

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Porter expansion will lower prices and reduce cross-border flyers, says CEO

Porter Airlines which was launched in 2006 hopes to embark on a major expansion that will turn it from a regional airline into one with continental reach, but first it needs the approval of Toronto's city council. Its advantage is that it is downtown but this also happens to have its disadvantages it will increase traffic, noise and pollution. The carrier would like to serve destinations like Vancouver, Los Angeles and Miami. Toronto. City council is expected to vote on the plan, which includes a runway expansion, in spring 2015. It needs capital and the airline claims that every market they have entered has seen airfares drop considerably.

### 2. IATA publishes major changes to dangerous goods regs

The International Air Transport Association (IATA) has published significant changes and amendments to the 56th edition of the Dangerous Goods Regulations (DGR) that will become effective January 1, 2015.

### 3. Travelling with Animals that Provide Disability-Related Assistance: A Resource Tool for Persons with Disabilities, Carriers and Terminal Operators

The Canadian Transportation Agency publication on travelling with animals that provide-disability related assistance provides information on: 1. Canadian standards for the carriage of assistance animals; 2. How assistance animals help persons with disabilities; 3. Factors for carriers to consider when determining under what conditions assistance animals may be accepted for carriage; 4. How persons with disabilities should plan their travel with an assistance animal; and 5. Relieving areas for assistance animals at terminal facilities.

### 4. Air Canada starts trial crackdown on carry-on bags

Air Canada has begun cracking down on passengers with carry-on bags to make sure their luggage fits in overhead bins as it prepares to start charging domestic passengers \$25 for their first checked bags in October 2014.

### 5. Air Freight Recovery Strengthens

The International Air Transport Association (IATA) announced August 2014 data for global air freight markets showing continued robust growth in air cargo volumes. Measured by freight tonne kilometers (FTKs), volumes rose 5.1% in August, compared to August 2013. Capacity grew at a slower pace of 3.4% from the previous year. This is the second strong month for cargo volumes in a row, following the 6.1% year-on-year rise recorded in July, 2014. Domestic traffic grew at a faster rate than international

### 6. Air Canada Cargo wins outstanding community contribution leadership award at CIFFA

Air Canada Cargo was awarded the Outstanding Community Contri-

## AIR TRANSPORTATION

### Canada

1. Porter expansion will lower prices and reduce cross-border flyers, says CEO, September 30, 2014, [www.nationalpost.ca](http://www.nationalpost.ca)
2. IATA publishes major changes to dangerous goods regs, September 29, 2014, [www.ctl.ca](http://www.ctl.ca)
3. Travelling with Animals that Provide Disability-Related Assistance: A Resource Tool for Persons with Disabilities, Carriers and Terminal Operators, September 30, 2014, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
4. Air Canada starts trial crackdown on carry-on bags, September 30, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)
5. Air Freight Recovery Strengthens, October 1, 2014, [www.iata.org](http://www.iata.org)
6. Air Canada Cargo wins outstanding community contribution leadership award at CIFFA, October 1, 2014, [www.ctl.ca](http://www.ctl.ca)
7. Air Canada to Launch Seasonal Flights from Toronto to Mont-Tremblant, Quebec, Oct. 1, 2014, [www.aircanada.ca](http://www.aircanada.ca)
8. Demand for Air Travel Picks-up in August, October 2, 2014, [www.iata.org](http://www.iata.org)
9. Air Canada and the Air Canada Pilots Association Reach New Agreement Subject to Ratification on Contract Terms for 10 Years, October 6, 2014, [www.aircanada.ca](http://www.aircanada.ca)
10. Air Canada Reports September Load Factor, October 6, 2014, [www.aircanada.ca](http://www.aircanada.ca)
11. WestJet reports September load factor of 75.9 per cent, October 6, 2014, [www.westjet.ca](http://www.westjet.ca)
12. Glasgow? Aye, let's go, October 6, 2014, [www.westjet.ca](http://www.westjet.ca)
13. WestJet announces code-share with China Airlines, October 7, 2014, [www.westjet.ca](http://www.westjet.ca)
14. Porter joins JetBlue for interline agreement, October 7, 2014, [www.flyporter.com](http://www.flyporter.com)
15. August Airline On-Time Performance Down From Previous Year, Up From July, October 9, 2014, [www.dot.gov](http://www.dot.gov)
16. Porter Airlines is your ticket to the best of Vermont this winter, October 16, 2014, [www.flyporter.com](http://www.flyporter.com)
17. New IATA Passenger Forecast Reveals Fast-Growing Markets of the Future, October 16, 2014, [www.iata.org](http://www.iata.org)

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

bution Leadership Award at the CFFA Western Region Forwarders Choice Awards on September 26, 2014 in British Columbia.

#### **7. Air Canada to Launch Seasonal Flights from Toronto to Mont-Tremblant, Quebec**

Air Canada announced on October 1, 2014 that it will introduce non-stop flights between Toronto and Mont-Tremblant, Quebec. Service to Mont-Tremblant will be operated four times per week by Air Canada Express with 74-seat Bombardier Q400 aircraft. Flights will operate between December 18, 2014 and March 30, 2015 during peak winter skiing season.

#### **8. Demand for Air Travel Picks-up in August**

On October 2, 2014, the International Air Transport Association (IATA) announced global passenger traffic results for August 2014 showing a slight pick-up in demand over the previous month. Total revenue passenger kilometers (RPKs) increased 5.9% compared to August 2013, which was above the 5.4% year-over-year increase recorded in July 2014. August capacity climbed 5.5%. The load factor stood at 83.9% which is a 0.3 percentage point rise over August 2013.

#### **9. Air Canada and the Air Canada Pilots Association Reach New Agreement Subject to Ratification on Contract Terms for 10 Years**

Air Canada on October 6, 2014 announced that it has reached a new agreement with the Air Canada Pilots Association (ACPA), subject to ratification, on collective agreement terms for ten years.

#### **10. Air Canada Reports September Load Factor**

For the month of September 2014, Air Canada reported a system load factor of 84.7 per cent, versus 83.2 per cent in September 2013, representing an increase of 1.5 percentage points on a system-wide capacity of 6,546b (ASM) an increase of 7.3 per cent. On this additional capacity, system wide traffic (5,545b RPM) for September increased 9.2 per cent. Calin Rovinescu, President and Chief Executive Officer said "I am pleased to report traffic growth of 9.2 per cent and a load factor of 84.7 per cent for the month of September. These strong traffic results on a capacity increase of 7.3 per cent for the month are a powerful indication of the effectiveness of our commercial strategy." For the third quarter of 2014, load factor, RPM and ASM were: 87.2, 18,565b, and 21,298b representing increases of 1.0 points, 11% and 9.8%.

#### **11. WestJet reports September load factor of 75.9 per cent**

WestJet on October 6, 2014 announced September 2014 traffic results with a load factor of 75.9 per cent. Revenue passenger miles (RPMs), or traffic, increased 6.0 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 6.8 per cent over the same period. The load factor for September 2014 was 75.9 points a decrease of 0.7 points compared to the load factor for the same month a year ago. For the third quarter of 2014, load factor, RPM and ASM were: 83.1, 5,401b, and 6,498b representing increases of 0.3 points, 6.8% and 6.4%. WestJet President and CEO Gregg Saretsky said "We are very pleased with the strong year over year traffic growth we saw in the third quarter, as we flew more than 5 million guests for the first time and achieved our third highest load factor for a third quarter at 83.1 per cent."

#### **12. Glasgow? Aye, let's go**

WestJet on October 3, 2014 announced Glasgow, United Kingdom, as its newest European destination. Daily non-stop flights from Halifax begin May 29, 2015, with direct (same-aircraft) service from Toronto, operated on one of the airline's Boeing Next-Generation 737-700 series aircraft.

#### **13. WestJet announces code-share with China Airlines**

WestJet on October 7, 2014 announced it has entered into a code-share agreement with China Airlines (CI), allowing the carrier to begin marketing and selling WestJet-operated flights. Code-share designations will

18. News Brief: Fast Travel Gains Momentum in Asia Pacific, October 17, 2014, [www.iata.org](http://www.iata.org)

19. August 2014 Passenger Airline Employment Data, October 20, 2014, [www.dot.gov](http://www.dot.gov)

20. Minister Raitt launches national campaign on drone safety, October 21, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)

21. Civil aviation operating statistics, August 2014, October 22, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)

22. Five-year Forecast Shows Improved Outlook for Air Cargo, October 22, 2014, [www.iata.org](http://www.iata.org)

23. Eight years flies by at Porter Airlines, October 23, 2014, [www.flyporter.com](http://www.flyporter.com)

24. More service to the Valley of the Sun, October 24, 2014, [www.westjet.ca](http://www.westjet.ca)

25. WestJet, flight attendants reach tentative agreement, October 27, 2014, [www.westjet.ca](http://www.westjet.ca)

26. 2nd-Quarter 2014 Air Fare Data, October 28, 2014, [www.dot.gov](http://www.dot.gov)

27. Airline fuel surcharges should drop as oil prices slide: IATA, October 28, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)

28. Air Canada doesn't need to pay flyers for not serving 7Up in French, Supreme Court of Canada rules, October 28, 2014, [www.nationalpost.ca](http://www.nationalpost.ca)

29. WestJet Rewards launches new tiers, October 29, 2014, [www.westjet.ca](http://www.westjet.ca)

#### **US**

1. U.S. Transportation Secretary Foxx Announces \$7 Million in Grants to Help Small Communities Improve Air Service, September 30, 2014, [www.dot.gov](http://www.dot.gov)

2. Remarks of Tony Tyler at the World Knowledge Forum, Seoul, October 14, 2014, [www.iata.org](http://www.iata.org)

3. Remarks of Tony Tyler at the World Passenger Symposium in San Diego, California, October 15, 2014, [www.iata.org](http://www.iata.org)

4. IATA and Travel Capitalist Ventures Launch NDC Innovation Fund, October 15, 2014, [www.iata.org](http://www.iata.org)

5. Antitrust: Commission seeks feedback on commitments from Skyteam airline alliance members Air France/KLM, Alitalia and Delta concerning transatlantic cooperation, October 21, 2014, [www.europa.eu](http://www.europa.eu)

be available on select WestJet flights from Vancouver and Los Angeles. Bookings can be made through China Airlines or a travel agency.

#### **14. Porter joins JetBlue for interline agreement**

Toronto-based Porter Airlines and New York-based JetBlue Airways are unveiling an extensive interline partnership that will lead to dozens of additional destinations being accessible to Porter passengers.

#### **15. August Airline On-Time Performance Down From Previous Year, Up From July**

The largest US airlines posted an on-time arrival rate of 77.7 percent in August 2014, down from the 78.8 percent on-time rate in August 2013, but up from the 75.6 percent mark in July 2014, according to the U.S. Department of Transportation's Air Travel Consumer Report released on October 9, 2014.

#### **16. Porter Airlines is your ticket to the best of Vermont this winter**

Porter Airlines is resuming seasonal service between Billy Bishop Toronto City Airport and Burlington, VT, just in time for the snowfall. Flights begin this year on Dec. 14, 2014 continuing until April 5, 2015. The schedule peaks with five weekly flights during March Break, and ranges from two to four weekly flights during the rest of the season. Porter continues to be the only airline offering direct scheduled flights to Vermont.

#### **17. New IATA Passenger Forecast Reveals Fast-Growing Markets of the Future**

The International Air Transport Association (IATA) released its first 20-year passenger growth forecast, projecting that passenger numbers are expected to reach 7.3 billion by 2034. That represents a 4.1% average annual growth in demand for air connectivity that will result in more than a doubling of the 3.3 billion passengers expected to travel this year. Among the highlights of the report is the expectation that China will overtake the United States as the world's largest passenger market (defined by traffic to, from and within) by 2030. Both markets, however, are expected to remain the largest by a wide margin.

#### **18. News Brief: Fast Travel Gains Momentum in Asia Pacific**

The International Air Transport Association (IATA) announced progress in the implementation of Fast Travel in the Asia-Pacific region. The Fast Travel program responds to passenger demand for a more seamless travel experience and more control through six time-saving, self-service initiatives. They are: Self check-in and/or automatic check-in; Bags ready-to-go; Document check; Flight re-booking; Self-boarding; and Bag recovery.

#### **19. August 2014 Passenger Airline Employment Data**

U.S. scheduled passenger airlines employed 384,478 workers in August 2014, 1.0 percent more than in August 2013, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on October 20, 2014.

#### **20. Minister Raitt launches national campaign on drone safety**

The Honourable Lisa Raitt, Minister of Transport, on October 21, 2014 launched the Government of Canada's safety awareness campaign for unmanned air vehicles (UAVs), or drones. The national campaign will help ensure UAV users—both recreational and commercial—understand the rules of the skies and always think safety first.

#### **21. Civil aviation operating statistics, August 2014**

Operating data on Canadian civil aviation are now available for August 2014 on Statistics Canada website.

#### **22 Five-year Forecast Shows Improved Outlook for Air Cargo**

The International Air Transport Association Airline Industry Forecast 2014-2018 shows that international freight volumes are expected to increase at a compound annual growth rate of 4.1% over the next five years. Emerging economies, particularly in the Middle East and Africa, will be the fastest-growing markets.

#### **23. Eight years flies by at Porter Airlines**

Porter Airlines is celebrating eight years of service, having established itself as a leading carrier offering passengers a distinct approach to service. In the last year, Porter surpassed 300,000 total flights and 12 million passengers. An interline partnership was established with JetBlue Airways, creating more travel opportunities on dozens of routes through complementary operations, and the airline received Skytrax' inaugural recognition as North America's Best Regional Airline as part of the World Airline Awards.

#### **24. More service to the Valley of the Sun**

WestJet will launch new daily non-stop service between Toronto and Phoenix, Arizona, on Sunday October 26, 2014.

#### **25. WestJet, flight attendants reach tentative agreement**

WestJet on October 27, 2014, announced it has reached a tentative agreement with WestJet's Flight Attendant Association Board (FAAB). The proposed agreement is available to WestJet flight attendants for

review beginning October 31, 2014, and voting begins November 10, 2014.

#### **26. 2nd-Quarter 2014 Air Fare Data**

The average US domestic air fare increased to \$396 in the second quarter of 2014, up 2.5 percent from the average fare of \$386 in the second quarter of 2013.

#### **27. Airline fuel surcharges should drop as oil prices slide: IATA**

Airline fuel surcharges should begin falling as the drop in the price of oil works its way through the aviation fuel system, says Tony Tyler, director general of the International Air Transport Association.

#### **28. Air Canada doesn't need to pay flyers for not serving 7Up in French, Supreme Court of Canada rules**

The Supreme Court of Canada has denied financial compensation to an Ottawa couple who sued Air Canada when, among other things, they could not order a 7Up in French. Though the top court ruled by a five-to-two margin on October 28, 2014 that the airline violated Michel and Lynda Thibodeau's French-language rights, it found they did not qualify for monetary damages. The Federal Court of Canada had awarded them damages of \$12,000, but its judgment was set aside by the Federal Court of Appeal, which awarded the couple a lower amount.

#### **29. WestJet Rewards launches new tiers**

On October 29, 2014, Westjet celebrated the launch of **WestJet Rewards tiers**. WestJet Rewards members now enjoy higher WestJet dollar earn rates and milestone awards with Teal, Silver or Gold tiers. Tiers also offer easy-to-use flight benefits like a free checked bag, lounge and advance seat selection vouchers in Silver. Gold members enjoy another free checked bag, advance boarding, priority security screening and other valued amenities.

### **WATER TRANSPORTATION**

#### **1. Halifax Port Authority celebrates milestone 15 millionth TEU**

The Port of Halifax said it has reached a significant milestone. It moved fifteen million twenty-foot equivalent units (TEUs) of cargo through the Port since the first container in 1969.

#### **2. Canada intermodal volume growth outpaces US gains**

Canadian intermodal volume growth continues to outpace U.S. intermodal traffic gains, potentially reflecting shippers' diverting shipments to western Canadian ports to avoid potential U.S. West Coast labor disruptions.

#### **3. Proposed overhaul of Australian competition law in the shipping liner trade, September 2014**

In 2011, when the Australian government amended the *Trade Practices Act 1974 (Cth)* (TPA) it renamed the Act as the *Competition and Consumer Act 2010 (CCA)*. Part X of the TPA – which in broad terms exempted shipping lines from most of the anti-competitive provisions of the TPA – was carried over into the CCA. A Review Panel was set up to consider the exemption. The Review Panel noted in the Draft Report (September 2014) that no other industry enjoys legislative exemption from Australia's competition laws. It also observed that this is so despite the fact that other industries have similar economic characteristics to the liner shipping industry, such as the international airline industry. The Review Panel concluded that the exemptions available to shipping lines under Part X were too broad and recommended that Part X be repealed. In the place of Part X, the Review Panel has recommended that the Australian Consumer and Competition Commission (ACCC) be given power to issue 'block exemptions' for exempt categories of conduct.

#### **4. Carriers slam Australia proposal to scrap antitrust immunity**

A recommendation from a government panel that antitrust exemptions for liner shipping in Australia be rolled back came under heavy criticism from shipping interests who say the proposals are naive and unworkable and would lead smaller carriers to exit the market.

#### **5. Export/import activity drives St. Lawrence Seaway cargo up 5%**

### **WATER TRANSPORTATION Canada**

1. Halifax Port Authority celebrates milestone 15 millionth TEU, September 30, 2014, [www.ctl.ca](http://www.ctl.ca)
2. Canada intermodal volume growth outpaces US gains, October 2, 2014, [www.joc.com](http://www.joc.com)
3. Proposed overhaul of Australian competition law in the shipping liner trade, October 1, 2014, [www.hfw.com](http://www.hfw.com)
4. Carriers slam Australia proposal to scrap antitrust immunity, October 2, 2014, [www.joc.com](http://www.joc.com)
5. Export/import activity drives St. Lawrence Seaway cargo up 5% over 2013, October 2, 2014, [www.ctl.ca](http://www.ctl.ca)
6. Port Metro Vancouver's Container Vessel On Time Performance Incentive Program gets CIFFA "Forwarders Celebrating Associates" award, October 3, 2014, [www.portmetrovancover.com](http://www.portmetrovancover.com)
7. Congestion worsens at LA-LB port complex with no relief in sight, October 6, 2014, [www.joc.com](http://www.joc.com)
8. Maersk: 2M Alliance at 32 pct Asia-Europe Share, October 8, 2014, [www.portofmontreal.ca](http://www.portofmontreal.ca)
9. The Port of Prince Rupert – Accumulated monthly Traffic Report – September 2014, October 9, 2014, [www.rupertport.com](http://www.rupertport.com)
10. Government of Canada invests in safe navigation for Canadian waters, October 14, 2014, [www.ctl.ca](http://www.ctl.ca)
11. Port Metro Vancouver to launch new truck licensing system to stabilize port operations, October 15, 2014,

## over 2013

Total cargo shipments on the St. Lawrence Seaway have now surpassed 2013 levels by 5 per cent due to strong North American import/export activity. According to the St. Lawrence Seaway Management Corporation, total cargo tonnage from March 25, 2014 to September 30, 2014 reached 24.4 million metric tons. Grain exports continue to be strong with total shipments (including Canada and the U.S.) reaching 6.8 million metric tons, up 70 per cent over the same period last year, said a Seaway release.

### **6. Port Metro Vancouver's Container Vessel On Time Performance Incentive Program gets CIFFA "Forwarders Celebrating Associates" award**

Port Metro Vancouver's Container Vessel On Time Performance Incentive Program took home the CIFFA "Forwarders Celebrating Associates" award for Excellence in Innovation on September 26, 2014. This year, the awards focused on industry's contribution to the marine community, the company said in its press release.

### **7. Congestion worsens at LA-LB port complex with no relief in sight**

Congestion at the ports of Los Angeles and Long Beach grew worse over the first weekend in October 2014, with no relief in sight as peak-season container volumes descend on the largest U.S. port complex. To add to this, poor US rail intermodal service is limiting volume growth.

### **8. Maersk: 2M Alliance at 32 pct Asia-Europe Share**

An alliance between A.P. Moller-Maersk and MSC Mediterranean Shipping would give the two top container shipping companies a 32 percent market share on Asia-Europe trade routes, according to the Danish company. Maersk said that in its self-assessment to EU regulators it had concluded the alliance complied with EU competition law. A market share above 30 percent would trigger a regulatory review. But, although the Asia-Europe routes are by far the world's busiest, vessels leaving EU waters on transatlantic routes would also be counted into the overall 30 percent mark.

### **9. The Port of Prince Rupert – Accumulated monthly Traffic Report – September 2014**

The Port of Prince Rupert reported its accumulated traffic report on October 9, 2014. Total traffic in terms of TEUs for September 2014 was 47,449, a 12.35% increase compared to the same month a year ago. Year to date traffic was 457,131.75 TEUs, a 14.01% increase compared to the same period a year ago. For this period, imports increased by 18.18% and exports increased 8.53% in terms of TEUs

### **10. Government of Canada invests in safe navigation for Canadian waters**

The Honourable Lisa Raitt, Minister of Transport, announced on October 14, 2014 that the Government of Canada will provide up to \$20-million over three years to Ocean Networks Canada (ONC) for its Smart Ocean initiative, which supports the World-Class Tanker Safety System. The funding will allow ONC to transform the oceanographic data it collects into navigational safety information that will help vessel operators and others avoid navigational hazards and prevent marine accidents.

### **11. Port Metro Vancouver to launch new truck licensing system to stabilize port operations**

Port Metro Vancouver will begin a last round of consultation to finalize details of its new Truck Licensing System. The new policy, expected to be finalized by late November 2014, is one of the many changes to the sector as a part of the Joint Action Plan announced by the federal and provincial governments in March 2014. The goal of the new system is to balance the number of registered trucks with the amount of available work and bring stability to port operations.

### **12. Port Metro Vancouver – Accumulated Container Traffic: September 2014**

The Port of Metro Vancouver released its accumulated container traffic report for September 2014 on October 15, 2014. Total container traffic in terms of TEUs increased 4.7% over the period January to September 2014 to 2,193,869. Imports increased by 4.4% (1,180,618 - TEUs) and exports increased by 5% (1,013,252 - TEUs).

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

12. Port Metro Vancouver – Accumulated Container Traffic: September 2014

13. The governments of Canada and British Columbia announce funding for a key component of the Asia-Pacific Gateway, October 17, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)

14. Competitive transportation system crucial for global trade and tourism: Transport Minister Lisa Raitt, October 17, 2014, [www.ctl.ca](http://www.ctl.ca)

15. Port of Montreal, Accumulated container traffic to September 2014, Oct. 20, 2014, [www.portofmontreal.ca](http://www.portofmontreal.ca)

16. Port of Metro Vancouver, Accumulated container traffic to September 2014, October 20, 2014, [www.portmetrovancover.com](http://www.portmetrovancover.com)

17. Port of Halifax, Third Quarter container traffic -- September 2014, 21, 2014, [www.portofhalifax.ca](http://www.portofhalifax.ca)

18. Port of Montreal launches B2B platform, October 27, 2014, [www.ctl.ca](http://www.ctl.ca)

19. Cruise vessels can now plug in at Port of Halifax, October 26, 2014, [www.portofhalifax.ca](http://www.portofhalifax.ca)

20. New market study, "Canada Shipping Report Q4 2014", has been published, October 27, 2014, [www.portofmontreal.ca](http://www.portofmontreal.ca)

21. Government of Canada purchases replacement vessel for Saint John-Digby ferry service, October 27, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)

22. Strike could shut down the St. Lawrence starting October 30, 2014, October 30, 2014 [www.americanshipper.com](http://www.americanshipper.com)

### **13. The governments of Canada and British Columbia announce funding for a key component of the Asia-Pacific Gateway**

Construction of the new Philip Avenue overpass south of West 1<sup>st</sup> Street in North Vancouver is now underway. The project was made possible through a partnership between the federal, provincial and municipal governments and private-sector partners. The new overpass in the North Shore Trade Area will decrease traffic congestion and improve safety by eliminating the at-grade rail crossing. The project will make it possible to ship products through the area using longer trains, and will reduce rail-car switching noise, shunting and whistles. It will also improve the flow of up to 3,500 vehicles that pass through the area daily, including traffic bound for marine terminals, local businesses, and the Norgate community.

### **14. Competitive transportation system crucial for global trade and tourism: Transport Minister Lisa Raitt**

The Honourable Lisa Raitt, Minister of Transport, addressed Toronto business leaders on October 17, 2014 to highlight the steps being taken by the Government of Canada to ensure Canada's transportation network is adapting and modernizing in order to support global trade now and in the years ahead. "To prosper in today's global economy, we rely on a strong, safe and competitive transportation network in air, marine and rail. Our government is committed to working with its Canadian and international partners to build innovative transportation systems that connect Canadians to each other and to the world," said The Honourable Lisa Raitt, Minister of Transport.

### **15. Port of Montreal, Accumulated container traffic to September 2014**

The Port of Montreal released container traffic on October 20, 2014. For the first three quarters (January to September 2014) total container traffic in terms of TEUs increased 6% (i.e. to 1,061,984 from 1,001,879) compared to the same period in 2013. Inbound traffic increased 10% (to 532,552) and outbound traffic increased 2.2% (to 539,432) compared to the same period in 2013.

### **16. Port of Metro Vancouver, Accumulated container traffic to September 2014**

The Port of Metro Vancouver, released container traffic on October 20, 2014. For the first three quarters (January to September 2014) total container traffic in terms of TEUs increased 4.7% (i.e. to 2,193,869 from 2,095,722) compared to the same period in 2013. Inbound traffic increased 4.4% (to 1,180,618) and outbound traffic increased 5.0% (to 1,053,252) compared to the same period in 2013.

### **17. Port of Halifax, Third Quarter container traffic -- September 2014**

The Port of Halifax released container traffic on October 21, 2014. For the third quarter of 2014 total container traffic in terms of TEUs decreased 7.3% (i.e. to 307,579 from 331,568) compared to the same period in 2013. Inbound traffic decreased 3% (to 156,670) and outbound traffic decreased 11.3% (to 150,909) compared to the same period in 2013. Year-to-date traffic (first three quarters) indicates a decline of 8.2% in terms of TEUs (i.e. 2,854,393 compared to 3,108,659).

### **18. Port of Montreal launches B2B platform**

The Port of Montreal has launched a B2B platform to make it fast and simple for potential new customers to learn about the port's distinct advantages when it comes to moving cargo worldwide.

### **19. Cruise vessels can now plug in at Port of Halifax**

The shore power system to allow cruise vessels to plug in when calling the Port of Halifax is now complete and fully operational. Shore power is a highly effective way to reduce marine diesel air emissions by enabling ships to shut down their auxiliary engines and connect to the electrical grid in order to provide necessary power while docked. This initiative represents the second shore power installation for cruise ships in Canada. The shore power project at the Port of Halifax is part of a \$10-million cooperative initiative between the Government of Canada, the Province of Nova Scotia and the Halifax Port Authority. The tariff was developed in partnership with Nova Scotia Power.

### **20. New market study, "Canada Shipping Report Q4 2014", has been published**

The study states "In 2014, we have pencilled in a very poor year for the Canadian shipping sector due primarily to the industrial action that has significantly affected throughput at Port Metro Vancouver. We anticipate contractions in both tonnage and box terms at the port this year due to the disruption. Meanwhile, the Port of Montreal is expected to register year-on-year (y-o-y) growth of just 1.00% in tonnage throughput handled, while box throughput will fare better (2.96%)."

### **21. Government of Canada purchases replacement vessel for Saint John-Digby ferry service**

The Honourable Lisa Raitt, Minister of Transport and the Honourable Diane Finley, Minister of Public Works and Government Services, on October 27, 2014 announced that the Government of Canada has entered into an agreement for the purchase of a ferry vessel to replace the *MV Princess of Acadia*, which serves the Saint John, New Brunswick to Digby, Nova Scotia ferry route. A purchase agreement was

signed on October 10, 2014 to acquire the *MV Blue Star Ithaki* from a private ferry operator located in Greece at a cost of approximately \$31 million EURO (\$44.6 million CAN).

## **22. Strike could shut down the St. Lawrence starting October 30, 2014**

St. Lawrence Seaway workers are planning a strike that would shut down the waterway starting on October 30, 2014. Unifor, a Canadian union with 460 members belonging to five locals that work along the Seaway, has served 72 hours notice of a strike that could begin on October 30, 2014 afternoon at 12:15 p.m.

## **RAIL TRANSPORTATION**

### **1. Canadian Pacific Railway Limited amends share repurchase program**

Canadian Pacific Railway Limited announced that it has received the approval of the Toronto Stock Exchange to amend its Normal Course Issuer Bid ("Bid") to increase the maximum number of its common shares that may be purchased for cancellation under the Bid from 3% to 8%.

### **2. Canadian Pacific outlines new financial targets at company's 2014 Investor Conference**

Canadian Pacific CEO E. Hunter Harrison on October 1, 2014 unveiled new growth targets out to 2018 and CP's multi-year strategy to drive superior service and financial profitability, including more than doubling the company's earnings per share. "Our transformation over the last two years has been nothing short of remarkable, but the journey is far from over," Harrison said. "We've dramatically improved the operating performance of the company; our operating ratio is approaching industry best and we've generated significant value for shareholders. Our achievements of the past two years have set the platform for future growth." Financial expectations on CP's journey to 2018 include: 1) more than doubling diluted earnings per share (EPS) over the next four years compared to 2014; 2) growing annual revenue to \$10 billion in 2018; and 3) generating cumulative cash flow before dividends of \$6 billion through 2018.

### **3. CP Rail shares rise on new four-year plan, but analysts caution targets may be difficult to meet**

Shares in Canadian Pacific Railway Ltd. rose as much as 3% on October 2, 2014 morning as analysts applauded the company's new four-year plan but cautioned that the aggressive financial targets may not be easy to achieve.

### **4. CN freight train carrying petroleum products derails**

Firefighters contained a blaze in rural Saskatchewan on October 7, 2014 after 26 cars on a Canadian National Railway train derailed, according to multiple news accounts. Two of the cars carried petroleum distillates. The incident draws further attention to the transport of crude oil by rail. In the past 16 months there have been a series of fiery accidents in the United States and Canada involving tank cars with crude that have derailed.

### **5. North American intermodal volumes continue strong**

It was not another record high for North American intermodal, but strong intermodal volumes were reported on 13 railroads again this week, adding another chapter to the industry's growth story.

### **6. 'The deal is a non-starter': Analysts see little hope for CP Rail-CSX merger for now**

Canadian Pacific Railway Ltd. has reportedly approached CSX Corp. about a tie-up, but a merger of two major North American railroads has virtually no hope of getting a green light from regulators given the present regulations pertaining to Class I railroads, according to several analysts. The merger could relieve some of the congestion in the

## **RAIL TRANSPORTATION Canada**

1. Canadian Pacific Railway Limited amends share repurchase program, September 29, 2014, [www.cpr.ca](http://www.cpr.ca)

2. Canadian Pacific outlines new financial targets at company's 2014 Investor Conference, October 1, 2014, [www.cpr.ca](http://www.cpr.ca)

3. CP Rail shares rise on new four-year plan, but analysts caution targets may be difficult to meet, October 2, 2014, [www.nationalpost.ca](http://www.nationalpost.ca)

4. CN freight train carrying petroleum products derails, October 8, 2014, [www.americanshipper.com](http://www.americanshipper.com)

5. North American intermodal volumes continue strong, October 9, 2014, [www.joc.com](http://www.joc.com)

6. 'The deal is a non-starter': Analysts see little hope for CP Rail-CSX merger for now, October 13, 2014, [www.nationalpost.ca](http://www.nationalpost.ca)

7. Canadian Pacific makes merger overture to CSX, October 13, 2014, [www.joc.com](http://www.joc.com)

8. Minister Raitt responds to Standing Committee report on railway safety, October 10, 2014, [www.ctl.ca](http://www.ctl.ca)

9. CN celebrates official opening of state-of-the-art employee training facility in Homewood, Ill., October 14, 2014, [www.cn.ca](http://www.cn.ca)

10. CSX reports a 12% increase in profits, October 15, 2014, [www.americanshipper.com](http://www.americanshipper.com)

11. CSX takeover would be great for CP Rail, but a 'step back' for shippers, Oct. 15, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)

12. CP Rail ends takeover talks with US railway CSX, October 20, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)

13. CP reports record Q3 – 2014 net income of C\$400M or \$2.31 per diluted share, October 21, 2014, [www.cpr.ca](http://www.cpr.ca)

14. CP Rail profit climbs 26%, but shy of expectations, October 21, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)

15. CN reports Q3-2014 net income of C\$853 million, up 21 per cent from year-earlier net income of C\$705 million, October 21, 2014, [www.cn.ca](http://www.cn.ca)

16. CN announces new share repurchase program and declares fourth-quarter 2014 cash dividend, October 21, 2014, [www.cn.ca](http://www.cn.ca)

17. CN Rail could hike dividend by 45% – analyst, October 23, 2014, [www.nationalpost.ca](http://www.nationalpost.ca)

Chicago area as CP is likely to use some of CSX lines. While one analyst felt that interregional mergers would not have any impact on competitive pricing, it is feared that it could trigger other mergers among the Class I carriers in America - Norfolk Southern Corp. could be the next target, with CN, Union Pacific Corp. and BNSF as potential suitors.

#### **7. Canadian Pacific makes merger overture to CSX**

CSX has rebuffed an overture from Canadian Pacific Railway about a merger or acquisition that would reshape North America's transportation map by creating the continent's largest rail network.

#### **8. Minister Raitt responds to Standing Committee report on railway safety**

The Honourable Lisa Raitt, Minister of Transport, on October 10, 2014 issued this statement on the tabling in the House of Commons of the Government's response to the Standing Committee on Transport, Infrastructure and Communities interim report, Interim Report on Rail Safety Review. She said "I am pleased that the Standing Committee on Transport, Infrastructure and Communities has released its interim report on railway safety in Canada. The report raises important issues and observations that will contribute toward the Committee's final recommendations...."

#### **9. CN celebrates official opening of state-of-the-art employee training facility in Homewood, Ill.**

CN on October 14, 2014 officially opened its new employee training center in suburban Chicago. The 55,000-square-foot facility will host up to 250 CN students from across the United States every week, with hands-on training for all key railway jobs.

#### **10. CSX reports a 12% increase in profits**

CSX said it had record 2014 third quarter profit of \$509 million up 12 percent from \$455 million in the same period of 2013. Revenue was \$3.22 billion, up 8 percent from the \$2.99 billion recorded in the third quarter of 2013. The company said that it benefited from a 7-percent increase in volume and a 1-percent increase in revenue per unit. Intermodal volumes were up 5 percent through growth in intermodal cargo.

#### **11. CSX takeover would be great for CP Rail, but a 'step back' for shippers**

A move by Canadian Pacific Railway Ltd. to acquire U.S. rail company CSX Corp. would bring untold benefits to CP, including completing its rail network to East Coast refineries and ports. For shippers it may be a step back when shippers are complaining about captivity and as mergers create disruption of service. It could also lead to other mergers in an industry dominated by only seven Class I carriers (two in Canada and five in the US).

#### **12. CP Rail ends takeover talks with US railway CSX**

Canadian Pacific Railway Ltd. says talks with potential takeover target CSX Corp. have broken off. Calgary-based CP said on October 20, 2014 that "exploratory conversations held with CSX Corp. about a possible business combination have ended. No further talks are planned."

#### **13. CP reports record Q3 - 2014 net income of C\$400M or \$2.31 per diluted share**

Canadian Pacific Railway Limited on October 21, 2014 announced record Q3 2014 financial results. Net income in the third quarter rose to a record \$400 million, or \$2.31 per diluted share, from \$324 million, or \$1.84 per share, in the third quarter of 2013. This represents an increase of 26 percent in earnings per share year-over-year. Third quarter 2014 results in comparison to the 2013 third quarter results were: revenue rose 9 percent to a record \$1.670 billion; operating expenses rose 4 percent to \$1.049 billion; operating Ratio fell to a record low 62.8 percent, an improvement of 310 basis points; and operating income rose 19 percent to \$621 million, the highest ever. E. Hunter Harrison, CP's Chief Executive Officer said "The CP team delivered another quarter of impressive results, Going forward, we will continue to execute on our plan of delivering safe, superior service to our customers, focusing on further efficiency and capacity initiatives and building on our solid foundation for growth."

#### **14. CP Rail profit climbs 26%, but shy of expectations**

Canadian Pacific Railway Ltd. posted a 26-per-cent rise in the 2014 third-quarter profit as freight revenues hit a record \$1.67-billion. Analysts had been expecting a profit of \$2.39 a share (against \$2.31) and revenue of \$1.7-billion (against \$1.67 billion) falling short of expectations.

#### **15. CN reports Q3-2014 net income of C\$853 million, up 21 per cent from year-earlier net income of C\$705 million**

18. CN announces plan to buy back shares through private agreements, October 27, 2014, [www.cn.ca](http://www.cn.ca)

19. Canada's biggest railways failed to report accident information over seven-year period, TSB says, October 27, 2014, [www.nationalpost.ca](http://www.nationalpost.ca)

20. Railway Carloadings, August 2014, October 29, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)

21. European Rail Freight Days, October 29, 2014, [www.europa.eu](http://www.europa.eu)

22. Government of Canada takes meaningful action in response to the Transportation Safety Board's Lac-Mégantic Report, October 29, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)

23. Railways grapple with locomotive shortage and soaring carloads, October 29, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)

#### **US**

1. Senators push for competitive switching rule, October 14, 2014, [www.americanshipper.com](http://www.americanshipper.com)

On October 21, 2014, CN reported its financial and operating results for the third quarter and nine-month period ended Sept. 30, 2014. For the third quarter and first three months the highlights were: net income was C\$853 million, or C\$1.04 per diluted share, compared with net income of C\$705 million, or C\$0.84 per diluted share, for the year-earlier quarter. The Q3-2013 results included a C\$19-million (C\$0.02 per diluted share) income tax expense resulting from the enactment of higher provincial corporate income tax rates; excluding the above Q3-2013 income tax expense, Q3-2014 diluted EPS of C\$1.04 increased 21 per cent over last year's adjusted diluted EPS of C\$0.86; operating income for the third quarter of 2014 increased 19 per cent to C\$1,286 million; third-quarter 2014 revenues and carloadings set all-time quarterly records, with revenues rising 16 per cent to C\$3,118 million and carloadings increasing 11 per cent to 1,475 thousand. Revenue ton-miles grew by 13 per cent; CN's operating ratio for Q3-2014 improved by one point to 58.8 per cent from 59.8 per cent for the year-earlier quarter; and free cash flow for the first nine months of 2014 was C\$2,045 million, up from C\$1,307 million for the comparable period of 2013. Claude Mongeau, president and chief executive officer, said: "CN delivered outstanding third-quarter financial results while improving customer service levels and maintaining industry-leading operating efficiencies. Solid execution by our team of railroaders enabled us to accommodate the significantly higher freight volume generated by a record Canadian grain crop, strong energy markets, and new business, particularly in intermodal and automotive.

**16. CN announces new share repurchase program and declares fourth-quarter 2014 cash dividend**

CN announced on October 21, 2014 that its Board of Directors has approved a new share repurchase program. CN believes that the repurchase of its shares represents an appropriate and beneficial use of the Company's funds. It also approved a 25 cents dividend per common share payable at the end of 2014.

**17. CN Rail could hike dividend by 45% – analyst**

Canadian National Railway Co.'s indication that its dividend hike in January 2015 could be particularly juicy should be welcome news for investors, but just how much should the market expect? Scotiabank analyst Turan Quettawala thinks the dividend increase could be as high as 24% based on a 30% payout ratio.

**18. CN announces plan to buy back shares through private agreements**

CN announced on October 27, 2014 that it intends to purchase for cancellation up to 5.175 million of its common shares pursuant to private agreements between CN and arm's-length third-party seller. The purchases will form part of CN's repurchase program for up to 28 million shares announced on Oct. 21, 2014.

**19. Canada's biggest railways failed to report accident information over seven-year period, TSB says**

Canada's Transportation Safety Board warned railways on October 27, 2014 to be more diligent about reporting accident information after a review of three railways over a seven-year period showed 254 missing or late reports. The safety watchdog said in a release that the majority of the incidents were minor, many taking place inside rail yards and causing no injuries. But it said it would take enforcement action if needed to better identify safety issues.

**20. Railway Carloadings, August 2014**

Volume of rail freight carried in Canada totalled 29.5 million tonnes in August, up 3.3% from the same month last year. Increased shipments of wheat and canola, which were influenced by recent grain transportation regulations, helped offset a decline in shipments received from the United States. Non-intermodal freight rose 5.0% to 285,000 carloads. Intermodal freight loadings rose 7.2% to 189,000 units in August 2014. From a tonnage perspective, traffic grew 6.0% to 2.7 million tonnes. The gain stemmed from increases in both containerized cargo shipments and trailers loaded on flat cars. Traffic received from the United States fell 13.6% to 3.4 million tonnes.

**21. European Rail Freight Days**

Rail transport is the key to achieve a sustainable European transport system, but the European rail freight is not as efficient as it could be. Shippers expect borderless transport solutions; rail is still hampered in meeting this demand by plenty of technical and regulatory barriers within Europe, such as lengthy authorisation procedures for rolling stock or insufficient cross-border cooperation in traffic management. The Commission wants to develop a new agenda for rail freight, based on feedback of the rail freight community and the experience of the Rail Freight Corridors.

**22. Government of Canada takes meaningful action in response to the Transportation Safety Board's Lac-Mégantic Report**

The Honourable Lisa Raitt, Minister of Transport, on October 29, 2014 announced decisive measures to address the Transportation Safety Board of Canada's (TSB) recommendations stemming from its final

report on the Lac-Mégantic train derailment. The TSB issued two recommendations and two safety advisories to the department. In response, Transport Canada is: 1) requiring railway companies to meet standardized requirements for hand brake application and put into effect additional physical defences to secure trains; 2) increasing oversight by recruiting additional staff to carry out more frequent audits and creating processes for increased information sharing with municipalities; 3) conducting further research on crude oil properties, behaviour and hazards and launching a targeted inspection campaign to verify the classification of rail shipments; and 4) requiring certain railways (including short lines) to submit training plans to Transport Canada for review, and conducting an audit blitz of short lines to determine specific training gaps.

### **23. Railways grapple with locomotive shortage and soaring carloads**

As railways try to keep pace with soaring freight volumes, they are facing a shortage of locomotives. One of the two manufacturers of locomotives is out of the market for two years until it can meet tougher emission standards in the United States. The shortage is hampering efforts of railways to clear congested tracks and move the growing amount of grain, oil and other goods. It's also spurring rail companies to repair and overhaul older equipment and hire new crews, pushing up expenses even as revenues and profits set records.

## **HIGHWAY TRANSPORTATION**

### **1. Analyst: Drivers Need to get a Life to Alleviate Shortage**

Want to solve the driver shortage? Than look to addressing driver lifestyle issues, says one prominent industry analyst. John Larkin, managing director and head of transportation capital markets research at Stifel, Nicolaus & Co., says driver pay is an obvious factor in the driver shortage, but as pay levels increase, the problem fleets have recruiting and retaining drivers goes beyond monetary compensation. Other factors contributing to the shortage include an aging population, micro management and regulation, and the lifestyle long haul drivers must lead.

### **2. Meritor Sells Reman Mascot Business**

Meritor has sold its Mascot operations in Canada and the United States to an investment group that will operate under the name Mascot Industries LLC.

### **3. New regulations on weights and dimensions and inspections**

Canadian governments have come to an agreement on policies regarding truck weights and measures and vehicle inspections. Federal, provincial and territorial ministers of transport approved three recommendations put forward by the National Task Force on Vehicle Weights and Dimensions Policy and known officially as the Memorandum of Understanding on Interprovincial Weights and Dimensions (MOU).

### **4. CTA Welcomes Approval of Safety and Enviro-friendly Technology**

The Canadian Trucking Alliance's work with the federal and provincial governments over the past several years has paid off with the approval of new safety and environmentally friendly technologies on heavy truck and trailer configurations in Canada. The Council of Ministers Responsible for Transportation and Highway Safety National last week approved amendments to standards for the weight and dimension limits of heavy vehicles under the Memorandum of Understanding on Interprovincial Weights and Dimensions (MOU). The changes harmonize nationwide the adoption of aerodynamic, emission-reducing "boat tail" devices on heavy trucks; tri-drive configurations which increase traction and payload for trucks in heavy-haul sectors; and B-train tractors with longer wheelbases to accommodate technologies which are required to meet heavy truck air quality and GHG emissions

## **HIGHWAY TRANSPORTATION Canada**

1. Analyst: Drivers Need to get a Life to Alleviate Shortage, September 30, 2014, [www.ontruck.ca](http://www.ontruck.ca)
2. Meritor Sells Reman Mascot Business, September 30, 2014, [www.todaystrucking.ca](http://www.todaystrucking.ca)
3. New regulations on weights and dimensions and inspections, October 3, 2014, [www.ctl.ca](http://www.ctl.ca)
4. CTA Welcomes Approval of Safety and Enviro-friendly Technology, October 7, 2014, [www.cantruck.ca](http://www.cantruck.ca)
5. August 2014 Freight Transportation Services Index (TSI), October 8, 2014, [www.dot.gov](http://www.dot.gov)
6. UPS acquires international i-parcel, October 8, 2014, [www.ctl.ca](http://www.ctl.ca)
7. UPS My Choice expands to 15 additional countries, October 8, 2014, [www.ctl.ca](http://www.ctl.ca)
8. Schneider National raises driver pay up to 13 percent, October 13, 2014, [www.nationalpost.ca](http://www.nationalpost.ca)
9. Star Calls for Mandatory Truck Driver Training, October 15, 2014, [www.ontruck.ca](http://www.ontruck.ca)
10. Ontario to introduce mandatory training for entry-level drivers, October 16, 2014, [www.ctl.ca](http://www.ctl.ca)
11. Major Hurdle Cleared for Allowing In-Transit Shipments, October 20, 2014, [www.ontruck.ca](http://www.ontruck.ca)
12. Third Quarter Freight Volumes Come Back Strong, October 20, 2014, [www.todaystrucking.com](http://www.todaystrucking.com)
13. State of Logistics Report author sees higher truck rates for 2Q 2015, October 21, 2014, [www.ctl.ca](http://www.ctl.ca)
14. Proposed B-train Configuration Bill to Accommodate Safety, Environmental Enhancements, October 21, 2014, [www.ontruck.ca](http://www.ontruck.ca)
15. Driver Shortage Top Fleet Concern, October 22, 2014, [www.ontruck.ca](http://www.ontruck.ca)
16. Large Urban Transit, August 2014, October 23, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)
17. August 2014 North American Freight Numbers, October 23, 2014, [www.dot.gov](http://www.dot.gov)
18. Truckers Third Most Difficult Job to Fill;

mandates while also improving driver wellness and fatigue management.

#### **5. August 2014 Freight Transportation Services Index (TSI)**

The US Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.6 percent in August 2014 from July 2014, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The August 2014 index level (120.9) was 27.8 percent above the April 2009 low during the most recent recession.

#### **6. UPS acquires international i-parcel**

UPS has acquired U.S.-based international e-commerce enabler and logistics company i-parcel, LLC. The acquisition complements UPS's international cross-border logistics capabilities from the U.S. and U.K., to over 100 countries.

#### **7. UPS My Choice expands to 15 additional countries**

UPS will launch UPS My Choice and the UPS Access Point networking Canada to provide busy online shoppers and global retailers new personalized solutions to manage residential package deliveries.

#### **8. Schneider National raises driver pay up to 13 percent**

The nation's second-largest truckload carrier is the latest trucking company to boost driver pay significantly, as driver supply tightens in trucking's peak season.

#### **9. Star Calls for Mandatory Truck Driver Training**

As a follow-up to its two-part series on unregulated truck driver training schools or "licensing mills", the Toronto Star published an editorial that calls for the province to clamp down on "shoddy" training centres and to make training a prerequisite for commercial truck licensing.

#### **10. Ontario to introduce mandatory training for entry-level drivers**

Ontario is set to introduce mandatory training for entry-level drivers after a *Toronto Star* series of articles highlighted just how easy it is to obtain an A/Z licence in the province.

#### **11. Major Hurdle Cleared for Allowing In-Transit Shipments**

The Canadian Trucking Alliance (CTA) is hailing the fact that a key plank in the Canada-US Beyond the Border (BTB) Action Plan – the ability for carriers from both countries to conduct in-transit shipments through the other country – is close to being achieved. The Alliance is a federation of the provincial trucking associations. Prior to the 9/11 crisis, in transit shipments through US and vice versa did not raise an issue. After the crisis, the US demanded complete documentation on the intransit goods though Canada did not. This created an imbalance in favour of US. Canadian trucking industry complained that in many cases providing the information was impossible. Recent discussions are expected to resolve this matter.

#### **12. Third Quarter Freight Volumes Come Back Strong**

Load volumes picked up in September 2014 after two months in a row of declining freight volumes. September saw increases across the board with month-over-month load volumes increasing.

#### **13. State of Logistics Report author sees higher truck rates for 2Q 2015**

The report offered a breakdown of where the economy is heading, given that the logistics and manufacturing industries are often the first to feel the dips and peaks of the state of the economy. Based on the report, Penske believes 2014 will be the best year for the logistics sector in 8 years. Given the growth in 2014, it is difficult to see the near future being better. Capacity problems in rail and at ports are expected and higher rates are expected in trucking.

#### **14. Proposed B-train Configuration Bill to Accommodate Safety, Environmental Enhancements**

Operators of B-trains will have more flexibility to spec their equipment going forward thanks to a bill introduced on October 21, 2014 in the Ontario Legislature by Minister of Transportation, Steven Del Duca. Bill 31 proposes to amend the *Highway Traffic Act* by extending the maximum overall length of the popular B-train tractor-double trailer combination from 25 metres to 27.5 metres in order to accommodate a longer wheelbase tractor. This is necessary to accommodate more comfortable sleeper berths for drivers, animal strike guards (moose bumpers) and technologies such as auxiliary power units in order to meet more progressively stringent air quality and GHG reduction standards, says the Ontario Trucking Association.

#### **15. Driver Shortage Top Fleet Concern**

The growing driver shortage and improving fuel efficiency are among the key issues for heavy-duty fleets, according to CK Commercial Vehicle Research 2014 Annual Fleet Study. Topics included planned truck and trailer purchases, capacity, brand choices, driver shortage impact and other current trends. The study

Turnover Rises, October, 23, 2014, [www.ontruck.ca](http://www.ontruck.ca)  
19. UPS profit beats analysts' expectations, confirms outlook, October 23, 2014, [www.globeandmail.ca](http://www.globeandmail.ca)  
20. Provision for anti-trust fine takes TNT Express to \$60 million loss, Oct. 27, 2014, [www.joc.com](http://www.joc.com)  
21. PwC: 'Robust' M&A Activity in North America, October 29, 2014, [www.ontruck.org](http://www.ontruck.org)

found several common challenges facing heavy-duty fleets including the effect driver shortage has on a fleet's willingness to add capacity.

#### **16. Large Urban Transit, August 2014**

In August 2014, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 1.9% from the same month in 2013 to \$259.2 million. Over the same period, ridership levels increased 0.4% to 121.7 million passenger trips.

#### **17. August 2014 North American Freight Numbers**

U.S.-NAFTA freight totaled \$100.6 billion in August 2014 as all five major transportation modes – air, vessel, pipeline, rail, and trucks – carried more U.S.-NAFTA freight than in August 2013, according to the TransBorder Freight Data released on October 23, 2014 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). August 2014 was the sixth consecutive month with U.S.-NAFTA freight flows exceeding \$100 billion. Of the \$55.5 billion of freight to and from Canada, trucks carried 53.0 percent followed by rail at 16.4 percent, pipeline at 12.8 percent, vessel at 7.1 percent and air at 4.3 percent. The surface transportation modes of truck, rail and pipeline carried 82.2 percent of the total U.S.-Canada freight flows.

#### **18. Truckers Third Most Difficult Job to Fill; Turnover Rises**

Driver turnover in the truckload sector is worsening, according to the American Trucking Association. Truckload driver turnover at fleets doing more than \$30 million in business annually rose 11 percent in the second quarter of the year from the first quarter to an annual rate of 103%. This is its highest level since the third quarter of 2012 and four percentage points above a year earlier. Turnover at small truckload fleets, those with less than \$30 million revenue, surged 16 points from the previous quarter to 94%, the highest level since the third quarter of 2012 and 12 percentage points more than during the same time in 2013. "These turnover rates show that the shortage is acute, and if the freight economy continues to grow, it will worsen very quickly."

#### **19. UPS profit beats analysts' expectations, confirms outlook**

Robust U.S. consumer and business demand plus strong growth in Asia drove a higher-than-expected quarterly profit at package delivery company United Parcel Service Inc. Atlanta-based UPS also confirmed its full-year profit outlook, predicting earnings per share of between \$4.90 to \$5.00. UPS is the world's largest expedited shipping company.

#### **20. Provision for anti-trust fine takes TNT Express to \$60 million loss**

TNT Express suffered its first operating loss in five quarters due to a provision for a potential anti-trust fine in France. The loss was for the third quarter of 2014.

#### **21. PwC: 'Robust' M&A Activity in North America**

Merger and Acquisition activity in the transportation and logistics industry, especially among trucking companies, increased during the third quarter this year, according to global consulting firm PricewaterhouseCoopers (PwC).

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. Minister Raitt addresses delegates at Transportation Association of Canada's annual conference**

The Honourable Lisa Raitt, Minister of Transport, was in Montreal on October 1, 2014 at the Transportation Association of Canada's (TAC) annual conference where she marked its 100th anniversary and spoke to delegates about the important role transportation plays in supporting trade and economic growth. The Minister detailed the Government of Canada's commitment to the safety and security of Canada's transportation system and discussed the measures that the Harper government has taken to address rail safety. She also spoke about the government's statutory review of the *Canada Transportation Act*.

#### **2. Travel between Canada and other countries, August 2014**

Travel to Canada decreased 0.1% in August 2014 compared with July 2014. Travel from US to Canada declined and travel from Overseas countries to Canada increased. In the other direction, trips made by Canadian residents to the United States rose 1.1% in August 2014 to 4.5 million trips and trips to overseas countries decreased 0.3% compared to the previous month.

#### **3. A Resource Tool for Persons with Disabilities, Carriers and Terminal Operators**

### **Canada**

1. Minister Raitt addresses delegates at Transportation Association of Canada's annual conference, October 1, 2014, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Travel between Canada and other countries, August 2014, October 20, 2014, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. A Resource Tool for Persons with Disabilities, Carriers and Terminal Operators, October 30, 2014, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

On October 30, 2014, the Canadian Transportation Agency released a publication *A Resource Tool for Persons with Disabilities, Carriers and Terminal Operators*. This resource tool provides information about: 1) Canadian standards for the carriage of assistance animals; 2) how assistance animals help persons with disabilities; 3) factors for carriers to consider when determining under what conditions assistance animals may be accepted for carriage; 4) how persons with disabilities should plan their travel with an assistance animal; and 5) relieving areas for assistance animals at terminal facilities.