

Transportation Information Update*

Editor: Joseph Monteiro**

February 2006, No. 18

Associate Editor: Gerald Robertson**

Cannon named federal transport minister

The Honourable Lawrence Cannon a MP from Pontiac, Quebec, has been sworn in as the new federal minister of transport on February 6, 2006. He was a member of Quebec's National Assembly from 1985 to 1994 and Minister of Communications in 1991. He was president of the Quebec Association of urban transit and the president of the society of transport in Outaouais. He has also served as a city councillor in Gatineau.

AIR TRANSPORTATION

1. WestJet names Calgary Airport of the Year

Westjet named Calgary International Airport in Alberta as their Airport of the Year for 2005. It was named their choice for airport of the year due to the Airport Authority's commitment to the areas of customer service, innovation and fiscal responsibility. Other factors were cited such as cost effective ways of doing business and their commitment to holding aviation rates and fees firm in 2006.

2. Air Canada move gives Embraer leg up

The purchase last year of dozens of 70 and 90 seat aircraft from Embraer indicates that it is Air Canada's preferred supplier of larger regional jets. This will undoubtedly have an impact on Bombardier Inc.'s move into the 100-seater market as Air Canada was its most loyal customer in the past. It appears that Air Canada chose Embraer because the plane has a wider fuselage, the potential to put in more than 100 seats and a larger business class cabin.

3. Taking care of business: Air Canada launches new passes to simplify travel for businesses of all sizes

Air Canada announced on February 1, 2006 that it is expanding its line of innovative, multi-trip pass products to enable companies, ranging in size from small businesses to large corporations to better manage travel while simplifying the booking process for employees. The 'Flight Pass for Small Business' is tailored for small to medium size businesses and the 'Corporate Pass' is tailored for large corporations. These passes provide for flight credits that can be used by a specified number of employees simplifying travel management.

4. Be a better prepared traveller with the new edition of 'Fly Smart'

The Canadian Transportation Agency has published a brand-new edition of the *Fly Smart* booklet on February 2, 2006. It is packed with important information on air travel like fares and ticketing, reservations and check-in, baggage, travel documents, as well as flight delay and cancellations. It is available free of charge from the Agency's website.

5. WestJet named one of Canada's top ten most respected corporations

WestJet was placed the first in customer service in the Eleventh Annual 'Canada's Most Respected Corporations Survey' on February 2, 2006. The President and CEO of WestJet indicated that he was thrilled and that the ranking was an acknowledgement of their incredible team.

6. Airline watchdog nixes one-hour check-in rule

A federal tribunal ruled that Air Canada's decision to cancel two passenger's tickets because they failed to check in one hour before departure was improper. The Canadian Transportation Agency indicated that the airline's recommended check-in time of 60 minutes before domestic flights is unenforceable and ordered Air Canada to reimburse the amount spent on their tickets for another flight.

Current Developments in Brief

Air Transportation

CANADA

1. WestJet names Calgary Airport of the Year, January 31, 2006, www.westjet.ca
2. Air Canada move gives Embraer leg up, *Globe and Mail*, February 1, 2006, p. B6.
3. Taking care of business: Air Canada launches new passes to simplify travel for businesses of all sizes, February 1, 2006, www.aircanada.ca
4. Be a better prepared traveller with the new edition of 'Fly Smart', February 2, 2006, www.cta-otc.gc.ca
5. WestJet named one of Canada's top ten most respected corporations, February 2, 2006, www.westjet.ca
6. Airline watchdog nixes one-hour check-in rule, February 3, 2006, www.globeandmail.ca
7. Canadian Transportation Agency [CTA] advises travellers to comply with air carrier' check-in-times, February 3, 2006, www.cta-otc.gc.ca
8. Aircraft movement statistics, *The Daily*, February 3, 2006, www.statcan.ca
9. Air Canada reports twenty second consecutive month of record system load factors for January on 2.2% capacity growth, February 7, 2006, www.aircanada.ca
10. WestJet Reveals strong January traffic statistics, February 7, 2006, www.westjet.ca
11. WestJet swings to profit, February 8, 2006, www.globeandmail.ca
12. WestJet plans flip on fuel costs, February 9, 2006, www.nationalpost.ca
13. WestJet announces spring schedule enhancements, February 9, 2006, www.westjet.ca
14. ACE Aviation Holdings reports full year profit of \$258 million, February 10, 2006, www.aircanada.ca
15. ACE Aviation Holdings Inc. employee profit sharing plans pay out \$54.8 million for 2005, February 10, 2006, www.aircanada.ca
16. Air Canada in inquiry over cargo price-fixing, *Financial Post*, February 15, 2006, pp. FP1/4.
17. Surcharges key to price-fixing probe, *Financial Post*, February 16, 2006, p. FP5.
18. Cargo probe focuses on airline fees, *Globe and Mail*, February 16, 2006, p. B. 17.
19. ACE Aviation Holdings Inc. announces special non-cash distribution of Aeroplan units to its shareholders, February 17, 2006, www.aircanada.ca

* The CTRF is not responsible for the information provided in this Update.

** The information provided is from the Authors and neither the Competition Bureau or Industry Canada is responsible for it.

7. Canadian Transportation Agency [CTA] advises travellers to comply with air carrier's check-in-times, February 3, 2006

The CTA advises travellers to always comply with check-in time limits to avoid being refused transportation with no liability on part of the carrier. The article published in the *Globe and Mail* referred to in paragraph 6 above left the impression that travellers do not have to respect air carrier's check-in times. This is not the case. It is in the best interest of the travellers to verify with the carrier how long in advance before the flight they must check in.

8. Aircraft movement statistics

The 42 Canadian airports with NAV CANADA air traffic control towers reported 4.34 million aircraft take-off and landings in 2005, down 0.2% from 2004. The total aircraft movements recorded at the towered airports have shown a declining trend since the last peak in 1999 (i.e., 5.3 million).

9. Air Canada reports twenty second consecutive month of record system load factors for January on 2.2% capacity growth

Air Canada reports twenty second consecutive month of record load factors (system) for January 2006 compared to January a year ago. The system passenger load factor in January 2006 was 78.1%, this represents a 0.4% increase in percentage points compared to a year ago. Overall capacity increased by 2.2% for January 2006 compared to a year earlier. The domestic load factor was 75.9%, this represents a 0.1% decrease compared to January 2005.

10. WestJet Reveals strong January traffic statistics

WestJet reported that its load factor in January 2006 improved to 75.5% from 69.8% in January 2005. Available seat miles increased 11.6% for this period to 982.6million and revenue passenger miles increased 20.8% to 741.8 million for this period.

11. WestJet swings to profit

WestJet Airlines Ltd. indicated that its fourth-quarter revenue was 34 per cent above year-ago levels and it had net earnings of \$1million. This in is contrast to the \$46.3 million loss last year caused by the carriers rapid updating of its fleet. Full year earnings were \$24 million up from a 2004 loss of \$17.2 million which included a big write down of older planes.

12. WestJet plans flip on fuel costs

Fuel expenses account for 26.5% of the WestJet's total costs. This is placing considerable pressure on the airline to offer low fares to stimulate demand according to analysts. Analysts indicate that a low-cost, low fare model is not nearly as effective in a high fuel-price environment. This has forced the carrier to look for new ways of trying to get additional money from passengers and to increase its market share. It has been successful in achieving the latter as the airline has succeeded in increasing its business travel market to 28% from 18%. It is now planning to implement its reservation system by early 2007 which will enable it to partner with other airlines and encourage bundled purchases.

13. WestJet announces spring schedule enhancements

WestJet announced numerous scheduled enhancements including new non-stop routes and increased frequencies between cities across Canada on February 9, 2006. Five new non-stop services were announced and ten increased frequencies.

Two of the former were from Toronto and one was from Vancouver, Edmonton and Calgary. Seven of the latter were between Toronto and other cities, two were between Vancouver and other cities and one was from Calgary.

14. ACE Aviation Holdings [ACE] reports full year profit of \$258 million

ACE on February 10, 2006 reported operating income of \$452 million for the calendar year 2005, a \$335 million increase from 2004. For the fourth quarter it reported an operating loss of 35 million compared to a loss of 3 million in 2004. Robert Milton, Chairman, President and CEO, ACE Aviation Holdings Inc. said "I am pleased with our accomplishments in the first full year since we've emerged from CCAA." The notable events noted in 2005 were: ACE equity and convertible notes offering, Air Canada- improvements (fleet, new business model and network enhancements), Aeroplan, Jazz, ACTS, and US Airways (investment).

15. ACE Aviation Holdings Inc. employee profit sharing plans pay out \$54.8 million for 2005

ACE on February 10, 2006 announced that it will pay employees a total of \$54.8 million through the company's Profit Sharing Plans for 2005. Of this total, Air Canada Plan employees will receive a total of \$43.5 million and Jazz employees

20. Air Canada gets licence for cargo, *Globe and Mail*, February 17, 2006, p. B3
21. Air Canada scolded by CTA, *Financial Post*, February 17, 2006, p. FP6. 22. Air Canada to launch daily Fort McMurray-Newfoundland express; Expands non-stop flights from western Canada, February 17, 2006, www.aircanada.ca
23. Mapping the Future: Safety, Simplifying the Business, Value for Money and Commercial Freedom, February 20, 2006, www.iata.org
24. Aircraft movement statistics, *The Daily*, February 20, 2006, www.statcan.ca
25. Nav Canada puts proposed fee changes on ice, *Globe and Mail*, February 21, 2006, p. B5.
26. ACE gets street's thumbs-up for Aeroplan payout, *Globe and Mail*, February 21, 2006, p. B18.
27. WestJet Pilots Association votes overwhelmingly in favour of new agreement, February 27, 2006, www.westjet.ca
28. Freight traffic recovers and passenger growth strong in January, February 28, 2006, www.iata.org

US

1. Solid passenger growth seen in 2005 - Efficiency remains the focus in 2006, January 31, 2006, www.iata.org
2. EU Raids Air Cargo Firms in suspected Cartel Case, February 14, 2006, www.airwise.com
3. EU investigates air-cargo carriers, February 15, 2006, www.joc.com
4. Lufthansa says it will cooperate in probe, February 15, 2006, www.joc.com
5. Air cargo probe widens to Asia, February 15, www.joc.com
6. BTS Releases December Passenger Airline Employment Data; December 2005 Employment Down 6.3 Percent from December 2004, February 21, 2006, www.dot.gov

will receive \$11.3 million. The profit plans help employees share in the success of the company and also offset any loss of salary following wage reductions.

16. Air Canada in inquiry over cargo price-fixing

Air Canada indicated that they received a letter from the Competition Bureau of Canada stating that the Bureau has begun an investigation into air carriers engaged in the provision of international air cargo services to and from Canada. The letter did not indicate that Air Canada was under investigation. Air Canada received the notice on the same day that the EU and the US Justice Department of Justice conducted searches of several airline cargo operations in Europe and the United States. Air Canada indicated that it intended to co-operate fully with the Bureau.

17. Surcharges key to price-fixing probe

The international investigation into the air cargo business mainly involves agreements over surcharges relating to rising fuel costs and extra security needed as a result of 9/11. A senior officer for the Competition Bureau according to the *Financial Post* indicated that they were working in cooperation with the US Department of Justice and EU's executive arm. Investigators have searched offices or requested information from Scandinavian Air System, Air Canada, Japan Airlines, Singapore Airlines PLC, Cathay Pacific Airways Ltd., British Airlines, Deutsche Lufthansa AG, UAL Corp, AMR Corp., American Airlines, United Airlines, Chile's Lan Airlines SA, Korean Airlines Co., Asiana Airlines, Cargolux International SA and Polar Air Cargo.

18. Cargo probe focuses on airline fees

The air cargo investigation according to the *Globe and Mail* focuses on surcharges that airlines have imposed on fuel, added security and higher war risk insurance since September 11, 2001. The investigation was widened to include airlines in Asia. The president of CargoJet indicated that he does not think that Air Canada is involved in the scheme. UPS Inc. has also been contacted by the Justice Department in the US but understands that it is not part of the investigation. AMR Corp. in the US received a subpoena from the Justice Department and UAL Corp. indicated that their Frankfurt office had been searched. The Commission said that the raids were a preliminary step in investigations where there are suspicions a cartel might be operating, and it does not mean the companies raided are guilty of anti-competitive behaviour.

19. ACE Aviation Holdings Inc. announces special non-cash distribution of Aeroplan units to its shareholders

To reward investors for their confidence, ACE Aviation Holdings Inc. said its board of directors approved a special distribution to its shareholders of units of Aeroplan Income fund. The distribution of approximately 0.18 Aeroplan unit per Class A variable voting share, Class B voting share and preferred share (on an as converted basis) of ACE is being made as a return on capital and represents in the aggregate approximately 10.1% of the units of Aeroplan Income Fund on a fully diluted basis.

20. Air Canada gets licence for cargo

Air Canada has obtained a domestic licence to operate an all-cargo service using Canadian aircraft and crew. Spokesman for Air Canada indicated that no decision has been made what domestic cargo services will be introduced. Cargojet Income Fund, Canada's main domestic air cargo carrier, played down the prospect of vigorous domestic cargo competition.

21. Air Canada scolded by CTA [Canadian Transportation Agency]

Notwithstanding the CTA's decision to grant Air Canada a licence to operate an all-cargo freighter service in Canada, the CTA rebuked the carrier for behaving in a manner that was inexcusable and reprehensible. It filed an affidavit wherein the facts sworn to were inaccurate. The CTA, however, did not consider the filing of an inaccurate affidavit sufficient ground for denying Air Canada the licence. The matter arose when CargoJet and other carriers complained to the CTA that Air Canada was using US aircraft and crew to carry traffic on a busy domestic route.

22. Air Canada to launch daily Fort McMurray-Newfoundland express; Expands non-stop flights from western Canada

Air Canada announced on February 17, 2006 the introduction of the only non-stop flights between Fort McMurray and Toronto, with same plane service continuing to St. John's, NL. Beginning April 8, 2006 Air Canada will operate Saturday service linking Northern Alberta and St. John's, with possible daily service starting June 17, 2006. The introduction of these flights links Northern Alberta to Air Canada's largest hub giving direct access to our worldwide network.

23. Mapping the Future: Safety, Simplifying the Business, Value for Money and Commercial Freedom

Giovanni Bisigani, Director General and CEO of IATA at the Second IATA/Aerospace Aviation Summit indicated

that despite the fact that Asian carriers are the industry's most profitable, their margin is far short of what is needed to cover the cost of capital. He indicated the major threats are: low cost competition, capacity management; and avian influenza. He identified four areas that are critical for Asia to take full advantage of the tremendous potential to maintain growth: safety, simplifying the business, value for money, and commercial freedom.

24. Aircraft movement statistics

The 42 Canadian airports with NAV CANADA air traffic control towers reported 289, 849 aircraft take-off and landings in January 2006, up 2.3% from January 2005. Year-over-year increases in aircraft movements were reported by 20 of the airports in January 2006.

25. Nav Canada puts proposed fee changes on ice

Nav Canada has postponed changes to its air navigation service charges which were to begin on March 1 due to pressure from competing interests. It indicated that it needs time to consider the comments and suggestions made in submissions. A new fee structure is expected in April. The change was to increase rates for smaller planes and to reduce it for larger planes.

26. ACE gets street's thumbs-up for Aeroplan payout

ACE reported that it is receiving a all clear signal from analyst regarding plans to distribute \$266 million to shareholders. ACE plans to distribute 20.2 million Aeroplan Income Fund units by the end of March, raising the number of trust units in the public float to 48.9 million.

27. WestJet Pilots Association votes overwhelmingly in favour of new agreement

WestJet announced on February 27, 2006 that its pilots have voted overwhelmingly to accept an agreement devised by the WestJet Pilots Association and WestJet's Flight Operations Leadership. The three year agreement will allow Westjet to maintain its low cost structure while addressing a number of challenges.

28. Freight traffic recovers and passenger growth strong in January

The International Air Transport Association (IATA) indicated that the results for January show that international passenger traffic for the month grew 6.2% over the same month in 2005. The growth was attributed to strength in the global economy. The 5.3% growth in January was slightly below the full year growth rate of 7.6% while growth in freight was well above its full-year growth of 3.2%

WATER TRANSPORTATION

1. Port of Vancouver expansion delayed

The Vancouver Port Authority on January 30, 2006 indicated that their expansion plans were being delayed by federal government's requirement for environmental studies. It had hoped to launch a \$280-million expansion of its Deltaport terminal but cannot till the studies are completed. This it indicated would cause the Port to lose ground to US rivals in the race to capture trade with China and other Asian trading partners.

2. Government of Canada cancels ridley terminals divestiture process

The Minister of Transport announced on February 7, 2006 that the Government of Canada has set aside the process that was underway to divest Ridley Terminals Inc., a federal Crown Corporation. It began a process to divest ownership of the terminal in April 2003. By making this decision, the government is fulfilling one of its platform commitments said the Minister.

3. Quarterly Traffic Statistics

The Port of Montreal released its fourth quarter statistics for 2005. Total metric tonnes shipped in December 2005 were 6,119,583 or a decline of 5.3% compared to December 2004. Total containerized traffic was 2,974,705 metric tonnes or a decline of 2.6% compared to December 2004. Traffic of bulk liquid increased by 20.2% and that of bulk dry declined by 35.6%. For 2005, total traffic increased by 3.0% compared to 2004.

4. Port of Halifax sets new TEU record

For the sixth consecutive year, a record setting total of 550,462 TEUs were shipped through the Port of Halifax. This equates to a 4.7% increase in TEUs from 2004. The success of 2005 can be attributed to growth in both the import and export markets. The strength of local exporters contributed to an increase in total export cargo by 4.7% over 2004. Import cargo was very strong, increasing 4.8% over 2004 levels.

Water Transportation

Canada

1. Port of Vancouver expansion delayed, January 30, 2006, www.globeandmail.ca
2. Government of Canada cancels ridley terminals divestiture process, February 7, 2006, www.tc.gc.ca
3. Quarterly Traffic Statistics, February 13, 2006, www.portofmontreal.ca
4. Port of Halifax sets new TEU record, Feb. 26, 2006, portofhalifax.ca

RAIL TRANSPORTATION

1. CN and CSX Transportation sign haulage agreement for Sarnia, Ont., freight traffic

CN and CSX Transportation, Inc. (CSXT) announced on January 30, 2006 a long-term agreement for CN to haul CSTX traffic to and from Sarnia, Ontario, and CSTX connections in Buffalo, N.Y., and Toledo, Ohio. CN will also transport long-haul CSTX traffic destined for Canadian Pacific Railway Ltd. (CPR) to London, Ontario for interchange with CPR, improving transit times for CPR. This traffic is currently interchanged between CSTX and CPR at Chatham.

2. Canadian Pacific Railway [CPR] revenue growth propels earnings to fourth-quarter and full-year records in 2005

CPR announced its fourth quarter results for 2005 on January 31, 2006. The highlights for the fourth quarter from the same period in 2004 were: net income of C\$135 million, up 4.6%; Operating income of C\$302 million, up 30%; operating ratio of 74.1% an increase of 3.1 points. The highlights for 2005 from a year earlier were: net income of C\$543 million, up 32%; Operating income of C\$1,001 million, up 27%; operating ratio of 77.2% an increase of 2.6 points. The CEO of CP indicated that the results for 2005 are very strong.

3. CP Rail denies catch-up aim with rival CN

Executives of CPR indicate that they are committed to make the railroad more efficient. It confirmed that it is cutting 400 white collar positions. It is also taking steps to decentralize its management structure. It is also laying off 140 unionized employees because of weaker than expected shipments for coal and a milder winter. The company denied that it is trying to catch up to the much lower operating ratio of its rival CN.

4. Higher freight rates keep CPR rolling in profit

Freight revenue last year rose in six of CPR's seven business categories in 2005, with the exception of sulphur and fertilizer. But the latter segment is expected to rebound in 2006 and the outlook is also bright for grain and industrial and consumer goods. As a result, CPR believes that 2006 will continue to reflect the good results of 2005. The higher freight rates and demand from Asian countries enabled it to maintain its strong results in 2005.

5. CPR [Canadian Pacific Railway] sees rail mergers coming down track

There is speculation that mega-mergers may creep into the North American rail industry to handle the booming Asian trade. CPR, CEO, indicated that he personally opposes large mergers in the industry. He indicated a single deal could trigger a frantic series to catch up to the rival. CN could team up with Burlington Northern Santa Fe Corp., forcing CPR to join with Union Pacific Corp. This could force CSX Corp to seek a partner possibly the CN-BN entity and Norfolk Southern Corp to join the CPR-UP merger. As a consequence, there would be only two mega-carriers instead of six.

6. Railroad renaissance?

The Canadian railroads are enjoying a renaissance due to a boom in global trade. How long could this last? Most analysts believe that the sector's outlook continues to be favourable. However, extrapolating last year's demand and pricing gains far into the future could prove overly ambitious.

7. CN and Pacific Salmon Foundation announce \$1.25 million partnership to implement the long-term salmon recovery plan in the Squamish River Watershed

CN and Pacific Salmon Foundation announced on February 7, 2006 a 5-year funding commitment of \$1.25 million in support of the implementation of the Squamish River Watershed Recovery Plan.

8. Container terminal to cease operations

As of 28, 2006, operations at Canadian Pacific Railway (CPR) freight container terminal in Thunder Bay will be suspended due to declining terminal activity. No CPR jobs will be affected.

9. Railways signal banner year

Canada's two mainline railways are forecasting a good year for shipments of commodities and consumer goods as a result of a surge in global trade with Asia. CN predicts a 10% annual profit growth and CP predicts its revenue will increase 5%-8%. CPR indicated that the robust Asian trade is not a cyclical uptick. CN indicated that it hopes to improve its operating ratio to 60 by 2010 from the current 63.8.

Rail Transportation

Canada

1. CN and CSX Transportation sign haulage agreement for Sarnia, Ont., freight traffic, January 30, 2006, www.cn.ca
2. Canadian Pacific Railway revenue growth propels earnings to fourth-quarter and full-year records in 2005, January 32, 2006, www.cpr.ca
3. CP Rail denies catch-up aim with rival CN, *Financial Post*, February 1, 2006, p. FP7.
4. Higher freight rates keep CPR rolling in profit, *Globe and Mail*, February 1, 2006, p. B3.
5. CPR sees rail mergers coming down track, February 5, 2006, www.globeandmail.ca
6. Railroad renaissance?, February 6, 2006, www.nationalpost.ca
7. CN and Pacific Salmon Foundation announce \$1.25 million partnership to implement the long-term salmon recovery plan in the Squamish River Watershed, February 7, 2006, www.cn.ca
8. Container terminal to cease operations, February 10, 2006, www.cpr.ca
9. Railways signal banner year, *Globe and Mail*, February 16, 2006, p. B7.
10. Railway accident rates up sharply in 2005, *Globe and Mail*, February 17, 2006, pp. B1/B10.
11. Railway Carloadings, December and Annual 2005, February 21, 2006 www.statcan.ca
12. Canadian Pacific Railway limited declares dividend and announces intention to increase share repurchases, February 22, 2006, www.cpr.ca
13. Ritchie retiring after 11 years at CPR helm, *Globe and Mail*, February 23, 2006, p. B5.

10. Railway accident rates up sharply in 2005

According to the Transportation Safety Board of Canada, accident rates by both mainline carriers climbed sharply over the past seven years. Derailments at CN Rail and CP Rail increased 35 percent and 5 percent, respectively. In terms of actual count, CN Rail had 103 domestic main-track derailments and CP Rail had 66 derailments in 2005 compared to 76 and 63 in 2004, respectively. The railways indicated that they take the report seriously and will tackle the problem.

11. Railway Carloadings, December and Annual 2005

For 2005, railways reported total loadings of more than 287.2 million metric tonnes of goods up 3.7% or 10.4 million tonnes over 2004. The non-intermodal portion of loadings totalled 259.4 million tonnes, up from 250.2 million tonnes in 2004. Iron ore, lumber, and coal loading were the major commodities that increased. Intermodal loadings, rose 4.5% to 27.8 million metric tonnes. Total loadings in December fell 5.5% from November to 23.4 million metric tonnes. The non-intermodal portion reached 21.2 million metric tonnes in December, a 5.1% drop from November but a 0.7% increase from December 2004. The intermodal portion fell 9.7% to 2.2 million tonnes.

12. Canadian Pacific Railway limited declares dividend and announces intention to increase share repurchases

Canadian Pacific Railway Limited declared an increase in CPR's quarterly dividend on February 22, 2006. CPR also announced that its Board of Directors has authorized the purchase of up to 5.5 million of its outstanding Common Shares in 2006. This represents approximately 3.5 percent of its Common Shares outstanding at December 31, 2005.

13. Ritchie retiring after 11 years at CPR helm

Canadian Pacific Railway Ltd.'s CEO is retiring in May 2006 and is being replaced by Fred Green. The Chairman, J.E. Newall will also be retiring and John Cleghorn, former Royal Bank of Canada CEO will be appointed the new chairman.

HIGHWAY TRANSPORTATION

1. B.C. to invest \$3-billion in bridges, highways

As a way out of the gridlock problem in BC's Lower Mainland and in preparation of the 900,000 new residents, the Province plans to invest \$3 billion in bridges and highways. It wants to double the capacity of Port Mann bridge and expand sections of Highway 1 between Vancouver and the suburb of Langley at a cost of \$1.5 billion. It is also proposing a \$1.2 billion plan to build bridge facilities and perimeter roads alongside the Fraser River to improve traffic.

2. Transportation Industry sees Gateway Program as vital for prosperity

The Western Transportation Advisory Council sees British Columbia's Gateway program as a key to future prosperity on the West Coast. The Council indicated that the Premier and the Transportation Minister have shown leadership and vision in finding a solution to reduce congestion in the Lower Mainland and that failure to solve this problem will damage their trade based economy and reduce their standard of living.

3. Couriers and Messengers Services Price Index

The Couriers and Messenger Services Price Index fell to 113.5 in December, down 0.5%. The courier portion fell 0.7% while the local messengers component fell 0.1%.

4. For-hire motor carriers of freight, all carriers

Operating revenues of the 3,376 for-hire trucking companies (with revenues of 1 million or more) totalled \$6.91 billion in the third quarter of 2004, up 9.5%. Operating expenses reached \$6.28 billion, up 7.6% for the same period. The operating ratio improved to 0.91 for the third quarter from 0.92 for the same period in 2004. The number of

Highway Transportation

Canada

1. B.C. to invest \$3-billion in bridges, highways, *Globe and Mail*, February 1, 2006, p. A7.
2. Transportation Industry sees Gateway Program as vital for prosperity, February 1, 2006, www.westac.com
3. Couriers and Messengers Services Price Index, *The Daily*, February 2, 2006, www.statcan.ca
4. For-hire motor carriers of freight, all carriers, *The Daily*, February 13, 2006, www.statcan.ca
5. Trucking Industry, *The Daily*, February 13, 2006, www.statcan.ca
6. Large urban transit, *The Daily*, February 15, 2006, www.statcan.ca
7. Phase II of the Metrolink Service Launched in Sackville, February 20, 2006, www.tc.gc.ca
8. Trucking industry split over speed-limiters, February 28, 2006, www.nationalpost.ca

carriers increased to 3,376 in the third quarter of 2005 from 3,115 carriers in the third quarter of 2004.

5. Trucking Industry

For-hire trucking companies recorded strong financial performances in 2004. Net income reached \$1.5 billion compared to an average of 1 billion over the past three years. Operating revenues increased at a faster pace than operating expenses. The industry's operating profit margin reached 6.1% in 2004 up from 4.4% in 2003. Trucking was the dominant mode of transporting goods between Canada and the U.S. In 2004, 53% of exports to the US and 78% of imports from the US were moved by truck.

6. Large urban transit

Combined ridership on 10 large urban transit systems in Canada was 1.5% higher in 2005 than it was in 2004. 1.32 billion passenger trips were taken on these transit systems or 80% of total transit. The trips generated \$2.05 billion in revenue (excluding subsidies) a increase of 5.3% over 2004.

7. Phase II of the Metrolink Service Launched in Sackville

The Mayor of Halifax with federal, provincial and municipal officials launched phase II of Halifax Regional Municipality (HRM)'s limited stop direct MetroLink service to the Sackville area on February 20, 2006. Metrolink is designed to attract new riders to public transit and ultimately reduce greenhouse gas (GHG) emissions. HRM's MetroLink is a \$13.3 million project.

8. Trucking industry split over speed-limiters

The Canadian Trucking Alliance will put forward a proposal this week to limit truckers driving faster than 105 kilometres per hour on the country's highways. A similar proposal was put forward by the Ontario Trucking Association to the Ontario government. The move is expected to reduce major accidents and help curb soaring fuel bills. But it has also raised controversy between large trucking companies and private owner operators. The former has already been adopted by large trucking companies. The latter claim that it is unsafe to have differential speed limits for cars and trucks.

Conferences

1. Transport Conference, Toronto, March 2-3, 2006.
2. Canadian Aviation Security Conference, Ottawa, March 29 and 30, 2006.