

Transportation Information Update*

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AIR TRANSPORTATION

1. WestJet launches Abbotsford-Winnipeg route

WestJet on April 30, 2017 applauded the City of Abbotsford and the Abbotsford International Airport as they prepare to eliminate the airport improvement fee (AIF) on June 1, 2017. As a celebration, WestJet launched its non-stop service between Abbotsford and Winnipeg and increased frequency on the route between Abbotsford and Edmonton from 13 to 20 weekly flights.

2. WestJet reports first quarter results

WestJet on May 1, 2017 announced its 48th consecutive profitable quarter, with first quarter 2017 net earnings of \$48.3 million, or \$0.41 per diluted share. This compares with quarterly net earnings of \$87.6 million, or \$0.71 per diluted share reported in the first quarter of 2016. These first quarter 2017 results include a pre-tax non-cash adjustment to its maintenance provision of \$18.5 million and irregular operations related costs of \$7.0 million due to severe winter weather experienced in the quarter. Based on the trailing twelve months, the airline achieved a return on invested capital of 10.0 per cent, compared with the 11.3 per cent reported in the previous quarter.

3. 2016 Annual and 4th Quarter Airline Financial Data

U.S. scheduled passenger airlines reported an after-tax net profit of \$13.5 billion in 2016, down from \$24.8 billion in 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 2, 2017.

4. Global Air Freight Demand Increases 14% in March

The International Air Transport Association (IATA) released March 2017 demand growth results for global air freight markets showing a 14% expansion measured in freight tonne kilometers (FTKs) compared to the same period last year. This was the fastest pace of growth recorded since October 2010. Freight capacity, measured in available freight tonne kilometers (AFTKs), grew by 4.2% year-on-year in March 2017. March 2017 performance contributed to very strong first quarter (Q1) growth in freight volumes. After adjusting for the impact of the leap year in 2016, freight demand in Q1 2017 increased by nearly 11%. Capacity increased by 3.7% over the same period (leap year adjusted).

First Quarter ends on strong note for passenger traffic

The International Air Transport Association (IATA) announced global passenger traffic results for March 2017 showing that demand (measured in revenue passenger kilometers, or RPKs) rose 6.8%, compared to the same month a year ago. Capacity grew 6.1% and load factor climbed by half a percentage point to 80.4%, which was a record for the month. March 2017 demand growth represented a moderate slowdown relative to performance in February after adjusting for the distortion in the year-to-year comparisons owing to the extra day in February 2016. The imposition of the ban on large electronics in the

AIR

TRANSPORTATION Canada

1. WestJet launches Abbotsford-Winnipeg route, April 30, 2017, www.westjet.ca
2. WestJet reports first quarter results, May 1, 2017, www.westjet.ca
3. 2016 Annual and 4th Quarter Airline Financial Data, May 2, 2017, www.dot.gov
4. Global Air Freight Demand Increases 14% in March, May 3, 2017, www.iata.org
5. First Quarter ends on strong note for passenger traffic, May 4, 2017, www.iata.org
6. Air Canada Adds Six New Routes to Australia, South America, Caribbean and USA, May 3, 2017, www.aircanada.ca
7. Air Canada Announces Montreal - Lima Service; Its First Non-Stop South American flights from Montreal, May 3, 2017, www.aircanada.ca
8. WestJet launches Calgary's first nonstop to Nashville, May 4, 2017, www.westjet.ca
9. Canadian pilot groups launch fatigue safety campaign, May 3, 2017, www.ctl.ca
10. Air Canada Reports First Quarter 2017 Results, May 5, 2017, www.aircanada.ca
11. Global Air Freight Demand Sees Fastest Pace of Growth Since 2010, May 5, 2017, www.inboundlogistics.com
12. WestJet lands two GUINNESS WORLD RECORDS titles, May 10, 2017, www.westjet.ca
13. WestJet reports April load factor of 84.8 per cent, May 10, 2017, www.westjet.ca
14. Air Canada to Launch Its Own Loyalty Program in 2020, May 11, 2017, www.aircanada.ca
15. February 2017 U.S. Airline Traffic Data, May 11, 2017, www.bts.gov
16. Aircraft movement statistics: Small airports, January 2017, May 12, 2017, www.statcan.gc.ca
17. WestJet returns to Phoenix-Mesa this fall, May 15, 2017, www.westjet.ca

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

cabin on certain routes to the US and UK occurred too late in March to have an effect on traffic figures.

6. Air Canada Adds Six New Routes to Australia, South America, Caribbean and USA

Air Canada announced on May 3, 2017 the continued expansion of its international network with the addition of six new routes for the winter season: Vancouver-Melbourne, Vancouver-Orlando, Toronto-Belize, Toronto-St. Vincent, Montreal-Lima and Montreal-Phoenix. Flights are now available for purchase at aircanada.com and through travel agents.

7. Air Canada Announces Montreal - Lima Service; Its First Non-Stop South American flights from Montreal

Air Canada announced on May 3, 2017 the continued expansion of its international network with the addition of non-stop Montreal-Lima service, its first Montreal link to the southern hemisphere. The carrier is also capitalizing on strong seasonal demand to Arizona by introducing new non-stop Montreal-Phoenix service.

8. WestJet launches Calgary's first nonstop to Nashville

WestJet on May 4, 2017 announced the start of service between Calgary and Nashville. WestJet is the only Canadian carrier featuring non-stop service from Western Canada to Nashville's Metropolitan Nashville Airport (BNA).

9. Canadian pilot groups launch fatigue safety campaign

More than 8,000 passenger and cargo pilots have joined forces to launch SaferSkies.ca, a campaign to inform Canadians about the country's outdated aviation fatigue regulations and to urge the government to enact stronger protections for aviation safety.

10. Air Canada Reports First Quarter 2017 Results

Air Canada on May 5, 2017 reported first quarter 2017 EBITDAR (earnings before interest, taxes, depreciation, amortization, impairment and aircraft rent), excluding special items, of \$342 million, compared to first quarter 2016 EBITDAR of \$460 million. The airline recorded a first quarter EBITDAR margin of 9.4 per cent, better than the margin projected in Air Canada's February 17, 2017 news release. The better than expected EBITDAR margin performance was primarily driven by a first quarter revenue environment that was more robust than anticipated, lower than forecasted aircraft maintenance expense largely due to a deferral of maintenance activities, and lower than anticipated jet fuel prices. On a GAAP basis, Air Canada reported an operating loss of \$54 million in the first quarter of 2017 versus operating income of \$154 million in the first quarter of 2016. Air Canada recorded an adjusted net loss of \$87 million or \$0.32 per diluted share in the first quarter of 2017 compared to adjusted net income of \$85 million or \$0.30 per diluted share in the first quarter of 2016. The airline reported a net loss of \$37 million or \$0.14 per diluted share in the first quarter of 2017 compared to net income of \$101 million or \$0.35 per diluted share in the first quarter of 2016.

11. Global Air Freight Demand Sees Fastest Pace of Growth Since 2010

The International Air Transport Association (IATA) released March 2017 demand growth results for global air freight markets are showing a 14% expansion measured in freight tonne kilometers (FTKs) compared to the same period last year. This was the fastest pace of growth recorded since October 2010. Freight capacity, measured in available freight tonne kilometers (AFTKs), grew by 4.2% year-on-year in March 2017. The strengthening of air freight demand in March 2017 is consistent with an uptick in world trade and a six-year high in new export orders. An increase in the shipment of silicon materials typically used in high-value consumer electronics shipped by air, is also likely underpinning a portion of the strong performance.

12. WestJet lands two GUINNESS WORLD RECORDS titles

WestJet announced on May 10, 2017 that it set two GUINNESS™ WORLD RECORDS titles when the airline built and illuminated a kilometre-wide prize wheel in the Utah desert as flight 1118 from Toronto, descended into Las Vegas.

13. WestJet reports April load factor of 84.8 per cent

WestJet on May 10, 2017 announced on April 2017 traffic results with a load factor of 84.8 per cent, an increase of 4.2 percentage points year over year. Revenue passenger miles (RPMs), or traffic (2.178

18. Minister Garneau introduces legislation to support Canadian travellers and promote economic growth, May 16, 2017, www.tc.gc.ca

19. Travellers Initiatives, May 16, 2017, www.tc.gc.ca

20. WestJet comments on Transportation Modernization Act, May 16, 2017, www.westjet.ca

21. Air Canada Comments on Proposed Transportation Modernization Act, May 16, 2017, www.aircanada.ca

22. 1st Quarter 2017 Airline Bumping Rate Equal to Previous Year, May 16, 2017, www.dot.gov

23. February 2017 U.S. Airline Traffic Data, May 16, 2017, www.dot.gov

24. New Partnership to Enhance Quality & Safety in Aviation Fueling, May 16, 2017, www.iata.org

25. Air Canada Flights Now Located at Los Angeles Airport Terminal 6, May 17, 2017, www.aircanada.ca

26. Media Statement for AC624 Halifax Incident, (March 29, 2015), May 18, 2017, www.aircanada.ca

27. Canada's Airports Welcome Federal Engagement with Air Transport Sector, May 19, www.cacairports.ca

28. WestJet again named Canada's most trusted airline, May 25, 2017, www.westjet.ca

29. Government of Canada Investing in Safety at Local and Regional Airports, May 24, 2017, www.tc.gc.ca

30. Asian air hubs report double-digit growth, May 25, 2017, www.joc.com

31. Monthly civil aviation statistics, March 2017, May 29, 2017, www.statcan.gc.ca

32. Air Canada Renews Normal Course Issuer Bid, May 26, 2017, www.aircanada.ca

billion), increased 12.8 per cent year-over-year, and capacity, measured in available seat miles (ASMs) (2.569 billion), grew 7.3 per cent over the same period. The airline flew a record 2.0 million guests in April 2017, a year-over-year increase of 13.5 per cent or approximately 235,000 additional guests. WestJet President and CEO Gregg Saretsky said "We are very pleased with our continued strong traffic growth as a record number of guests chose to fly with us in April."

14. Air Canada to Launch Its Own Loyalty Program in 2020

Air Canada on May 11, 2017 announced its decision to launch its own loyalty program in 2020 upon the expiry of its commercial agreement with Aimia, the operator of Aeroplan. Effective June 30, 2020, Aeroplan will no longer be the loyalty program for Air Canada. Aeroplan has been independently owned and operated by Aimia for almost a decade. By operating its own loyalty program, Air Canada will be better able to strengthen its customer relationships and deliver a more consistent end-to-end customer experience. However, Aeroplan members can continue to earn and redeem Aeroplan Miles. The highlights of this launch are: 1) Air Canada is committed to business as usual through 2020, with smooth transition to the new program; 2) Air Canada intends to continue to offer Aimia redemption seats post-2020; and 3) Air Canada will continue customer relationships and service.

15. February 2017 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 11, 2017 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – fell to 82.6 percent in February 2017, seasonally adjusted, falling for the third consecutive month.

16. Aircraft movement statistics: Small airports, January 2017

Take-offs and landings reached 30,523 movements in January 2017, at 114 Canadian airports without air traffic control towers. In January 2017, 10 airports accounted for 39% of the activity:

17. WestJet returns to Phoenix-Mesa this fall

WestJet announced on May 15, 2017 that it will again operate flights to Phoenix-Mesa Gateway Airport from Alberta this fall. After a successful inaugural season, twice-weekly nonstop flights from Calgary begin November 9, 2017 and a weekly flight from Edmonton begins November 11, 2017. Seats are available for purchase now on WestJet.com.

18. Minister Garneau introduces legislation to support Canadian travellers and promote economic growth

The Government of Canada on May 16, 2017 introduced legislation to provide a better experience for travellers and a transparent, fair, efficient and safer freight rail system to facilitate trade and economic growth. The *Transportation Modernization Act* would promote transparency, system efficiency and fairness. Key measures would include: 1) establishing new air passenger rights; 2) liberalizing international ownership restrictions for Canadian air carriers to provide travellers with more choice through increased competition; 3) improving access, transparency, efficiency, and sustainable long-term investment in the freight rail sector; and 4) increasing the safety of transportation in Canada by requiring railways to install voice and video recorders in locomotives.

19. Travellers Initiatives

The Government of Canada is taking travellers initiatives in four areas: 1. Air Passenger Rights; 2. International Ownership of Air Carriers; 3. Joint Ventures; and 4. *Canadian Air Transport Security Authority Act* (CATSA) screening. The first strengthens air passenger rights in the areas: of denied boarding; lost or damaged baggage; tarmac delays; child seating; and carriage of musical instruments. The second raises international ownership restrictions from 25 to 49 per cent of voting interests for Canadian air carriers (except for carriers providing speciality services). The third allows the Minister of Transport to consider and approve applications for joint ventures between two or more air carriers providing air services in consultation with the Commissioner of Competition. The fourth provides a more flexible approach to the provision of CATSA services and provides opportunities for small airport development.

20. WestJet comments on Transportation Modernization Act

WestJet Vice-President, Industry, Corporate and Airport Affairs, Mike McNaney, commented on the Transportation Modernization Act saying "We welcome the legislation and are committed to working with the CTA, the Minister, parliamentarians and government agencies in the months to come".

21. Air Canada Comments on Proposed Transportation Modernization Act

Air Canada welcomed the Government's desire to establish air passenger rights that are clear, consistent, transparent and fair for passengers and air carriers industry-wide. We believe it is in the interest of all

parties to create a more predictable and fair system that applies to all airlines operating in Canada, which is not currently the case. Air Canada looks forward to participating in the consultation process relating to the new regulations over the coming months. The increase of foreign ownership limits to 49 per cent (from 25 per cent) should provide improved access to international investors and global capital markets for Air Canada. The proposed amendments to the legislative provisions governing joint ventures in the airline industry should facilitate the opening up of new markets by Air Canada and its joint venture partners and accelerate projects that are currently under consideration. Regarding the CATSA proposed amendments, we would have hoped that the Government would have addressed shortfalls in CATSA funding and other shortcomings in a more comprehensive fashion so as to improve the overall air traveller experience. In addition, Air Canada continues to encourage the Government to address aviation industry infrastructure, rates, taxes and charges.

22. 1st Quarter 2017 Airline Bumping Rate Equal to Previous Year

The U.S. Department of Transportation on May 16, 2017 released its May 2017 *Air Travel Consumer Report*, compiling air carrier data for the month of March 2017 and the first quarter of 2017. For the first quarter of 2017, the 12 U.S. carriers who report on-time performance and mishandled baggage data posted an involuntary denied boarding, or bumping, rate of 0.62 per 10,000 passengers, equal to the 0.62 rate reported for the first quarter of 2016. See the May [Air Travel Consumer Report](#) for denied boarding numbers by airline. The reporting carriers posted an on-time arrival rate of 79.9 percent in March 2017, down from both the 81.5 percent on-time rate in March 2016 and the 82.6 percent mark in February 2017.

23. February 2017 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on May 16, 2017 that U.S. airlines' systemwide (domestic and international) scheduled service load factor – a measure of the use of airline capacity – fell to 82.6 percent in February 2017, seasonally adjusted, falling for the third consecutive month.

24. New Partnership to Enhance Quality & Safety in Aviation Fueling

The International Air Transport Association (IATA), the Joint Inspection Group (JIG), and Airlines for America (A4A) signed a Memorandum of Understanding (MoU) to strengthen and promote Safety and Quality Assurance in global aviation fueling activities.

25. Air Canada Flights Now Located at Los Angeles Airport Terminal 6

Effective May 17, 2017, Air Canada's flights and Maple Leaf Lounge at Los Angeles International Airport are located at the renovated and modernized Terminal 6, following a seamless move overnight from Terminal 2. Air Canada's 19 daily flights arrive and depart from gates 68A, 68B and 69B at Terminal 6, offering a more convenient connecting experience for customers whose onward flights are with our Star Alliance partners. A new state-of-the-art Maple Leaf Lounge, the airline's third in the U.S., is conveniently located past security near Air Canada's gates.

26. Media Statement for AC624 Halifax Incident, (March 29, 2015)

Air Canada commented on the TSB report on the incident involving AC624 in March 2015. The carrier indicated that they are appreciative of the TSB's efforts to thoroughly investigate this matter and make recommendations aimed at improving aviation safety. Further, the carrier is committed to improve passenger safety and have already implemented many of the recommendations.

27. Canada's Airports Welcome Federal Engagement with Air Transport Sector

Canada's airports on May 19, 2017 welcomed engagement by Transport Minister Marc Garneau with Canada's airport and air carrier communities on a host of topics, including the traveller experience. But with strong growth in passenger volumes, airports encouraged the minister to re-initiate commitments made last year for security screening at airports – the biggest source of complaints from air travellers. In a meeting of the Air Industry Standing Ministerial Advisory Committee held in Montreal earlier, Canada's airports outlined how they experienced strong growth of 5.4% in passenger volumes last year. This growth was even higher at many of Canada's busiest international airports, leading to long lines and weary travellers at security screening and Canadian border services at airports.

28. WestJet again named Canada's most trusted airline

WestJet announced on May 25, 2017 that it has again been named Canada's most trusted airline by the Gustavson Brand Trust Index instituted by the Peter B. Gustavson School of Business at the University of Victoria. The airline was also named one of Canada's top ten most trusted brands. The results are based on more than 6,500 Canadian consumer responses to a survey on 294 Canadian brands.

29. Government of Canada Investing in Safety at Local and Regional Airports

The Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development, on behalf of the Honourable Marc Garneau, Minister of Transport, on May 24, 2017 announced that the Government of Canada is making important safety investments at local and regional airports across the country. This year, Transport Canada's Airports Capital Assistance Program (ACAP) will provide over \$41.7 million for new safety-related improvement projects at 34 airports.

30. Asian air hubs report double-digit growth

Asian air hubs report double-digit growth. This strong growth in air cargo volumes out of Asia has continued through April 2017, driven by international demand.

31. Monthly civil aviation statistics, March 2017

The six Canadian Level I air carriers flew 7.0 million passengers on scheduled and charter services in March 2017, up 10.0% from March 2016. Traffic increased 12.0% to 17.4 billion passenger-kilometres, while capacity rose 12.4% to 21.1 billion available seat-kilometres. This resulted in a slightly lower passenger load factor in March 2017 (82.4%) than in March 2016 (82.7%), as capacity growth outpaced traffic growth. Total operating revenue increased 5.1% from the same month a year earlier to \$1.8 billion in March.

32. Air Canada Renews Normal Course Issuer Bid

Air Canada on May 26, 2017 announced that it has renewed its normal course issuer bid for its Class A variable voting shares and Class B voting shares (collectively the "Shares"), authorizing, between May 31, 2017 and May 30, 2018, the purchase of up to 22,364,183 Shares, representing 10 per cent of the public float of 223,641,836 Shares as at May 17, 2017. Air Canada received approval from the Toronto Stock Exchange for the renewal of its normal course issuer bid.

WATER TRANSPORTATION

1. Port Saint John modernization project starting

Work on the \$205 million West Side Modernization Project for the Port of Saint John's container terminal will soon become more visible. The West Side Modernization Project is funded by a three-way partnership between the Government of Canada, the Government of New Brunswick and Port Saint John, with each partner contributing one-third.

2. Canadian Pacific and Canadian Tire Corporation Deploy North America's First 60-foot Intermodal Container

Canadian Pacific and Canadian Tire Corporation, Limited announced on April 27, 2017 the deployment of North America's first 60-foot intermodal container for use by the retailer. The 60-foot container, which was developed by Canadian Tire team in close collaboration with CP, will serve as an intermodal solution to increase productivity and efficiency. The increased size – an additional seven feet from the current 53-foot containers – allows Canadian Tire and CP to transport more products to increase the volume of products shipped in each container, while reducing transportation costs and greenhouse gas emissions.

3. PortGraphic: Comparing trends in top-10 container ports – Europe vs USA

This article compares the growth trends in the top container ports in Europe vs. USA. It finds that over the 2007/2016 period: **1. The top 10 US container ports recorded a remarkable growth in the last decade, standing at 49.9%.** This growth is distributed in a rather balanced way between almost all ports of the list, with the exemption of Norfolk. Savannah (+78.9%) has experienced the major growth of all, Charleston (+38.7%) is the one lagging comparatively to the others, yet we see a balanced picture at the major West coast and East coast ports. Norfolk has seen a decline comparing to 2007, standing at -4.1%. **2. The top 10 European container ports recorded a slower and far more unbalanced growth.** The top-10 European ports combined recorded a rather unimpressive 14.1% increase in container traffic compared to pre-crisis year 2007. Also the growth has been anything than balanced: the European top-10 list contains two new entries –

WATER TRANSPORTATION Canada

1. Port Saint John modernization project starting, May 1, 2017, www.ctl.ca
2. Canadian Pacific and Canadian Tire Corporation Deploy North America's First 60-foot Intermodal Container, April 27, 2017, www.cpr.ca
3. PortGraphic: Comparing trends in top-10 container ports – Europe vs USA, May 1, 2017, www.porteconomics.eu
4. Commentary: New Alliances Unlikely to Increase NAFTA Ocean Freight Competitiveness, May 4, 2017, www.inboundlogistics.com
5. Global Leaders Gather in Vancouver, Sign New International Declaration on Ship Safety, May 4, 2017, www.tc.gc.ca
6. PortsToronto marks ninth consecutive year of profitability in 2016, May 5, 2017, www.ctl.ca
7. Montreal holds steady, May 8, 2017, www.portofmontreal.ca
8. DP World reports 5.7% growth in 1st Quarter, May 5, 2017, www.ctl.ca
9. SC Ports Has Strongest April on Record for Container Cargo, May 10, 2017, www.iboundlogistics.com
10. Port of Long Beach volumes jump 16.5%, May 9, 2017, www.americanshipper.com
11. North American exports drive Seaway cargo shipments up 8%, May 11, 2017, www.ctl.ca
12. A.P. Moller-Maersk ups profit, revenues in Q1, May 11, 2017,

Piraeus (+167.7%), and Marsaxlokk (+62.1%), where there is no new entry in the respective US list. In each case, in nearly a decade, one of the 10 ports recorded in 2016 container volumes that still remain below the 2007 figures. Overall, comparing the increase of volumes the last decade, the recovery and dynamism observed since 2007 in the major US container ports are still missing in the case of the top European ones.

4. Commentary: New Alliances Unlikely to Increase NAFTA Ocean Freight Competitiveness

The new shipping alliances that came into effect a month ago are unlikely to increase ocean freight competitiveness between the United States and its NAFTA partners, according to iContainers, an online freight forwarder. This is because only a small portion of NAFTA freight moves by ocean (3%-5%). Nevertheless, there are still benefits for transporting goods via ocean freight. Unlike other modes of transportation, it's able to carry out mass shipments of products at a much lower cost. An improvement in operational efficiencies of the shipping sector could lead to an increase in ocean freight movements. Lysdal Klauss., VP of icontainers says "Improving ocean freight competitiveness will be fundamentally down to simplifying operational processes. Shippers may not be able to perceive the change that's currently taking place in the industry. But with emergence of new technologies, this could very well evolve into an unstoppable trend aimed at improving import and export efficiencies."

5. Global Leaders Gather in Vancouver, Sign New International Declaration on Ship Safety

Global leaders in marine shipping signed a new declaration that will protect our oceans and advance international ship safety at the Third Joint Ministerial Conference on Port State Control in Vancouver, BC, on May 4, 2017. The Conference, held May 2-4 at the Vancouver Convention Centre, brought together Ministers and Heads of Delegation from Canada, as well as from 27 European and 23 Asia-Pacific countries.

6. PortsToronto marks ninth consecutive year of profitability in 2016

PortsToronto released its 2016 Audited Financial Statements, marking the organization's ninth consecutive year of profitability and demonstrating PortsToronto's continued role as an investor in the infrastructure, community and economic performance of Toronto. All four of PortsToronto's core business operations – Billy Bishop Toronto City Airport (Billy Bishop Airport), the Port of Toronto, the Outer Harbour Marina and Property and Other – were profitable in 2016, generating \$59.7 million in overall revenue, an increase of 4.5 per cent from the \$57.1 million reported in 2015. Net income was up in 2016 to \$6.7 million from \$5.9 million in 2015.

7. Montreal holds steady

Total container traffic remained virtually the same in 2016 and 2015 at the Port of Montreal. But changes are expected as total capacity at the port will reach 2.1M TEU when the new Viau international container terminal is completed. "Other major projects were carried out during the year: development of the Boucherville Street truck entrance; ongoing implementation of the electronic navigation system; and the launch of a Web application for truck drivers to improve traffic flow and mobility on Port territory," the Port Authority said in a statement. Total tonnage through the port was up 10.4% to 35.4Mt, mostly due to growth in the liquid and grain sectors. On the financial side, the Port Authority's operating revenues reached C\$106.7M, up 4%, while expenses rose 0.9% to C\$84.1M. The net earnings of C\$23M "will be reinvested in Port infrastructures and projects".

8. DP World reports 5.7% growth in 1st Quarter

www.americanshipper.com

13. Global container trade expands at fastest pace since 2010, May 16, 2017, www.joc.com

14. Drewry: Global container volumes up sharply in Q1, May 15, 2017, www.americanshipper.com

15. Port of Oakland container volume up 4pc in April to 196,247 TEU, May 16, 2017, www.transportweekly.com

16. Virginia container volumes increase 4.6pc in April, May 16, 2017, www.transportweekly.com

17. State aid: Commission simplifies rules for public investment in ports and airports, culture and the outermost regions, May 17, 2017, www.europa.eu

18. Port of Metro Vancouver: Accumulated Container Statistics Y-T-D April 2017, May 17, 2017, www.portmetrovancover.com

19. Stay safe on the Fraser: port authority launches new safe boating guide for Fraser River, ay 17, 2017, www.portmetrovancover.com

20. Port of Baltimore ups cargo throughput in Q1, May 22, 2017, www.americanshipper.com

21. Boating Safety Contribution Program, May 23, 2017, www.tc.gc.ca

22. New record set for largest-capacity vessel to transit expanded Panama Canal, May 25, 2017, www.transportweekly.com

23. National economic value of commercial marine shipping estimated at \$30 billion, May 25, 2017, www.ctl.ca

24. Montreal Port Authority receives \$40M from province, May 26, 2017, www.ctl.ca

25. Maritime Administration Announces Funding Availability for Small U.S. Shipyards, May 26, 2017, www.dot.gov

26. Port Everglades Gets Approval for Largest Expansion Project in Its History, May 26, 2017, www.inboundlogistics.com

27. China ports post strong April growth with Pearl topping Yangtze, My 29, 2017, www.transportweekly.com

DP World Limited handled 16.4 million TEU (twenty-foot equivalent units) across its global portfolio of container terminals in the first quarter of 2017, with gross container volumes growing by 5.7% year-on-year on a reported basis, and 5.0% on a like-for-like basis, well ahead of the industry estimate of 2.6% throughput growth for 1Q 2017. The first quarter witnessed a steady start to the year and all three regions delivered growth, especially our terminals in Europe and the Americas.

9. SC Ports Has Strongest April on Record for Container Cargo

South Carolina Ports Authority (SCPA) had its strongest April 2017 container volumes on record, with 189,315 twenty foot-equivalent units (TEUs) handled last month. In addition to being the strongest April 2017 in SCPA history, last month's volumes were the second-highest ever handled by the Port.

10. Port of Long Beach volumes jump 16.5%

The Port of Long Beach handled 558,014 TEUs of containerized cargo in April 2017, a 16.5 percent increase from the same month a year ago, according to the latest figures from the Southern California port.

11. North American exports drive Seaway cargo shipments up 8%

Total cargo shipments through the St. Lawrence Seaway are up 8 per cent this 2017 spring compared to the same period last year due to iron ore and grain export activity. According to The St. Lawrence Seaway Management Corporation, total cargo tonnage from March 20 to April 30 reached 3.7 million metric tons. Year-to-date iron ore shipments totaled 800,000 metric tons, up 70 per cent over 2016 levels, while Canadian grain totaled 800,000 metric tons, in line with last year's strong performance.

12. A.P. Moller-Maersk ups profit, revenues in Q1

A.P. Moller-Maersk (the largest shipping company), the Danish shipping conglomerate that includes transportation and logistics companies Maersk Line, APM Terminals and Damco, as well as several companies involved in the oil and gas industry, recorded a \$253 million profit for the first quarter of 2017, up 12.9 percent from the first quarter of 2016. Revenues totaled \$9 billion for the quarter, up 5 percent year-over-year, A.P. Moller-Maersk said.

13. Global container trade expands at fastest pace since 2010

Global container trade expands at fastest pace since 2010. The article indicates that "We have seen growth spurts before that have fizzled out and regressed back to the downwards trend soon enough, although admittedly none in recent years have been close to the same magnitude."

14. Drewry: Global container volumes up sharply in Q1

Container volumes in the first quarter of 2017 were sharply higher than in the same 2016 period, according to a recent report from Drewry citing figures from [Container Trades Statistics \(CTS\)](#). A graph on the CTS website indicates global container volumes exceeded 39.5 million TEUs in the first quarter of 2017, which Drewry said in its [Container Insight Weekly](#) amounts to a 10 percent increase over the first quarter of 2016. "CTS numbers point to intra-regional trade as the primary driver of growth with volumes up by 17 percent versus 7 percent for deep-sea traffic," said Drewry.

15. Port of Oakland container volume up 4pc in April to 196,247 TEU

The Port of Oakland handled 196,247 TEU in April 2017, a four per cent year-on-year increase, according to the port authority, according to Shipping Gazette. The trend towards bigger ships means fewer ships are calling, though volumes are increasing while diesel fumes are down and berths are less crowded.

16. Virginia container volumes increase 4.6pc in April

Port of Virginia terminals handled 225,196 TEU in April 2017, a 4.6 per cent year on year increase, noted by the Virginia Ports Authority, according to Shipping Gazette. The port authority said loaded export containers were up four per cent and loaded import containers up 9.4 per cent from April 2016.

17. State aid: Commission simplifies rules for public investment in ports and airports, culture and the outermost regions

The European Commission approved on May 17, 2017 new state aid rules that exempt certain public support measures for ports, airports, culture and the outermost regions from prior Commission scrutiny. The objective is to facilitate public investment for job creation and growth whilst preserving competition

18. Port of Metro Vancouver: Accumulated Container Statistics Y-T-D April 2017

The Port of Metro Vancouver released its container statistics (TEUs) for January to April 2017 on May 17, 2017. For this period, total container traffic increased 6% (i.e. to 997,690 from 941,036). Total imports increased 8.6% (i.e. to 529,911 from 486,801). Total exports increased 3.2% (to 467,779 from 453,235).

19. Stay safe on the Fraser; port authority launches new safe boating guide for Fraser River

As part of its safe boating awareness campaign, the port authority is offering a safe boating guide for recreational boaters navigating the Fraser River. The guide is similar to the [safe boating guide](#) released last year for the Burrard Inlet, but has a few key reminders that are unique to the Fraser River waters, including:

1) **Tow operations:** take extreme caution when passing, especially in narrow channels. Keep wake to a minimum and never cross between a tugboat and its tow. 2) **Log booms:** watch for log booms along the riverbank – they are not marked, low in the water and difficult to see in low light. 3) **Seaplane operations – Middle Arm:** keep clear of aircraft landing and take-off area.

20. Port of Baltimore ups cargo throughput in Q1

The Port of Baltimore handled 2.56 million tons of general cargo during the first quarter of 2017, up 5 percent year-over-year and a record amount for the first quarter. The increase was primarily fueled by car and container throughput, which rose 6 percent and 8 percent year-over-year, respectively, the Maryland Port Administration said.

21. Boating Safety Contribution Program

The Government of Canada celebrates North American Safe Boating Awareness Week with new funding for boating safety projects. The University of British Columbia (UBC) will receive \$920,745 for a 3-year project. UBC plans to develop a social marketing campaign and conduct research related to awareness, attitudes and behaviours among recreational boaters in British Columbia. The Project is divided into three phases: *Phase 1 (Preparation)*; *Phase 2 (Implementation)*; and *Phase 3 (Optimization)*.

22. New record set for largest-capacity vessel to transit expanded Panama Canal

On May 25, 2017, less than a month after the previous record was set, the Panama Canal welcomed the Neopanamax container vessel OOCL France, making it the largest capacity vessel to transit the Expanded Canal since it was inaugurated in June 2016. The OOCL France containership—which measures 366.47 meters in length and 48.23 meters in beam with 13,926 total TEU allowance (TTA)—transited northbound from the Pacific to the Atlantic Ocean. "This trend towards the transit of 13,000 TEU or greater vessels demonstrates the acceptance and trust that the shipping industry has with the service provided by the Expanded Canal," Panama Canal Administrator Jorge L. Quijano said.

23. National economic value of commercial marine shipping estimated at \$30 billion

A new report, *The Value of Commercial Marine Shipping to Canada*, released by the Council of Canadian Academies (CCA), estimates the national economic value of commercial marine shipping at approximately \$30 billion, significantly higher than traditional economic impact measurements. The CCA report is the first study of its kind to examine "value" as including cultural, environmental, and security dimensions in addition to economic measures. "Traditional economic impact studies measure the direct and spinoff impacts of the industry but do not capture the overall value of marine shipping in facilitating international trade throughout the economy," said Dr. Mary R. Brooks. When assessed from a broader social perspective, the net overall value of marine shipping to Canada is positive and sizeable." Historically the value of marine shipping impact has been assessed to be \$ 3 billion. Their model estimated this to be \$30 billion. This is about nine times larger than the industry's GDP.

24. Montreal Port Authority receives \$40M from province

The Québec government is granting \$40 million in financial assistance to the Montréal Port Authority in order to upgrade its infrastructures, which will help increase productivity and maintain the competitiveness of the Port, the second largest in Canada. This financial assistance will enable Québec and Canadian shippers to benefit, in particular, from gains in terms of terminal capacity and fluidity and, generally speaking, from a better quality-price ratio offered by the Port facilities.

25. Maritime Administration Announces Funding Availability for Small U.S. Shipyards

The U.S. Department of Transportation's Maritime Administration (MARAD) on May 26, 2017 announced the availability of \$9.8 million in Federal funding to support capital improvements and employee training at small U.S. shipyards. The grants, provided through the Small Shipyard Grant Program, help eligible shipyards modernize operations, improve efficiency and reap the benefits of increased productivity by investing in emerging technologies and a highly skilled workforce.

26. Port Everglades Gets Approval for Largest Expansion Project in Its History

Broward County's Port Everglades received unanimous approval from the Broward County Board of County Commissioners to begin a \$437.5 million expansion project to add new berths for larger cargo ships and install crane rail infrastructure for new Super Post-Panamax cranes.

27. China ports post strong April growth with Pearl topping Yangtze

Container throughput at leading container ports in the Yangtze River Delta region grew nine per cent year on year in April 2017 on the back of China's solid economic growth. However, the additional volume clogged up Shanghai's Yangshan deepwater port and caused vessel delays. According to data from the Shanghai Shipping Exchange, the world's busiest box port handled 3.27 million TEU in April 2017, up five per cent year on year, while neighbouring Ningbo-Zhoushan handled two million containers, up 17 per

cent, reported IHS-Fairplay. Throughput at China's top eight container ports rose by six per cent in April 2017, bringing total volumes in the first five months of the year to 51.23 million TEU, an increase of 6.2 per cent compared to the same period last year. Strong port traffic reflected strong growth in the value of April's exports and imports, which jumped eight percent and 11.9 percent, respectively, in US dollars.

RAIL TRANSPORTATION

1. Union Pacific Reports First Quarter 2017 Results

Union Pacific Corporation on April 27, 2017 reported 2017 first quarter net income of nearly \$1.1 billion, or a first quarter record \$1.32 per diluted share. This compares to about \$1.0 billion, or \$1.16 per diluted share, in the first quarter 2016. Lance Fritz, Union Pacific chairman, president and chief executive officer said "This is a very solid start to the year, especially given the weather challenges we encountered on the Western part of our network earlier in the quarter."

2. Expected Increase in Railway Fuel Costs Contributes to a 4.1 percent Increase in the Volume-Related Composite Price Index for Crop Year 2017-2018

The Canadian Transportation Agency (Agency) announced a 4.1 percent increase in the Volume-Related Composite Price Index (VRCPI), which is used in determining the Maximum Revenue Entitlement (MRE) for the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) for the movement of western grain. Determination No. R-2017-37 sets the VRCPI at 1.3817 for the 2017-2018 crop year, which will begin on August 1, 2017.

3. CP celebrates grand opening of K+S Potash Canada's Legacy mine; CP's most significant engineering project of the last three decades

Canadian Pacific (CP) on May 2, 2017 joined K+S Potash Canada (KSPC) in celebrating the grand opening of the Legacy Project mine site. The mine is the first of its kind built in Saskatchewan in more than 40 years, and the rail infrastructure built to serve the mine is the most significant engineering project undertaken by CP since the mid-1980s. CP President and CEO Keith Cree said "We are incredibly proud to have collaborated with K+S Potash Canada on this project and look forward to delivering their product to international markets for years to come. Building 30 kilometers of new rail through a rural area, including a river valley, is no easy feat and I want to congratulate all those who invested their time and energy in bringing this project to a successful conclusion."

4. U.S. Class I railway employment growth continues in March

Class I freight railroads in the United States employed 149,323 workers as of the middle of March 2017, a 2.86 percent decline from 153,723 employees during the same 2016 period, according to data from the U.S. Surface Transportation Board (STB). On a sequential basis, however, U.S. railway employment ticked up 0.32 percent from 148,843 workers in mid-February. The month-over-month growth was the second consecutive monthly increase.

5. Thinking big for our customers

The way cargo moves is changing. CN and their partners are thinking big to adapt. The flexible, efficient nature of shipping containers have made them one of the top ways to get cargo from origin to destination. At CN, intermodal makes up a quarter of their business and it has risen to meet the increasing demand for intermodal moves. Their port and shipping line partners have also risen to the challenge, enhancing their infrastructure and growing their fleets to accommodate more and more containers. In the second week of May 2017, a vessel of The Alliance

RAIL TRANSPORTATION

Canada

1. Union Pacific Reports First Quarter 2017 Results, April 27, 2017, www.up.com
2. Expected Increase in Railway Fuel Costs Contributes to a 4.1 percent Increase in the Volume-Related Composite Price Index for Crop Year 2017-2018, April 28, 2017, www.cta-otc.gc.ca
3. CP celebrates grand opening of K+S Potash Canada's Legacy mine; CP's most significant engineering project of the last three decades, May 2, 2017, www.cpr.ca
4. U.S. Class I railway employment growth continues in March, May 2, 2017, www.americanshipper.com
5. Thinking big for our customers, May 8, 2017, www.cn.ca
6. BNSF picks up steam in Quarter, May 8, 2017, www.americanshipper.com
7. US rail traffic continues to grow, May 10, 2017, www.transportweekly.com
8. Rail-truck pricing fight restrains US domestic intermodal rates, May 15, 2017, www.joc.com
9. Government of Canada seeking to mandate locomotive voice and video recorders (LVVR), May 16, 2017, www.tc.gc.ca
10. CP commends Transport Minister for leadership on LVVR, reviewing details of Transportation Modernization Act, May 16, 2017, www.cpr.ca
11. Minister Garneau highlights proposed freight rail legislation at Edmonton Chamber of Commerce, May 18, 2017, www.tc.gc.ca
12. CP reviewing details of Transportation Modernization Act, supports amendments that improve supply chain Canadian Pacific continues its review of the *Transportation Modernization Act*, or Bill C49, May 18, 2017, www.cpr.ca
13. Rail industry responds to proposed Canadian legislation, May 19, 2017, www.railwaygazette.com
14. Bringing High Speed Rail to the Toronto-Windsor Corridor, May 19, 2017, www.mto.on.gc.ca
15. US Class I Railway employment slips in April, May 23, 2017, www.americanshipper.com
16. CN receives strike notice from union representing train conductors in Canada, May 27, 2017, www.cn.ca
17. CN and TCRC-CTY reach tentative agreement on new labour contract for conductors in Canada, May 29, 2017,

called at Deltaport, the biggest ship to call at this port so far.

www.cn.ca

6. BNSF picks up steam in Quarter

BNSF's freight revenues from coal for the first quarter of 2017 rose 23.2 percent from last year's first quarter. Berkshire Hathaway-owned BNSF Railway Co.'s net earnings totaled \$838 million for the first quarter of 2017, an increase of 6.9 percent from the same period in 2016. The Class I railway's revenues stood at \$5.2 billion for the quarter, up 8.8 percent year-over-year, reflecting a 2.7 percent comparative increase in average revenue.

7. US rail traffic continues to grow

US-based freight railroads saw shipment volumes increase for the sixth consecutive month in April 2017 after several months of year-over-year declines, according to data from the Association of American Railroads (AAR). Total carload and intermodal traffic for the month rose 5.2 per cent from the previous March to 2.08 million units following increases of 5.5 per cent in March 2017, 4.2 per cent in February 2017, 0.5 per cent in January 2017, 6.9 per cent in December 2016 and 1.1 per cent in November 2016.

8. Rail-truck pricing fight restrains US domestic intermodal rates

North American railways and trucking companies are in a bare-knuckle, low-margin fight for domestic intermodal cargo. The outcome is that competition has a restraining effect on domestic intermodal rates.

9. Government of Canada seeking to mandate locomotive voice and video recorders (LVVR)

The Government of Canada is proposing to amend *the Railway Safety Act* following the 2012 accident in Burlington, Ontario and after due process of consultation. The amendment seeks to mandate the installation of LVVR in locomotive cabs to further enhance the safety of the rail transportation system in Canada. The proposed legislative amendments would also limit the purpose for which the data is used, to mitigate the employees' privacy concerns. As a result, LVVR would only be used by: 1) TSB for accident/incident investigation purposes; 2) federally-regulated companies - to conduct analysis via random sampling in order to identify safety concerns as part of ongoing safety management; to determine the cause of a reportable accident/incident not being investigated by the TSB; and to address a prescribed safety threat; and 3) Transport Canada - for policy development such as trend analysis to inform future policies, regulations or legislation via random sampling; to determine the cause of a reportable accident/incident not being investigated by the TSB; to address a safety threat; and to ensure compliance with the specific provisions of the LVVR regime.

10. CP commends Transport Minister for leadership on LVVR, reviewing details of Transportation Modernization Act

Canadian Pacific commends the Transport Minister for his commitment to safety with the announcement regarding proactive usage of Locomotive Voice and Video Recorders (LVVR), also known as inward-facing cameras. "By implementing LVVR as a preventative, proactive, behaviour-changing tool we will promote safe behaviours and improve safety," Creel said. "We recognize the need to use this technology in a way that is respectful of our employees, and are committed to working closely with government, regulators and the unions to do so."

11. Minister Garneau highlights proposed freight rail legislation at Edmonton Chamber of Commerce

The Honourable Marc Garneau, Minister of Transport, outlined his views on Bill C-49, the *Transportation Modernization Act*, to the Edmonton Chamber of Commerce on May 18, 2017. The key measures of the Bill include: 1) The new reporting requirements for railways on rates, service and performance; 2) A new mechanism, Long-Haul Interswitching, to provide captive shippers across sectors and regions of Canada with access to a competing railway to ensure they have options; 3) A definition of "adequate and suitable" rail service that confirms railways should provide shippers with the highest level of service that can reasonably be provided in the circumstances; 4) The ability for shippers to seek reciprocal financial penalties in their service agreements with railways, and; 5) The more accessible and timely remedies for shippers on both rates and service.

12. CP reviewing details of Transportation Modernization Act, supports amendments that improve supply chain Canadian Pacific continues its review of the Transportation Modernization Act, or Bill C49.

CP indicated that it is reviewing the details of Bill C49 and commented on the following: 1. The Maximum Revenue Entitlement (MRE) regime; 2. The extended interswitching provision; 3. The installation and proactive use of Locomotive Voice and Video Recorders (LVVR); and 4. The language around "adequate and suitable" service. Regarding MRE, Creel (CP CEO) said "The proposed changes to the Maximum Revenue Entitlement should promote hopper car investments and that is good for the farmer, good for CP

and for all Canadian exporters." Regarding replacing temporary extended interswitching with long-haul interswitching (LHI) he said that "The details on LHI need further review, however a move to commercial, market-based fundamentals versus the current regulated approach to extended interswitching is a step in the right direction." But potential access by US carriers raises reciprocity issues. Regarding LVVRs, implementing it will promote safe behaviours and improve safety. Regarding language around service, CP believes the proposed legislation to be balanced and focused on what service level is reasonable given the specific facts and circumstances. The amendments, if they are to be considered successful over the long-term, must be seen as improving the existing regulatory framework and enhancing the supply. "...overall, from a net-net perspective, we believe the proposed legislation to be balanced," Creel said. "We are supportive of anything that facilitates railway investment in the supply chain to enable additional capacity and efficiency."

13. Rail industry responds to proposed Canadian legislation

The government has proposed measures in the rail sector include: Canadian Pacific said it was 'cautiously optimistic' about the bill. Railway Association of Canada President & CEO Michael Bourque said the RAC was 'very pleased with the provision on locomotive voice and video recorders', which 'addresses a key Transportation Safety Board recommendation.' Forest Products Association of Canada CEO Derek Nighbor welcomed the legislation, saying transportation represents about one third of the total costs of the average forest products company.

14. Bringing High Speed Rail to the Toronto-Windsor Corridor

High speed rail cuts down on travel times, gives people more low-carbon transportation options, and creates new opportunities for workers and businesses. Ontario is supporting economic growth in Southwestern Ontario and across the province by moving forward with high speed rail along the Toronto-Windsor corridor, becoming the first province to undertake a rail transformation of this magnitude.

15. US Class 1 Railway employment slips in April

Class I freight railroads in the United States employed 149,107 workers as of the middle of April 2017, a 2.64 percent decline from 153,143 employees during the same 2016 period, according to data from the U.S. Surface Transportation Board (STB). On a sequential basis, U.S. Class I employment fell 0.14 percent from 149,323 workers in mid-March 2017.

16. CN receives strike notice from union representing train conductors in Canada

CN said on May 27, 2017 that the Teamsters Canadian Rail Conference – Conductors, Trainpersons and Yardpersons (TCRC-CTY), which represents approximately 3,000 CN conductors and yard operations employees in Canada, has given the company a 72-hour notice of its intention to strike as of 0400 hours Eastern Daylight Time on May 30, 2017.

17. CN and TCRC-CTY reach tentative agreement on new labour contract for conductors in Canada

CN announced on May 29, 2017 that it has reached a tentative agreement with the Teamsters Canada Rail Conference – Conductors, Trainpersons and Yardpersons (TCRC-CTY) to renew the labour contract for approximately 3,000 CN conductors and yard operations employees in Canada.

HIGHWAY TRANSPORTATION

1. February 2017 North American Freight Numbers

U.S.-NAFTA freight totalled \$86.5 billion in current dollars as three major transportation modes – pipeline, vessel and rail – carried more freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in February 2017 compared to February 2016, according to the TransBorder Freight Data released on April 27, 2017 by the U.S. Department of Transportation’s Bureau of Transportation Statistics (BTS). From February 2016 to February 2017, the value of U.S.-Canada freight flows increased by 4.2 percent to \$44.4 billion as the value of freight on three major modes increased from a year earlier. Trucks carried 57.7 percent of the value of the freight to and from Canada. Rail carried 16.9 percent followed by pipeline, 12.0 percent; air, 4.5 percent; and vessel, 2.7 percent.

2. ON Budget Establishes Long-Term Infrastructure Plan, Invests in Autonomous Vehicle R&D

The 2017 Ontario Budget released this afternoon mostly echoes the highway infrastructure and environmental commitments the government made last year; while also recognizing a need to map out future infrastructure plans, including investments in autonomous vehicle technology research and development. On top of the 10-year infrastructure plan unveiled in the 2016 Budget, Ontario Finance Minister Charles Sousa announced plans to create a “Long-Term Infrastructure Plan” by the end of 2017 that describes the province’s existing infrastructure portfolio, outlines anticipated needs and proposes strategies for all of Ontario’s infrastructure plans. The map out would cover all infrastructure strategies, including roads and highways. As part of that commitment, the province will invest \$80 million over five years to create the Autonomous Vehicle (AV) Innovation Network, in partnership with Ontario Centres of Excellence.

3. US shippers jump into trucking contract talks

US Truckload and LTL carriers report higher number of shippers pressing for early contract talks over concerns on capacity.

4. Monthly Passenger Bus and Urban Transit, February 2017

Total operating revenues (excluding subsidies) for urban transit companies were \$314.8 million in February 2017. Ridership was 143.7 million passenger trips over the same period.

5. Uber launches Toronto research hub focused on development of self-driving cars, the first outside U.S.

As automakers and technology companies set their sights on bringing automated vehicles to the street, Uber has launched a research hub in Toronto — its first outside the United States — focused on the development of self-driving cars. Uber chief executive officer Travis Kalanick announced in a blogpost that University of Toronto professor and Canada Research Chair Raquel Urtasun would lead the company’s new branch of the Advanced Technology Group.

6. OTA Survey: Next Steps on Treating CB and Two-way Radios in Distracted Driving Rule

Five years after going into effect, specific exemptions for holding and use of two-way radios (including hand-held CB radios) outlined in Ontario Reg. 366/09 – Display Screens and Hand-Held Devices – are set to expire on January 1, 2018. These time-limited exemptions currently allow the use a two-way radio for the following: 1) Certain

HIGHWAY TRANSPORTATION Canada

1. February 2017 North American Freight Numbers, April 27, 2017, www.dot.gov
2. ON Budget Establishes Long-Term Infrastructure Plan, Invests in Autonomous Vehicle R&D, April 28, 2017, www.mto.gov.on.ca
3. US shippers jump into trucking contract talks, May 3, 2017, www.joc.com
4. Monthly Passenger Bus and Urban Transit, February 2017, May 5, 2017, www.statcan.gc.ca
5. Uber launches Toronto research hub focused on development of self-driving cars, the first outside U.S., May 8, 2017, www.nationalpost.ca
6. OTA Survey: Next Steps on Treating CB and Two-way Radios in Distracted Driving Rule, May 9, 2017, www.ontruck.ca
7. St. George Logistics acquires Dicom’s Extra Express division, May 7, 2017, www.americanshipper.com
8. March 2017 Freight Transportation Services Index (TSI), May 10, 2017, www.dot.gov
9. Truck Tech Experts Reveal Safety Impact of Platoon Following Distance, May 10, 2017, www.cantruck.ca
10. New transload site planned in Manitoba, May 10, 2017, www.todaystrucking.com
11. Leading indicator of cross-border traveller volume, April 2017, May 11, 2017, www.statcan.gc.ca
12. Trucking Commodity Origin and Destination Survey, 2015, , May 12, 2017, www.statcan.gc.ca
13. 3 Main Sources of Supply Chain Complexity, May 18, 2017, www.inboundlogistics.com
14. Uber hits speed bump in EU, May 12, 2017, www.americanshipper.com
15. ATA Seeks Trucking Industry’s Future Leaders, May 19, 2017, www.inboundlogistics.com
16. Richmond extends key City Centre transportation corridor, May 19, 2017, www.tc.gc.ca
17. Technological Advances That Will Improve the Supply Chain, May 23, 2017, www.inboundlogistics.com
18. March 2017 North American Freight Numbers, May 23, 2017, www.bts.gov
19. CTA Call to Action: Let Government Know You Want Fix to Recurrent Border Blackouts, May 23, 2017, www.ontruck.ca
20. Trump Aims to Ease US Tolling Restrictions, May 24, 2017, www.ontruck.ca
21. Autonomous Truck Symposium: ‘Driving a lot More Than Holding A Wheel’, May 24, 2017, www.ontruck.ca
22. Electrifying Big Truck Fleets, May 25, 2017, www.inboundlogistics.com
23. Government of Canada to develop a national Zero-Emissions Vehicle Strategy by 2018, May 26, 2017, www.tc.gc.ca
24. Couriers and Messengers Services Price Index, April 2017, May 30, 2017, www.statcan.gc.ca

public function employees (eg., bus drivers); 2) Commercial drivers; and 3) Amateur radio operators (eg., an Industry Canada-licensed operator which could include a commercial driver).

25. Spot Truckload Rates Trending Up, May 30, 2017, www.inboundlogistics.com
26. Car Makers to Trump on NAFTA: Don't Fix What 'Aint Broke, May 29, 2017, www.ontruck.ca

7. St. George Logistics acquires Dicom's Extra Express division

St. George Logistics (STG), North America's largest provider of outsourced container freight station services, has acquired the Extra Express division (Extra) of Dicom Transportation Group, a provider of regional expedited ground transportation services in North America, said Wind Point Partners, the majority owner of both STG and Dicom.

8. March 2017 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 1.5 percent in March 2017 from February 2017, falling after reaching an all-time high in February, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The March 2017 index level (124.0) was 30.9 percent above the April 2009 low during the most recent recession.

9. Truck Tech Experts Reveal Safety Impact of Platoon Following Distance

A team of vehicle technology experts at the US DOT's Volpe National Transportation Systems Center studying truck following behaviour, on behalf of the US Federal Highway Administration (FHWA), recently provided baseline statistics for researchers to determine the optimum following distances in automated truck platoons. The team used naturalistic driving datasets – taken from prior field operational tests of crash avoidance systems – that contain objective data showing how truck drivers drive on freeways in the real world. The results quantified how trucks follow other vehicles in various environmental conditions and at different travel speeds, and how closely a truck follows a lead vehicle when other vehicles cut in. Volpe said no other study to date examines the real-world following behaviour of heavy trucks on freeways in support of automated truck platooning design, and takes into consideration weather conditions or cut-in behaviour from other vehicles, or evaluates the rear-end crash risk of different following distances.

10. New transload site planned in Manitoba

Mid Canada Transload Services has announced plans to build a new inland port and rail siding at the Canada-U.S. border, about 1.5 kilometers south of Letellier, Manitoba. Once developed, the 250-acre site will be one of the largest privately owned inland ports in the province, the company says in a related release. It will be located alongside Highway 75 and have access to CN and BNSF railways. Daily rail service will take freight to and from the U.S. and Mexico.

11. Leading indicator of cross-border traveller volume, April 2017

Data on the number of US residents entering Canada by car in April 2017 are now available upon request from Statistics Canada. Data are available by the visitors' state of residence and province of entry into Canada.

12. Trucking Commodity Origin and Destination Survey, 2015

The freight hauled by the Canadian for-hire trucking industry totalled 729.2 million tonnes in 2015, down 0.2% from 2014. The top five commodities shipped by weight were general freight; gravel and crushed stone; crude petroleum; wood products; and prepared foodstuffs and fats and oils. Together, these five commodities accounted for just under half (45.9%) of total weight transported by for-hire trucking companies in 2015. The weight hauled domestically within Canada decreased by 0.2% to 627.2 million tonnes, accounting for 86.0% of the total tonnage shipped. Trans-border shipments, the volume of freight transported from Canada to the United States and Mexico, fell by 0.3%.

13. 3 Main Sources of Supply Chain Complexity

The first step is to identify what's causing the problem. According to the latest research from APICS and Michigan State University, there are three main sources of complexity in the supply chain: 1) complexity, 2) globalization, and 3) supply chain trends and internal pressures. Under each of the above categories, the following were identified as the most important. First, meeting the needs and demands of customers is by far the biggest challenges facing today's supply chain professionals. Second, juggling transportation logistics, understanding cultures of different markets, and considering the legal and regulatory issues that can arise when working with different countries. Third, understanding issues **within** your supply chain from understanding how business works, technical variations at different levels, etc.

14. Uber hits speed bump in EU

An EU court has rejected the argument that Uber is simply an app that connects drivers to passengers,

meaning it could face a greater regulatory burden as a transportation provider. Uber Technologies Inc. suffered a legal setback in the European Union in its fight against being regulated as a traditional taxi service.

15. ATA Seeks Trucking Industry's Future Leaders

American Trucking Associations opened the application window for its premier industry leadership initiative, LEAD ATA. It is searching for the 2018-2019 class of diverse trucking industry leaders looking to grow their careers and meet other ambitious trucking professionals. The program provides exclusive education opportunities to up-and-coming trucking industry professionals highlighting how the regulatory and legislative process affects the trucking industry and the important role ATA plays in influencing those processes. LEAD ATA also exposes its participants to the many tools available to industry executives through ATA.

16. Richmond extends key City Centre transportation corridor

A new section of Lansdowne Road was opened to traffic on May 19, 2017, providing a key new east-west transportation corridor through Richmond's busy City Centre. The extension was officially opened by Joe Peschisolido, Member of Parliament for Steveston-Richmond East, on behalf of the Honourable Marc Garneau, Minister of Transport and Richmond Mayor Malcolm Brodie. The Government of Canada is providing \$4.95 million to support the Lansdowne Road project as well as upgrades to No. 2 Road. Federal funding comes from the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund. The City of Richmond is providing more than \$5 million in support of these projects.

17. Technological Advances That Will Improve the Supply Chain

Technological advances to improve operations and profit margins are prominent within the supply chain services industry. Optimization and integration are two areas where technology continues to play a prominent role in logistics, while machine learning and Uberization are significant trends to watch. To leverage current technology with our organizational, customer, and business goals, all four types of innovation — optimization, integration, machine learning, and Uberization — can overlap. Technology and its applications are continually changing and the effects on the supply chain will likely intensify as we better understand how to harness this power.

18. March 2017 North American Freight Numbers

U.S.-NAFTA freight totaled \$100.3 billion in current dollars as all five major transportation modes carried more freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in March 2017 compared to March 2016, according to the TransBorder Freight Data released by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). March 2017 was the first time since October 2014 that U.S.-NAFTA freight has exceeded \$100 billion. From March 2016 to March 2017, the value of U.S.-Canada freight flows increased by 10.4 percent to \$51.2 billion as the value of freight on all five major modes increased from a year earlier. The value of freight carried on pipeline increased by 87.3 percent, vessel by 42.9 percent, air by 8.4 percent, rail by 5.1 percent, and truck by 3.9 percent. The increase in the value of commodities moved by pipeline and vessel reflects the increased value of mineral fuels year over year. Trucks carried 58.5 percent of the value of the freight to and from Canada. Rail carried 16.2 percent

19. CTA Call to Action: Let Government Know You Want Fix to Recurrent Border Blackouts

Since January 1, 2017, there have been about 30 outages of CBSA's EDI/portal systems due to an antiquated computer system. Despite CBSA's best efforts to mitigate these incidents, the system crashes keep happening with no easily-attainable solution in sight. Meanwhile, trucking companies, their drivers, as well as customers are being significantly impacted by these outages. CTA has created a messaging campaign that will allow carriers to send a form email each time the system goes down, reminding the ministers from Public Safety and Emergency Preparedness, International Trade, Finance and the Treasury Board how system outages are hurting our industry and weakening cross-border commerce. The email urges the ministries responsible for the border to increase support to CBSA and fix these recurrent problems.

20. Trump Aims to Ease US Tolling Restrictions

US President Donald Trump released a fiscal 2018 budget blueprint this week which seeks a 12.7 percent funding cut to \$16.2 billion for the Department of Transportation. Included, reports Fleet Owner magazine, was a section into a \$1 billion, 10-year infrastructure plan which calls for easing federal tolling restrictions and private investment into rest areas. "The administration's goal is to seek long-term reforms on how infrastructure projects are regulated, funded, delivered, and maintained. Providing more federal funding, on its own, is not the solution to our infrastructure challenges," the White House wrote in a fact

sheet included with the budget. Among the funding proposals was one to “liberalize tolling policy and allow private investment in rest areas.”

21. Autonomous Truck Symposium: ‘Driving a lot More Than Holding A Wheel’

Moderating a panel discussion at *CCJ*’s Symposium in Asheville, N.C., on May 23, 2017, Bishop Consulting Principal Richard Bishop downplayed the amount of obstacles in the path of autonomous trucking. He suggested roads and highways don’t need to be significantly changed or redeveloped to accommodate automation and vehicles, trucks don’t necessarily need to be connected to one another and the amount of new laws and regulations required to put autonomous trucks on the road is overstated.

22. Electrifying Big Truck Fleets

Hyster Company is testing high capacity lift trucks with electric motors. The company suggests that, in the near future, ports and heavy industry will be able to electrify their big truck fleets, producing zero emissions while achieving comparable full shift performance. “Using a modular approach and innovative technology, applications will soon have maximum flexibility when selecting trucks to provide the best zero emissions solution for their needs,” says Brett Schemerhorn, president Big Trucks, Americas for Hyster.

23. Government of Canada to develop a national Zero-Emissions Vehicle Strategy by 2018

On May 26, 2017, the Honourable Marc Garneau, Minister of Transport and the Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development, announced that the Government of Canada is moving forward with provincial and territorial partners, industry and stakeholders, to develop a national strategy to increase the number of zero-emission vehicles (ZEVs) on Canadian roads by 2018

24. Couriers and Messengers Services Price Index, April 2017

The Couriers and Messengers Services Price Index (CMSPI) increased for the seventh consecutive month, rising by 0.2% in April, 2017. The couriers component decreased 0.1% while the local messengers and local delivery component was up 1.4%. The CMSPI rose 10.6% in April 2017 compared with the same month a year earlier. The couriers’ component increased 11.9% and the local delivery’s component was up 4.3%.

25. Spot Truckload Rates Trending Up

National average spot truckload rates for van and flatbed freight rose during the week ending May 20, 2017 while the rate for spot refrigerated freight remained at its highest mark since January 2017, said DAT Solutions, which operates the DAT network of load boards. The number of available loads on DAT load boards increased 5.4% compared to the previous week while posted capacity fell 2.9%. Van and reefer load-to-truck ratios had double-digit increases: 1) Van ratio: 3.7 loads per truck, up 12%; 2) Reefer ratio: 7.2, up 17%; and 3) Flatbed ratio: 38.3, up 4%.

26. Car Makers to Trump on NAFTA: Don’t Fix What ‘Aint Broke

NAFTA works, so don’t mess with success. That essentially was the message U.S. automakers delivered to the Trump administration in the last week of May 2017. According to a Politico.com, and as reported in U.S. trucking trade press, automakers are pushing President Trump “not to make any changes to NAFTA that would jeopardize production ties with Canada and Mexico that have been built up over the last 25 years.” Car makers are now “performing at levels that really haven’t been seen in decades,” said Charles Uthus, vice president for international policy at the American Automotive Policy Council, who credits much of that success to NAFTA. The AAPC contends that hiking tariffs between the three NAFTA signatories would hurt the competitiveness of the North American region. The report also stated that parts manufacturers don’t want any changes to the agreement that would “upset the supply chain.”

GENERAL TRANSPORTATION

Canada

1. Commentary: 5 Ways to Reduce Materials Handling Costs

Many behaviours and approaches can be used to support and reinforce practices that can be used in the workplace to drive down materials handling costs. The five important ways are: 1. Space management; 2. Damage prevention; 3. Storage optimization; 4. Teamwork promotion; and 5. Operation optimization.

2. New free trade deal for Canada, welcomed by CTA

Inter-Canadian trade is worth \$385 billion per year, representing about 1/5 of Canada’s Gross Domestic Product, and accounts for 40% of

Canada

1. Commentary: 5 Ways to Reduce Materials Handling Costs, May 1, 2017, www.inboundlogistics.com
2. New free trade deal for Canada, welcomed by CTA, April, 2017, www.todaystruckin.com
3. Spatial Economics: The Declining Cost of Distance, May 11, 2017, www.ctl.ca
4. Traveller Accommodation Services Price Index, first quarter 2017, May 12,

provincial and territorial exports. A new agreement which takes effect on July 1, 2017 replaces the Agreement on Internal Trade that has been in place since 1995. It commits all governments to reduce the “patchwork of rules and regulations that can stifle growth”, the federal government announced. With this new agreement, companies will find it easier and less costly to sell their goods and services across the country. The Canadian Trucking Alliance was quick to welcome the agreement, albeit cautiously.

3. Spatial Economics: The Declining Cost of Distance

For centuries, the cost of distance has determined where businesses produce and sell, where employers locate jobs and where families choose to live. What if this cost fell dramatically? A new report from Bain and Company reveals how spatial economics will shake up long-held models of lifestyle and work, and how businesses and investors can transform for a post-urban world. **Read the full report: [Spatial Economics—The Declining Cost Of Distance](#).**

4. Traveller Accommodation Services Price Index, first quarter 2017

The Traveller Accommodation Services Price Index (TASPI) decreased 2.6% in the first quarter compared with the previous quarter, the result of declines among both leisure (-1.9%) and business (-3.1%) clients. The decrease reflected low seasonal demand for accommodation services, which has also been observed in previous years.

5. Whitepaper: Who Pays for Customs Compliance Violations? It Could Be You

The new whitepaper "Customs Compliance – Has Your Business Taken the Necessary Steps?" is an in-depth overview of the compliance process – including areas of particular vulnerability and recommendations for improving internal compliance management. You could be held accountable for customs compliance violations. And we don't just mean your company but you – personally. A landmark federal appeals case in 2014 determined that not only could a business be held liable for customs compliance violations but an individual or owner of that business could be held liable as well. And this is true even if the mistake or violation is the logistics provider or customs broker's fault.

6. Travel Survey of Residents of Canada, fourth quarter 2016

The number of domestic trips increased 1.9% in the 2016 fourth quarter from the same quarter in 2015, to 75.0 million. Total expenditures for those trips increased 3.9% to \$10.3 billion.

7. Travel between Canada and other countries, March 2017

US residents made 2.0 million trips to Canada in March 2017, down 1.0% from February 2017 and a 4.2% decline from the same month a year earlier. The decline in March 2017 was led by a slowdown in the number of US travellers coming to Canada by car. Overseas residents made 585,000 trips to Canada in March 2017, up 6.0% from February and a 20.0% increase from March 2016. In March 2017, Canadian residents made 3.4 million trips to the United States, down 2.8% from February and the second monthly decline following a 7.3% increase in January 2017. The number of Canadian residents travelling to the United States was 2.5% higher than March of the previous year. Canadian residents made 1.0 million trips to overseas destinations in March 2017, down 1.4% from the previous month but 5.3% higher than March 2016, and a new high for the month.

8. Characteristics of international overnight travellers, fourth quarter 2016

Canadian residents made 6.8 million overnight trips abroad in the fourth quarter of 2016, spending \$8.3 billion. Of these trips, 4.2 million were to the United States, accounting for \$3.7 billion in spending. United States residents made 2.6 million overnight trips to Canada in the fourth quarter, spending \$1.6 billion during their trips, while overseas residents made 1.1 million overnight trips to Canada, spending \$1.8 billion.

2017, www.statcan.gc.ca

5. Whitepaper: Who Pays for Customs Compliance Violations? It Could Be You, May 15, 2017, www.inboundlogistics.com

6. Travel Survey of Residents of Canada, fourth quarter 2016, May 17, 2017, www.statcan.gc.ca

7. Travel between Canada and other countries, March 2017, May 18, 2017, www.statcan.gc.ca

8. Characteristics of international overnight travellers, fourth quarter 2016, May 29, 2017, www.statcan.gc.ca