 3, 2013 released *Citizens of the World*, the airline's second corporate sustainability report. The document evaluates Air Canada's performance during 2012 in four key areas of sustainability: safety, the environment, the well-being of employees, and the company's community involvement. The report is available on [www.aircanada.ca/csr](http://www.aircanada.ca/csr)

## AIR TRANSPORTATION

### Canada

1. Couriers and Messengers Services Price Index, July 2013, August 30, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Harper government promotes Canadian jobs, reciprocity and fairness in the air industry, August 30, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
3. Continued Uptick in July Cargo Results - Asian Weakness Remains, September 2, 2013, [www.iata.org](http://www.iata.org)
4. We are landing in Brandon, September 3, 2013, [www.westjet.ca](http://www.westjet.ca)
5. Air Canada Issues 2012 Corporate Sustainability Report, September 3, 2013, [www.aircanada.ca](http://www.aircanada.ca)
6. Red Deer Flight Departure puts Central Alberta officially on Air Canada's Global Network Map, September 3, 2013, [www.aircanada.ca](http://www.aircanada.ca)
7. Porter Airlines seeks runway extension in move to reduce noise, September 4, 2013, [www.globeandmail.ca](http://www.globeandmail.ca)
8. Solid Demand Growth Continues in July - Asia Weakens as Europe Gains Strength, September 3, 2013, [www.iata.org](http://www.iata.org)
9. US Airways, American get expedited antitrust trial, September 3, 2013, [www.americanshipper.com](http://www.americanshipper.com)
10. WestJet reports August load factor of 87.9 percent, September 5, 2013, [www.westjet.ca](http://www.westjet.ca)
11. Air Canada Completes Transfer of Embraer 175 Regional Jets to Sky Regional, September 4, 2013, [www.aircanada.ca](http://www.aircanada.ca)
12. Texas congressman castigates DOJ for airline merger opposition, September 4, 2013,
13. Air Canada Reports Record August Load Factor, September 5, 2013, [www.aircanada.ca](http://www.aircanada.ca)
14. Transport Minister Lisa Raitt tours federal infrastructure in Sept-Îles and Wabush, September 5, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
15. Porter validates runway concept for Billy Bishop Toronto City Airport, September 3, 2013, [www.flyporter.com](http://www.flyporter.com)
16. Porter confirms both runway options are acceptable, September 4, 2013, [www.flyporter.com](http://www.flyporter.com)
17. WestJet RBC World Elite Mastercard

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

## **6. Red Deer Flight Departure puts Central Alberta officially on Air Canada's Global Network Map**

Red Deer to Calgary is now part of Air Canada's global network of more than 175 destinations on five continents. An inaugural celebration was held at Red Deer Airport prior to the flight's departure with local travel partners and community leaders.

## **7. Porter Airlines seeks runway extension in move to reduce noise**

Porter Airlines is adding a new twist to its controversial bid to bring jets to Toronto's island airport, putting a second option on the table that calls for extending its main runway further into Lake Ontario, a move it says will reduce noise.

## **8. Solid Demand Growth Continues in July - Asia Weakens as Europe Gains Strength**

The International Air Transport Association (IATA) announced that demand for air travel recorded another solid month of growth in July 2013. Overall revenue passenger kilometers (RPKs) were up 5.0% compared to July 2012. All regions were up year-on-year, with emerging markets recording the strongest increases. Capacity rose 5.5% on the previous July, ahead of demand, and industry load factor dropped 0.4 percentage points to 82.4%.

## **9. US Airways, American get expedited antitrust trial**

Officials from American Airlines and US Airways can be in court sooner than the Justice Department had planned, as U.S. District Judge Colleen Kollar-Kotelly on August 30, 2013 set the start of the department's antitrust trial to Nov. 25, 2013. The carriers had pushed for a Nov. 12 start date, saying Justice's request for the trial to start in spring 2014 was "unprecedented and unreasonable" since American Airlines is currently going through bankruptcy proceedings.

## **10. WestJet reports August load factor of 87.9 percent**

WestJet on September 5, 2013 announced August 2013 traffic results with a load factor of 87.9 per cent, a 1 point increase compared to a year ago. Revenue passenger miles (RPMs), or traffic, increased 11.5 per cent year-over-year, and capacity, measured in available seat miles (ASMs), grew 12.8 per cent over the same period. WestJet President and CEO Gregg Saretsky said "We are very pleased with the double digit year-over-year traffic growth and strong load factor achieved in August, especially considering our almost 13 per cent capacity growth."

## **11. Air Canada Completes Transfer of Embraer 175 Regional Jets to Sky Regional**

Air Canada on September 5, 2013 said that it has successfully completed the transfer of all 15 of its Embraer 175 aircraft, the smallest jet aircraft in Air Canada's fleet, to Sky Regional to operate the aircraft on behalf of Air Canada under the capacity purchase agreement between the parties. Sky Regional now operates 20 aircraft on behalf of Air Canada, under this agreement.

## **12. Texas congressman castigates DOJ for airline merger opposition**

Saying he has grave concerns about the Department of Justice's decision to block a proposed \$11 billion merger between American Airlines and US Airways, Rep. Michael C. Burgess, R-Texas, has written a letter to Attorney General Eric Holder expressing support for the deal. Burgess sees Justice's decision as needless government intervention in the free market. This kind of intrusion is unacceptable and will cause severe harm to the two airlines and others.

rated number one travel rewards card in Canada, September 10, 2013, [www.westjet.ca](http://www.westjet.ca)

18. Air Canada stock rides upward draft this summer, September 11, 2013, [www.globeandmail.ca](http://www.globeandmail.ca)

19. Transat earnings soar, eyes year-end profit, September 12, 2013, [www.globeandmail.ca](http://www.globeandmail.ca)

20. Report Top [US] domestic airlines among least fuel-efficient, September 11, 2013, [www.americanshipper.com](http://www.americanshipper.com)

21. Remarks of Tony Tyler at the Eastern Europe Aviation Day, Bucharest, September 13, 2013, [www.iata.org](http://www.iata.org)

22. Air Canada Named Canada's Preferred Airline by Frequent Business Travellers in Ipsos Reid Survey, September 16, 2013, [www.aircanada.ca](http://www.aircanada.ca)

23. Airport Activity, 2012, September 20, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)

24. FedEx's Profit Rose 7 Percent in First Quarter, September 19, 2013, [www.joc.com](http://www.joc.com)

25. Air Canada to Undertake Request for Proposals for Certain U.S. Regional Transborder Routes, September 23, 2013, [www.aircanada.ca](http://www.aircanada.ca)

26. Profits Grow in 2013, But at a Slower Pace - Upward Trend to Continue in 2014, September 23, 2013, [www.iata.org](http://www.iata.org)

27. Canada and the European Aviation Safety Agency sign agreement that enhances aviation safety, September 24, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)

28. Air Canada Signs Maintenance Agreement with Premier Aviation; Trois-Rivières Facility Employs 120 Technicians, September 24, 2013, [www.aircanada.ca](http://www.aircanada.ca)

29. American, US Airline extend merger agreement deadline, September 24, 2013, [www.americanshipper.com](http://www.americanshipper.com)

30. WestJet announces definitive purchase agreement for the Boeing 737 MAX aircraft, September 26, 2013, [www.westjet.ca](http://www.westjet.ca)

31. Air Canada Completes Its \$1.4 Billion Refinancing Transaction, September 26, 2013, [www.aircanada.ca](http://www.aircanada.ca)

32. Government of Canada invests in safety at St. Andrews Airport, September 26, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)

## **US**

1. Airlines Report 13 Tarmac Delays Over Three Hours on Domestic Flights, Three Tarmac Delays Longer Than Four Hours on International Flights in July, Sept. 12, 2013, [www.dot.gov](http://www.dot.gov)

2. June 2013 U.S. Airline System Passengers Up 0.7% from June 2012, September 24, 2013, [www.dot.gov](http://www.dot.gov)

3. July 2013 Passenger Airline Employment Down 2.6 Percent from

### 13. Air Canada Reports Record August Load Factor

For the month of August 2013, Air Canada reported a record system load factor of 89.5 per cent, versus 87.9 per cent in August 2012, an increase of 1.6 percentage points. System traffic increased 4.7 per cent on a system-wide capacity increase of 2.9 per cent. Air Canada reports traffic results on a system-wide basis, including Air Canada *rouge*, which began operations on July 1, 2013, and regional airlines from which Air Canada purchases capacity. Calin Rovinescu, President and Chief Executive Officer said "I am pleased to report a record load factor of 89.5 per cent for the month of August."

July 2012, September 26, 2013, U.S. Department of Transportation Awards \$63 Million in University Transportation Center Grants, September 26, 2013, [www.dot.gov](http://www.dot.gov)

### 14. Transport Minister Lisa Raitt tours federal infrastructure in Sept-Îles and Wabush

The Honourable Lisa Raitt, Minister of Transport, expressed confidence in ongoing regional investments in federal transportation facilities in Sept-Îles, Quebec, and Wabush, Newfoundland and Labrador. In recognition of its critical role as a regional hub, Transport Canada has invested close to \$7 million over the past few years to ensure that airport infrastructure remains secure and in good condition. The airport serves business travel and promotes tourism by offering daily flights to and from Quebec City and Montreal, as well as Wabush, Fermont, Schefferville and the Lower North Shore.

### 15. Porter validates runway concept for Billy Bishop Toronto City Airport

Porter Airlines has validated its extended runway proposal as part of the City of Toronto's ongoing review of the airline's application to operate Bombardier CS100 aircraft from Billy Bishop Toronto City Airport (BBTCA).

### 16. Porter confirms both runway options are acceptable

Porter Airlines indicated on September 4, 2013 that it submitted an update of its runway proposal to the City of Toronto as part of its ongoing review of the airline's application to operate Bombardier CS100 aircraft from Billy Bishop Toronto City Airport (BBTCA). There are now two equally viable proposals for a runway extension that Porter would like to be given consideration. The original proposal presented in May includes a 168 metre extension into the water at each end of the main runway. A second proposal submitted on Sept. 3, includes a 200 metre extension into the water at each end of the main runway.

### 17. WestJet RBC World Elite MasterCard rated number one travel rewards card in Canada

According to an annual review and ranking of credit cards in the September 2013 issue of *MoneySense* magazine, the WestJet RBC World Elite MasterCard is Canada's best travel rewards card for 2013.

### 18. Air Canada stock rides upward draft this summer

Air Canada has emerged as one of the country's top performing stocks, rising by more than 50 per cent in the past five weeks, as investors bet on the airline's expansion plans and ability to reduce costs. The stock climbed 5.5 per cent on September 10, 2013 and is up 12 per cent since the company announced plans to refinance its long-term debt at a lower cost because of an improved financial position and reported a record August 2013 load factor. The boost in traffic comes as the airline unveils its new low-cost carrier, called Rouge, and expands to include new routes and additional capacity on existing ones.

### 19. Transat earnings soar, eyes year-end profit

Cost-cutting and a better matching the number of seats being offered to the demands of travellers helped travel and airline company Transat A.T. Inc. post a stronger third-quarter profit. The Montreal-based company reported revenue of \$927-million in the quarter, up from \$909-million a year ago. Net quarterly income rose to \$41-million, \$1.07 per share, from \$9.4-million, or 25 cents a share in the third quarter of 2012. Jean-Marc Eustache, President and Chief Executive Officer of Transat said "We are very satisfied with the results, as this is our best third quarter ever."

### 20. Report Top [US] domestic airlines among least fuel-efficient

American Airlines, US Airways and Delta Air Lines are among the least efficient domestic carriers, according to a new report by the International Council of Clean Transportation. The U.S. Domestic Airline Fuel Efficiency Ranking 2010, which uses the most recent data available, found that Continental and Southwest are among the top-five most efficient carriers.

### 21. Remarks of Tony Tyler at the Eastern Europe Aviation Day, Bucharest

Mr. Tyler, CEO of IATA spoke in Bucharest on the European Aviation Day about looking forward and the challenges we face, particularly if the great benefits of aviation are to be maintained and expanded. First among our challenges is profitability. He indicated that there is no silver bullet for boosting sustainability and profitability. But it is clear we need some new and novel thinking. One of them is in ticket distribution. He indicated that IATA is developing a innovative new distribution system (NDS) which could hopefully be used universally. It will not contravene privacy laws, it will be available for travel agents, and it will not

eliminate shopping comparisons. There are also areas in which the governments ought to think innovatively: environment, passenger rights and infrastructure.

## **22. Air Canada Named Canada's Preferred Airline by Frequent Business Travellers in Ipsos Reid Survey**

Air Canada has been named Canada's favourite airline for business travel in the Ipsos Reid Business Traveller Survey. Air Canada was preferred by 81 per cent of Canadian frequent business travellers surveyed for 2013, an improvement of 12 percentage points in Air Canada's ratings in the national survey over the past five years.

## **23. Airport Activity, 2012**

Air passenger traffic at Canadian airports increased 4.8% in 2012, the increase was in all segments – domestic, transborder and international. The total number of enplaned and deplaned passengers in Canada was just under 119.0 million. This was the third consecutive annual increase since 2009. Cargo tonnages loaded and unloaded at Canadian airports increased 2.0% in 2012 to 1.08 million tonnes, a level around 15% above the recent low in 2009.

## **24. FedEx's Profit Rose 7 Percent in First Quarter**

FedEx reported that its net profit in the first quarter of fiscal year 2014, ending Aug. 31, 2013, was \$489 million, increasing 7 percent year-over-year from \$459 million. Frederick W. Smith, FedEx chairman, president and CEO, in a written statement wrote "Growth in overall demand for our broad global portfolio of solutions drove our improved first quarter results."

## **25. Air Canada to Undertake Request for Proposals for Certain U.S. Regional Transborder Routes**

Air Canada on September 23, 2013, announced that it will undertake a Request for Proposal (RFP) process to select a new regional airline to operate certain existing U.S. regional transborder routes, starting in mid-2014. Select Canadian and U.S. regional carriers will be invited to participate in the RFP process and submit their respective pricing and other terms and conditions of carriage.

## **26. Profits Grow in 2013, But at a Slower Pace - Upward Trend to Continue in 2014**

The International Air Transport Association (IATA) revised its 2013 global industry outlook downwards to \$11.7 billion on revenues of \$708 billion. Airline performance continued to improve in the second quarter; however at a slower pace than was expected with the previous projection (in June) of \$12.7 billion. This reflects the impact on demand of the oil price spike associated with the Syrian crisis and disappointing growth in several key emerging markets. Performance in 2013 is considerably better than the \$7.4 billion net profit of 2012. The upward trend should continue into 2014 when airlines are expected to return a net profit of \$16.4 billion. This would make 2014 the second strongest year this century after the record breaking \$19.2 billion profit in 2010.

## **27. Canada and the European Aviation Safety Agency sign agreement that enhances aviation safety**

Transport Canada and the European Aviation Safety Agency (EASA) on September 24, 2013 reached an arrangement to strengthen the safety net around international air travel. Under the arrangement, Transport Canada and EASA will conduct common inspections of foreign commercial aircraft operating within their jurisdictions and share information on inspections.

## **28. Air Canada Signs Maintenance Agreement with Premier Aviation; Trois-Rivières Facility Employs 120 Technicians**

Premier Aviation and Air Canada on September 24, 2013 announced the signing of a five-year agreement for the provision of airframe maintenance in support of Air Canada's fleet of 60 Embraer E-190 and E-175 aircraft.

## **29. American, US Airline extend merger agreement deadline**

US Airways Group and American Airlines' parent company have amended the merger deadline to Jan. 18, 2014, pushing it back from a mid-December deadline to accommodate the Justice Department's antitrust trial.

## **30. WestJet announces definitive purchase agreement for the Boeing 737 MAX aircraft**

WestJet announced on September 26, 2013 that it has entered into a definitive purchase agreement for 65 737 MAX aircraft from Boeing. This order was previously announced on August 29, 2013 as a letter of intent to purchase.

## **31. Air Canada Completes Its \$1.4 Billion Refinancing Transaction**

Air Canada announced on September 26, 2013 that it has completed its previously announced private offerings of senior secured notes. Air Canada's chief financial officer said "The successful refinancing of our 2010 notes is another important milestone in achieving our stated priorities."

## **32. Government of Canada invests in safety at St. Andrews Airport**

On September 26, 2013, the Government of Canada announced funding for an important safety improvement project at the St. Andrews Airport. The St. Andrews Airport is receiving \$203,784, through the Airports Capital Assistance Program (ACAP).

## **WATER TRANSPORTATION**

### **1. Harper government and Port Metro Vancouver announce funding for new marine container examination facilities**

Government officials on September 4, 2013 announced infrastructure investments that will strengthen the border, improve marine container inspection capacity, and improve efficiency at Port Metro Vancouver (PMV). The combined investment from the Harper government and PMV totals nearly \$106 million. As part of the Government of Canada's commitment to the Beyond the Border Action Plan, announced by Prime Minister Harper and President Obama, an investment of \$49.9 million is being made in two new marine container examination facilities to meet the anticipated growth in container volume through Deltaport, BC.

### **2. Port of Prince Rupert, Monthly Container Traffic Statistics, August 2013**

The Port of Prince Rupert reported its monthly container statistics for August 2013 on September 9, 2013. Total TEUs (twenty-foot equivalent units) for the month of August 2013 increased 8.7% compared to the same month a year ago. Imports increased by 21.4% and exports declined by 6.8% in terms of TEUs.

### **3. U.S. flag shipping industry says enforce cargo preference**

U.S. flag shipping interests called on the federal government to strictly enforce cargo preference laws. Testifying before the U.S. House Coast Guard and Maritime Transportation Subcommittee on behalf of the USA Maritime, former Maritime Administrator William Schubert said "perhaps nothing is more important to the viability of the privately owned U.S. flag commercial fleet than adequate cargo preference enforcement..."

### **4. European, Asian Shippers Urge Rejection of Mandatory Weighing of Containers**

The European and Asian shippers' councils have urged UN maritime officials to reject proposals for the mandatory weighing and verification of ocean containers before they are loaded on board ship. The shippers' organizations launched their appeal on the eve of a key meeting of an International Maritime Organization committee that will consider whether there should be global mandatory rules for blanket weighing of containers.

### **5. Government of Canada takes next step in new bridge for the St. Lawrence project**

On September 16, 2013, the Honourable Denis Lebel, Minister of Infrastructure, Communities and Intergovernmental Affairs, and Minister of the Economic Development Agency for the Regions of Quebec, announced that the Government of Canada has issued a request for proposals for preparatory studies and writing of technical requirements for the new bridge for the St. Lawrence.

### **6. Washington senators introduce bill to fight cargo diversion**

Two US senators have introduced legislation to replace what they say is the "outdated" Harbor Maintenance Tax. The two Washington state legislators released the text of their "Maritime Goods Movement Act for the 21st Century," saying it would eliminate incentives for shippers to bypass American ports and move U.S.-bound goods through Canada and Mexico instead.

### **7. Port Metro Vancouver takes action to protect and improve municipal waterways**

On September 18, 2013, Port Metro Vancouver announced two important initiatives to improve municipal waterways, including a five-year initiative to remove derelict structures and vessels from Fraser River municipalities, and a Port Metro Vancouver and City of Port Moody partnership currently in development

## **WATER TRANSPORTATION Canada**

1. Harper government and Port Metro Vancouver announce funding for new marine container examination facilities, September 5, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)

2. Port of Prince Rupert, Monthly Container Traffic Statistics, August 2013, September 9, 2013, [www.rupertport.com](http://www.rupertport.com)

3. U.S. flag shipping industry says enforce cargo preference, September 12, 2013, [www.americanshipper.com](http://www.americanshipper.com)

4. European, Asian Shippers Urge Rejection of Mandatory Weighing of Containers, September 14, 2013, [www.joc.com](http://www.joc.com)

5. Government of Canada takes next step in new bridge for the St. Lawrence project, Sept. 16, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)

6. Washington senators introduce bill to fight cargo diversion, September 17, 2013, [www.americanshipper.com](http://www.americanshipper.com)

7. Port Metro Vancouver takes action to protect and improve municipal waterways, September 18, 2013, [www.metroportvancouver.com](http://www.metroportvancouver.com)

8. Shipping industry urges IMO to approve requirement to verify container weights, September 20, 2013, [www.ctl.ca](http://www.ctl.ca)

9. Port days 2013 to focus on Asian trade through Halifax, September 17, 2013, [www.porthalifax.ca](http://www.porthalifax.ca)

10. The IMO approves compromise proposal for weighing containers, September 20, 2013, [www.joc.com](http://www.joc.com)

11. Containers continue to grow reefer share, September 25, 2013, [www.americanshipper.com](http://www.americanshipper.com)

## **US**

1. Container Volume Up at Top 10 China Ports in July, September 18, 2013, [www.joc.com](http://www.joc.com)

that will, if approved, ensure safer, cleaner recreational boating.

#### **8. Shipping industry urges IMO to approve requirement to verify container weights**

A recent news release from the World Shipping Council is urging the International Maritime Organization to approve a requirement to verify container weights. According to the Council, misdeclared container cargo weights have been a long-standing problem for the transportation industry and for governments. The problem is significant and arises in almost every trade.

#### **9. Port days 2013 to focus on Asian trade through Halifax**

Asian trade through Halifax will be the central focus of Port Days 2013. The Port of Halifax has been increasing trade with Asia in recent years. Asian trade now accounts for 48% of containerized cargo moved through the Port of Halifax.

#### **10. The IMO approves compromise proposal for weighing containers.**

The International Maritime Organization (IMO) on September 20, 2013 backed a compromise proposal for verifying the weight of containers before they are loaded on board ships. An IMO subcommittee approved draft guidelines allowing shippers two methods to verify the weight of a container as part of the London-based organization's program to improve safety at sea. Shippers can either weigh a packed container, or weigh all packages and cargo items and then add the mass of an empty container. The Subcommittee on Dangerous Goods, Solid Cargoes and Containers also agreed to an exemption that would apply when containers carried on chassis or trailers are driven on or off roll-on, roll-off ships engaged in short international voyages.

#### **11. Containers continue to grow reefer share**

The container liner industry continues to increase its share of the refrigerated cargo market, according to London-based Drewry. Drewry said its study, Reefer Shipping Market Review and Forecast 2013/14, found the containership mode is forecast to provide in excess of 94 percent of overall reefer tonnage within the next few years. At the end of 2012 it was already in excess of 92 percent.

### **RAIL TRANSPORTATION**

#### **1. U.S. to consider more rail crude regulations**

In an emergency session on August 30, 2013, the U.S. Federal Railroad Administration's Railroad Safety Advisory Committee met to consider additional safety regulations in the wake of the July 2013 Quebec train derailment. Working groups will now be established, and their findings will be presented to the committee by April 2014.

#### **2. CN named to Dow Jones Sustainability World Index (DJSI) for second year in a row**

CN said its sustainability practices have earned it a place as the leader in the Transportation and Transportation Infrastructure Industry sector of the Dow Jones Sustainability World Index (DJSI). This is also the second consecutive year that CN has been listed on the DJSI World Index and the fifth straight year that CN has been listed on the DJSI North American Index, the company said in a release.

#### **3. Province to Extend Bloor-Danforth Subway Line - Ontario Government Improving Public Transit, Creating Jobs**

Ontario is proposing to extend the Bloor-Danforth subway line from Kennedy Station to Scarborough City Centre to help ease congestion, create jobs and generate economic development. The proposed route will be 6.4 kilometres in length and will extend from the existing Kennedy station along the current Scarborough RT route.

#### **4. Statement regarding Transport Canada's railway safety regulations**

Recent media reports have raised questions about federal railway safety regulations. Transport Canada would like to make it clear that strong federal railway safety regulations are in place to ensure the safety and protection of the public. To further enhance rail safety operations, on July 23, 2013, Transport Canada announced an emergency directive pursuant to section 33 of the Railway Safety Act requiring all railway operators to: 1. ensure the directional controls, commonly known as

### **RAIL TRANSPORTATION**

#### **Canada**

1. U.S. to consider more rail crude regulations, August 30, 2013, [www.americanshipper.com](http://www.americanshipper.com)
2. CN named to Dow Jones Sustainability World Index (DJSI) for second year in a row, September 12, 2013, [www.ctl.ca](http://www.ctl.ca)
3. Province to Extend Bloor-Danforth Subway Line - Ontario Government Improving Public Transit, September 4, 2013, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
4. Statement regarding Transport Canada's railway safety regulations, September 14, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
5. Railways face higher insurance costs in review of Lac-Mégantic crash, Sept. 16, 2013, [www.globeandmail.ca](http://www.globeandmail.ca)
6. Canadian rail sector to further reduce locomotive emissions under renewed agreement, September 16, 2013, [www.tc.gc.ca](http://www.tc.gc.ca)
7. CP to shut down Calgary maintenance centre, September 20, 2013, [www.americanshipper.com](http://www.americanshipper.com)
8. Manitoba government says rail plans to transport oil a risky endeavour, September 23, 2013, [www.ctl.ca](http://www.ctl.ca)
9. Railway Carloadings, July 2013, September 25, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
10. Application by Montreal, Maine & Atlantic Canada Co. and Montreal, Maine & Atlantic Railway, Ltd., September 26, 2013, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
11. CN to start service on major portion of bankrupt Kelowna Pacific Railway

reversers, are removed from any unattended locomotives, preventing them from moving forward or backward on a main track or sidings; 2. ensure that their company's special instructions on hand brakes are applied to any locomotive attached to one or more cars that is left unattended for more than one hour on a main track or sidings; and 3. ensure that, in addition to complying with their company's special instructions on hand brakes referred to in the item immediately above, the automatic brake is set in full service position and the independent brake is fully applied for any locomotive attached to one or more cars that are left unattended for one hour or less on a main track or sidings.

Ltd. rail lines after reaching agreements with bankruptcy trustee, customers and Teamsters Canada Rail Conference units, September 26, 2013, [www.cn.ca](http://www.cn.ca)

#### US

1. U.S. Intermodal Traffic Sees Highest Jump in 27 Weeks, September 12, 2013, [www.joc.com](http://www.joc.com)

#### **5. Railways face higher insurance costs in review of Lac-Mégantic crash**

The Canadian Transportation Agency is reviewing how it determines the minimum insurance amounts for railways after the disastrous crash at Lac-Mégantic, where the shipper's policy was shown to cover only a small part of the estimated damages. The federal regulator says it will begin consultations on insurance for railway companies this fall.

#### **6. Canadian rail sector to further reduce locomotive emissions under renewed agreement**

The Honourable Lisa Raitt, Minister of Transport and Michael Bourque, President and CEO of the Railway Association of Canada (RAC), on September 16, 2013 announced a renewal of the voluntary agreement that will help reduce air pollutants and the intensity of greenhouse gas emissions from locomotives that operate in Canada.

#### **7. CP to shut down Calgary maintenance centre**

In the coming months, Canadian Pacific will shut its locomotive reliability center at the Alyth Yard in Calgary, eliminating 130 positions. The decision stems from the Canadian Transportation Agency's order for the railway to stop idling operations and "load testing" near the center at night.

#### **8. Manitoba government says rail plans to transport oil a risky endeavour**

The Manitoba government says a rail company's plans to start transporting oil across hundreds of kilometres of remote rail line built on permafrost is too risky to the environment and the safety of those who live in the north, said a Canadian Press report. According to the report, NDP Transportation Minister Steve Ashton said in light of the deadly train derailment in Lac-Mégantic, Que., earlier this year, Manitoba can't support the shipment of crude oil through its fragile northern environment to the port in Churchill.

#### **9. Railway Carloadings, July 2013**

The Canadian railway industry carried 27.0 million tonnes of freight in July 2013, a 1.8% decrease from the same month last year. The drop occurred despite a rise in traffic from the United States. Intermodal loadings rose 4.1% to 2.6 million tonnes. The gain was the result of increased containerized cargo shipments and trailers loaded onto flat cars.

#### **10. Application by Montreal, Maine & Atlantic Canada Co. and Montreal, Maine & Atlantic Railway, Ltd. pursuant to section 32 of the *Canada Transportation Act*, S.C., 1996, c. 10, as amended, to vary Order No. 2013-R-266, as varied by Decision No. LET-R-98-2013**

Certificate of Fitness No. 02004-3 of Montreal, Maine & Atlantic Canada Co. and Montreal, Maine & Atlantic Railway, Ltd. (MMAR) was suspended effective October 1, 2013. MMAR has now applied to vary the Order to allow it to continue to operate to January 15, 2014. The Canadian Transportation Agency (Agency) has considered the application and finds that MMAR has demonstrated that there are new facts and circumstances warranting a review of the Order.

#### **11. CN to start service on major portion of bankrupt Kelowna Pacific Railway Ltd. rail lines after reaching agreements with bankruptcy trustee, customers and Teamsters Canada Rail Conference units**

CN announced on September 26, 2013 plans to start freight service on approximately 75 per cent of the rail network operated by bankrupt short-line Kelowna Pacific Railway Ltd. (KPR) in southern British Columbia after reaching trustee, customer and labour agreements that support resumption of operations.

## HIGHWAY TRANSPORTATION

### 1. Bradley Calls for Mandatory Entry Level Training For Truck Drivers

In a recent meeting with OTA President David Bradley, Premier Kathleen Wynne agreed that action should be taken to address the problem of a shortage of qualified truck drivers in Ontario. Bradley explained that although some truck driver training schools provide excellent entry level driver training, overall the quality of skills training currently available is inconsistent and too often inferior. The problem in part has been attributed to adequate funding sources.

### 2. OTA Says Toronto Needs Comprehensive Goods Movement Strategy

The Ontario Trucking Association (OTA) says the city of Toronto should conduct a comprehensive goods movement study and not limit itself to looking at restricting trucks from school zones or other parts of the city. "If we truly are interested in making things better, we need to look at things more broadly and more comprehensively," says the association's president, David Bradley.

### 3. Weak Freight Environment Offsetting Capacity Constraints, says FTR

FTR Associates' Shippers Conditions Index (SCI) dropped slightly in June 2013. That change, FTR said, is reflective of a relatively weak freight environment offsetting increased capacity constraints.

### 4. Lawrence Solomon: Smart roads are making new mass transit and expressways obsolete

The way to relieve traffic congestion, say many on the right, is to build more roads. Not so, say many on the left, - it is far better to build more public transit to lure people out of their cars, freeing up road space. Either solution is partial at best and either can be ruinously expensive and neither is necessary. Software can turn our now-clogged roads into smart roads, creating effective new road capacity that eliminates the need for either major new highways or mass transit. The use of dynamic pricing through satellite pricing has proved very successful in Singapore on busy routes and other innovations (eg. info where nearest parking is available and encouraging small business to make unused spots available) used in Israel to reduce congestion caused by parking go a long way to reduce downtown congestion.

### 5. Report Highlights 'inconsistent' CSA Enforcement

According to a report by software engineering and data mining firm Vigillo LLC there appears to be an ongoing "enforcement disparity" by state, and even counties, when it comes to Compliance, Safety, Accountability (CSA) inspections in the trucking industry.

### 6. Titanium Transportation Buys JTS

Titanium Transportation Group has announced the completion of its latest transaction -- the acquisition of Jackson Transportation Systems Inc. ("JTS"), an Orillia based trucking company.

### 7. Roadrunner Transportation acquires YES Trans

Roadrunner Transportation Systems has acquired substantially all of the assets of YES Trans, a refrigerated truckload service provider based in Salisbury, Mass.

### 8. Large Urban Transit, July 2013

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems (80% of all) rose 6.9% from the same month a year earlier to \$259.6 million in July 2013. Over the same period, ridership levels increased 2.8% to 124.3 million passenger trips.

### 9. Vitran Sells U.S. LTL Business for \$2 Million

Toronto-based Vitran is exiting the U.S. market after struggling to expand Vitran Express and return to profit after five straight years of losses totaling \$165.4 million. The \$703 million company reported a \$34.6 million net loss on continuing operations in the first six months of 2013, though the \$97 million sale

## HIGHWAY TRANSPORTATION Canada

1. Bradley Calls for Mandatory Entry Level Training For Truck Drivers, August 30, 2013, [www.cantruck.org](http://www.cantruck.org)
2. OTA Says Toronto Needs Comprehensive Goods Movement Strategy, September 4, 2013, [www.ontruck.ca](http://www.ontruck.ca)
3. Weak Freight Environment Offsetting Capacity Constraints, says FTR, September 4, 2013, [www.todaystrucking.com](http://www.todaystrucking.com)
4. Lawrence Solomon: Smart roads are making new mass transit and expressways obsolete, September 12, 2013, [www.nationalpost.ca](http://www.nationalpost.ca)
5. Report Highlights 'inconsistent' CSA Enforcement, September 10, 2013, [www.cantruck.ca](http://www.cantruck.ca)
6. Titanium Transportation Buys JTS, September 18, 2013, [www.ontruck.ca](http://www.ontruck.ca)
7. Roadrunner Transportation acquires YES Trans, September 20, 2013, [www.joc.com](http://www.joc.com)
8. Large Urban Transit, July 2013, September 23, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
9. Vitran Sells U.S. LTL Business for \$2 Million, September 23, 2013, [www.joc.com](http://www.joc.com)
10. Carriers upbeat on volume and rate growth, September 24, 2013, [www.todaystrucking.com](http://www.todaystrucking.com)
11. TransForce Acquires Total Delivery Systems, September 26, 2013, [www.joc.com](http://www.joc.com)
12. Industry analysts see value in TransForce's proposed takeover of Vitran, September 26, 2013, [www.ctl.ca](http://www.ctl.ca)
13. Couriers and Messengers Services Price Index, August 2013, September 27, 2013, [www.statcan.ca](http://www.statcan.ca)

## US

1. Freight Shipments [for-hire] Rose 0.3% in July [2013] from June [2013], September 11, 2013, [www.dot.gov](http://www.dot.gov)
2. Trucking Groups, Lawmakers Call for Sleep Apnea Rulemaking, September 13, 2016, [www.joc.com](http://www.joc.com)

of its supply chain business in March 2013 gave it a net profit of \$50.7 million. Matthew Maroun, the owner of the Ambassador Bridge and a trucking empire that includes Central Transport and Universal Transport Services, will pay \$2 million for the U.S. less-than-truckload operations of Vitran.

#### **10. Carriers upbeat on volume and rate growth**

The third-quarter Transport Capital Partners survey reveals more U.S. carriers are expecting to see volumes and rates grow over the coming months. In this quarter's survey, more carriers are expressing optimism for increases in volumes and rates. Slow, steady growth in the economy has led the freight market into positive territory. And carriers are sharing their expectations for improved results.

#### **11. TransForce Acquires Total Delivery Systems**

TransForce, through its subsidiary Dynamex Canada, has acquired all of the shares of Total Delivery Systems, a British Columbia-based courier and distribution services company. The acquisition is expected to generate annual revenue of about \$20 million. "This acquisition significantly expands Dynamex Canada's geographic footprint, service offering and density across British Columbia."

#### **12. Industry analysts see value in TransForce's proposed takeover of Vitran**

Industry analysts seem to agree that TransForce's offer to buy Vitran's Canadian operations for US\$4.50 per share would be a good deal for Canada's largest LTL carrier. Walter Spracklin, analyst with RBC Capital Markets, said the deal could boost TransForce's LTL revenue by about \$200 million, or 30%. It would also "increase TFI's density within the Canadian LTL market and we see this as positive for LTL pricing going forward." He concluded "Overall, we view this transaction favourably from a strategic perspective as it supports improved pricing power within a market that is plagued by excess capacity and is aligned with management's stated acquisition strategy of consolidating the Canadian LTL space." Newman with Conmark Securities calculated the deal to be worth about US\$73.9 million. He said TransForce would likely consolidate its 23 terminals to rationalize its network.

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

The Couriers and Messengers Services Price Index increased 0.1% in August 2013 compared with July 2013. The courier portion rose 0.1% and the local messenger component advanced 0.4%. The index was up 3.7% in August compared with the same month in 2012.

### **GENERAL TRANSPORTATION**

#### **Canada**

##### **1. Supply Chain Management Association officially launched**

The Supply Chain Management Association (SCMA), Canada's largest association for supply chain professionals, was officially launched September 3, 2013. It represents nearly 8,000 members working in all facets of the supply chain, SCMA is the country's principle source for education, training, professional development and networking in the field, said an association release. SCMA was formed through the amalgamation of two industry leaders: the Purchasing Management Association of Canada (PMAC) and the Supply Chain & Logistics Association of Canada (SCL).

##### **2. Travel between Canada and other countries, July 2013**

Travel from Canada to the United States decreased in July 2013, predominantly as a result of fewer overnight trips. Travel from Canada to overseas countries increased 0.8% from June 2013 to 798,000 trips. In the opposite direction, travel to Canada from the United States was unchanged at 1.7 million trips in July 2013. Travel from overseas countries to Canada was down 0.8% from June 2013 with 6 of the top 12 overseas markets recording decreases in travel.

##### **3. National tourism indicators, second quarter 2013**

Tourism spending in Canada increased 0.3% in the 2013 second quarter, after edging down in the first quarter. Spending by Canadians at home and by international visitors in Canada were both higher.

#### **Canada**

1. Supply Chain Management Association officially launched, September 3, 2013, [www.ctl.ca](http://www.ctl.ca)
2. Travel between Canada and other countries, July 2013, September 18, 2013, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. National tourism indicators, second quarter 2013, September 27, 2013, [www.statcan.ca](http://www.statcan.ca)

#### **US/Other**

1. International Transport Forum September Newsletter – September 13, 2013, [www.cemt.org](http://www.cemt.org)
2. Speech by Vice President Almunia: EU competition policy and innovation, September 13, 2013, [www.europa.eu](http://www.europa.eu)