

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Air Canada's Amended and Extended Capacity Purchase Agreement with Chorus Aviation Inc. Successfully Concluded

Air Canada said on February 2, 2015 that its amended and extended capacity purchase agreement ('CPA') with Chorus Aviation Inc., parent company of Jazz Aviation LP ('Jazz'), has been concluded with all terms and conditions now met. The agreement provides both parties with greater stability and significant cost reductions through a better alignment of their interests.

### 2. WestJet reports January load factor of 79.5 per cent

WestJet on February 3, 2015 announced January 2015 traffic results with a load factor of 79.5 per cent. Revenue passenger miles (RPMs), or traffic, increased 3.6 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 5.5 per cent over the same period. In the month of January 2015, WestJet achieved an on-time performance rate of 73.0 per cent, an improvement of 14.6 percentage points. Its load factor was down 1.4 points compared to January 2013. The airline flew a record 1.6 million guests in January 2015, a year-over-year increase of 2.0 per cent or approximately 32,000 additional guests.

### 3. WestJet reports record full-year and fourth quarter results

WestJet on February 3, 2015 announced its fourth quarter and year-end results for 2014, with record adjusted full-year net earnings of \$317.2 million, or \$2.46 per diluted share. This compares with the net earnings of \$268.7 million, or \$2.03 per diluted share reported in the full-year 2013, up 18 per cent and 21 per cent, respectively. For the fourth quarter, the airline reported record diluted earnings per share of \$0.70, up 35 per cent from \$0.52 reported last year. These fourth quarter 2014 results include pre-tax incentive payments of \$9.8 million associated with WestJet's new pilot agreement reached in December 2014 and a pre-tax non-cash loss of \$2.5 million related to the previously disclosed sale of 10 of our oldest Boeing 737 aircraft,

### 4. Air Canada Reports Record January Load Factor with Record Traffic Results

For the month of January 2015, Air Canada reported a record system load factor of 80.1 per cent, versus 80 per cent in January 2014, on a system-wide capacity increase of 8.3 per cent. On this additional capacity, system wide traffic for January 2015 increased 8.4 per cent. Air Canada reports traffic results on a system-wide basis, including regional airlines from which Air Canada purchases capacity from Air Canada *rouge*<sup>TM</sup>.

### 5. Air Canada and UNITE Reach Tentative Agreement on New Contract

Air Canada on February 5, 2015 announced that it has reached a tentative collective agreement with UNITE for the airline's U.K.-based

## AIR TRANSPORTATION Canada

1. Air Canada's Amended and Extended Capacity Purchase Agreement with Chorus Aviation Inc. Successfully Concluded, February 2, 2015, [www.aircanada.ca](http://www.aircanada.ca)
2. WestJet reports January load factor of 79.5 per cent, February 3, 2015, [www.westjet.ca](http://www.westjet.ca)
3. WestJet reports record full-year and fourth quarter results, February 3, 2015, [www.westjet.ca](http://www.westjet.ca)
4. Air Canada Reports Record January Load Factor with Record Traffic Results, February 4, 2015, [www.aircanada.ca](http://www.aircanada.ca)
5. Air Canada and UNITE Reach Tentative Agreement on New Contract, February 5, 2015, [www.aircanada.ca](http://www.aircanada.ca)
6. Air Canada and International Brotherhood of Teamsters Reach Tentative Agreement on New Contract, February 4, 2015, [www.aircanada.ca](http://www.aircanada.ca)
7. IATA: Global air cargo rebounds in 2014 with 4.5 percent growth, February 4, 2015, [www.iata.org](http://www.iata.org)
8. Air Cargo Ends 2014 on a Positive Note, February 4, 2015, [www.iata.org](http://www.iata.org)
9. Air Canada rouge to Launch New Service with Competitive Fares from Hamilton and Abbotsford, February 5, 2015, [www.aircanada.ca](http://www.aircanada.ca)
10. Passenger Air Services Price Index, 2013, Feb. 10, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
11. Air Canada Reports Record Full Year 2014 Results, February 11, 2015, [www.aircanada.ca](http://www.aircanada.ca)
12. Air Canada gets boost from cost cutting, higher passenger traffic, February 11, 2015, [www.globeandmail.ca](http://www.globeandmail.ca)
13. Lowest Numbers of Tarmac Delays on Record in 2014, February 10, 2015, [www.dot.gov](http://www.dot.gov)
14. Air freight volumes recover, ITF reports, February 10, 2015, [www.ctl.ca](http://www.ctl.ca)
15. WestJet, Philippine Airlines announce code-share, February 11, 2015, [www.westjet.ca](http://www.westjet.ca)
16. Tee-off the season with Porter's

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

workforce. The agreement is subject to ratification by the union membership. Details of the agreement will not be released pending ratification and approval by the Air Canada board of directors.

#### **6. Air Canada and International Brotherhood of Teamsters Reach Tentative Agreement on New Contract**

Air Canada on February 4, 2015 announced that it has reached a tentative collective agreement with the International Brotherhood of Teamsters (IBT) for the airline's U.S.-based workforce. The agreement is subject to ratification by the union membership. Details of the agreement will not be released pending ratification and approval by the Air Canada board of directors.

#### **7. IATA: Global air cargo rebounds in 2014 with 4.5 percent growth**

Global air cargo traffic grew by 4.5 percent in 2014, boosted by a rebound in trade that ended several years of stagnation, the International Air Transport Association said.

#### **8. Air Cargo Ends 2014 on a Positive Note**

The International Air Transport Association (IATA) released full-year air cargo data for 2014 showing 4.5% demand growth compared to 2013 measured by freight tonne kilometers (FTKs). That is a significant acceleration from the 1.4% recorded in 2013 over 2012. Air cargo market expansion gathered momentum as 2014 progressed. The year finished on a positive note, with growth in December 2014 accelerating to 4.9%, compared to December 2013. The vast majority of the growth in 2014, however, was in the Asia-Pacific and Middle East regions, which respectively contributed 46% and 29% of the expansion in FTKs. Growth was recorded in all other regions, but was particularly weak in Latin America.

#### **9. Air Canada rouge to Launch New Service with Competitive Fares from Hamilton and Abbotsford**

Air Canada announced on February 5, 2015 that it will launch this summer new, year-round Air Canada rouge services between Hamilton and Calgary and seasonal service between Toronto Pearson and Abbotsford. The non-stop, daily flights will give Canadian travelers more competitively-priced options when flying within Canada.

#### **10. Passenger Air Services Price Index, 2013**

The Passenger Air Services Price Index increased 1.1% in 2013 compared with 2012. The domestic fares component was up 0.4%, while the international fares component rose 1.5%.

#### **11. Air Canada Reports Record Full Year 2014 Results**

Air Canada on February 11, 2015 reported full year adjusted net income of \$531 million or \$1.81 per diluted share compared to adjusted net income of \$340 million or \$1.20 per diluted share in 2013, an improvement of \$191 million or \$0.61 per diluted share. EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rent) amounted to \$1.671 billion compared to EBITDAR (excluding the impact of benefit plan amendments) of \$1.433 billion in 2013, an improvement of \$238 million or 16.6 per cent. On a GAAP basis, Air Canada reported 2014 operating income of \$815 million, an increase of \$196 million or 31.7 per cent from 2013. The airline reported net income of \$105 million or \$0.34 per diluted share in 2014 compared to net income of \$10 million or \$0.02 per diluted share in 2013.

#### **12. Air Canada gets boost from cost cutting, higher passenger traffic**

Air Canada's profit hit a record last year amid cost cutting and increased passenger traffic, while lower fuel

flights to Myrtle Beach, February 12, 2015, [www.flyporter.com](http://www.flyporter.com)

17. November 2014 U.S. Airline Traffic Data, February 12, 2015, [www.bts.gov](http://www.bts.gov)

18. WestJet Encore expands Kamloops service, February 15, 2015, [www.westjet.ca](http://www.westjet.ca)

19. WestJet launches service to Loreto, February 14, 2015, [www.westjet.ca](http://www.westjet.ca)

20. Charleston, S.C., gives Porter Airlines a southern welcome for inaugural flight, February 14, 2015, [www.flyporter.com](http://www.flyporter.com)

21. New baggage fees boost profits for Air Canada, WestJet, February 16, 2015, [www.globeandmail.ca](http://www.globeandmail.ca)

22. Regulations will facilitate integration of small UAS into U.S. aviation system, February 15, 2015, [www.dot.gov](http://www.dot.gov)

23. Air Canada Announces Ratification of New Collective Agreement by U.K. Employees, February 17, 2015, [www.aircanada.ca](http://www.aircanada.ca)

24. Air Canada Named Top Airline in Customer Loyalty, February 17, 2015, [www.aircanada.ca](http://www.aircanada.ca)

25. Porter completes rollout of 31 JetBlue interline destinations, February 17, 2015, [www.flyporter.com](http://www.flyporter.com)

26. Global air freight rises 5% in 2014: ACI, February 17, 2015, [www.ctl.ca](http://www.ctl.ca)

27. Civil aviation operating statistics, December 2014, February 19, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)

28. Aircraft movement statistics: Small airports, August 2014, February 19, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)

29. WestJet adds flights between Vancouver and Toronto, February 19, 2015, [www.westjet.ca](http://www.westjet.ca)

30. Porter Airlines increases flights for Stephenville this summer, February 19, 2015, [www.aircanada.ca](http://www.aircanada.ca)

31. December 2014 Passenger Airline Employment Data, February 19, 2015, [www.dot.gov](http://www.dot.gov)

32. WestJet Cargo voted best air cargo provider, February 23, 2015, [www.westjet.ca](http://www.westjet.ca)

33. Civil aviation operating and financial statistics, 2013, February 24, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)

34. Lower oil prices could become 'significant headwind' for airlines: CIBC, February 25, 2015, [www.nationalpost.ca](http://www.nationalpost.ca)

costs are expected to help the airline improve its performance in 2015.

### **13. Lowest Numbers of Tarmac Delays on Record in 2014**

The U.S. Department of Transportation announced on February 10, 2015 that in calendar year 2014, airlines reported the lowest number of tarmac delays longer than three hours on record.

### **14. Air freight volumes recover, ITF reports**

The latest update of global freight data collected by the International Transport Forum at the OECD through November 2014 shows that: air freight volumes in tonnes of goods moved, considered as a lead indicator, have recovered above pre-crisis peak in the United States and EU-28.

### **15. WestJet, Philippine Airlines announce code-share**

WestJet on February 11, 2015 announced that it has entered into a code-share agreement with Philippine Airlines (PAL), allowing the carrier to begin marketing and selling WestJet-operated flights. The two carriers are building on an existing interline agreement that has been in place since May 2013.

### **16. Tee-off the season with Porter's flights to Myrtle Beach**

Porter Airlines begins its annual winter/spring service to Myrtle Beach on February 12, 2015. Just a two-hour flight from downtown Toronto.

### **17. November 2014 U.S. Airline Traffic Data**

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on February 12, 2015 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – fell to 82.6 percent in November, 2014 seasonally adjusted, after remaining virtually unchanged for four consecutive months.

### **18. WestJet Encore expands Kamloops service**

WestJet on February 15, 2014 launched a new, non-stop service between Edmonton and Kamloops, British Columbia, on board its fleet of Canadian-made Bombardier Q400 NextGen aircraft. The inaugural flight departs from Edmonton International Airport at 3:30 p.m. mountain time.

### **19. WestJet launches service to Loreto**

WestJet on February 14, 2015 launched a new, seasonal non-stop service between Calgary and Loreto, Mexico. The inaugural flight departs from Calgary International Airport at 9 a.m. mountain time.

### **20. Charleston, S.C., gives Porter Airlines a southern welcome for inaugural flight**

Passengers celebrated alongside Porter Airlines on February 14, 2015 on its inaugural flight from Billy Bishop Toronto City Airport to Charleston, S.C., the company's newest seasonal destination. This is the only non-stop flight connecting Canada and Charleston.

### **21. New baggage fees boost profits for Air Canada, WestJet**

Checked baggage fees are paying off for Canada's two major airlines. The charges are part of ancillary fees – which also include passenger fees for preferred seating, in-flight meals and premium economy privileges – that airlines have tapped to boost profits. "We'll use whatever tools we have at our disposal to drive profitability," Air Canada CEO Calin Rovinescu said last week during a conference call about its 2014 results, making reference to fee hikes, additional seating and raising airfares.

### **22. Regulations will facilitate integration of small UAS into U.S. aviation system**

The Department of Transportation's Federal Aviation Administration on February 15, 2015 proposed a framework of regulations that would allow routine use of certain small unmanned aircraft systems (UAS) in today's aviation system, while maintaining flexibility to accommodate future technological innovations.

### **23. Air Canada Announces Ratification of New Collective Agreement by U.K. Employees**

Air Canada said on February 17, 2015 that it has been advised by UNITE, the union representing the airline's U.K.-based employees, that its members have ratified a new collective agreement reached January 30, 2015. The new agreement is in effect until December 31, 2019.

### **24. Air Canada Named Top Airline in Customer Loyalty**

Air Canada has been named the leading airline in customer loyalty, according to Brand Keys 2015 Customer Loyalty Engagement Index® (CLEI). The 19<sup>th</sup> annual survey, conducted by independent marketing research firm, Brand Keys, measures a brand's ability to meet customers' expectations better than the competition.

### **25. Porter completes rollout of 31 JetBlue interline destinations**

The first wave of 31 destinations are now available as part of an interline agreement between Toronto-based Porter Airlines and New York-based JetBlue Airways. Passengers can book flights directly on Porter's website, [www.flyporter.com](http://www.flyporter.com). Porter and JetBlue announced their partnership in October 2014, and routes have been steadily added since then. Both carrier's customer focus and innovative product and service offerings have made for an ideal collaboration.

**26. Global air freight rises 5% in 2014: ACI**

Global air freight grew 4.7% in 2014 along with 5% growth in passenger traffic, ending three years of stagnant growth, according to Montreal-based Airports Council International (ACI). “The mature markets of North America and Europe experienced modest growth levels whereas the major emerging economies such as BRICS [Brazil, Russia, India, China and South Africa] had posted double-digit gains year after year” said ACI economics director Rafael Echevarne.

**27. Civil aviation operating statistics, December 2014**

The two major Canadian air carriers flew 3.9 million passengers on their scheduled and charter services in December 2014, up 9.7% from the same month in 2013. On average, each passenger travelled 2681 kilometres, up 0.8% compared with December 2013. Both Air Canada and WestJet increased their passenger capacity and traffic in December 2014. Traffic totalled 10.3 billion passenger-kilometres, up 10.6%.

**28. Aircraft movement statistics: Small airports, August 2014**

The number of take-offs and landings for 129 airports without air traffic control towers reached 67,231 movements in August 2014. The five airports that recorded more than 2,000 take-offs and landings were Peterborough, Ontario (7,767 movements), Goose Bay, Newfoundland and Labrador (3,265), Red Lake, Ontario (2,491), Trois-Rivières, Quebec (2,412), and Muskoka, Ontario (2,353). These airports accounted for 27% of the movements during the month.

**29. WestJet adds flights between Vancouver and Toronto**

WestJet announced on February 19, 2015 even more non-stop flights between Vancouver and Toronto as Canadians prepare for the busy summer travel season. Canada's most-preferred airline, will add nearly two dozen more flights between May 3 and October 24, 2015 increasing overall capacity between Vancouver and Toronto by more than 10 per cent.

**30. Porter Airlines increases flights for Stephenville this summer**

Porter Airlines is adding a second weekly flight to Stephenville, NL, this summer, as it seeks to improve travel options for southwestern and western Newfoundland. Increased service begins June 20, 2015, connecting non-stop to Halifax.

**31. December 2014 Passenger Airline Employment Data**

U.S. scheduled passenger airlines employed 386,219 workers in December 2014, 1.4 percent more than in December 2013, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on February 19, 2015.

**32. WestJet Cargo voted best air cargo provider**

Canadian supply chain companies have named WestJet Cargo Best Air Cargo Provider 2014 at the first annual Cargo Logistics Canada Awards of Excellence held recently in Vancouver.

**33. Civil aviation operating and financial statistics, 2013**

Canadian Level I to III air carriers reported 67.3 million enplaned passengers in 2013, up 0.6% from 2012. The domestic sector rose 3.0% to 37.4 million passengers, while the international sector (inclusive of passengers between Canada and the United States) decreased 2.1% to 29.9 million passengers. The passenger counts on scheduled flights rose 0.8% to 60.7 million, while the number of passengers flying on chartered flights declined 1.0% to 6.6 million. Total operating revenues rose 1.7% from a year earlier to \$20.6 billion in 2013. Total operating expenses increased 0.6% to \$19.3 billion.

**34. Lower oil prices could become 'significant headwind' for airlines: CIBC**

The airlines have been trumpeting the benefits of lower fuel prices, but the falling cost of oil could morph into “a significant headwind” instead, says CIBC. “The elephant in the room is the concern of what lower energy prices mean for the Canadian economy and the impact on air traffic demand,” CIBC World Markets analyst Kevin Chiang said in a note to clients. If demand for air travel falls the way it did during the 2009 recession, CIBC estimates the airlines could experience a 5% impact on demand growth. So far, Air Canada and WestJet Airlines Ltd. have asserted that demand has not been impacted by Alberta's weakening economy, but “it is a question of when and not if” that happens, Mr. Chiang said. Then there is also the question of the falling value of the Canadian dollar.

## **WATER TRANSPORTATION**

### **1. New terminals drive DP World traffic up almost 9 percent**

DP World handled 59.9 million TEUs across its global network in 2014, a year-on-year growth of 8.9 percent that was helped by the contribution from new terminals at London Gateway and Embraport in Brazil.

### **2. Marine Atlantic renews MV Atlantic Vision lease agreement for three-year term**

The Honourable Lisa Raitt, Minister of Transport, and Marine Atlantic's President and CEO Paul Griffin announced on February 3, 2015 that Marine Atlantic has renewed the lease agreement for the MV *Atlantic Vision* until November 2017, allowing existing ferry service routes to connect Newfoundland and Labrador with the rest of Canada. Chartering this vessel provides Marine Atlantic with better options for fleet configuration and helps improve the service to Port aux Basques, Argentia and North Sydney.

### **3. Halifax Port Authority releases Economic Impact Report findings**

"The recent economic impact report for the Port of Halifax shows a strong recapture rate in containerized cargo and gross tonnage following the recession of 2008 and 2009. At the same time the Halifax Port Authority is developing the other core areas of business – real estate and cruise – for the benefit of all." The most recent economic impact report, produced by Chris Lowe Planning and Management Group, shows the importance of diversification in terms of overall business development.

### **4. West Coast port congestion could cost retailers \$36.9 billion over 24 months: analyst**

West Coast port congestion issues [in the US] could cost retailers as much as \$7 billion this year, according to a Kurt Salmon analysis. Work stoppage threats and major trade associations' calls for federal intervention have retailers and consumer products companies on high alert. The National Retail Federation and National Association of Manufacturers estimate that the impact of a 10-day shutdown could be as much as \$2.1 billion per day on the overall economy.

### **5. US West Coast congestion ripples through supply chains**

As negotiations between the International Longshore and Warehouse Union and waterfront employers drag on, the impact of U.S. West Coast port congestion is rippling far beyond just U.S. supply chains and hampering shippers from Canada to Japan.

### **6. Port Metro Vancouver – Accumulated Container Traffic: YTD – December 2014**

Port of Vancouver reported its container traffic data for December on February 12, 2015. For the Port of Metro Vancouver, the number of containers (TEUs i.e. twenty-foot equivalents) moving through it increased by 3.1% to 2,912,928 in 2014 from 2,825,475 in 2013, imports increased 3.2% (to 1,556,706) and exports increased 2.9% (to 1,356,223).

### **7. Port Metro Vancouver reports record year for cargo**

Port Metro Vancouver has released its 2014 year-end statistics, showing its second consecutive year of record-breaking cargo volumes. The year was marked by best-ever volumes in the bulk and container sectors, resulting in a record overall year in tonnage. The port's terminals handled 140 million tonnes of cargo in 2014, up three per cent from 2013. Import cargo rose 4.1 per cent to 27 million tonnes, and exports rose 3.3 per cent to 108 million tonnes.

### **8. Drewry: 2014 Congestion cost US West Coast ports up to 150,000 TEUs**

Port congestion on the U.S. West Coast is estimated to have caused the diversion of as much as 150,000 TEUs to East Coast ports during 2014, according to Drewry's Container Insight Weekly.

### **9. Shippers urge increased liner alliance monitoring after latest tie-up**

## **WATER TRANSPORTATION**

### **Canada**

1. New terminals drive DP World traffic up almost 9 percent, February 2, 2015, [www.joc.com](http://www.joc.com)

2. Marine Atlantic renews MV Atlantic Vision lease agreement for three-year term, February 3, 2015, [www.tc.gc.ca](http://www.tc.gc.ca)

3. Halifax Port Authority releases Economic Impact Report findings, Feb. 3, 2015, [www.portofhalifax.ca](http://www.portofhalifax.ca)

4. West Coast port congestion could cost retailers \$36.9 billion over 24 months: analyst, February 8, 2015, [www.ctl.ca](http://www.ctl.ca)

5. US West Coast congestion ripples through supply chains, February 9, 2015, [www.joc.com](http://www.joc.com)

6. Port Metro Vancouver – Accumulated Container Traffic: YTD – December 2014, February 12, 2014, [www.portmetrovancover.com](http://www.portmetrovancover.com)

7. Port Metro Vancouver reports record year for cargo, February 12, 2015, [www.ctl.ca](http://www.ctl.ca)

8. Drewry: 2014 Congestion cost US West Coast ports up to 150,000 TEUs, February 16, 2015, [www.joc.com](http://www.joc.com)

9. Shippers urge increased liner alliance monitoring after latest tie-up, February 16, 2015, [www.joc.com](http://www.joc.com)

10. Port Metro Vancouver – Accumulated Container Traffic: YTD – January 2015, February 19, 2015, [www.portmetrovancover.com](http://www.portmetrovancover.com)

11. Prince Rupert Port Authority-Monthly traffic statistics: January 2015, Feb. 20, 2015, [www.rupertport.com](http://www.rupertport.com)

12. Vancouver drayage drivers call for trucking commissioner to step down, February 20, 2015, [www.joc.com](http://www.joc.com)

13. Port of Halifax anticipating 146 cruise vessel calls during 2015 cruise season, February 23, 2015, [www.portofhalifax.ca](http://www.portofhalifax.ca)

14. Harper cuts tax for LNG projects, February 24, 2015, [www.today'strucking.com](http://www.today'strucking.com)

15. APTA: Marine Atlantic Ice-Breaking Not Adequate, February 25, 2015, [www.canturck.ca](http://www.canturck.ca)

The European Shippers' Council urged competition regulators to step up monitoring of deals like the increased collaboration between CMA CGM and Hamburg-Sud, which "will make sure the container liner market will be one step closer to total convergence."

**10. Port Metro Vancouver – Accumulated Container Traffic: YTD – January 2015**

Port of Vancouver reported its container traffic data for January 2015 on February 19, 2015. For the Port of Metro Vancouver, the number of containers (TEUs i.e. twenty-foot equivalents) moving through it decreased by 0.3% to 238,919 in January 2015 from 239,633 in January 2014, imports decreased 7.6% (to 133,814) and exports increased 10.8% (to 105,105).

**11. Prince Rupert Port Authority-Monthly traffic statistics: January 2015**

The Port of Prince Rupert Port Authority released its monthly traffic statistics for January 2015 on February 20, 2015. Total container traffic in terms of TEUs increased by 23.51% to 60,758.75 from 49,191.75. Imports increased by 14.90% and exports increased by 37.55%.

**12. Vancouver drayage drivers call for trucking commissioner to step down**

A union representing about 400 harbor truckers serving Port Metro Vancouver is calling on the recently tapped head of the new drayage commission, tasked with setting minimum rates and governing licenses, to step down.

**13. Port of Halifax anticipating 146 cruise vessel calls during 2015 cruise season**

The 2015 cruise season at the Port of Halifax will begin on April 19, 2015 with the arrival of the Regal Princess. This year, the Port of Halifax is planning to welcome 146 cruise vessels carrying approximately 240-thousand passengers plus crew. This year also marks the 175th anniversary of Cunard's first regularly scheduled transatlantic voyage.

**14. Harper cuts tax for LNG projects**

Prime Minister Stephen Harper announced in the second week of February 2015 that he's cutting taxes on liquefied natural gas (LNG) projects in an effort to kick-start investment to the industry.

**15. APTA: Marine Atlantic Ice-Breaking Not Adequate**

The Atlantic Provinces Trucking Association says the current weather situation, including the build-up of ice in the Atlantic gulf, is "very distressing" and called on the government to do a better job of helping to maintain ferry transportation services. Jean-Marc Picard, executive director of the APTA, said the accumulating ice is impacting ferry service to and from Newfoundland & Labrador. Picard added ferry provider Marine Atlantic "needs better service to break the ice to maintain their service to the commercial carriers and to Newfoundlanders. The delays are accumulating because the Federal Government is not providing adequate ice breaking service to Marine Atlantic."

## RAIL TRANSPORTATION

### 1. CN's maintenance-of-way employees ratify new 4 year labour agreement

CN announced that members of the United Steelworkers (USW) union Local 2004 have ratified a four-year labour agreement covering approximately 3,000 maintenance-of-way employees who inspect, maintain and repair CN's track, bridges and structures in Canada. The new agreement was reached prior to the expiry of the previous agreement and is retroactive to Jan. 1, 2015.

### 2. United Steelworkers, Canadian National Railway, renew collective agreement

The United Steelworkers and Canadian National Railway (CN) have renewed their collective agreement. The agreement was reached following direct negotiations between both parties.

### 3. CN says it is in sync with Western Canada's grain supply chain

Claude Mongeau, president and chief executive officer of CN, said that the company is continuing its record-setting pace of grain movements and remains fully in sync with the grain supply chain in Western Canada. By the end of January 2015 — half-way through the 2014-15 Western Canada grain crop year — CN had transported 18 per cent more loaded grain covered hoppers in Western Canada than during the comparable period of the 2013-14 crop year, he said.

### 4. CN announces plan to buy back shares through a private agreement

CN announced on February 9, 2015 that it intends to purchase for cancellation up to 658,333 of its common shares pursuant to a private agreement between CN and an arm's-length third-party seller. The purchase will form part of CN's repurchase program for up to 28 million shares announced on Oct. 21, 2014.

### 5. Teamsters Rail members vote 93% in favour of strike action

The Teamsters Canada Rail Conference (TCRC) members employed as Locomotive Engineers, Conductors, Trainmen and Yardmen throughout Canada have voted 93% in favour of taking strike action in order to obtain a negotiated settlement with Canadian Pacific Railway. The Teamsters Union and CP are within the 21 day cooling off period as provided for within the Canada Labour Code. A strike or lockout is possible as early as February 15, said a Teamsters release.

### 6. CP intermodal shippers face reduced service if union strikes

Canadian intermodal shippers could see a reduction in Canadian Pacific Railway service if a union representing 3,300 locomotive engineers, conductors and train workers follow through with their threat to strike later this week if the railroad doesn't meet their contract demands.

### 7. CIFFA urges Government of Canada to "take any necessary action" to keep railroads moving

The Canadian International Freight Forwarders Association, has written to Canada's Minister of Labour, the Honourable Ms. Kellie Leitch, the Honourable Ms. Lisa Raitt, and The Honourable Mr. Ed Fast, Minister of International Trade, regarding threatened strike Action at CN and CP. "In what is becoming almost an annual rite of passage, today we are writing to underline the potentially catastrophic impacts to Canada's trade, our ports and our economy with the current labour negotiations at both CN and CP and we urge the Government of Canada to take any necessary action to keep the railroads operating."

### 8. CP engineers on strike after talks fail

A Teamsters union representing more than 3,000 Canadian Pacific Railway locomotive engineers and conductors walked off the job after

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5. Teamsters Rail members vote 93% in favour of strike action, February 10, 2015, [www.ctl.ca](http://www.ctl.ca)

6. CP intermodal shippers face reduced service if union strikes, February 11, 2014, [www.joc.com](http://www.joc.com)

7. CIFFA urges Government of Canada to "take any necessary action" to keep railroads moving, February 13, 2015, [www.ctl.ca](http://www.ctl.ca)

8. CP engineers on strike after talks fail, February 15, 2015, [www.joc.com](http://www.joc.com)

9. Government to intervene as CP strike threatens economy, February 15, 2015, [www.globeandmail.ca](http://www.globeandmail.ca)

10. CN reaches tentative labour agreement with Teamsters union representing locomotive engineers in Canada, February 15, 2015, [www.ctl.ca](http://www.ctl.ca)

11. CN train carrying crude oil derails, catches fire in Northern Ontario, Feb. 15, 2015, [www.globeandmail.ca](http://www.globeandmail.ca)

12. CP strike ends after railroad, union agree to arbitration, February 17, 2015, [www.joc.com](http://www.joc.com)

13. Canadian Pacific and Teamsters Canada Rail Conference Agree to Binding Arbitration, February 16, 2015, [www.cpr.ca](http://www.cpr.ca)

14. CN intermodal shippers face service decrease if union strikes, February 18, 2015, [www.joc.com](http://www.joc.com)

15. CN says Unifor union continues to reject "fair company offer" on new collective agreement, February 18, 2015, [www.ctl.ca](http://www.ctl.ca)

16. CN locomotive engineers and conductors on Northern Quebec Internal Short Line ratify new collective agreement, February 18, 2015, [www.cn.ca](http://www.cn.ca)

17. Unifor to start strike vote at CN, pushes company to follow collective bargaining process, February 19, 2015, [www.ctl.ca](http://www.ctl.ca)

18. Canadian Pacific Railway Limited declares dividend, February 19, 2015, [www.cpr.ca](http://www.cpr.ca)

19. Government of Canada introduces legislation to strengthen rail safety and accountability, February 20, 2015, [www.tc.gc.ca](http://www.tc.gc.ca)

20. CN threatens Monday lockout if

failing to reach an agreement by the midnight deadline on Feb. 14, 2015. As a result, the TCRC have indicated they will strike as of 12:01 a.m. on February 15, 2015.

#### **9. Government to intervene as CP strike threatens economy**

A strike by locomotive engineers and conductors at Canadian Pacific Railway Ltd. is expected to be felt by everyone from Prairie grain farmers to commuters in downtown Montreal. The government will introduce back-to-work legislation when Parliament resumes sitting on February 16, 2015, and federal Labour Minister Kellie Leitch has told both sides she will send the dispute to binding arbitration.

#### **10. CN reaches tentative labour agreement with Teamsters union representing locomotive engineers in Canada**

CN has negotiated a tentative labour agreement with the Teamsters Canada Rail Conference (TCRC) union that represents approximately 1,800 of the company's locomotive engineers in Canada. Details of the tentative settlement are being withheld pending ratification by TCRC members. The union expects to announce the results of the ratification vote by mid-April 2015, said a release.

#### **11. CN train carrying crude oil derailed, catches fire in Northern Ontario**

A Canadian National Railway Co. train carrying 100 tank cars of crude oil derailed and caught fire in Northern Ontario early morning on February 15, 2015. A CN spokesman said there were no injuries in the derailment that happened around midnight on February 14 about 80 kilometres south of Timmins, Ont., on the CN mainline in a remote area inaccessible by road.

#### **12. CP strike ends after railroad, union agree to arbitration**

Canadian Pacific Railway and union locomotive engineers and conductors have agreed to enter into binding government arbitration, ending a strike that began on February 15, 2015 and could have severely crippled U.S. and Canadian supply chains. Given this agreement the Minister of Labour decided not to introduce the back to work legislation.

#### **13. Canadian Pacific and Teamsters Canada Rail Conference Agree to Binding Arbitration**

Canadian Pacific and the Teamsters Canada Rail Conference (TCRC) on February 16, 2015 agreed to enter into binding arbitration, putting an end to the work stoppage by CP's locomotive engineers and conductors. "This decision ensures both sides will get back to the table, and gets us back to moving Canada's economy forward," said E. Hunter Harrison, CP's Chief Executive Officer. "While we would have preferred a negotiated settlement, this is the right thing to do at this time." An arbitrator will be appointed by the federal government. No further details are being released at this time.

#### **14. CN intermodal shippers face service decrease if union strikes**

Canadian National Railway intermodal shippers face the prospect of a decrease in service if 4,800 union members walk off the job over a dispute on whether the railroad should pay into its community fund.

#### **15. CN says Unifor union continues to reject "fair company offer" on new collective agreement**

CN said on February 18, 2015 that the Unifor union in Canada continues to reject a fair company offer to reach a new collective agreement in line with settlements it has negotiated with three other unions. A key stumbling block is Unifor's demand that CN contribute cash to the union's political and community action fund.

#### **16. CN locomotive engineers and conductors on Northern Quebec Internal Short Line ratify new collective agreement**

CN announced on February 18, 2015 that locomotive engineers and conductors working on the company's Northern Quebec Internal Short line have ratified a new collective agreement. The employees are represented by the Teamsters Canada Rail Conference (TCRC) union. The four-year agreement provides wage increases and benefit improvements to 93 employees.

#### **17. Unifor to start strike vote at CN, pushes company to follow collective bargaining process**

In a press conference today, Unifor President Jerry Dias announced that after five months of "futile" negotiations with CN Rail, the union will be commencing strike votes at CN as of early as the last week of February

#### **18. Canadian Pacific Railway Limited declares dividend**

The Board of Directors of Canadian Pacific Railway Limited on February 19, 2015 declared a quarterly dividend of thirty-five cents (\$0.35) Canadian per share on the outstanding Common Shares. The dividend

union doesn't accept arbitration, February 20, 2015, [www.joc.com](http://www.joc.com)  
21. CN and Unifor unable to reach full agreement today on negotiated settlement during Ottawa meeting with conciliation officials but will resume bargaining tomorrow, February 22, 2015, [www.cn.ca](http://www.cn.ca)  
22. CN negotiates tentative labour agreement with Unifor, February 23, 2015, [www.cn.ca](http://www.cn.ca)  
23. CP Announces Intention to Renew Its Share Repurchase Program, February 23, 2015, [www.cpr.ca](http://www.cpr.ca)  
24. Railway Carloadings, December 2014, February 25, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)  
25. CN says Teamsters-represented rail traffic controllers in Canada ratify new collective agreement, February 25, 2015, [www.cn.ca](http://www.cn.ca)

is payable on April 27, 2015 to holders of record at the close of business on March 27, 2015, and is an "eligible" dividend for purposes of the Income Tax Act (Canada) and any similar provincial/territorial legislation.

**19. Government of Canada introduces legislation to strengthen rail safety and accountability**

The Honourable Lisa Raitt, Minister of Transport, February 20, 2015 introduced legislation in the House of Commons that will enhance railway safety and make the rail industry and crude oil shippers more accountable to Canadians. The new *Safe and Accountable Rail Act* proposes amendments to the *Canada Transportation Act* and *Railway Safety Act*. Changes include a new liability and compensation regime for federally regulated railways, including minimum insurance requirements; a compensation fund financed by levies on crude oil shippers; increased information-sharing provisions; and stronger oversight powers for the Minister and Transport Canada inspectors. The new liability and compensation regime will be consistent with those the Government has introduced for other modes of transport, such as marine tankers and oil pipelines. It is based on the "polluter pays" principle and makes railways and shippers responsible for the cost of accidents, protecting taxpayers and communities by ensuring that adequate resources are available for compensation if an accident were to occur.

**20. CN threatens Monday lockout if union doesn't accept arbitration**

Canadian National Railway said it will lock out 4,800 union workers, some of whom are tied to its intermodal services, on February 23, 2015 night if Unifor doesn't agree to accept binding arbitration this weekend.

**21. CN and Unifor unable to reach full agreement today on negotiated settlement during Ottawa meeting with conciliation officials but will resume bargaining tomorrow**

CN met the leadership of Unifor for several hours in Ottawa February 22, 2015 with officials of the government's Federal Conciliation and Mediation Service but was unable to negotiate all terms of a new contract. However, the two parties will meet again first thing tomorrow morning (February 23) in Ottawa to resume collective bargaining.

**22. CN negotiates tentative labour agreement with Unifor**

CN announced on February 23, 2015 that it has negotiated a tentative labour agreement with the Unifor union. As a result, CN has withdrawn its lockout notice to Unifor, which would have come effective at 2300 hours local time on February 23 in the absence of a settlement.

**23. CP Announces Intention to Renew Its Share Repurchase Program**

Canadian Pacific on February 23, 2015 announced that it intends to renew its normal course issuer bid (NCIB) commencing March 17, 2015, subject to the approval of the Toronto Stock Exchange. CP's board of directors has authorized the repurchase of up to 9.14 million of its common shares, for cancellation, representing approximately 6 percent of CP's "public float" of common shares as at February 20, 2015.

**24. Railway Carloadings, December 2014**

The volume of rail freight carried in Canada totalled 29.0 million tonnes in December 2014, an 11.5% increase from the same month a year earlier. Domestic rail freight originating in Canada and destined within Canada and other parts of the world rose 12.9% to 25.7 million tonnes. Intermodal freight loadings rose 12.8% to 173,000 units in December. Traffic received from the United States rose 1.7% to 3.3 million tonnes. The rise was the result of an increase in non-intermodal shipments.

**25. CN says Teamsters-represented rail traffic controllers in Canada ratify new collective agreement**

CN announced on February 25, 2015 that members of the Teamsters Canada Rail Conference-Rail Canada Traffic Controllers union have ratified a new labour agreement. The four-year agreement covers approximately 180 rail traffic controllers in Canada.

## HIGHWAY TRANSPORTATION

### 1. TCA Boss: Creativity Key to Attracting NextGen Drivers

The onus is on the trucking industry to find its next generation of truck drivers, says current TCA Chairman Shephard Dunn of Indiana-based Bestway Express, adding that carriers who are most responsive to change are the ones who will continue to grow in an ever-changing marketplace. As reported by *Fleet Owner* magazine, Dunn said that driver pay has a role, but it isn't the only solution to winning the recruitment and retention game. He pointed to "plenty of carriers" who pay about the industry standard who are also having the same problems attracting drivers. "There are no silver bullets, and no easy answers." The event, focused on the "New School" in recruiting and retention, offered carriers tips on accommodating new generation drivers

1. "Work more with customers on length of haul" to better fit driver's home needs.
2. Work with sales reps to identify more "driver-friendly freight," from the aforementioned haul lengths to shippers and receivers where detention is not an issue.
3. Any driver quality-of-life improvements "will pay dividends" through recruiting and retention efforts.

### 2. Study: Trucking dangerous goods in Canada, 2004 to 2012

In 2012, the combined weight of all commodities shipped by Canadian for-hire trucking establishments was over 650 million tonnes, with dangerous goods accounting for 17% of the total or about 107 million tonnes. This was an increase in the relative share of dangerous goods transported compared with the 81 million tonnes shipped in 2004, when dangerous goods made up 14% of total for-hire truck shipping.

### 3. 3 U.S. regulatory updates you need to know about

In the motor carrier world, there's a lot happening in the United States these days, if you've been operating into the United States. First, **hours-of-service restart rules suspended** - In mid-December 2014, President Obama signed the FY 2015 Omnibus Appropriations bill into law. The bill immediately prohibited the enforcement of the 34-hour restart restrictions as currently written in Section 395.3 of the Federal Motor Carrier Safety Regulations. Second, **no-defect driver vehicle inspection report eliminated** - if the commercial vehicle has no defects. Third, **USDOT number deactivations** - update your motor carrier information on file with the FMCSA (your MCS-150) at least every two years according to the schedule in Section 390.19, or you will face deactivation of your USDOT number.

### 4. December 2014 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, was virtually unchanged in December 2014 from November 2014, failing to rise after five consecutive months of increases, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The December 2014 index level (123.8) was 30.9 percent above the April 2009 low during the most recent recession.

### 5. Truckers had second-busiest January on record

In 2015, truckers had the second-busiest January 2015 ever recorded by TransCore Link Logistics Canadian Freight Index.

### 6. Tight capacity and growing demand will push truck rates up

Tight truckload capacity and an improving economy will push freight rates higher this year, according to Ben Hartford, senior research analyst at Robert W. Baird Co.

### 7. ATRI: Aging Demographics to Fuel Driver Shortage Next 10 Years

## HIGHWAY TRANSPORTATION Canada

1. TCA Boss: Creativity Key to Attracting NextGen Drivers, February 5, 2015, [www.cantruck.ca](http://www.cantruck.ca)
2. Study: Trucking dangerous goods in Canada, 2004 to 2012, February 11, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. 3 U.S. regulatory updates you need to know about, February 10, 2015, [www.todaystrucking.com](http://www.todaystrucking.com)
4. December 2014 Freight Transportation Services Index (TSI), February 11, 2014, [www.dot.gov](http://www.dot.gov)
5. Truckers had second-busiest January on record, February 12, 2014, [www.todaystrucking.com](http://www.todaystrucking.com)
6. Tight capacity and growing demand will push truck rates up, February 16, 2015, [www.joc.com](http://www.joc.com)
7. ATRI: Aging Demographics to Fuel Driver Shortage Next 10 Years, February 17, 2015, [www.cantruck.ca](http://www.cantruck.ca)
8. Travel between Canada and other countries, December 2014, February 18, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)
9. Government of Canada welcomes an arrangement with the United States to advance the new publicly-owned bridge between Windsor, Ontario and Detroit, Michigan, February 18, 2015, [www.tc.gc.ca](http://www.tc.gc.ca)
10. Detroit-Windsor Bridge Sees Clear Road, February 20, 2015, [www.todaystrucking.com](http://www.todaystrucking.com)
11. New Detroit-Canada bridge to cut congestion, add needed capacity, February 21, 2015, [www.joc.com](http://www.joc.com)
12. Large urban transit, December 2014, February 24, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)

## US

1. U.S. Transportation Secretary Foxx Recommends \$3.2 Billion to Expand Transit Options that Improve Access to Jobs and Opportunities, February 3, 2015, [www.dot.gov](http://www.dot.gov)
2. U.S. Department of Transportation Announces \$55 Million in Grants To Put More Zero-Emission Buses Into Service Across America, February 5, 2015, [www.dot.gov](http://www.dot.gov)
3. U.S. Transportation Secretary Anthony Foxx Announces More than \$232 Million in Emergency Relief for Road/Bridge Repairs, February 18, 2015, [www.dot.gov](http://www.dot.gov)

More than half of truck operators in the U.S. are 45 years or older, according to data presented last by the American Transportation Research Institute, placing even more stress on the systematic underpinnings of an already problematic driver recruiting and retention problem. In a conference call by Stifel Capital Markets, ATRI President Rebecca Brewster outlined the shifting age demographics among truck operators. As reported by *CCJ magazine*, ATRI states the number of drivers in the 25-34 age group “have decreased significantly” while the industry’s current “greatest generation” of truck operators will be retiring within the next decade or so..

#### **8. Travel between Canada and other countries, December 2014**

Travel to Canada rose 3.6% in December 2014 compared with November 2014. This was entirely the result of more trips made by US travellers to Canada. Travel from the United States to Canada increased 4.7% to 1.7 million trips. Travel to Canada from overseas countries decreased 0.5% in December 2014 to 441,000 trips. Canadian residents made 5.2 million trips abroad, up 0.2% from November 2014. The number of trips made by Canadian residents to the United States rose 0.3% to 4.3 million. The number of trips made by Canadians to overseas countries decreased 0.6% to 922,000.

#### **9. Government of Canada welcomes an arrangement with the United States to advance the new publicly-owned bridge between Windsor, Ontario and Detroit, Michigan**

The Minister of Transport said "I am pleased to confirm that following significant discussions with the United States and Michigan, Canada has now signed an Arrangement to ensure that the new publicly-owned bridge between Windsor, Ontario and Detroit, Michigan can proceed without further delay." "Under the terms of the Arrangement, the U.S. inspection plaza will be procured as part of the public-private partnership (P3) which will design, finance, construct, operate and maintain the Detroit River International Crossing (DRIC) / New International Trade Crossing (NITC) project. The cost of the U.S. Port of Entry will be repaid from future toll revenues and not by Canadian taxpayers." This Arrangement is good for Canada and for Canadians...."

#### **10. Detroit-Windsor Bridge Sees Clear Road**

The green light is shining finally. The last big roadblock to building a new bridge joining Detroit with Windsor, ON has been pushed aside. Federal Minister of Transport Lisa Raitt has announced that Canada and the U.S. signed an "arrangement" this week to ensure that the new publicly owned bridge could "proceed without further delay."

#### **11. New Detroit-Canada bridge to cut congestion, add needed capacity**

U.S. and Canada cleared a big hurdle to building a second span over the Detroit River, a critical crossing and sometime choke-point for cross-border trade. The span will cut congestion and add needed capacity.

#### **12. Large urban transit, December 2014**

In December 2015, total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 5.1% from the same month in 2013 to \$280.8 million. Over the same period, ridership levels increased 5.1% to 138.8 million passenger trips.

### **GENERAL TRANSPORTATION**

#### **Canada**

##### **1. Characteristics of international overnight travellers, third quarter 2014**

Overnight travel abroad by Canadian residents totalled 9.6 million trips in the 2014 third quarter, accounting for \$8.9 billion dollars of spending. The United States was the destination for 7.2 million trips, accounting for \$4.9 billion dollars of spending. Residents of the United States made 4.8 million overnight trips to Canada in the third quarter and spent \$3.3 billion dollars during those trips. During the same period, overseas residents made 2.0 million overnight trips to Canada and spent \$3.7 billion dollars.

#### **Canada**

1. Characteristics of international overnight travellers, third quarter 2014, February 25, 2015, [www.statcan.gc.ca](http://www.statcan.gc.ca)

#### **US**

1. Secretary Foxx Unveils “Beyond Traffic: Trends and Choices,” a 30-Year Outlook on the Future of Our Nation’s Infrastructure, February 2, 2015, [www.dot.gov](http://www.dot.gov)