

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Air Canada Fastest Growing Brand Among Canada's Largest Corporations: Only airline among Canada's Top 50 brands

Air Canada's brand value has soared 88 per cent to \$1.8 billion over the last year placing it among the Top 50 most valuable Canadian brands, according to this year's report on Canadian brands published by Brand Finance.

### 2. Xiamen Airlines touches down in Canada for the first time

Vancouver International Airport (YVR) has celebrated the inaugural flight of Xiamen Airlines to North America. The new year-round, non-stop, Boeing 787 service will operate three times weekly between YVR and Xiamen Gaoqi International Airport (XMN). Craig Richmond, President and CEO, Vancouver Airport Authority said "We're delighted to welcome Xiamen Airlines as our fifth airline from Mainland China."

### 3. Passenger demand losing momentum

The International Air Transport Association (IATA) announced global passenger traffic data for June 2016 showing that demand (measured in revenue passenger kilometers or RPKs) rose by 5.2% compared to the year-ago period. This was up slightly from the 4.8% increase recorded in 2016 May (revised). However, the upward trend in seasonally-adjusted traffic has moderated since January 2016. June capacity (available seat kilometers or ASKs) increased by 5.6%, and load factor slipped 0.3 percentage points to 80.7%. Tony Tyler, IATA's Director General and CEO said that "The demand for travel continues to increase, but at a slower pace. The fragile and uncertain economic backdrop, political shocks and a wave of terrorist attacks are all contributing to a softer demand environment."

### 4. World ACD: Global airfreight market ticks up in June

Global airfreight volumes increased 2.7 percent in June 2016 compared with the same 2015 period, according to the latest figures from industry analyst World ACD. The firm attributed the uptick in June primarily to strong volumes in the Asia Pacific region, where imports by air were up 7.1 percent and exports up 6.6 percent. Europe continued to show growth in airfreight imports, up 4.8 percent year-over-year, but the African and Central and South American regions saw volumes fall.

### 5. IATA Cargo XML Standard Accepted by the U.S. Customs and Border Protection Agency

The International Air Transport Association (IATA) announced on August 8, 2016 that IATA's Cargo-XML messaging standard will be utilized by the U.S. Customs and Border Protection Agency (US-CBP) to collect advance cross-border data on US export shipments.

### 6. WestJet adds Belize to list of sun destinations

WestJet announced on August 8, 2016 that it will begin serving Belize City, Belize, non-stop from Toronto Pearson International Airport

## AIR

## TRANSPORTATION

### Canada

1. Air Canada Fastest Growing Brand Among Canada's Largest Corporations: Only airline among Canada's Top 50 brands, Aug 2, 2016, [www.aircanada.ca](http://www.aircanada.ca)
2. Xiamen Airlines touches down in Canada for the first time, August 2, 2016, [www.ctl.ca](http://www.ctl.ca)
3. Passenger demand losing momentum, Aug 4, 2016, [www.iata.org](http://www.iata.org)
4. World ACD: Global airfreight market ticks up in June, August 3, 2016, [www.americanshipper.com](http://www.americanshipper.com)
5. IATA Cargo XML Standard Accepted by the U.S. Customs and Border Protection Agency, August 8, 2016, [www.iata.org](http://www.iata.org)
6. WestJet adds Belize to list of sun destinations, August 8, 2016, [www.westjet.ca](http://www.westjet.ca)
7. WestJet reports July load factor of 85.2 per cent, August 10, 2016, [www.westjet.ca](http://www.westjet.ca)
8. Aircraft movement statistics: Small airports, April 2016, August 11, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)
9. Governments Must Clamp Down on Rogue Lithium Battery Shippers, August 15, 2016, [www.iatat.org](http://www.iatat.org)
10. Air passengers with complaints urged to contact Canadian Transportation Agency, August 12, 2016, [www.cbc.ca](http://www.cbc.ca)
11. Air fares, fourth quarter 2015, August 17, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)
12. Airline Consumer Complaints Down From Previous Year, August 17, 2016, [www.dot.gov](http://www.dot.gov)
13. Government of Canada invests in Infrastructure at Wabush Airport, Newfoundland and Labrador, August 18, 2016, [www.tc.gc.ca](http://www.tc.gc.ca)
14. June 2016 Passenger Airline Employment Data, August 18, 2016, [www.bts.gov](http://www.bts.gov)
15. YVR lands Beijing Capital Airlines, August 22, 2016, [www.ctl.ca](http://www.ctl.ca)
16. WestJet launches its status match to gold, August 25, 2016, [www.westjet.ca](http://www.westjet.ca)
17. Research highlights potential for Canadian inland ports, August 24, 2016, [www.joc.com](http://www.joc.com)

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

starting October 29, 2016. Starting August 1, 2016, WestJet also began year-round, non-stop service between Calgary and John F. Kennedy International Airport in New York City. Both announcements came on the heels of WestJet's recent winter schedule announcement of more than 85 new flights across its growing network.

#### **7. WestJet reports July load factor of 85.2 per cent**

WestJet on August 10, 2016 announced July 2016 traffic results with a load factor of 85.2 per cent an increase of 2.4 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 13.9 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 10.7 per cent over the same period. The airline flew a record 2.0 million guests in July 2016, a year-over-year increase of 6.6 per cent or approximately 126,000 additional guests. WestJet President and CEO Gregg Saretsky said "We are very pleased with our continued double-digit traffic growth as we achieved our second-highest July load factor and flew a record 2.0 million guests for the month of July."

#### **8. Aircraft movement statistics: Small airports, April 2016**

Take-offs and landings at 116 Canadian airports without air traffic control towers totalled 55,769 movements in April 2016. Nine airports accounted for 42% of the activity in April: Peterborough, Ontario (4,406 movements); Moosonee, Ontario (3,684); St. Theresa Point, Manitoba (2,344); Goose Bay, Newfoundland and Labrador (2,289); Yorkton Municipal, Saskatchewan (2,285); Muskoka, Ontario (2,190); Comox, British Columbia (2,115); Red Lake, Ontario (2,055); and Trois-Rivières, Quebec (2,010).

#### **9. Governments Must Clamp Down on Rogue Lithium Battery Shippers**

The International Air Transport Association (IATA) partnered with leaders of the lithium battery supply chain to demand stricter enforcement of international regulations regarding the transport of lithium batteries. In a joint letter to Ministers of Trade, Industry and Transport, and Directors of Civil Aviation in the world's largest lithium battery manufacturing and export countries, IATA, PRBA, the US Rechargeable Battery Association, RECHARGE, the European Advanced Rechargeable and Lithium Battery Association, the Global Shippers Forum (GSF) and the International Air Cargo Association (TIACA) have called for lithium battery safety regulations to be enforced at the point of origin including the initial shipper and the battery manufacturer.

#### **10. Air passengers with complaints urged to contact Canadian Transportation Agency**

The federal agency in charge of resolving disputes between airlines and passengers is working to streamline and improve service to Canadians, but says it's up to Parliament to chart a course for improved compensation for frustrated travellers. Scott Streiner, the chair and chief executive officer of the Canadian Transportation Agency, said his office resolves nine of every 10 complaints it receives. But one of the biggest challenges is spreading the word to Canadians that [the complaints process actually exists](#).

#### **11. Air fares, fourth quarter 2015**

Domestic and international Canadian air fares combined averaged \$226.70 in the 2015 fourth quarter, down 5.5% from the same quarter in 2014. This marked the third consecutive year-over-year quarterly decline. The average domestic fare was \$174.50, down 7.8% from the same quarter a year earlier, while the average international fare decreased 4.2% to \$291.70.

#### **12. Airline Consumer Complaints Down From Previous Year**

Airline consumer complaints filed with the US DOT's Aviation Consumer Protection Division during the first six months of 2016 were down 12.2 percent from the first six months of 2015, according to the U.S. Department of Transportation's *Air Travel Consumer Report* released on August 17, 2016.

#### **13. Government of Canada invests in Infrastructure at Wabush Airport, Newfoundland and Labrador**

The Government of Canada recognizes the importance of local airports to connect rural communities with major centres across the country, providing essential services through safe and efficient airport operations. Through its Atlantic Growth Strategy, the federal government is working together with the four Atlantic Provinces to build a vibrant and stable economic future for the region that supports the middle class and addresses current and emerging regional challenges. Infrastructure investments, such as the projects underway at Wabush Airport, help to realize that vision for Atlantic Canada's future.

#### **14. June 2016 Passenger Airline Employment Data**

U.S. scheduled passenger airlines employed 3.9 percent more workers in June 2016 than in June 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on August 18, 2016. June 2016 was the highest monthly total (412,333) since June 2008 and was the 32nd consecutive month that U.S. scheduled passenger airline full-time equivalent (FTE) employment exceeded the same month of the previous year.

### 15. YVR lands Beijing Capital Airlines

Vancouver International Airport (YVR) announced that Beijing Capital Airlines (BCA) will begin service between Vancouver and Hangzhou, via Qingdao on December 30, 2016. The new, thrice-weekly service marks the first time Beijing Capital Airlines will fly to any destination in North America.

### 16. WestJet launches its status match to gold

WestJet announced on August 25, 2016 that it will offer members of any airline or travel rewards program the opportunity to obtain gold status in its WestJet Rewards program. This represents the third time WestJet has offered the matching program to frequent Canadian flyers and the first time WestJet has offered status match to all airline and travel rewards top-tier program members.

### 17. Research highlights potential for Canadian inland ports

A new white paper commissioned by the Van Horne Institute and completed by JOC outlines how Canada can build on its success in creating inland ports.

## WATER TRANSPORTATION

### 1. Port Saint John, DP World enter long-term lease for operation of West Side Container Terminal

Port Saint John officials have announced a lease agreement with global trade enabler DP World for the operation of its container terminal, the largest private sector investment in the port. The long-term lease starts January 1, 2017 and will continue for about 30 years following completion of the Port's expansion program. DP World will introduce new assets including the revamping of terminal cargo handling equipment to deliver exceptional customer service.

### 2. Global Shippers' Forum calls for elimination of shipping surcharges

The shipping advocacy group adopted the goal of ending container shipping charges, which it said can sometimes exceed the contracted price for shipments making the management of total shipping costs unpredictable for cargo owners.

### 3. Global Shippers Forum announces plan to stop container surcharges

Global Shipper Forum (GSF) members have joined forces and announced a plan to put a stop to shipping surcharges. The ambitious goal to end the imposition of container shipping surcharges within five years has been adopted by the GSF at its Annual Meeting currently taking place in Colombo, Sri Lanka.

### 4. Drewry: Terminal operators will be challenged by weak container growth, rising costs

Terminal operators face the dual challenge of weaker demand growth and rising operating and capital costs due to larger vessels and alliances, according to London-based shipping consultant Drewry, which has just published its Global Container Terminal Operators Annual Review and Forecast 2016. Drewry expects global container port demand will grow at an annual rate of less than 3 percent over the next five years.

### 5. Prince Rupert Port Authority: Year to Date container statistics – January to July 2016

The Port of Prince Rupert Authority reported its year to date (January to July 2016) statistics and July statistics on August 10, 2016. Total container traffic (TEUs) was 444,116 for this period compared to 451,575 a year ago, a 2% decrease. Total container exports were 178,940.25 TEUs for this period compared to 198,381.25 a year ago, a 10% decrease. Total container imports were 265,175.75 TEUs for this period compared to 253,193.75 a year ago, a 5% increase. For the

## WATER TRANSPORTATION Canada

1. Port Saint John, DP World enter long-term lease for operation of West Side Container Terminal, July 29, 2016, [www.ctl.ca](http://www.ctl.ca)

2. Global Shippers' Forum calls for elimination of shipping surcharges, August 1, 2016, [www.americanshipper.com](http://www.americanshipper.com)

3. Global Shippers Forum announces plan to stop container surcharges, August 3, 2016, [www.ctl.ca](http://www.ctl.ca)

4. Drewry: Terminal operators will be challenged by weak container growth, rising costs, August 2, 2016, [www.americanshipper.com](http://www.americanshipper.com)

5. Prince Rupert Port Authority: Year to Date container statistics – January to July 2016, August 10, 2016, [www.rupertport.com](http://www.rupertport.com)

6. St. Lawrence Seaways volumes falls 11%, August 11, 2016, [www.americanshipper.com](http://www.americanshipper.com)

7. Port of Long Beach posts 7.7% drop in container volumes, August 12, 2016, [www.americanshipper.com](http://www.americanshipper.com)

8. Halifax port boom tops all in North America, August 16, 2016, [www.portofmontreal.ca](http://www.portofmontreal.ca)

9. Drewry: Container industry may lose \$5b in 2016, August 16, 2016, [www.americanshipper.com](http://www.americanshipper.com)

10. Softened global economy and market fluctuations contribute to reduced traffic through the Port of Vancouver, August 19, 2016, [www.portmetrovancover.com](http://www.portmetrovancover.com)

11. Metro Vancouver Port Authority: Year to Date container statistics – January to June 2016, August 22, 2016, [www.portmetrovancover.com](http://www.portmetrovancover.com)

12. Metro Vancouver Port Authority: Year to Date container statistics – January to July 2016, August 22, 2016, [www.portmetrovancover.com](http://www.portmetrovancover.com)

13. S&P Global Ratings affirms Halifax Port Authority's A+ Credit Rating, August 18, 2016,

month of July 2016, total container traffic, exports and imports changed by 30%+, 31%+ and 29%+, respectively compared to the same month in 2015.

#### **6. St. Lawrence Seaways volumes falls 11%**

The St. Lawrence Seaway's year-to-date cargo volumes fell 11 percent from the corresponding period in 2015 to 13.2 million metric tons, according to the Great Lakes Seaway Partnership. "The lack of iron ore and coal has definitely been a contributing factor for this decrease; however international traffic continues to be well above the five-year average, keeping our ports and their workforce busy," Saint Lawrence Seaway Development Corporation Administrator Betty Sutton said.

#### **7. Port of Long Beach posts 7.7% drop in container volumes**

Container volumes at the Port of Long Beach fell 7.7 percent in July 2016 compared to the same month in 2015 when harbor terminals handled a record amount of cargo. Dockworkers moved 637,091 TEUs in June 2016. Inbound containers totaled 325,608 TEUs, a 5.9 percent year-over-year decrease. Outbound containers reached 142,812 TEUs, a slight drop of 0.7 percent from July 2015.

#### **8. Halifax port boom tops all in North America**

Container traffic at the Port of Halifax is spiking this year as it grabs a growing share of the market due to its newfound ability to receive bigger cargo ships coming through the new Suez and Panama Canals. In the first six months of 2016, container traffic at the Port of Halifax jumped 19.6 per cent over the comparable period in 2015. Halifax has the highest percentage growth in container traffic for the first half of this year compared to other North American ports. During the comparable period, the Port of Vancouver saw a 5.5 per cent drop and the Port of Montreal saw a 2.3 per cent drop in the number of containers. In the United States, the ports of New York and New Jersey saw container traffic slide by 1.7 per cent. And while there has been growth at some ports, like Miami which saw an increase of 5.5 per cent, the biggest percentage jump so far this year has been in Halifax.

#### **9. Drewry: Container industry may lose \$5b in 2016**

The revenues of container carriers are falling faster than they can cut costs, while the industry may have collective losses of \$5 billion this year, according to the London-based shipping research and consulting firm Drewry. "First-half results so far suggest sales are down by around 18 percent, increasing the pressure to reduce costs," Drewry said in its latest *Container Insight Weekly* newsletter.

#### **10. Softened global economy and market fluctuations contribute to reduced traffic through the Port of Vancouver**

A softened global economy, the weakened Canadian dollar, and some containerized cargo shifting back to United States ports following an extended labour disruption on the U.S. west coast last year are primary factors contributing to lighter than usual traffic through the Port of Vancouver, according to the port authority's 2016 mid-year statistics report released on August 19, 2016. Despite the short-term slow down, forecasts show that long-term growth in trade will continue to bolster the Canadian economy. Total cargo for the half-year ending June 30, 2016 was 66.0 million metric tonnes, an overall decrease of 5.9 per cent over the same period in 2015. These results represent a softening of volumes in all major commodities except grain, where increases in barley (up 41.8 per cent) and canola (up 40.1 per cent) contributed to overall growth in that sector. In the container sector, volumes weakened in the first half of 2016 compared to last year, when the port experienced a temporary surge of cargo in 2015 as shippers chose to move freight through Canada due to labour disruptions at U.S. west coast ports. Between January and June 2016, 1.4 million container TEUs (twenty-foot equivalent units) moved through the Port of Vancouver, representing a decrease of 6.5 per cent from the same period in the record-breaking 2015 year. Compared to 2014, 2016 volume is up 1.3 per cent.

#### **11. Metro Vancouver Port Authority: Year to Date container statistics – January to June 2016**

The Port of Metro Vancouver Authority reported its year to date (January to June 2016) statistics on August 22, 2016. Total container traffic (TEUs) was 1,421,842 for this period compared to 1,520,315 a year ago, a 6.5% decrease. Total container exports were 681,836 TEUs for this period compared to 730,865 a year ago, a 6.7% decrease. Total container imports were 740,007 TEUs for this period compared to 789,451 a year ago, a 6.3% decrease.

#### **12. Metro Vancouver Port Authority: Year to Date container statistics – January to July 2016**

[www.portofhalifax.ca](http://www.portofhalifax.ca)

14. Metro Vancouver Port Authority: Year to Date cruise statistics – January to July 2016, August 22, 2016, [www.portmetrovancover.com](http://www.portmetrovancover.com)

15. Prince Rupert Port Authority: Year to Date cruise statistics – January to July 2016, August 22, 2016, [www.rupertport.com](http://www.rupertport.com)

16. Arctic passage presents unique opportunities, environmental risks, August 24, 2016, [www.americanshipper.com](http://www.americanshipper.com)

17. Port Begins Work on New Maintenance and Warehouse Complex, August 29, 2016, [www.rupertport.com](http://www.rupertport.com)

The Port of Metro Vancouver Port Authority reported its year to date (January to July 2016) statistics on August 22, 2016. Total container traffic (TEUs) was 1,667,724 for this period compared to 1,785,346 a year ago, a 6.6% decrease. Total container exports were 788,837 TEUs for this period compared to 855,068 a year ago, a 7.7% decrease. Total container imports were 878,887 TEUs for this period compared to 930,278 a year ago, a 5.5% decrease.

### **13. S&P Global Ratings affirms Halifax Port Authority's A+ Credit Rating**

S&P Global Ratings has affirmed Halifax Port Authority's investment-grade credit rating of 'A+' as strong financial performance continues. "Prudent financial management combined with expected cargo and revenue growth continues to yield positive results," said Paul MacIsaac, Senior Vice President, Halifax Port Authority. "Other factors include the addition of new and expanded containerized cargo services over the past year, and the Port's ability to handle large containerized cargo vessels."

### **14. Metro Vancouver Port Authority: Year to Date cruise statistics – January to July 2016**

The Port of Metro Vancouver reported its cruise statistics on August 22, 2016. For the period January to July 2016, the total number of revenue passengers increased 9.5% to 513,076 from 468,485 for the same period in 2015. The number of vessels calling increased 3.6% to 142 from 135 for the same period a year ago.

### **15. Prince Rupert Port Authority: Year to Date cruise statistics – January to July 2016**

The Port of Prince Rupert reported its cruise statistics in August 2016. For the period January to July 2016, the total number of passengers increased 180% to 5412 from 1935 for the same period in 2015.

### **16. Arctic passage presents unique opportunities, environmental risks**

The Northern Sea Route, currently only usable during the summer season from July to November, could be open year-round by 2020, according to industry and environmental experts. The Arctic Sea shipping passage is around 8,100 nautical miles, 2,400 nautical miles shorter than travelling through the Suez Canal for ships sailing from Shanghai to Rotterdam, according to the Northern Sea Route Information Office. Use of the route can cut 12 to 15 days off voyage times between Asia and North Europe compared to the traditional Suez Canal routing, saving carriers money on fuel and crew staffing, as well as canal tolls.

### **17. Port Begins Work on New Maintenance and Warehouse Complex**

The Port of Prince Rupert announced on August 29, 2016 that a \$16 million dollar investment in a new maintenance and warehouse complex, with construction is scheduled to begin in two weeks. The facility will be located at the intersection of Scott Road and Highway 16. Expansion of Fairview Container Terminal created a need to relocate the Port's maintenance building, as DP World acquired the Port's current facility as part of the terminal expansion. The new complex will be comprised of two buildings.

## **RAIL TRANSPORTATION**

### **1. Canadian Pacific Railway Limited announces sale of its common shares by Pershing Square**

Canadian Pacific Railway Limited ("Canadian Pacific" or "CP") and Pershing Square Capital Management L.P. ("Pershing Square") on August 3, 2016 announced the commencement of a public offering of 9,840,890 of Canadian Pacific's common shares by certain funds managed by Pershing Square, N.Y.

### **2. Political meddling is putting Canada's rail network at risk — right when we need it most**

Western Canadian farmers should prepare for 10 years of surging economic growth, thanks to a predicted spike in European and Asian-bound exports, says the Conference Board of Canada in a new report. Saskatchewan and Alberta are expected to capture 90 per cent of the growth in railcar loadings. But the Conference Board report, "**Building for Growth: Trade, Rail, and Related Infrastructure**," also says that improving the rail-port supply chain is essential to Canada's competitiveness. Too often, the federal government has allowed non-economic considerations to govern grain policy. This together with following a distorted free-market policy has had the effect of increasing uncertainty. In contrast in the United States, a different regime governs. Regulation is discouraged; shippers alone address the industry's

## **RAIL TRANSPORTATION Canada**

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3. BNSF earnings continue to contract in 2016, August 8, 2016, [www.americanshipper.com](http://www.americanshipper.com)
4. Shippers urge ILWU, PMA to start contract negotiations, August 9, 2016, [www.americanshipper.com](http://www.americanshipper.com)
5. Bombardier reports \$490m loss in Q2 2016, August 9, 2016, [www.americanshipper.com](http://www.americanshipper.com)
6. Saskatchewan urges rail companies to prepare for "larger than average" crop, August 12, 2016, [www.americanshipper.com](http://www.americanshipper.com)
7. BNSF Q2 dividend lowest since 2010, August 16, 2016, [www.americanshipper.com](http://www.americanshipper.com)

economic needs. This is a system worth considering as Canada tries to figure out how to move an extra 30 per cent of grain over the next decade.

### **3. BNSF earnings continue to contract in 2016**

BNSF Railway Co. saw its second quarter 2016 net income fall 19.8 percent to \$772 million compared with the second quarter of 2015, according to the company's most recent financial statements. The Fort Worth, Texas-based Class I freight railroad, a wholly-owned merger subsidiary of billionaire investor Warren Buffett's Berkshire Hathaway, reported total revenues of \$4.59 billion for the quarter, down 14.6 percent from the previous year.

### **4. Shippers urge ILWU, PMA to start contract negotiations**

North American intermodal volumes in the second quarter of 2016 fell 6.1 percent to 4.27 million units compared with the prior year, according to the Intermodal Association of North America's (IANA) second quarter Intermodal Market Trends & Statistics report. The second quarter decline followed 25 consecutive quarters of year-over-year growth. Intermodal trailer volumes dropped 28.6 percent, continuing a multi-year downward trend.

### **5. Bombardier reports \$490m loss in Q2 2016**

Bombardier Inc. posted a \$490 million loss in second quarter 2016 compared with a \$125 million profit the previous year, according to the company's most recent financial statements. The Montreal, Canada-based plane and train manufacturer, which reports earnings in U.S. dollars, reported a loss per diluted share (EPS) of \$0.24 compared with a \$0.06 per share gain in second quarter 2015 as revenues slipped 6.7 percent year-over-year to \$4.31 billion.

### **6. Saskatchewan urges rail companies to prepare for "larger than average" crop**

The Saskatchewan government is urging rail companies to be prepared to deal with a larger than average crop this year. Agriculture Minister Lyle Stewart said the province has advised the federal government and the two major railways of a potential large crop to ensure that the transportation system is prepared to move it in a timely manner, reported the Canadian Press.

### **7. BNSF Q2 dividend lowest since 2010**

BNSF Railway Co. recorded a \$500 million distribution to parent company Berkshire Hathaway Inc. during second quarter 2016, according to regulatory filings. That total was half of what the Class I railroad contributed to Berkshire the previous year, and the lowest quarterly dividend since 2010.

### **8. CP seeks supply chain collaboration to move 2016-17 grain crop**

Canadian Pacific said it is well-positioned and ready to move this year's western Canadian grain crop, which is forecast to be significantly bigger than the five-year average, to market. The railway is asking all supply chain partners to work collaboratively to continue moving record amounts of grain.

### **9. Toronto freight train derailment on 'major link' between Port of Montreal, Central Canada**

A collision between two trains on August 21, 2016, about 2 kilometres northwest of the Ontario legislature building, on a freight track serving as a "major link" between Western Canada and the Port of Montreal, is under investigation. The Transportation Safety Board of Canada announced on August 21, 2016 that it is sending an investigator to Toronto "following the collision between a set of Canadian Pacific Railway locomotives and an intermodal train."

### **10. CN, ADM and Midwest Inland Port drive increased container shipments over Decatur, Ill., intermodal ramp**

CN, Archer Daniels Midland Company and the Midwest Inland Port said on August 23, 2016 that their collaborative logistics and marketing efforts are driving increased container shipments over ADM's privately owned intermodal ramp located in Decatur, Ill. CN is transporting an increasing number of import containers from the Port of Montreal and the Port of Prince Rupert, B.C., to the Decatur facility in thrice-weekly train service to deliver to customers across the Midwest.

### **11. CDPQ Infra, CN enter agreement on tracks**

As part of its Réseau électrique métropolitain (REM) project update, CDPQ Infra said that it has entered into an agreement with CN. The agreement "marks a decisive step in the development of the REM project as a unified, integrated system, with Central Station as the intermodal hub linking four metropolitan branches", the companies announced.

### **12. U.S. Class I railway employment ticks up in July**

8. CP seeks supply chain collaboration to move 2016-17 grain crop, August 17, 2016, [www.ctl.ca](http://www.ctl.ca)

9. Toronto freight train derailment on 'major link' between Port of Montreal, Central Canada, August 22, 2016, [www.portofmontreal.ca](http://www.portofmontreal.ca)

10. CN, ADM and Midwest Inland Port drive increased container shipments over Decatur, Ill., intermodal ramp, August 23, 2016, [www.cn.ca](http://www.cn.ca)

11. CDPQ Infra, CN enter agreement on tracks, August 24, 2016, [www.ctl.ca](http://www.ctl.ca)

12. U.S. Class I railway employment ticks up in July, August 24, 2016, [www.americanshipper.com](http://www.americanshipper.com)

13. CP welcomes results of TSB Safety Summit, calls for meaningful change regarding on-board recordings, August 25, 2016, [www.cpr.ca](http://www.cpr.ca)

Class I freight railroads in the United States employed 152,718 workers as of the middle of July 2016, a 10.71 percent decline from 171,043 employees during the same 2015 period, according to data from the U.S. Surface Transportation Board (STB). However, Class I railway employment was up 0.19 percent from 152,426 workers in mid-June 2016, breaking a 14-month streak of job losses.

### **13. CP welcomes results of TSB Safety Summit, calls for meaningful change regarding on-board recordings**

Canadian Pacific (CP) welcomes the release of the full proceedings from the Transportation Safety Board's (TSB) recent Transportation Safety Summit and urges government officials to take action on Locomotive Video and Voice Recorders (LVVR). In addition to being a leader in rail safety, CP has long been a supporter of meaningful changes that improve rail safety, specifically the need to implement LVVRs in Canada, which can aide in incident investigation but have also been proven to proactively change in-cab behaviour to prevent incidents in the first place. CP uses LVVR technology in 15 of its locomotives in the U.S. The technology is also being used successfully by others in the U.S. with studies showing a 40 percent reduction in collisions per million miles travelled.

## **HIGHWAY TRANSPORTATION**

### **1. Uber Said to Merge China Business With Didi in \$35 Billion Deal**

Uber Technologies Inc. will merge its China business with Didi Chuxing, the dominant ride-hailing service in the country, according to people familiar with the matter. The valuation of the combined ride-hailing company is \$35 billion.

### **2. UPS quarterly profit up 3pc**

Atlanta's United Parcel Service's (UPS) second quarter profit increased three per cent year on year to US\$1.27 billion, drawn on revenues of \$14.6 billion, which rose four per cent, Shipping Gazette reported. CEO David Abney told Reuters UPS is adding capacity to its network and will work more closely with retailers ahead of this year's crucial holiday season. "We think it's going to be a repeat of last year," Mr Abney said. "We just have more tools in our toolbox this year."

### **3. Uber Trucking? Not so fast**

Despite talk of investment capital being funneled into 'Uber for trucking' startups these days, a new study concludes that the trucking industry is way too complex to become an Uber type of business even though Digital Freight Matching (DFM) services are common in matching a shipper's freight with available carrier capacity.

### **4. Transport Canada Analysis Shows 2:1 Benefit to Cost Ratio for ELD Mandate**

Momentum continues to build towards the implementation of a federal ELD mandate in Canada. On August 9, 2016, Transport Canada released its long-awaited Cost-Benefit Analysis (CBA) for a proposed mandate that would apply to all federally-regulated vehicles where the driver is currently required to complete a paper logbook. The CBA looked at two scenarios: One included all federally-regulated commercial motor vehicles in Canada that would be covered by the mandate while the other excluded those vehicles which would be covered by the US mandate. In both cases the result was the same. Benefits are expected to exceed the costs associated with a Canadian ELD mandate by a 2:1 ratio.

### **5. June 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, rose 0.6 percent in June 2016 from May 2016, rising for the third consecutive month, according to the U.S. Department of

## **HIGHWAY TRANSPORTATION Canada**

1. Uber Said to Merge China Business With Didi in \$35 Billion Deal, August 1, 2016, [www.cargonews.com](http://www.cargonews.com)
2. UPS quarterly profit up 3pc, [www.transportweekly.com](http://www.transportweekly.com)
3. Uber Trucking? Not so fast, August 5, 2016, [www.cantruck.ca](http://www.cantruck.ca)
4. Transport Canada Analysis Shows 2:1 Benefit to Cost Ratio for ELD Mandate, August 10, 2016, [www.cantruck.ca](http://www.cantruck.ca)
5. June 2016 Freight Transportation Services Index (TSI), August 10, 2016, [www.dot.gov](http://www.dot.gov)
6. U.S. Department of Transportation Announces \$7 Million in Funding for Innovative Research to Improve Public Transportation, August 15, 2016, [www.dot.gov](http://www.dot.gov)
7. TransCore Canadian Freight Index sees "routine" mid-summer low, August 15, 2016, [www.ctl.ca](http://www.ctl.ca)
8. Carleton University to hold workshop on resilient supply chains, August 16, 2016, [www.ctl.ca](http://www.ctl.ca)
9. Europe's TIP Trailer acquires Ontario's Train Trailer, August 16, 2016, [www.todaystrucking.com](http://www.todaystrucking.com)
10. North American freight market decline continues in July, August 16, 2016, [www.americanshipper.com](http://www.americanshipper.com)
11. The governments of Canada and Northwest Territories launch a project to help protect northern roads in the face of climate change, August 18, 2016, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Ottawa truck tunnel could solve decades of tension, August 18, 2016, [www.todaystrucking.com](http://www.todaystrucking.com)
13. Uber Buys Autonomous Truck Tech Company, August 19, 2016, [www.cantruck.ca](http://www.cantruck.ca)
14. U.S. Driving Up 3.3 Percent In First Half of 2016, New Federal Data Show, August 22, 2016, [www.dot.gov](http://www.dot.gov)
15. Liberals agree to \$1.49B investment — including \$500M for Toronto — to boost lagging transit in Ontario, August 23, 2016, [www.nationalpost.ca](http://www.nationalpost.ca)
16. No end in sight for intermodal rate decline, August 22, 2016, [www.americanshipper.com](http://www.americanshipper.com)

Transportation's Bureau of Transportation Statistics' (BTS). The June 2016 index level (122.3) was 29.1 percent above the April 2009 low during the most recent recession.

#### **6. U.S. Department of Transportation Announces \$7 Million in Funding for Innovative Research to Improve Public Transportation**

The U.S. Department of Transportation's (DOT) Federal Transit Administration (FTA) on August 15, 2016 announced an opportunity <https://www.transit.dot.gov/funding/applying/notices-funding/safety-research-and-demonstration-srd-program> to apply for \$7 million in federal funding for projects that demonstrate innovative approaches to improve safety for public transportation workers and passengers. The [Safety Research & Demonstration \(SRD\) program](#) supports research on new technologies and safer vehicle designs to reduce the potential for accidents.

#### **7. TransCore Canadian Freight Index sees "routine" mid-summer low**

TransCore Link Logistics volumes for Canadian and cross-border loads ended strong in the second quarter of 2016, and then underwent a routine mid-year summer low, TransCore said in a release. The components of the Freight Index are comprised from roughly 5,500 of Canada's trucking companies and freight brokers; this data includes all domestic, cross-border and interstate data submitted by Loadlink customers.

#### **8. Carleton University to hold workshop on resilient supply chains**

Carleton University (Ottawa) will be hosting a workshop on October 24-25, 2016 titled "*Creating Confidence: Resilience of Supply Chains*". This workshop will be an opportunity for delegates to exchange views on this subject of importance to all parts of the country and the continent, including the roles of policy and governments, organizers said.

#### **9. Europe's TIP Trailer acquires Ontario's Train Trailer**

Netherlands-based leasing, rental and service solutions company TIP Trailer Services has acquired Mississauga, Ontario-based Train Trailer.

#### **10. North American freight market decline continues in July**

The North American freight market continued to decline in July 2016 despite showing some signs of life the previous month, according to the latest Cass Freight Index Report. Shipment volumes for the month were flat compared with June 2016, while expenditures slipped 0.6 percent, but both still remained well below 2015 levels. Cass noted shipments and expenditures fell 2.6 percent and 5.1 percent, respectively, compared with July 2015.

#### **11. The governments of Canada and Northwest Territories launch a project to help protect northern roads in the face of climate change**

A safe, secure and efficient transportation system is crucial to the viability and socio-economic welfare of northern communities and contributes to economic opportunities in the North. The Honourable Marc Garneau, Canada's Minister of Transport, along with Wally Schumann, the Northwest Territories' Transportation Minister, and Michael McLeod, Member of Parliament for the Northwest Territories, announced on August 18, 2016 the launch of the second phase of the Northwest Territories (NWT) Transportation Monitoring Program and the extension of research activities along established test sites.

#### **12. Ottawa truck tunnel could solve decades of tension**

The City of Ottawa has [completed a study](#) that suggests a \$2-billion tunnel could alleviate heavy truck traffic on residential roads as drivers look to access highway networks connecting Ontario to Quebec. The 3.4-kilometer tunnel would extend with two lanes in each direction from the Macdonald-Cartier Bridge to Highway 417 at Vanier Parkway and Riverside Drive via a crosstown route under Lowertown and Sandy Hill. It would be designed to carry some 25,000 vehicles per day through the tunnel, not just trucks, suggests the \$750,000 feasibility study released on August 17, 2016

#### **13. Uber Buys Autonomous Truck Tech Company**

Ride sharing giant Uber is upping its efforts in the AV market by acquiring Otto, a technology startup that's developing autonomous technology for Class 8 trucks. Anthony Levandowski, who left Google's self-driving cars project to found Otto with other former Google employees, will reportedly lead Uber's self-driving efforts.

17. Truckload rates fall for fifth straight month in July, August 22, 2016, [www.americanshipper.com](http://www.americanshipper.com)

18. Large urban transit, June 2016, August 24, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)

19. Uber and the sharing economy will be stifled into regulatory lethargy, just like everything else, August 24, 2016, [www.nationalpost.ca](http://www.nationalpost.ca)

20. June 2016 North American Freight Numbers, August 25, 2016, [www.bts.gov](http://www.bts.gov)

21. OTA says provincial talks in works for smart lift axles, August 24, 2016, [www.todaystrucking.com](http://www.todaystrucking.com)

22. U.S DOT proposes speed limiters for large commercial vehicles, August 26, 2016, [www.dot.gov](http://www.dot.gov)

23. US proposal to limit speed could cut capacity, August 29, 2016, [www.joc.com](http://www.joc.com)

24. Uber Technologies Inc bleeding money, said to have lost at least US\$1.2 billion in first half of 2016, August 26, 2016, [www.nationalpost.ca](http://www.nationalpost.ca)



#### **14. U.S. Driving Up 3.3 Percent In First Half of 2016, New Federal Data Show**

New data released on August 22, 2016 by the U.S. Department of Transportation's (USDOT) Federal Highway Administration (FHWA) shows that U.S. driving reached 1.58 trillion miles in the first six months of 2016, beating the previous record of 1.54 trillion miles set last year. For a sense of scale, 1.58 trillion miles is about 250 roundtrips from Earth to Pluto.

#### **15. Liberals agree to \$1.49B investment — including \$500M for Toronto — to boost lagging transit in Ontario**

The federal treasury is doling out \$1.49 billion worth of transit funding among cities in Ontario for track upgrades, new buses and improvements and accessibility upgrades to stations, the prime minister announced on August 23, 2016. Five Ontario cities are the first recipients of \$688 million of the dedicated transit funding for projects that have been approved. The funding can be used for up to half of the costs of an eligible project. "For larger cities like Toronto it means upgraded vehicles, more timely subway track repairs and vehicles and stations that are more accessible," Trudeau said in Barrie, Ont. Waterloo, Barrie and Sudbury, will receive about \$30.6 million combined for 20 projects. Premier Kathleen Wynne, who has long made a push for more federal infrastructure funding, was on hand for the announcement. She said Ontario is "already putting every available dollar towards infrastructure" as her government has committed to spend \$160 billion over 12 years. "So today's federal investment of \$1.5 billion adds to that amount and it adds to that amount at a critical moment because we're still catching up from years of underinvestment," she said.

#### **16. No end in sight for intermodal rate decline**

Intermodal rates fell another 2.4 percent in July 2016 compared to the same month last year, according to the latest Cass Intermodal Price Index, which measures all-in per-mile costs. Cass Information Systems Inc., a logistics payment solutions provider and transportation intelligence analyst, said year-over-year rates were down for the 19th consecutive month. Intermodal rates fell 1.5 percent from the previous year in June 2016, 2 percent in May 2016 and 3.4 percent in April 2016.

#### **17. Truckload rates fall for fifth straight month in July**

Truckload rates fell another 1.6 percent in July 2016 compared with the previous year, the fifth consecutive month of year-over-year declines, according to the latest Cass Truckload Linehaul Index. The July 2016 decrease followed pricing declines of 0.6 percent in March, 2.3 percent in April, 1.2 percent in May and 1.8 percent in June. Although the negative growth in March 2016 was the first since May 2010, pricing growth had steadily contracted over the previous 12 months, from 5.1 percent year-over-year growth in March 2015 to 3.8 percent in April, 3.5 percent in May, 3.6 percent in June and July, 3.7 percent in August, 3.2 percent in September, 1.9 percent in October, 1.6 percent in November, 1.1 percent in December, 0.4 percent in January and 0.5 percent in February.

#### **18. Large urban transit, June 2016**

Total operating revenues (excluding subsidies) for 10 of Canada's largest urban transit systems rose 0.5% year over year in June 2016 to \$302.7 million. Over the same period, ridership decreased 0.4% to 141.1 million passenger trips. Growth in the number of passenger trips has been slowing over the past five years. On a year-over-year basis, the number of passenger trips has declined in 9 of the last 12 months.

#### **19. Uber and the sharing economy will be stifled into regulatory lethargy, just like everything else**

Ronald Reagan famously summed up the logic of government thusly: "If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it." Ridesharing companies Uber and Lyft move, so naturally, the state of Massachusetts [wants to tax them](#). And since taxis aren't moving nearly as much as they used to, the state wants to hand about a quarter of the tax — five cents out of a 20-cent per-ride levy — to the taxi industry. It is a shamelessly unjustifiable giveaway to special interests, paid for by taxing a competitor that's eating their lunch. To be sure, a fee of 20 cents is probably not going to put Uber and Lyft out of business. On the other hand, such fees have a way of metastasizing over time. They start out as a tiny fee that no one could possibly object to, and then, when no one's looking, they're raised a bit. Then a bit more. Then you eventually find they're hefty enough to make the new service as expensive and inefficient as the old service that it replaced.

#### **20. June 2016 North American Freight Numbers**

All transportation modes except air carried less cross-border freight by value in June 2016 compared to June 2015 resulting in a 6.4 percent decrease to \$92.7 billion in the total current dollar value of freight moved. June 2016 was the 18th consecutive month that the total value of U.S. freight with North American Free Trade Agreement (NAFTA) partners Canada and Mexico declined from the same month of the previous year, according to the TransBorder Freight Data released on August 25, 2016 by the U.S.

Department of Transportation's Bureau of Transportation Statistics. From June 2015 to June 2016, the value of U.S.-Canada freight flows fell 7.2 percent to \$48.2 billion as all modes of transportation except air 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. Crude oil is a large share of freight carried by pipeline and vessel, which were down 16.1 percent and 31.9 percent respectively year-over-year. Trucks carried 60.4 percent of the value of the freight to and from Canada. Rail carried 15.8 percent.

#### **21. OTA says provincial talks in works for smart lift axles**

The Ontario Trucking Association (OTA) reports that smart lift axles for semi-trailers may be on the horizon now that formal discussions with the province appear to be around the corner. While the technology has been available for more than a decade, it remains at odds with Ontario Regulation 413/05: Vehicle weights and dimensions – for Safe, Productive and Infrastructure-Friendly Vehicles. As the OTA has made recent headway on other weights and dimensions issues, it feels the timing may be right to revisit smart lift axles, which monitor the load on a trailer's suspension and automatically raises and lowers the lift axel independent of driver input, which can increase fuel economy and lower greenhouse gas (GHG) emissions.

#### **22. U.S DOT proposes speed limiters for large commercial vehicles**

U.S. Transportation Secretary Anthony Foxx announced on August 26, 2016 that the Department's National Highway Traffic Safety Administration (NHTSA) and Federal Motor Carrier Safety Administration (FMCSA) propose equipping heavy-duty vehicles with devices that limit their speeds on U.S. roadways, and requiring those devices be set to a maximum speed, a safety measure that could save lives and more than \$1 billion in fuel costs each year.

#### **23. US proposal to limit speed could cut capacity**

A proposal to mandate speed-limiting technology on heavy trucks would increase demand for truck drivers, US regulators admit. Limiting speed could also cut the number of trips thereby cutting capacity. If it leads to an increase in the demand for trucks it could mean need for more truck drivers.

#### **24. Uber Technologies Inc bleeding money, said to have lost at least US\$1.2 billion in first half of 2016**

The ride-hailing giant Uber Technologies Inc. is not a public company, but every three months, dozens of shareholders get on a conference call to hear the latest details on its business performance from its head of finance, Gautam Gupta. On Friday, Gupta told investors that Uber's losses mounted in the second quarter. Even in the U.S., where Uber had turned a profit during its first quarter, the company was once again losing money. In the first quarter of this year, Uber lost about US\$520 million before interest, taxes, depreciation and amortization, according to people familiar with the matter. In the second quarter the losses significantly exceeded US\$750 million, including a roughly US\$100 million shortfall in the U.S., those people said. That means Uber's losses in the first half of 2016 totalled at least US\$1.27 billion.

## GENERAL TRANSPORTATION

### Canada

#### 1. Leading indicator of cross-border traveller volume, July 2016 (preliminary)

Data on the number of United States travellers entering Canada by car in July 2016 are now available upon request. Data are available by visitors' state of residence and province of entry into Canada from Statistics Canada ([www.statcan.gc.ca](http://www.statcan.gc.ca)).

#### 2. Traveller Accommodation Services Price Index, second quarter 2016

The Traveller Accommodation Services Price Index (TASPI) increased 10.7% in the 2016 second quarter compared with the previous quarter. The growth was the result of gains among both leisure clients (+12.1%) and business clients (+9.2%). The increase reflected high seasonal demand for accommodation services, which has also been observed in previous years. The TASPI rose in 10 provinces and territories. British Columbia (+19.2%), Ontario (+12.6%), Quebec (+9.5%) and Alberta (+6.0%) contributed the most to the increase. Declining prices in Saskatchewan (-1.9%) moderated the gain.

#### 3. Leading indicator of cross-border traveller volume, July 2016 (preliminary)

Data on the number of United States travellers entering Canada by car in July 2016 are now available upon request. Data are available by visitors' state of residence and province of entry into Canada from Statistics Canada ([www.statcan.gc.ca](http://www.statcan.gc.ca)).

#### 4. Canada creates special envoy for EU trade deal

The Canadian government has created a new envoy position in an attempt to finalize and implement a free trade agreement with the European Union, according to a statement from International Trade Minister Chrystia Freeland. Pierre Pettigrew, who has served both as minister of trade and foreign affairs, will be Canada's new envoy for the Comprehensive Economic and Trade Agreement (CETA) with the EU for a term of one year, effective immediately.

#### 5. Travel Survey of Residents of Canada, 2015 (final)

In 2015, the number of domestic trips decreased 0.7% from 2014 to 318.1 million. Total expenditures for those trips increased 0.6% to \$47.4 billion.

#### 6. Traffic Fatalities Up Sharply in 2015

US lost 35,092 people in traffic crashes in 2015, ending a 5-decade trend of declining fatalities with a 7.2 percent increase in deaths from 2014. The final data released today by the U.S. Department of Transportation's National Highway Traffic Safety Administration showed traffic deaths rising across nearly every segment of the population. The last single-year increase of this magnitude was in 1966, when fatalities rose 8.1 percent from the previous year.

### Canada/US/EU

1. Leading indicator of cross-border traveller volume, July 2016 (preliminary), August 10, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)

2. Traveller Accommodation Services Price Index, second quarter 2016, August 12, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)

3. Leading indicator of cross-border traveller volume, July 2016 (preliminary), August 25, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)

4. Canada creates special envoy for EU trade deal, August 29, 2016, [www.americanshiupper.com](http://www.americanshiupper.com)

5. Travel Survey of Residents of Canada, 2015 (final), August 30, 2016, [www.statcan.gc.ca](http://www.statcan.gc.ca)

6. Traffic Fatalities Up Sharply in 2015, August 29, 2016, [www.dot.gov](http://www.dot.gov)