



# Transportation Information Update\*

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## IATA chief calls for reform in Canada's air Industry

IATA's Director General, Mr. Giovanni Bisignani, indicated that while the airlines have re-engineered themselves to bring about efficiencies one cannot have partners that abuse their situations. Bisignani wants "rule changes in several areas, including how monopoly suppliers, such as airports and air traffic controllers, are regulated: the amount airports are required to pay in rent to federal coffers; and the foreign ownership limits in Canada (25%) which are 'offside' in today's business environment."

IATA indicates that with traffic recovery, the airline industry statistics are up 14.2% for the first eight months of 2004 over the same period in 2003, well beyond their expectations. Despite this, IATA expects the airline industry (domestic and international) to lose between US\$3 to \$4 billion in 2004. To recover, airports and air navigation providers must achieve the same efficiency gains and governments have to deal with issues such as security, insurance and liberalisation. Bisignani called for change by Member States in five critical areas: fuel efficiency (through greater route efficiencies and optimized operational procedures); security (through accepting responsibility for paying for national security); insurance (through limitation of liability regime for war and terrorism); liberalisation (through an open aviation agreement between the US and Europe as an example); and regulation of monopoly suppliers (through a move to match best-in-class efficiency targets).

## 2. Canada and Vietnam Conclude Air Transport Agreement

Canada's Transport Minister and Vietnam's Vice Minister of Transport signed the first air transport agreement between the two countries. The agreement provides for the operation of code sharing services to and from airports in Canada (Vancouver and Toronto) and Vietnam (Ho Chi Minh City).

## 3. Airport movement statistics

The 42 Canadian airports with NAV CANADA air traffic control towers reported take-offs and landings in August 2004 down compared to the same month a year earlier. This was the sixth consecutive year-over-year decline in monthly movement.

## 4. DA Vinci Team Application Approved by Transport Canada

Transport Canada approved a suborbital launch by Orva Space Group, also known as DA Vinci Team. The application is valid for two launches between October 2, 2004 and November 1, 2004.

## 5. Ontario to crack down on truck safety; OTA says get rid of "bottom feeders"

Ontario government will impose a crackdown to improve trucking safety after a two-truck crash on Highway 401. The President of the Ontario Trucking Association (OTA) indicated that the Ministry of Transportation should spend more time on auditing carriers that pose a risk, introduce a program of real competitive advantage for safe trucking companies and stricter licences of certain truckers.

## 6. Speaking Notes for Transport Minister Jean-C. Lapierre at the Opening of the 35<sup>th</sup> Assembly of the International Civil Aviation Organization (ICAO)

Since ICAO was established in Montreal in 1944, there has been a

### Current Developments in Brief

1. IATA chief calls for reform in Canada's air Industry/Traffic recovery no excuse to relax, says IATA, September 28, 2004 ([www.ctl.ca](http://www.ctl.ca))
2. Speaking Notes for Transport Minister Jean-C. Lapierre at the Opening of the 35<sup>th</sup> Assembly of the International Civil Aviation Organization (ICAO), Montreal, Quebec, September 28, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
3. Canada and Vietnam Conclude Air Transport Agreement, September 28, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
4. Airport movement statistics, Statistics Canada, The Daily, September 29, 2004 ([www.statscan.ca](http://www.statscan.ca))
5. DA Vinci Team Application Approved by Transport Canada, October 1, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
6. Ontario to crack down on truck safety; OTA says get rid of "bottom feeders", October 1, 2004 ([www.ctl.ca](http://www.ctl.ca))
7. Aircraft Movement Statistics: Major Airports, June 2004, October 1, 2004 ([www.statscan.ca](http://www.statscan.ca))
8. Jetsgo gets copies of shredded documents, Globe and Mail, October 2, 2004, p. B4.
9. CPR increases capacity for export grain, October 5, 2004 ([www.joc.com](http://www.joc.com))
10. CP Rail, Norfolk Southern seek approval for Northeast plan, October 5, 2004 ([www.joc.com](http://www.joc.com))
11. Cooperation leads to border improvement at Blue Water Bridge, says government officials, October 5, 2004 ([www.joc.com](http://www.joc.com))
12. 88<sup>th</sup> ECMT Ministerial session, ECMT Newsletter, July 2004 ([www.oecd.org](http://www.oecd.org))
13. The Limits of (De-) Regulation of Transport Services, May 13-14, 2004, ECMT Newsletter, July 2004 ([www.oecd.org](http://www.oecd.org))
14. Speech From the Throne, October 5, 2004 ([www.pm.gc.ca](http://www.pm.gc.ca))
15. Canadian shipping searches for congestion answers, October 6, 2005 ([www.joc.com](http://www.joc.com))

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

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virtual revolution in air travel with the threat of international terrorism. Canada has had to put security at the top of the list. Canada has spent \$8 billion on security since 2001 most of which was spent on enhancing aviation security. The most recent innovation is screening non-passengers. In spring 2004, Canada introduced its first National Security Policy setting out the nations core national security interests. Security is everyone's business. ICAO is making impressive progress in this regard and should do more to help Member States. Canada for its part, first will support any international cooperative efforts to deal with issues of liability. Second, Canada supports ICAO's plan to adopt a comprehensive approach to audits. Third, ICAO has to develop a plan on the environmental front to meet the Kyoto Protocol requirements.

### **7. Aircraft Movement Statistics: Major Airports, June 2004**

In May 2004, the number of landings and take-offs at the 42 Canadian airports with control towers totalled 382,597. This represents a decrease of 8.4% for the month of May compared to May a year ago and a 2.8% year to date decrease for 2004 compared to 2003.

### **8. Jetsgo gets copies of shredded documents**

Jetsgo Corp. received digitally reconstructed copies of shredded documents from Air Canada that may contain confidential information. These were part of the documents in the espionage case that Westjet obtained from the Air Canada's and returned to Air Canada. Jetsgo will evaluate the evidence.

### **9. CPR increases capacity for export grain**

Canadian Pacific Railway (CPR) plans to begin moving 20 percent more grain from North Dakota and Minnesota elevators to the Pacific Northwest ports in November because of recent track improvements. CPR plans to spend \$8 million to improve track and expand capacity in North Dakota and British Columbia.

### **10. CP Rail, Norfolk Southern seek approval for Northeast plan**

CP Rail and Norfolk Southern Corp. filed documents on October 1, 2004 with the Surface Transportation Board seeking approval of several trackage right transactions.

### **11. Cooperation leads to border improvement at Blue Water Bridge, says government officials**

The Ontario government has signed a memorandum that will lead to traffic and safety improvements at the Sarnia/Point Edward border crossing, the fourth-busiest border crossing in Ontario. It is expected to create new opportunities for tourism and ease congestion thereby facilitating trade.

### **12. 88<sup>th</sup> ECMT Ministerial session**

The 88<sup>th</sup> session of the Council of Ministers of the European Conference of Ministers of Transport (ECMT) was held in Ljubljana on May 26-27, 2004. The Ministers approved nine documents: Declaration on a Strategy for the Development of Transport Infrastructure in a Wider Europe; Recommendations on Charging for the Use of Infrastructure; Declaration on Security and Terrorism in the Transport Sector; Recommendations on Container Transport Security throughout the Transport Chain; Recommendations on the Removal of obstacles at border crossings; Declaration on national policies to promote cycling; Recommendations for Better Implementation of National Policies to Improve Access to Transport; Adoption of ECMT's programme of Work for the period 2004-2006; and Adoption of the first Programme of Work of the Joint OECD/ECMT Transport Research Centre.

### **13. The Limits of (De-) Regulation of Transport Services**

The privatization of the operation of transport infrastructure facilities and operation services was based on high expected efficiency gains and major reductions of public resource requirements. There is by now little

16. Marine Ports, Canadian facilities considering free trade zones, CT&L, September 2004, pp. 40-41.
17. Transport Minister introduces legislation that allows Canada to advance toward ratification of international aviation agreements, October 8, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
18. Transport Canada's 2004-2005 Estimates - Report on Plans and Priorities, October 12, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
19. Monitoring the Canadian Grain Handling and Transportation System, Third Quarter 2003-4 Crop Year, Government of Canada, Quorum Corporation, August 2004 ([www.quorumcorp.net](http://www.quorumcorp.net))
20. 'Open Skies' get U.S. nod of approval, October 11, 2004 (Globe and Mail, p. B3)
21. U.S. reviews complaint regarding Air Canada, October 13, 2004 (Globe and Mail, p. B4)
22. Air Canada to mount ownership defence, October 14, 2004 (Globe and Mail, p. B4)
23. EU calls for end to liner anti-trust exemption, October 14, 2004 ([www.joc.com](http://www.joc.com))
24. EU unveils new port dereg plan, October 13, 2004 ([www.joc.com](http://www.joc.com))
25. Bill S-6 An Act to amend the Canada Transportation Act (running rights for carriage of grain) Senate, Second Reading ([www.parl.gc.ca](http://www.parl.gc.ca))
26. Bill C-3 An Act to amend the Canada Shipping Act, the Canada Shipping Act, 2001, the Canada National Marine Conservation Areas Act and the Ocean Act, introduced into the House of Commons, First Reading, October 8, 2004 ([www.parl.gc.ca](http://www.parl.gc.ca))
27. Bill C-303 An Act respecting the commercialization of VIA Rail Canada Inc, a private bill was introduced into the House of Commons, First Reading, October 13, 2004 ([www.parl.gc.ca](http://www.parl.gc.ca))
28. Feasibility Study for a Montreal Air-Rail Link, October 14, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
29. U.S. to clear shipments in Canada, October 15, 2004 ([www.joc.com](http://www.joc.com))
30. Biometrics to be used at Canadian Airports - Launch of two enhanced security projects, October 15, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
31. Jetsgo files lawsuit against Westjet, Globe and Mail, October 16, p. B5
32. Transport Minister Acknowledges Receipt of the Final Report from the Government of Portugal on the Air Transat Emergency Landing, October 18, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
33. Rail rivals team up in Vancouver as China trade boom hits port, Globe and Mail, October 16, pp. B1/B22
34. Winning Projects Announced for the Transportation Planning and Modal Integration Initiatives, October 19, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
35. Upgrades to Improve Traffic Flow in Surrey, October 19, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
36. Moving on Sustainable Projects announced, October 19, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
37. Travel between Canada and other countries, The Daily, October 19, 2004 ([www.statcan.ca](http://www.statcan.ca))
38. Freight Transportation To Go Green, October 20, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
39. Airports, CT&L, September 2004, pp. 43-44.
40. Air Canada asks U.S. to respect regulators, The Globe and Mail, October 31, 2004, p. B 19.
41. Rail in Canada, 2002, The Daily October 22, 2004 ([www.statcan.ca](http://www.statcan.ca))
42. CN opens offices in Shanghai and Beijing to capitalize on new trade opportunities, October 22, 2004 ([www.ctl.ca](http://www.ctl.ca))
43. Transport Minister Receives keys to Smart Car, October 22, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
44. Governments of Canada and British Columbia Announce Completion of FAST/NEXUS Lane Border Crossing Improvements, October 22, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
45. Two Airports To Add Security Screening Services, October 22, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))
46. Milton's bittersweet victory, Financial Post, October 23, 2004, pp. FP1/FP6
47. How prevalent is outsourcing in the Canadian supply chain? October 25, 2004, ([www.ctl.ca](http://www.ctl.ca))
48. CN, CPR expected to post stellar profits, Globe and Mail, October 26, 2004, p. B6

disagreement that these expectations have been disappointing. The Roundtable discussed the limits to competition in the provision of infrastructure service in the market and whether the lack of competition in the market could be replaced by competition for the market by tendering concession contracts. Despite a growing consensus on the importance of regulation and its independence from the political process, adequate institutions have been established only in a small number of countries. The Round Table discussed the need to adopt performance based regulation approaches.

#### **14. Speech From the Throne (October 5, 2004)**

The Speech from the throne described that the Government's actions on behalf of Canadians will be guided by seven commitments: 1) to be unwavering in the application of fiscal discipline, the foundation of so much of Canada's success over the past decade; 2) to promote the national

interest by setting the nation's objectives and building a consensus toward achieving them; 3) to pursue these objectives in a manner that recognizes Canada's diversity as a source of strength and innovation; 4) to aim for tangible, practical results for Canadians and report to them so that they can hold their governments to account; 5) to defend the Charter of Rights and Freedoms and to be a steadfast advocate of inclusion; 6) to demand equality of opportunity so that prosperity can be shared by all Canadians; and, 7) to assert Canada's interests and to project our values in the world.

The Throne Speech then elaborates on: A Strong Economy; The Health of Canadians; Children, Caregivers and Seniors; Aboriginal Canadians; Canada's Cities and Communities; Our Environment; A Role of Pride and influence in the World; and Governing in Common Purpose.

On A Strong Economy, the Speech indicates that the government will pursue a five-point strategy to build an even more globally competitive and sustainable economy. The five elements are: to invest in people; to strengthen Canada to generate and apply new ideas; to make it easier for businesses to do business in Canada; to regional and sectoral development; and to promote trade and investment.

On Our Environment, the Speech indicates that the government will work with its partners to build sustainable development systematically into decision making. The government will take a number of steps to produce and use energy more cleanly and efficiently; to eliminate toxins from our air, water and soil; and to build more sustainable communities. These include: working with the private sector to improve the commercialization of the best new environmental technologies; getting its house in order (i.e., by consolidating federal environmental assessments, working with the Provinces and implementing a new Green Procurement Policy); reiterating its commitment to the Kyoto Accord; pursuing multilateral and bilateral approaches; and moving forward with its Oceans Action Plan.

growth of 5 percent to 10 percent.

#### **15. Canadian shipping searches for congestion answers**

The Canadian Association of Importers and Exporters are campaigning for a public-private shipping coalition to help resolve congestion from the country's increasing flow of imports. The Vice-President of the Association points to serious intermodal problems. Imports take at least twice as long to reach Toronto or Chicago from the Port of Vancouver. Further, congestion also caused delays at the Port of Montreal this summer and concern was expressed with anticipated increases of congestion with the Christmas season traffic. Furthermore, doubts were also expressed as to whether the system will keep up with an increase in the present traffic.

#### **16. Marine Ports, Canadian facilities considering free trade zones**

At the Association of Canadian Port Authorities conference three major issues were raised: establishing free trade zones (FTZs); continuing infrastructure shortage; and overselling by the St. Lawrence Seaway Management on billboards. The later was used to advertise the benefits of water transportation over truck transportation (i.e., congestion and pollution). Both FTZs and infrastructure could have competitive implications.

#### **17. Transport Minister introduces legislation that allows Canada to advance toward ratification of international aviation agreements**

Transport Minister introduced legislation in Parliament to bring Canada one step closer to ratification of two international aviation agreements: Convention on International Interests in Mobile Equipment; and Protocol on Matters Specific to Aircraft Equipment.

#### **18. Transport Canada's 2004-2005 Estimates - Report on Plans and Priorities**

Transport Canada released its Report on Plans and Priorities providing its 2004-5 estimates. They are listed under: Policy Framework Initiatives; Infrastructure and Efficient, Secure Trade Corridors; Skills and R&D Supporting Innovation; Standards for a safe and secure transportation system; and Physical environment. The list of various projects under each of the above headings are provided in Table 3.2 of the Report and provided in greater detail.

49. Higher Volume drives CP Rail, October 26, 2004, ([www.joc.com](http://www.joc.com))

50. Report Released on Air Travel Complaints in Canada, October 27, 2004 ([www.cta-otc.gc.ca](http://www.cta-otc.gc.ca))

51. Monthly railroad carloadings, The Daily, October 27, 2004 ([www.statscan.ca](http://www.statscan.ca))

52. CN plans share buyback as profit rises in quarter, Globe and Mail, October 28, 2004

53. Aircraft movement statistics: Major airports, The Daily, October 27, 2004 ([www.statscan.ca](http://www.statscan.ca))

54. WestJet access to Air Canada files, Globe and Mail, October 28, 2004

55. WestJet cancels Toronto-LA route, Financial Post, Thursday October 28, 2004

56. Aircraft movement statistics, The Daily, October 28, 2004 ([www.statscan.ca](http://www.statscan.ca))

57. More Flights Between Canada and Mexico, October 28, 2004 ([www.tc.gc.ca](http://www.tc.gc.ca))

### 19. Monitoring the Canadian Grain Handling and Transportation System, Third Quarter 2003-4 Crop Year

The Quorum Corporation released its report on Monitoring the Canadian Grain Handling and Transportation System. The findings of the report deal with: 1. Industry Overview (grain supply and railway traffic, country and elevator infrastructure, railway infrastructure, and terminal elevator infrastructure); 2. Commercial Relations (tendering, advance car awards, and other commercial developments); 3. System Efficiency and Service Reliability (trucking, country elevators, railway operations, terminal elevator and port performance, and the supply chain); and 4. Producer Impact producer netback-expectations for the 2003-04 crop year, and producer car loading).

### 20. 'Open Skies' get U.S. nod of approval

The United States (Brian Turmail, spokesman for the US Transportation Security Administration) says it supports Ottawa's goal of liberalized air travel between the two countries. Transport Minister, also indicated that liberalizing air travel with the United States is one of his top priorities. He has asked his department to produce a so-called 'green' paper on open skies, a broad outline that he intends to present to Cabinet later this month. He would also like to see the Transport Committee study the possibility of open skies for both passenger and cargo.

### 21. U.S. reviews complaint regarding Air Canada

Air Canada's right to operate transborder flights into the US from Canada is being reviewed again by the U. S. Department of Transport as a result of a complaint that foreign investors control more than 80 percent of the airline's parent company. According to the complainant, Air Canada loses its old rights to operate routes into the US due to foreign voting interests resulting from changed organizational structure (the parent is now ACE Aviation Holdings Inc.) after its bankruptcy protection. Air Canada claims that this is not so as the shares of ACE owned by foreigners were classified as restricted voting stock and that it has complied with Ottawa's 25 limit on foreign voting interest.

### 22. Air Canada to mount ownership defence

Air Canada will submit its views to the U. S. Department of Transport indicating how it meets U.S. licensing requirements for foreign carriers. The filing will emphasize the Canada Transportation Agency recognition of its Canadian status. Legal counsel for Canada indicated that the request for review of its status is without merit.

### 23. EU calls for end to liner anti-trust exemption

EU competition regulators stated that conferences should no longer be allowed to set freight rates and limit capacity. EU competition commissioner, Mario Monti, indicated that it is time to repeal the liner shipping industry's anti-trust exemption. The Commission in a White Paper argues that the conditions that justify exemption no longer exist. The decision to end exemption follows extensive consultation and the Commission has called for comments from interested parties by December 15. The European Liner Affairs Association appears to have accepted the decision.

### 24. EU unveils new port dereg plan

The EU revived plans at increasing competition across a wide range of harbour services ranging from pilotage to cargo handling. EU's transport commissioner, Loyola de Palacio, indicated that her proposal to improve access to port services would enhance competitiveness of EU ports, reduce congestion and boost short sea shipping. The reforms apply to all ports handling over 1.5m metric tons of cargo. It calls for more transport financing (to weed out subsidies and boost competition) and deregulation of pilotage services.

### Other Current Developments in Brief U.S./EU

1. US Maritime Administrator Witnesses first and booming business on Great Lakes, September 29, 2004 ([www.dot.gov](http://www.dot.gov))
2. 2003 U.S. Freight Shipments with Canada and Mexico approaching Pre-9/11 levels. According to New Three-Country Database, September 29, 2004 ([www.dot.gov](http://www.dot.gov))
3. Weekly News Digest, [On Sept. 29, the US DOT issued its quarterly Domestic Airline Fares Consumer Report providing info on av. prices paid by consumers in the largest city pairs. It contains a report on JetBlue] Oct 1, 2004 ([www.dot.gov](http://www.dot.gov))
4. West Coast congestion shifting ocean shipments to air, October 1, 2004 ([www.joc.com](http://www.joc.com))
5. U.S. Congress extends HOS for one year, Oct. 1, 2004 ([www.ctl.ca](http://www.ctl.ca))
6. Railroads set another intermodal record, Oct 5, 2004 ([www.joc.com](http://www.joc.com))
7. High court will hear NVO bill of lading case, [whether NVOCC may issue its own bill of lading or if it is acting as a shipper's agent when contracting with VOCs] October 5, 2004 ([www.joc.com](http://www.joc.com))
8. Secretary Mineta Announces \$13.6 Million for Expanded Rail Service in South Florida, October 5, 2004 ([www.dot.gov](http://www.dot.gov))
9. European Conference of Ministers of Transport newsletter, [published twice a year] July 2004, ([www.oecd.org](http://www.oecd.org))
10. Flight Delays in August Decrease from Previous Month, October 5, 2004 ([www.dot.gov](http://www.dot.gov))
11. BTS Releases July Transportation Services Index (TSI) Combined Index and Passenger Index at New Highs, October 6, 2004 ([www.dot.gov](http://www.dot.gov))
12. U.S. infrastructure biggest challenge to China trade, October 8, 2004 ([www.joc.com](http://www.joc.com))
13. Remarks for the Honourable Norman Y. Mineta, Secretary of Transportation, International Civil Aviation Organization 35<sup>th</sup> Plenary Montreal, Canada, September 28, 2004, October 8, 2004 ([www.dot.gov](http://www.dot.gov))
14. Senate clears \$32 billion for homeland security, October 11, 2004 ([www.joc.com](http://www.joc.com))
15. US Dot Announces \$73.8 million for New York City East Side Access project, [for extension of Long Island Rail Road Services to Grand Central Station Terminal in NY city] October 7, 2004 ([www.dot.gov](http://www.dot.gov))
16. US Department of Transportation Invests in Pittsburgh in Light Rail System, [\$46.7 million grant to the Port Authority of Allegheny County] October 8, 2004 ([www.dot.gov](http://www.dot.gov))
17. LA peak boxes could last into November, October 12, 2004 ([www.joc.com](http://www.joc.com))
18. BTS Releases July Airline Traffic Data; Seven-Month Domestic Traffic Up 7.9 Percent From 2003, October 14, 2004 ([www.dot.gov](http://www.dot.gov))
19. FMC meeting to discuss NVO petitions, [October 27, 2004], October 14, 2004 ([www.joc.com](http://www.joc.com))
20. US Department of Transportation Commits \$82.2m for Cleveland Revitalization Project, Oct 19, 2004 ([www.dot.gov](http://www.dot.gov))
21. Congestion shrinks LA imports, October 21, 2004 ([www.joc.com](http://www.joc.com))
22. Good times roll for carriers, [Drewry report predicts a strong 2005] Journal of Commerce, Oct. 18, 2004, pp. 16-17.
23. Diversionary tactics, [labour shortages have forced some carriers and shippers to avoid Southern California] Journal of Commerce, October 18, 2004, pp. 18-20.
24. Congress moves on air-cargo security, [Senate acts while Transportation Security Administration reviews proposed rules] Journal of Commerce, October 18, 2004, p. 28.
25. Bush signs tonnage tax bill, [The American Jobs Creation Act of 2004 contains tax-relief measures for the U.S. shipping industry] October 22, 2004 ([www.joc.com](http://www.joc.com))
26. EU to lift sanctions on U.S. exports, Oct 26, 2004 ([www.joc.com](http://www.joc.com))
27. BNSF profit falls on charge, Oct 26, 2004 ([www.joc.com](http://www.joc.com))
28. Trucks now move biggest share of produce, livestock and grain in U.S., October 27, 2004 ([www.joc.com](http://www.joc.com))
29. BTS Releases Second-Quarter 2004 Air Travel Price Index, [Airfares up 0.4% from second quarter of 2003. Largest increase Kona, Hawaii 15.8% and largest decrease Philadelphia, Penn. -9.9%] October 27, 2004, ([www.dot.gov](http://www.dot.gov))
28. Commission seeks Comments on a Proposal for NVOCC Service Arrangements, Oct 27, 2004, FMC, NR 04-14 ([www.fmc.gov](http://www.fmc.gov))
29. NVOs to get confidential contracts, [Under new proposed rules by the FMC NVOCC will be able to enter confidential contracts with customers] Oct 28, 2004 ([www.joc.com](http://www.joc.com))
30. Industry facing capacity challenges, O. 29

**25. Bill S-6 An Act to amend the Canada Transportation Act (running rights for carriage of grain) Senate, Second Reading.**

The basic amendment (138.1) in the bill provides for the application by a railway company to the Minister of Transport for running rights for the carriage of grain. The Minister having regard to the public interest in the efficient and economical movement of grain, after consulting with the Minister responsible for the Canadian Wheat Board may make an order granting rights and may impose any conditions on either railway. The Minister may also order the amount to be paid as compensation for the grant of running rights if the railway companies fail to agree. The Canadian Transport Agency shall assist the Minister in determining the compensation if requested.

**26. Bill C-3 An Act to amend the Canada Shipping Act, the Canada Shipping Act, 2001, the Canada National Marine Conservation Areas Act and the Ocean Act, introduced into the House of Commons.**

This enactment transfers powers, duties and functions from the Minister of Fisheries and Oceans to the Minister of Transport.

**27. Bill C-303 An Act respecting the commercialization of VIA Rail Canada Inc. was introduced into the House of Commons.**

A private bill was introduced into the House of Commons. The purpose of this bill is to enable the Minister of Transport to sell the shares of VIA Rail.

**28. Feasibility Study for a Montreal Air-Rail Link**

A VIA Rail study funded by Transport Canada (\$305,000) and Aéroports de Montreal (\$654,000) will analyze two possible services: a passenger rail shuttle between Pierre Elliot Trudeau International Airport and downtown Montreal; and direct access of VIA Rail trains into the Airport

**29. U.S. to clear shipments in Canada**

U.S. customs agents stationed in Canada will clear U.S.-bound shipments for the first time as part of the new anti-terror initiatives agreed to between the two countries. Canada will also send cargo inspectors to foreign ports to help screen cargo destined for North America.

**30 Biometrics to be used at Canadian Airports - Launch of two enhanced security projects**

Transport Canada and the Canadian Air Transport Security Authority (CATSA) announced the beginning of the implementation of new restricted area identification card. Through the use of biometrics (human biology and advanced technology), the card will enhance security to Canada's twenty-nine major airports. Also announced is a project to deploy new document screening equipment to detect explosives at pre-board screening checkpoints.

**31. Jetsgo files lawsuit against Westjet**

Jetsgo Corp. filed a lawsuit against Westjet Airlines Ltd. for \$50 million for allegedly stealing confidential papers. Jetsgo alleges that Westjet gained an unfair competitive advantage in scheduling flights and setting fares by having access to Jetsgo data. Westjet claims that the Jetsgo or Air Canada lawsuits are unfounded. None of the allegations have so far been proved.

**32. Transport Minister Acknowledges Receipt of the Final Report from the Government of Portugal on the Air Transat Emergency Landing**

Transport Minister Jean-C. Lapierre acknowledged receipt of the Government of Portugal's final report concerning the emergency landing of an Air Transat A330 aircraft in Azores, Portugal on August 24, 2001. The report makes 12 recommendations targeted at a broad range of stakeholders. Transport Canada has already taken action in response to the recommendations and will continue to take action as necessary.

**33. Rail rivals team up in Vancouver as China trade boom hits port**

Canadian Pacific Railway (CPR) and Canadian National Railway Co. (CN) are combining their key operations in the Vancouver area in an effort to relieve West Coast port congestion caused by rising imports. Under a 'co-production initiative' the two will share some of their tracks to make their networks more efficient. The CPR-CN initiative is designed to boost capacity. It is expected that this initiative will not only speed up shipments across the Prairies and Central Canada but also free up capacity for the anticipated increase in Christmas traffic.

**34. Winning Projects Announced for the Transportation Planning and Modal Integration Initiatives**

Winning projects that advance transportation planning and enhance integration and connections between modes of transportation were announced today by Transport Minister Jean C. Lapierre.

**35. Upgrades to Improve Traffic Flow in Surrey**

Transport Minister and Minister of State and Minister of Transportation for B.C. announced commencement of the work to widen Highways 10 and 15. These two projects will cost \$143.7 million with approximately \$61 million being contributed by the Federal Government.

### 36. Moving on Sustainable Project announced

Nine winning projects were announced today by Transport Minister under the Moving on Sustainable Transportation program. The projects totalling \$444,194 were approved for funding and were designed to contribute to a more environmentally friendly transportation system.

### 37. Travel between Canada and other countries

Travel to Canada from other countries (all) fell by 4.0% and Canadian travel to other countries fell 0.2% in August 2004 compared with July 2004. Travel from the United States to Canada fell 4.5% and Canadian travel to the United States

remained virtually unchanged (+0.1%). Concerns about border delays as a result of increased security may have influenced travellers decision from the U.S. Travel from other countries to Canada increased slightly (+0.2%).

### 38. Freight Transportation To Go Green

Transport Minister announced funding (\$5 million) for four new projects to help reduce the growth of greenhouse gas emissions. These projects represent a wide range of initiatives within the freight sector. These projects are part of the \$32.3 million program allocated for Commercial Transportation Energy Efficiency and Fuels Initiative announced on August 12, 2003.

### 39. Airports

This article indicates that the move to expand airports (excluding Toronto and Montreal) has begun as expansion of the air sector starts to revive. It examines the plans in Vancouver, Edmonton, Calgary, Toronto, Moncton, Hamilton and Montreal.

### 40. Air Canada asks U.S. to respect regulators

Air Canada has made a filing to the U.S. Department of Transportation that the foreign ownership in the airline does not contravene any U.S. laws. Air Canada indicated that it would be inappropriate for U.S. regulators to overrule regulators

in Canada who last month ruled that ACE's structure (the parent of Air Canada) complies with Ottawa's 25 percent cap on foreign ownership of voting interests in an airline.

### 41. Rail in Canada, 2002

The publication Rail in Canada for 2002 by Statistics Canada includes 19 major tables with preliminary statistics on several aspects of rail such as origin and destination, finance and operation.

### 42. CN opens offices in Shanghai and Beijing to capitalize on new trade opportunities

CN has opened offices in Shanghai and Beijing to share in the rising traffic flows between China and North America. China's growing economy is fuelling strong demand for natural resources and commodities.

### 43. Transport Minister Receives keys to Smart Car

Transport Minister received the keys to a Mercedes-Benz Smart Car in a ceremony on Parliament Hill. This advanced technology diesel-powered car has greater fuel efficiency than standard gasoline-powered vehicles. It has been purchased by Transport Canada for use in its vehicle fleet and demonstrates the Government of Canada's commitment to reducing gas emissions.

### 44. Governments of Canada and British Columbia Announce Completion of FAST / NEXUS Lane Border Crossing Improvements

Industry Canada Minister, Transport Canada Minister and British Columbia Transportation Minister announced the completion of a southbound dedicated NEXUS/FAST lane at the Pacific Highway border crossing (Canada's fifth busiest border crossing). This completion will improve traffic flow. Traffic between the B.C. and the U.S. is estimated to be over \$23.9 billion in goods each year. Road congestion drives up costs and hurts the competitiveness of our goods said the British Columbia Minister.

### 45. Two Airports To Add Security Screening Services

Transport Canada announced proposed amendments to the Canadian Air Transport Security Authority Aerodrome Designation Regulations that would extend security screening to the Mont-Tremblant International Airport in Québec and the Red Deer Regional Airport in Alberta. The security screening would not only enable the airports to support a wider range of commercial services but would also open up new tourism opportunities.

### 46. Milton's bittersweet victory

This article is a fairly length review of excerpts from the book *Straight From the Top: the Truth About Air Canada*. It describes Robert Milton's first task when he took over as CEO of Air Canada (i.e., to fight off Gerry Schawrtz's Onex Corporation). It goes on to describe the CEO's victory of the Bay street financiers.

### 47. How prevalent is outsourcing in the Canadian supply chain?

#### Conferences

1. 2004 Port State Control Conference, Vancouver, Transport Canada, Nov. 2-4, 2004
2. Transport and International Trade - Roundtable Table 131 (EC/OECD)(no date)
3. Transport Infrastructure Investment and Productivity - Roundtable Table 132 (EC/OECD)(no date)
4. CITA-ACTI Transpo 2005, Conference and Exhibition, March 8-9, 2005

#### Recent Publications from the OECD in Transport

1. Implementing Sustainable Urban Travel Policies, National Peer Review: Hungary, June 2004.
2. Assessment and Decision Making for Sustainable Transport, March 2004.
3. Regulatory Reform of Railways in Russia, May 2004.
4. Trends in the Transport Sector, April 4, 2004.
5. Keeping Children Safe in Traffic, June 2004.

#### Other Publications

1. *Straight From the Top: The Truth About Air Canada*

The second annual Survey of Canadian Third-Party Logistics reveals that more than 54% of Canadian firms outsource at least some of their logistics functions. Another 8% are considering outsourcing and another 15% that outsourced in the past are considering resuming.

#### **48. CN, CPR expected to post stellar profits**

Canada's two largest railways are expected to report strong third quarter profits as the North American rail industry thrives on booming China trade, exporters and importers; attempts to keep diesel costs in check through their hedging program; and attempts to fend off the fierce trucking competition.

#### **49. Higher Volume drives CP Rail**

CPR doubled its profits from \$91.3m (i.e. million) to \$176.5m for the three months ended September 30, 2004 compared to the same period a year earlier. Its revenue increased to \$989.7m from \$904.3m. Gain on foreign exchange and increased volume were cited as the responsible factors.

#### **50. Report Released on Air Travel Complaints in Canada**

The Canadian Transportation Agency released the Canada's Air Travel Complaints Commissioner Report for the period July to December 2003. During the period, the Air Travel Complaints Program received 443 complaints. The statistics reveal the success in generating better solutions for complaints in two out of three cases. The continuing awareness by carriers has had a positive effect on resolving complaints.

#### **51. Monthly railroad carloadings**

In August, Canadian railways carried 21.9 million metric tonnes of freight, up 1.3% from July. Non-intermodal freight totalled 19.6 million tonnes, compared with 19.3 million tonnes last month. Intermodal freight (i.e., containers) fell 3.5% from July.

#### **52. CN plans share buyback as profit rises in quarter**

Canadian National Railway Co. announced a \$920 million buyback program after its third quarter profit rose by 18%. The profit growth was reinforced by strong Asian trade. Mr. Harrison, CN's CEO, indicated that his company is working cooperatively with US rail companies such as CSX Corp. and Union Pacific Corp. and plans to sign co-operation agreements with Burlington Northern Santa Fe Corp. and Norfolk Southern. He also indicated he is not opposed to open access under certain conditions and that there is no appetite for mergers among major rivals in North America at the moment.

#### **53. Aircraft movement statistics: Major airports**

In July 2004, the number of landings and take-offs at the 42 Canadian airports with control towers totalled 418,497, a decrease of 34,178 or 7.6% from July 2003.

#### **54. WestJet access to Air Canada files**

WestJet airlines indicated that it received court clearance to examine Air Canada's internal documents to ascertain whether there is any merit to spying allegations against it.

#### **55. WestJet cancels Toronto-LA route**

WestJet is cancelling its new direct flight between Toronto and Los Angeles in mid-December. The reason is because it failed to attract demand. This was the weakest of the new routes that it recently began.

#### **56. Aircraft movement statistics**

In September, the 42 Canadian airports with NAV CANADA air traffic control towers reported 395,595 take-offs and landings, a decrease of 1.7% compared with September 2003 (402,467). This was the seventh consecutive decrease in year-over-year comparisons of monthly movements.

#### **57. More Flights Between Canada and Mexico**

Transport Minister Jean-C. Lapierre today announced that both Air Transat and Zoom Airlines have been granted additional designations to provide service between cities in Canada and Mexico. These designations will give Canadians a greater choice of scheduled air services when travelling to Mexico.