

Transportation Information Update*

“This attached Transportation Information Update was prepared by Joseph Monteiro and Gerald Robertson for the Canadian Transportation Research Forum and distributed to CILTNA’s members with permission”

Editor: Joseph Monteiro*

May 2016, No. 141

Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air Canada Reports First Quarter 2016 Results

Air Canada on April 29, 2016 reported its first quarter 2016 record EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rent) of \$460 million compared to EBITDAR of \$442 million in the same quarter in 2015. On a GAAP basis, Air Canada reported operating income of \$154 million compared to operating income of \$200 million in the first quarter of 2015. The airline reported net income of \$101 million or \$0.35 per diluted share in the first quarter of 2016 compared to a net loss of \$309 million or \$1.08 per diluted share in the first quarter of 2015.

2. Air Canada reports profit, helped by lower fuel costs

Air Canada reported profit in the first quarter of 2016. Its operating expense per available seat mile dropped about 3.3 per cent in the first quarter of 2016, as lower fuel costs more than offset the negative impact of a weaker national currency.

3. Aircraft movement statistics: Major airports, February 2016

There were 375,650 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations in February 2016, compared with 356,119 movements in February 2015.

4. 4th Quarter 2015 [US] Airline Financial Data

U.S. scheduled passenger airlines reported an after-tax net profit of \$7.7 billion in the fourth quarter of 2015, down from \$9.3 billion in the third quarter and up from \$242 million in the fourth quarter of 2014. It also reported yearly after-tax net profit of \$25.6 billion in 2015 up from \$7.5 billion in 2014, the U.S. Department of Transportation’s Bureau of Transportation Statistics reported on May 2, 2016.

5. WestJet reports April load factor of 80.6 per cent

WestJet on May 3, 2016 announced April 2016 traffic results with a load factor of 80.6 per cent. Revenue passenger miles (RPMs) or traffic, increased 5.5 per cent year-over-year, and capacity, measured in available seat miles (ASMs), grew 5.0 per cent over the same period. The airline flew 1.7 million guests in April 2016, a year-over-year increase of 5.1 per cent or approximately 84,000 additional guests. "We are pleased with our continued strong traffic growth as a record number of guests chose to fly with us in April," said WestJet President and CEO Gregg Saretsky.

6. WestJet reports first quarter results

WestJet on May 3, 2016 announced its 44th consecutive profitable quarter, with

AIR TRANSPORTATION Canada

1. Air Canada Reports First Quarter 2016 Results, April 29, 2016, www.aircanada.ca
2. Air Canada reports profit, helped by lower fuel costs, April 29, 2016, www.globeandmail.ca
3. Aircraft movement statistics: Major airports, February 2016, April 28, 2016, www.statcan.gc.ca
4. 4th Quarter 2015 Airline Financial Data, May 2, 2016, www.dot.gov
5. WestJet reports April load factor of 80.6 per cent, May 3, 2016, www.westjet.ca
6. WestJet reports first quarter results, May 3, 2016, www.westjet.ca
7. WestJet takes off for London this weekend, May 5, 2016, www.westjet.ca
8. Air Canada and Avianca Brasil Announce Codeshare Agreement, May 4, 2016, www.aircanada.ca
9. Monthly civil aviation statistics, February 2016, May 5, 2016, www.statcan.gc.ca
10. Air freight volumes weak in March: IATA, May 4, 2016, www.ctl.ca
11. Air New Zealand settles US cargo price fixing suit, May 9, 2016, www.joc.com
12. You asked and we listened! Travel agent feedback integral to redesign of updated, largest-ever WestJet Vacations print brochure, May 9, 2016, www.westjet.ca
13. WestJet launches its first wide-body transatlantic service, May 9, 2016, www.ctl.ca
14. Air Canada and Biojet Supply Chain Initiative Choose Montréal-Trudeau Airport for Aviation Biofuel Project, May 10, 2016,

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

first quarter 2016 net earnings of \$87.6 million, or \$0.71 per diluted share. This compares with the all-time high quarterly net earnings of \$140.7 million, or \$1.09 per diluted share reported in the first quarter of 2015. WestJet achieved an on-time performance rate of improvement of 5.0 percentage points. Based on the trailing twelve months, the airline achieved a return on invested capital of 12.8 per cent, compared with the 15.3 per cent reported in the previous quarter. The load factor, available seat miles and revenue per seat miles (or traffic) increased by 0.5 points, 7% and 7.6% (i.e. to 82.1, 7.294b, and 5.988b).

7. WestJet takes off for London this weekend

WestJet will launch its new non-stop service between six Canadian cities and London (Gatwick) beginning this weekend. Flights from Vancouver, Calgary and Toronto begin on May 6, 2016, while service from Edmonton, Winnipeg and St. John's begins on May 7, 2016.

8. Air Canada and Avianca Brasil Announce Codeshare Agreement

Star Alliance partners Air Canada and Avianca Brasil announced on May 5, 2016 that they have implemented the first stage of a codeshare agreement. Initially, Air Canada will sell, in all its channels, tickets for flights operated by its partner Avianca Brasil under the AC code, significantly expanding its distribution in the local Brazilian market. The agreement includes flights to and from Brasília, Curitiba, Florianópolis, Fortaleza, Porto Alegre, Recife, Rio de Janeiro (Antonio Carlos Jobim-Galeao airport), Salvador and São Paulo (Guarulhos airport).

9. Monthly civil aviation statistics, February 2016

The six Canadian Level I air carriers flew 5.7 million passengers on scheduled and charter services in February 2016, up 6.9% from the same month in 2015. These carriers increased their traffic and passenger capacity in February 2016. Traffic totalled 14.1 billion passenger-kilometres, up 8.9% from the same month a year earlier. Capacity rose 10.5% year over year to 17.1 billion available seat-kilometres.

10. Air freight volumes weak in March: IATA

The International Air Transport Association (IATA) released demand growth data for global air freight markets for March 2016 showing a 2.0% drop in volumes measured in freight tonne kilometers (FTKs) compared to the same period last year. In contrast, freight capacity (measured in available freight tonne kilometers or AFTKs) rose by 6.9%, putting increased pressure on already struggling yields.

11. Air New Zealand settles US cargo price fixing suit

U.S. air cargo price fixing lawsuit yields another settlement from a major carrier, leaving just one airline standing in the decade-long class action.

12. You asked and we listened! Travel agent feedback integral to redesign of updated, largest-ever WestJet Vacations print brochure

On May 9, 2016, WestJet Vacations released its new, updated and largest-ever print brochure. With over 324 pages, the 2016-2017 brochure includes more than 450 hotel descriptions, destination overviews, destination maps featuring hotel locations and more.

13. WestJet launches its first wide-body transatlantic service

WestJet will launch its new non-stop service between six Canadian cities and London (Gatwick) beginning the first week of May 2016. Flights from Vancouver, Calgary and Toronto begin on May 10, 2016, while service from Edmonton, Winnipeg and St. John's begins on Saturday, the airline said. "The launch of wide-body transatlantic service this weekend ushers in a new era in the history of WestJet," said Gregg Saretsky, WestJet President and CEO.

14. Air Canada and Biojet Supply Chain Initiative Choose Montréal-Trudeau Airport for Aviation Biofuel Project

Air Canada on May 10, 2016 announced Canada's Biojet Supply Chain Initiative (CBSCI) will be held at Montréal-Trudeau Airport. It is a three-year collaborative project with 14 stakeholder organizations to introduce 400,000 litres

www.aircanada.ca

15. Transat A.T. to sell its French and Greek tour businesses, May 11, 2016, www.globeandmail.ca

16. Remarks of Tony Tyler at the ATAG Global Sustainable Aviation Forum, Montreal, May 10, 2016, www.iata.org

17. February 2016 U.S. Airline Traffic Data, May 12, 2016, www.bts.gov

18. WestJet announces normal course issuer bid, May 16, 2016, www.westjet.ca

19. March 2016 Complaints About Airline Service Down From Previous Year and February 2016, May 16, 2016, www.dot.gov

20. Air Canada Inaugurates Toronto to London-Gatwick Service, May 20, 2016, www.aircanada.ca

21. Air Canada Renews Normal Course Issuer Bid, May 18, 2016, www.aircanada.ca

22. March 2016 Passenger Airline Employment Data, May 19, 2016, www.bts.gov

23. Proposed regulations respond to TSB safety recommendations, May 20, 2016, www.tc.gc.ca

24. Transport Canada urges Canadians to stop pointing lasers at aircraft, May 24, 2016, www.tc.gc.ca

25. WestJet, Qantas unveil reciprocal frequent flyer agreement, May 24, 2016, www.westjet.ca

26. WestJet goes mobile with TSA PreCheck program, May 26, 2016, www.westjet.ca

27. Air Canada Inaugurates Toronto-Prague Service, May 30, 2016, www.aircanada.ca

28. Passenger Demand Growth Slows, May 30, 2016, www.iata.org

29. Air Freight Markets Grow in April, May 30, 2016, www.iata.org
30. TIACA announces members of newly formed shipper council, May 27, 2016, www.americanshipper.com

of sustainable aviation biofuel (biojet) into a shared fuel system.

15. Transat A.T. to sell its French and Greek tour businesses

Transat A.T. Inc. says a German company has made a firm offer to purchase its Transat France and Tourgreece tour businesses, worth about \$80.3-million. The Montreal-based company says it expects the 54.5-million euro deal with TUI AG to close before the end of October 2016, pending various approvals. Transat A.T. operates an integrated travel business that includes flights on its Air Transat airline and vacation packages in North America, Europe and other areas. TUI Group operates in 180 destinations around the world and employs 76,000 people in 130 countries.

16. Remarks of Tony Tyler at the ATAG Global Sustainable Aviation Forum, Montreal

Tony Tyler of IATA on May 10, 2016 at the ATAG Global Sustainable Aviation Forum said that the signs are encouraging that governments will achieve an agreement for a global market-based measure (GMBM) in September 2016. That is certainly the result that the industry is counting on.

17. February 2016 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 12, 2016 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – fell to 83.5 percent in February 2016, seasonally adjusted, falling for the second consecutive month.

18. WestJet announces normal course issuer bid

On May 16, 2016, WestJet announced that the Toronto Stock Exchange (TSX) has accepted its notice of intention to make a normal course issuer bid to purchase outstanding variable voting and common voting shares on the open market in accordance with the rules of the TSX.

19. March 2016 Complaints About Airline Service Down From Previous Year and February 2016

Airline consumer complaints filed with DOT's Aviation Consumer Protection Division in March 2016 were down 17.7 percent from March 2015 and down 5.0 percent from February 2016, according to the U.S. Department of Transportation's *Air Travel Consumer Report* released on May 16, 2016.

20. The arrival of flight AC1924 at London-Gatwick airport on May 20, 2016 marks the successful launch of Air Canada rouge's newest route. The seasonal, non-stop service between Toronto and London-Gatwick will operate daily during the summer and give Air Canada customers even more choices when travelling to London and Europe.

21. Air Canada Renews Normal Course Issuer Bid

Air Canada announced on May 18, 2016 that its Board of Directors has approved the renewal of its normal course issuer bid for its Class A variable voting shares and Class B voting shares (collectively the "Shares"), authorizing, between May 30, 2016 and May 29, 2017, the purchase of up to 22,785,511 Shares, representing 10 per cent of the public float of 227,855,112 shares as at May 16, 2016. Air Canada also received approval from the Toronto Stock Exchange for the renewal of its normal course issuer bid.

22. March 2016 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 3.9 percent more workers in March 2016 than in March 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 19, 2016.

23. Proposed regulations respond to TSB safety recommendations

The Honourable Marc Garneau, Minister of Transport, on May 20, 2016 proposed changes to the *Canadian Aviation Regulations* to enhance the safety of seaplane operations. The proposed regulations respond to the Transportation Safety Board of Canada's recommendations following the 2009 seaplane accident in Lyall Harbour, British Columbia and the 2012 accident in Lillabelle Lake, Ontario. The proposed changes will: 1) Require all passengers and crew on commercial seaplanes to wear an inflatable flotation device when boarding the aircraft and while it operates on or over water. 2) Require mandatory training for pilots of fixed wing commercial seaplanes on how to exit a seaplane under water. 3) Allow the use of more modern, practical and durable inflatable flotation devices designed for constant wear (i.e. the vest in a waist pouch type). The proposed changes are published in *Canada Gazette*, Part I.

24. Transport Canada urges Canadians to stop pointing lasers at aircraft

The Honourable Marc Garneau, Minister of Transport, on May 24, 2016 launched the Government of Canada's awareness campaign to inform Canadians of the dangers and consequences of pointing a laser at an aircraft. Minister Garneau was joined by Superintendent Tony Cusimano from York Regional Police, who arrested an individual in August 2015 for allegedly pointing a laser at a police helicopter. Pointing a laser at an aircraft is extremely dangerous and puts pilots, passengers, and people on the ground at serious risk. Laser strikes distract pilots, cause glare that affects their vision, or worse, temporarily blind them. Pilots often report suffering from eye irritation or light sensitivity after being struck in the eye by a laser, which could seriously affect their ability to fly safely.

25. WestJet, Qantas unveil reciprocal frequent flyer agreement

On May 24, 2016 WestJet and Qantas Airways (Qantas) announced a reciprocal frequent flyer agreement where

members of the airlines' frequent flyer programs can earn their choice of WestJet dollars or Qantas Points when travelling on flights of either airline. This agreement expands on the existing code-share relationship between Qantas and WestJet announced in 2014.

26. WestJet goes mobile with TSA PreCheck program

WestJet on May 26, 2016 announced that eligible guests departing from U.S. airports will now be able to receive the TSA PreCheck designation using web, mobile and kiosk check-in. Until now, only eligible guests who received their boarding passes at WestJet counters could take advantage of the program, which offers a less-intrusive search when departing from U.S. airports.

27. Air Canada Inaugurates Toronto-Prague Service

The arrival of flight AC1922 from Toronto-Pearson at Václav Havel Airport Prague on May 30, 2016 marks the beginning of Air Canada Rouge's expansion into Central Europe this summer. The seasonal service, operating three-times a week, offers customers the only non-stop connection between Canada and the Czech Republic on a network carrier.

28. Passenger Demand Growth Slows

The International Air Transport Association (IATA) announced global passenger traffic data for April 2016 showing that demand (measured in total revenue passenger kilometers or RPKs) rose by 4.6%--the slowest pace since January 2015. April capacity (available seat kilometers or ASKs) increased by 4.9%, and load factor slipped 0.3 percentage points to 79.1%. The disruptive impact of the Brussels Airport attack weighed on the April figures. IATA estimates that, absent the impact of the attacks, demand growth would have been around 5%.

29. Air Freight Markets Grow in April

The International Air Transport Association (IATA) released demand growth results for global air freight markets for April 2016 showing a 3.2% increase in demand measured in freight tonne kilometers (FTKs) compared to the same period last year. Yields remained pressured as April freight capacity (measured in available freight tonne kilometers or AFTKs) increased by 6.6% year-on-year. The increase in demand was broad-based across all regions with the exception of Latin America. The strongest growth occurred in the Middle East and Europe, with April demand up by 7.7% and 6.8%, respectively, compared to the same period last year.

30. TIACA announces members of newly formed shipper council

The International Air Cargo Association (TIACA) announced several members of its newly formed shipper council at a press conference during the TIACA Executive Summit in Hollywood, Fla. on May 25, 2016. TIACA's Shipper Advisory Committee will include representatives from Chanel Fragrances and Beauté, Ericsson, Sandvik Machining Solutions, Marine Harvest RMT and Teva Pharmaceutical Industries, and will grow to include members from the flower and automotive industries soon.

WATER TRANSPORTATION

1. European Commission approves CMA CGM's \$2.4b purchase of NOL/APL

The European Commission's competition directorate has cleared the proposed acquisition by France's CMA CGM of Singapore-based Neptune Oriental Lines and its APL container shipping subsidiary, the European Union watchdog said on April 29, 2016. The clearance is conditional upon APL leaving the G6 ocean carrier alliance by April of next year. "Container liner shipping plays a central role in global trade, so competition in this sector is essential for businesses and consumers..."

2. Prince Rupert Port Authority: Monthly Traffic Report – March 2016

The Port of Prince Rupert released its monthly traffic statistics for March 2016. For this month, total traffic in terms of TEUs was 26% down compared to the same month in 2015, i.e. 51,152.5 from 68,693. Inbound traffic in terms of TEUs declined 31% and exports declined 15%. For the first quarter of 2016, total traffic in terms of TEUs was 7% down compared to the same month in 2015, i.e. 172, 309 from 185,665. Inbound traffic in terms of TEUs declined 3% (i.e. 102,012.5 from 105,194) and exports declined 13% (i.e. 70, 296.5 from 80,471).

3. FMC steps up fight against US port congestion

The U.S. Federal Maritime Commission is levying the collective experience of the private sector to fight congestion at U.S ports.

4. Carriers shut out of Ocean Alliance need to form new group, Maersk boss says

Speculation on the make up of a new container shipping alliance is mounting following the unveiling of the Ocean Alliance in April 2016, with Maersk Group CEO Nils Andersen said.

5. Port of Prince Rupert: Accumulated Container Statistics – YTD April 2016

The Port of Prince Rupert Port reported its year to date statistics till the end of April 2016 and for April 2016. Total container statistics in terms of twenty foot equivalent units (TEUs) declined 5% for the period January to April 2016.

to 239,682. Outbound traffic (exports) declined 12% and inbound traffic (imports) increased 1% for this period in terms of TEUs. For the month of April 2016, total traffic increased 3% to 67,373 TEUs compared to April 2015. Outbound traffic decreased 10% and inbound traffic increased 13% in April 2016 compared to April 2015.

6. Great Lakes limestone trade thrives in April

A total of 1.95 million net tons of limestone were shipped on the Great Lakes in April 2016, a 7 percent increase from April 2015, according to the Lake Carriers' Association, which represents 14 American companies that operate 56 U.S.-flag vessels on the Great Lakes. Limestone loadings out of U.S. quarries fell 3.2 percent year-over-year in April to 1.55 million net tons. Limestone shipments from Canadian quarries jumped 85 percent year-over-year to 394,773 net tonnes.

7. Montreal Port Authority announces major projects in the works

In 2015, cargo traffic handled at the Port of Montreal rose 5.2% over the previous year to reach 32 million tonnes. This is a record high for the Port of Montreal. "This increase is very satisfactory. It reflects the fact that, more than ever, the Port of Montreal is a real growth force! Several structuring projects also progressed in 2015," said Sylvie Vachon, President and CEO of the Montreal Port Authority (MPA) at the annual meeting held on May 13, 2016. Containerized cargo grew 4.1% in 2015, dry-bulk also increased 3.6% and liquid bulk increased 8%. Large investment projects also moved ahead and is continuing.

8. Boating Safety Contribution Program

The Canadian Safe Boating Council (CSBC) will receive up to \$915,400 for a three-year national project to raise knowledge and awareness about safe boating practices among boaters and the public across Canada.

9. Port of Vancouver: Accumulated Container Statistics – YTD April 2016

The Port of Vancouver reported its year to date statistics till the end of April 2016. Total container statistics in terms of twenty foot equivalent units (TEUs) declined 5.5% for the period January to April 2016 to 941,630. Outbound traffic (exports) declined 2.3% and inbound traffic (imports) decreased 8.3% for this period in terms of TEUs.

10. Panama Canal redraws world trade once again

WATER TRANSPORTATION

Canada

1. European Commission approves CMA CGM's \$2.4b purchase of NOL/APL, April 29, 2016, www.americanshipper.com
2. Prince Rupert Port Authority: Monthly Traffic Report – March 2016, May 2, 2016, www.rupertport.com
3. FMC steps up fight against US port congestion, May 3, 2016, www.joc.com
4. Carriers shut out of Ocean Alliance need to form new group, Maersk boss says, May 4, 2016, www.joc.com
5. Port of Prince Rupert: Accumulated Container Statistics – YTD April 2016, May 10, 2016, www.princerupertport.com
6. Great Lakes limestone trade thrives in April, May 10, 2016, www.americanshipper.com
7. Montreal Port Authority announces major projects in the works, May 16, 2016, www.ctl.ca
8. Boating Safety Contribution Program, May 19, 2016, www.tc.gc.ca
9. Port of Vancouver: Accumulated Container Statistics – YTD April 2016, May 24, 2016, www.portmetrovancouver.com
10. Panama Canal redraws world trade once again, May 25, 2016, www.americanshipper.com
11. National Census of Ferry Operators Highlights, May 26, 2016, www.bts.gov

A century after transforming global markets, the Panama Canal is about to redraw world trade once again. Nine years of construction work, at a cost of more than \$5 billion, have equipped the canal with a third set of locks and deeper navigation channels, crucial improvements that will double the isthmus's capacity for carrying cargo between the Atlantic and Pacific oceans. When the new locks slide open to receive traffic for the first time in late June 2016.

11. National Census of Ferry Operators Highlights

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) on May 26, 2016 released Highlights of the 2014 National Census of Ferry Operators (NCFO). Key findings indicate that 115.1 million passengers were carried on ferries in the United States and its territories in 2014. These passengers were transported by 128 ferry operators across the nation who reported providing service through 441 terminals on 741 unique route segments in 38 states and one U.S. territory, using a fleet of almost 500 active vessels.

RAIL TRANSPORTATION

1. CN recognized as Responsible Care Partner of the Year for safe movement of chemicals

CN said on May 5, 2016 that it has been recognized as one of the three recipients of the prestigious Responsible Care Partner of the Year award of the American Chemistry Council (ACC). The award recognizes the strong performance and safety record of companies involved in the transportation, handling and marketing of chemicals.

2. North America intermodal forecast gives rails hope

North American intermodal volume growth accelerated in the first quarter of 2016.

3. AAR: U.S. freight rail traffic continues to decline

United States-based freight railroads in April 2016 saw their volumes drop 11.8 percent compared to April 2015, according to data from the Association of American Railroads. Carload traffic fell 16.1 percent year-over-year in April 2016 to 944,339 carloads, while intermodal volumes slipped 7.5 percent to 1,028,460 containers and trailers. Five of the 20 carload commodity categories tracked by the AAR reported growth in April 2016 including miscellaneous carloads.

4. BNSF Q1 profits slip to lowest since 2014

Berkshire Hathaway Inc. said the first 2016 quarterly profit from its railroad fell 25 percent to the lowest level in two years, contributing to the drop in operating earnings at Warren Buffett's company. First-quarter net income at BNSF Railway declined to \$784 million from \$1.05 billion a year earlier, according to a regulatory filing on May 6, 2016. Berkshire's overall net income climbed 8.2 percent to \$5.59 billion as investment gains outweighed the slump at the railroad and insurance operations.

5. IANA: Intermodal volumes grow 2% in Q1 2016

North American intermodal volumes inched up 2 percent in first quarter of 2016 from the prior year to 4.15 million units, according to the Intermodal Association of North America's (IANA) first quarter Intermodal Market Trends & Statistics report. IANA noted that although intermodal trailer volumes dropped 24.4 percent, the segment represents the smallest portion of total intermodal shipments. Domestic container loads recorded a 6.4 percent increase for the quarter.

6. Jesse Kline: The case for privatizing VIA Rail

Jesse Kline argues that VIA rail should be privatized. He indicates that a more recent auditor general's (AG) report found that passenger ridership levels have been decreasing more sharply in recent years — from 4.1 million in 2010, to 3.8 million in 2014. Perhaps part of the problem is that the government isn't good at running a train service. The AG found that nearly a quarter of VIA's trains didn't run on time in 2014. The government is also paying a subsidy to keep VIA on the rails. Do we want such a service? An alternative would be to privatize Via Rail. There is a precedent for this, the Rocky Mountaineer, which was privatized and now operates very profitably. A private company likely could operate a profitable service on some lines, such as in the Toronto-Montreal corridor, and

RAIL TRANSPORTATION Canada

1. CN recognized as Responsible Care Partner of the Year for safe movement of chemicals, May 5, 2016, www.cn.ca
2. North America intermodal forecast gives rails hope, May 5, 2016, www.joc.com
3. AAR: U.S. freight rail traffic continues to decline, May 5, 2016, www.americanshipper.com
4. BNSF Q1 profits slip to lowest since 2014, May 9, 2016, www.americanshipper.com
5. IANA: Intermodal volumes grow 2% in Q1 2016, May 9, 2016, www.americanshipper.com
6. Jesse Kline: The case for privatizing VIA Rail, May 11, 2016, www.nationalpost.ca
7. Evergreen Shipping Agency (America) Corp. names CN 2015 Railroad Company of the Year, May 10, 2016, www.cn.ca
8. CN and CP railways both on track for more layoffs, May 17, 2016, www.globeandmail.ca
9. Strengthened liability and compensation regime for rail to come into force June 18, 2016, May 18, 2016, www.tc.gc.ca
10. CP sees better half ahead but lackluster volume growth, May 25, 2016, www.joc.com
11. TSB flags rail-safety concerns amid surge in runaway trains, May 29, 2016, www.globeandmail.ca

would probably shut down unprofitable routes, such as the Winnipeg-Churchill line. And this is the way it should be: why should the rest of the country be forced to pay for it?

7. Evergreen Shipping Agency (America) Corp. names CN 2015 Railroad Company of the Year

Evergreen Shipping Agency (America) Corp. announced on May 10, 2016 that it has named CN as its *2015 Railroad Company of the Year* in recognition of CN's "consistent high level of performance" and superior customer service. This is the second consecutive year CN has won the Evergreen award.

8. CN and CP railways both on track for more layoffs`

Canada's two major railways are slashing expenses and eyeing more layoffs amid a slump in freight made worse by the fires in Northern Alberta. Canadian National Railway Co. has laid off 1,200 people from its staff of about 23,000 and parked 400 locomotives or 20 per cent of its fleet. Jean-Jacques Ruest, CN's marketing chief, said there are "probably more layoffs" to come. The declines are caused by a handful of forces: a weak North American economy, poor demand for coal, a steel-making slump and a prolonged plunge in oil prices that has made moving it by rail unaffordable. At Calgary-based CP, the company has idled 665 locomotives, slashed the capital-expenses budget by \$400-million to \$1.1-billion and laid off about 1,300 people. "I think there's more to come. Is it 100, 200 [people]? I'm not certain," said Mr. Creel. "But I still think there's more opportunity ..."

9. Strengthened liability and compensation regime for rail to come into force June 18, 2016

The Honourable Marc Garneau, Minister of Transport, on May 18, 2016 announced that the strengthened liability and compensation regime for rail, under the *Safe and Accountable Rail Act*, will be brought into force on June 18, 2016. The regime is based on the "polluter pays" principle, sharing responsibility for rail accidents between railways and shippers. Under the new regime, federally regulated railways will be required to carry a mandatory minimum level of insurance, based on the type and volume of dangerous goods they carry, ranging from \$25 million to \$1 billion. The two middle insurance levels, \$100 million and \$250 million, are being phased in to provide short line railways with additional time to adjust to the new requirements.

10. CP sees better half ahead but lackluster volume growth

"I think that's not something we didn't expect," Canadian Pacific Railway CEO E. Hunter Harrison said on May 24, 2016 in New York City at a conference hosted by transportation research firm Wolfe Research.

11. TSB flags rail-safety concerns amid surge in runaway trains

The Transportation Safety Board is concerned about a sharp increase in runaway trains and equipment in the rail industry last year, and believes Transport Canada hasn't done enough to improve safety procedures in the wake of the deadly Lac-Mégantic disaster. There were 42 incidences of runaways in 2015, in which trains or unattached equipment, such as rail cars, broke loose and rolled away, TSB chairwoman Kathy Fox said in an interview. That figure is up considerably from just 30 cases the year before, and is higher than the five-year average of 36 runaways a year.

ROAD TRANSPORTATION

1. UberX will be allowed to operate legally in Toronto, city council decides

Toronto will allow UberX to operate legally in the city while also cutting regulations for taxis, a decision that came after hours of heated city council debate on April 3, 2016. "The public wants to have choices, and they should have choices," said Mayor John Tory, who has pushed for months to bring the controversial ride service under some sort of regulation. Critics shot back that the decision watered down labour and safety standards while protecting wealthy taxi-plate owners. Mr. Tory's proposal was tabled as a complicated and lengthy motion running 20 pages. He called it "the closest that we could come" to staff recommendations that were decimated last month by a city hall committee, with some extra changes to secure additional support.

2. New Toronto Uber rules means more surge pricing and insurance for all

On May 3, 2016, Toronto city councillors voted 27-15 in favour of new rules for taxis and ride-hailing services such as UberX, which allows regular drivers to pick up passengers without a taxi licence. The city will create a new class of licence — called a "private transportation company" licence — that Uber and other ride-hailing firms would have to apply for. The city will allow Uber and other Uber-like companies like Lyft to operate in Toronto, but as long as rides are booked only through a smartphone. Insurance requirements will be the same for both Uber and Taxis, \$2 million. Uber is to add \$0.30 per trip to each

Road Transportation

1. UberX will be allowed to operate legally in Toronto, city council decides, May 3, 2016, www.globeandmail.ca
2. CBC News, May 5, 2016, www.cbcnews.ca
3. Couriers and Messengers Services Price Index, March 2016, April 29, 2016, www.statcan.gc.ca
4. China approves FedEx acquisition of TNT, April 29, 2016, www.americanshipper.com
5. UPS quarterly profit up 9.7pc, May 2, 2016, www.transportweekly.com
6. NAFTA trade values continue to slide in February, May 4, 2016, www.americanshipper.com
7. Bradley: ELDS, Environmental Compliance Are Trucking 'Game Changers', May 6, 2016, www.cantruck.ca
8. Logistics Technology: 3PLs Span the Gamut, May 1, 2016, www.inboundlogistics.com
9. Van Horne Institute study looks at interprovincial trade barriers, over-dimensional loads, May 10, 2016,

fare as a "city fee," as stipulated by the regulations, to be remitted to the city. Uber and other private transportation companies must maintain a \$3.25 minimum fare but can allow for "surge pricing" when the service is busy.

3. Couriers and Messengers Services Price Index, March 2016

The Couriers and Messengers Services Price Index (CMSPI) declined 0.7% in March 2016, mainly reflecting lower fuel surcharge rates. The couriers' component decreased 1.0% while the local messengers and local delivery component increased 0.8%.

4. China approves FedEx acquisition of TNT

China's Ministry of Commerce on April 29, 2016 unconditionally approved FedEx's acquisition play for Netherlands-based global package delivery firm TNT Express. "With this final regulatory approval, we are one step closer to making the vision of combining the complementary networks of FedEx and TNT Express a reality," said Tex Gunning, chief executive officer of TNT Express, in a statement.

5. UPS quarterly profit up 9.7pc

Atlanta's United Parcel Service (UPS) first quarter profit in 2016 increased 9.7 per cent year on year to US\$1.13 billion, drawn on revenues of \$14.4 billion, up 3.2 per cent. UPS had fewer disruptions to its air and road network in the first quarter than in previous years that were plagued with costly storms. The company also has been partly insulated from a slowdown in US freight volume because of a growing reliance on e-commerce, according to BB&T Capital Markets analyst Kevin Sterling.

6. NAFTA trade values continue to slide in February

The total value of cross-border trade between the United States and its partners in the North American Free Trade Agreement (NAFTA) Canada and Mexico continued its slide in February 2016. NAFTA freight value slipped 2 percent to \$84.0 billion for the month compared with the previous year after dropping 7.7 percent year-over-year in January 2016, according to the U.S. Department of Transportation's Bureau of Transportation Statistics.

7. Bradley: ELDs, Environmental Compliance Are Trucking 'Game Changers'

Mandated technologies like Electronic Logging Devices and an increasing focus on environmental standards will be among "game changers" for Canada's trucking industry, Canadian Trucking Alliance CEO David Bradley said in an address to the Alberta Motor Transport Association.

8. Logistics Technology: 3PLs Span the Gamut

This story looks at ways in which 3PLs help small and midsize companies implement and take full advantage of information technology.

9. Van Horne Institute study looks at interprovincial trade barriers, over-dimensional loads

The Van Horne Institute is releasing a report entitled, "Over-dimensional Loads – a Canadian Solution". The study is authored by The Van Horne Institute in collaboration with PROLOG Canada Inc., and JRSB Logistics Consulting Ltd.

10. Report Makes Business Case For Diversifying Industry

Trucking HR Canada has unveiled a new report making the sound business case for increased diversity in the nation's trucking industry. *Changing Workforce* draws on a combination of labour data and best practices already introduced in many workplaces. Profiled fleet programs include those at Bison Transport, Canada Cartage, Kriska Transportation, Northern Resource Trucking, Trimac Transportation, and Westcan Bulk Transport. "The trucking industry needs to ensure it attracts, recruits, and retains the skilled workforce needed to support effective and efficient operations..."

11. New legislation protects Canadian consumers from vehicle defects

Legislation will allow Minister of Transport to order unsafe vehicles off Canadian roads. The Government of Canada on May 11, 2016 introduced new legislation to increase Canada's powers to protect Canadians from vehicle defects. The proposed legislation –the *Strengthening Motor Vehicle Safety for Canadians Act*– aims to keep our

www.ctl.ca

10. Report Makes Business Case For Diversifying Industry, May 10, 2016, www.cantruck.ca

11. New legislation protects Canadian consumers from vehicle defects, May 11, 2016, www.tc.gc.ca

12. Strengthening Motor Vehicle Safety for Canadians, May 11, 2016, www.tc.gc.ca

13. March 2016 Freight Transportation Services Index (TSD), May 11, 2016, www.bts.gov

14. Truckload rates show negative growth again in April, May 13, 2016, www.americanshipper.com

15. CTA Presses for National Trucking Harmonization, May 14, 2016, www.canturck.ca

16. North American freight market remains below 2015 levels, May 16, 2016, www.americanshipper.com

17. Travel between Canada and other countries, March 2016, May 18, 2016, www.statcan.gc.ca

18. DHL to deliver parcels at preferred times during the day, May 12, 2016, www.transportweekly.com

19. FedEx acquisition of TNT Express nears completion, May 18, 2016, www.americanshipper.com

20. Building a Transportation Network to Support Economic Growth, May 18, 2016, www.tc.gc.ca

21. International Transport Forum releases study on commercial transport apps, May 18, 2016, www.ctl.ca

22. Large Urban Transit, March 2016, May 24, 2016, www.statcan.gc.ca

23. FedEx completes TNT acquisition, May 25, 2016, www.americanshipper.com

24. March 2016 North American Freight Numbers, May 26, 2016, www.bts.gov

25. Descartes Acquires pixi, May 29, 2016, www.ctl.ca

roads safe, protect Canadian consumers, and would give the Minister power to: 1) order a company to issue a recall; 2) make companies repair a recalled vehicle at no cost to the consumer; and 3) prevent new vehicles from being sold in Canada until they are repaired.

12. Strengthening Motor Vehicle Safety for Canadians

Transport Canada is proposing new legislation to give the Minister additional powers under the *Motor Vehicle Safety Act*. The proposed legislation includes amendments that would: 1) give the Minister of Transport the power to order companies to issue a recall notice and to make manufacturers and importers repair a recalled vehicle at no cost to the consumer; 2) give the Minister of Transport the power to order manufacturers and importers to repair new vehicles before they are sold; 3) allow the department to use monetary penalties (fines) to increase safety compliance and to leverage the monetary penalties to require manufacturers to take additional safety action; 4) provide the department with much needed flexibility to address ever-evolving vehicle safety technology; 5) require companies to provide additional safety data and conduct additional testing to address safety concerns; and 6) increase our vehicle inspection capability.

13. March 2016 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, fell 0.9 percent in March 2016 from February 2016, falling for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics.

14. Truckload rates show negative growth again in April

Truckload rates fell another 2.3 percent in April 2016 compared the previous year following a 0.6 percent decline in March 2016 and year-over-year increases of just 0.5 percent and 0.4 percent in February and January, respectively, according to the latest Cass Truckload Linehaul Index. Cass said the March 2016 pricing decline was the first since May 2010, but pricing growth has steadily contracted over the past 12 months, from 5.1 percent year-over-year growth in March 2015 to 3.8 percent.

15. CTA Presses for National Trucking Harmonization

CTA Senior Vice President Stephen Laskowski appeared in Ottawa this week before the Senate Standing Committee on Banking Trade and Commerce to provide insight on how indispensable the trucking industry is to the well-being of Canada's economy and competitiveness. Laskowski discussed a number of issues impacting inter-provincial trade: Harmonization in rules governing the equipment and drivers engaged in inter-provincial trade; National Safety Code; and Weights and Measures. Some of them act as barriers to inter-provincial trade.

16. North American freight market remains below 2015 levels

North American shipment volumes and expenditures in April 2016 grew 0.6 percent and 0.2 percent, respectively, compared to the previous month, but both remained well below 2015 levels, according to the latest Cass Freight Index Report. Despite the slight improvement from March 2016, shipments were still down 4.9 percent compared with April 2015, while payments fell 8.3 percent year-over-year.

17. Travel between Canada and other countries, March 2016

United States residents made 2.1 million trips to Canada in March 2016, up 1.7% from February 2016. Travel to Canada by residents of overseas countries fell 2.2% in March to 469,000 trips. Canadian residents made 3.3 million trips to the United States in March 2016, up 0.4% compared with February 2016. Travel by Canadian residents to overseas countries increased to 971,000 trips in March, up 0.9% from February.

18. DHL to deliver parcels at preferred times during the day

DHL Parcel is the first parcel service provider in Germany to offer customers the opportunity to choose when exactly they would like their parcels delivered. Online shoppers can select a two-hour time window between 10:00 AM and 9:00 PM right when they are placing their order. The flexible time-slot delivery service is now available in Berlin, Munich, Cologne, Hamburg and the Ruhr region.

19. FedEx acquisition of TNT Express nears completion

Parcel giant FedEx Corp declared its \$4.8 billion acquisition offer for the Netherlands-based global package delivery firm TNT Express "unconditional" in a joint statement from the companies on May 18, 2016. The announcement means that any and all predetermined conditions for the purchase have been either met or waived. The deal cleared its final regulatory hurdle last month, securing approval from the Chinese Ministry of Commerce.

20. Building a Transportation Network to Support Economic Growth

Through a cost-shared funding agreement between the Government of Newfoundland and Labrador and the Government of Canada, a tender has been called for rehabilitation of the Trans-Canada Highway between Route 340 at Lewisporte Junction to Route 360 at Bay D'Espoir Junction.

21. International Transport Forum releases study on commercial transport apps

The International Transport Forum has released findings from its study on commercial transport apps. Four principles emerged from the report that "should inform thinking around regulatory reform" of for-hire transport. 1)

Policy should enable innovations that contribute to policy objectives such as equitable access, safety and sustainability. 2) The regulatory framework should be kept simple and uniform. 3) Regulation approaches should be innovative and flexible. 4) Perhaps the “biggest” outcome of the report, according to its author, Philippe Crist, a Transport Analyst at the ITF, is that there is a tremendous amount of data to be mined from app-based use of transport and that data-led regulation can improve benefits for all.

22. Large Urban Transit, March 2016

Total operating revenues (excluding subsidies) for 10 of Canada's largest urban transit systems decreased 0.9% year over year in March 2016 to \$307.8 million. Over the same period, ridership fell 1.6% to 151.3 million passenger trips.

23. FedEx completes TNT acquisition

FedEx Corp. on May 25, 2016 said it has completed its acquisition of TNT Express. The 4.4 billion euro (\$4.9 billion) acquisition combines FedEx's international air express network and TNT's European road network.

24. March 2016 North American Freight Numbers

From March 2015 to March 2016, the value of U.S.-Canada freight flows fell 8.8 percent to \$46.4 billion as all modes of transportation carried a lower value of U.S.-Canada freight than a year earlier. Lower crude oil prices contributed to a year-over-year decrease in the value of freight moved between the U.S. and Canada. Trucks carried 62.1 percent of the value of the freight to and from Canada. Rail carried 17.0 percent followed by pipeline, 6.5 percent; air, 4.9 percent; and vessel, 2.3 percent.

25. Descartes Acquires pixi

Descartes Systems Group has acquired pixi Software GmbH, a Germany-based provider of technology solutions for e-commerce order fulfilment and warehouse management.

GENERAL TRANSPORTATION

Canada

1. Decarbonising Transport: ITF launches major new project

Transport generated over 23% of global CO2 emissions from fuel combustion in 2013. This share is set to grow as transport demand increases. Transport urgently needs to find a pathway towards providing carbon-neutral mobility. Technological progress is important but not enough. To support decision makers in establishing that pathway and to navigate it, ITF is launching the Decarbonising Transport project. There will be different paths and schedules across transport modes and regions of the world, but driven by a common ambition of reaching carbon-neutral mobility within the next 35 to 50 years. The Decarbonising Transport project will be officially inaugurated on 19 May at ITF's 2016 Summit in Leipzig, Germany.

2. Lankan delegation attends CILT International Convention in Montreal

Chartered Institute of Logistics and Transport (CILT) held their international convention in Montreal from 8 to 11 May in Fairmont Queen Elizabeth Hotel in Montreal, Canada in the presence of over 250 foreign delegates from 24 of its member countries. This year's theme of the convention was 'Linking North America to the world'.

3. Ruling out privatization limits Canada Post review's effectiveness

Another government, another Canada Post task force that isn't allowed to consider privatization or deregulation as options for better service at affordable prices. The minister responsible for this one should instruct the task force to look at all options for postal services in this digital age. Anything else is just kicking the can down the road once more.

4. The Canadian Transportation Agency announces comprehensive regulatory review

Scott Streiner, Chair and CEO of the Canadian Transportation Agency, on May 26, 2016 announced a full review of all the regulations administered by the Agency. The announcement was part of Mr. Streiner's speech in Toronto to the Economic Club of Canada. To advance this initiative, the Agency will actively engage a broad range of stakeholders, including the transportation industry, shippers, consumers and disability rights organizations. All interested Canadians will have an opportunity to provide feedback. This initiative will: 1) ensure that industry's obligations are clear, predictable, and relevant to a range of existing and emerging business practices; 2) ensure that

Canada

1. Decarbonising Transport: ITF launches major new project, May 19, 2016, www.itf-oecd.org
2. Lankan delegation attends CILT International Convention in Montreal, May 24, 2016, www.portofmontreal.ca
3. Ruling out privatization limits Canada Post review's effectiveness, May 25, 2016, www.globeandmail.ca
4. The Canadian Transportation Agency announces comprehensive regulatory review, May 26, 2016, www.cta-otc.gc.ca
5. Global transport ministers release declaration on green and inclusive transport, May 27, 2016, www.ctl.ca
6. Transport sector unites to launch global Decarbonizing Transport project, May 27, 2016, www.ctl.ca

the demands associated with compliance are only as high as necessary to achieve the regulations' purposes; and 3) facilitate the efficient and effective identification and correction of instances of non-compliance.

5. Global transport ministers release declaration on green and inclusive transport

The Council of Ministers of Transport at the 2016 Summit of the International Transport Forum in Leipzig, Germany, officially released their declaration on green and inclusive transport May 19, 2016.

6. Transport sector unites to launch global Decarbonizing Transport project

The International Transport Forum (ITF) at the OECD officially launched a major global initiative towards carbon-free transport May 19, 2016. Transport activity currently contributes 23% of global CO2 emissions from fossil fuels, with the share expected to rise, said the ITF. “The COP 21 Paris Agreement created a political pathway for global CO2 mitigation efforts. The key is to close the gaps between commitments and delivery. It is now up to the transport sector to demonstrate how carbon-free mobility can be achieved. That is why we are launching the Decarbonizing Transport project”, said Secretary- General José Viegas at the project inauguration event during the Annual Summit of transport ministers in Leipzig, Germany.

