

Transportation Information Update*

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August 2017, No. 156

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AIR TRANSPORTATION

1. Airport activity, 2016

The number of passengers enplaned and deplaned at Canadian airports reached 140.2 million in 2016, an increase of 5.0% compared to the previous year. It was the seventh consecutive annual increase, following the economic slowdown of 2009. Increased activity at several of the country's largest airports contributed to the strong growth in passenger traffic, including: Toronto/Lester B. Pearson International (+8.0%); Vancouver International (+8.4%); Montréal/Pierre Elliott Trudeau International (+6.3%); Winnipeg/James Armstrong Richardson International (+6.0%); and Halifax/Robert L. Stanfield International (+5.6%).

2. Pearson ground crew workers reject offer, begin strike

About 700 ground crew workers at Canada's busiest airport went on strike July 27, 2017 night after they rejected a contract offer from their employer. The members represented by the Teamsters union marched at Toronto's Pearson International Airport waving picket signs and chanting "respect." "We're hoping to have little or no impact on the public," Local 419 vice-president Harjinder Badial told reporters after the membership voted. The labour dispute could have an impact on some operations at Pearson, but the Greater Toronto Airports Authority earlier said it had a contingency plan in place in the event of a strike or labour disruption but did not provide details.

3. American Airlines Group Reports Second-Quarter Profit

American Airlines Group Inc. (AAL) on July 28, 2017 reported its second-quarter 2017 results. It: 1) Recorded a second-quarter 2017 pre-tax profit of \$1.3 billion, or \$1.5 billion excluding net special items, and net profit of \$803 million, or \$944 million excluding net special items; 2) Reported second-quarter earnings of \$1.63 per diluted share. Diluted earnings per share excluding net special items were \$1.92, up 8.5 percent versus 2016; 3) Reported a 7.2 percent increase in total revenue, to \$11.1 billion, and a 5.7 percent increase in total revenue per available seat mile (TRASM); 4) Returned \$500 million to stockholders in the second quarter through the repurchase of 10.0 million shares for \$450 million and dividends of \$50 million.

4. Airlines to fight EC Cartel fines

The airlines that were fined a total of \$904 million by the European Commission (EC) in March 2017 for price fixing cartel operations are appealing the decision, stating their right to defense was inadequate, according to a [filing with the Official Journal of the European Union](#). The EC first announced it would [reinstate the fine](#) in March 2017 after the original decision was annulled by the General Court due to a procedural error. The 11 airlines that were fined are now appealing to have the decision annulled, again.

AIR

TRANSPORTATION Canada

1. Airport activity, 2016, June 2017, July 31, 2017, www.statcan.gc.ca
2. Pearson ground crew workers reject offer, begin strike, July 28, 2017, www.ctl.ca
3. American Airlines Group Reports Second-Quarter Profit, July 28, 2017, www.aa.com
4. Airlines to fight EC Cartel fines, July 28, 2017, www.americahshipper.com
5. Air Canada Reports Record Second Quarter 2017 Results, August 1, 2017, www.aircanada.ca
6. WestJet reports second quarter net earnings of \$48 million, up 32 per cent, August 1, 2017, www.westjet.ca
7. WestJet announces normal course issuer bid, August 1, 2017, www.westjet.ca
8. Air cargo markets continue to surprise, August 1, 2017, www.ctl.ca
9. Air Cargo Posts Strongest First Half-Year Growth Since 2010, August 1, 2017, www.iata.org
10. Government of Canada investing in safety at the Sault Ste. Marie Airport, August 1, 2017, www.tc.gc.ca
11. Canadian Transportation Agency launches inquiry into Air Transat tarmac delays, August 2, 2017, www.cta-otc.gc.ca
12. Strong Demand Growth resumes in June, August 3, 2017, www.iata.org
13. BTS Directive: 18 Airlines to Report 2018 On-Time Performance and Denied Boarding Data, August 4, 2017, www.bts.gov
14. Cargojet revenues jump nearly \$9 million in second quarter, August 8, 2017, www.ctl.ca
15. Airline Bumping Rate Lowest in Decades, August 8, 2017, www.dot.gov
16. WestJet named one of Canada's best places to work, August 9, 2017, www.westjet.ca
17. WestJet reports record July load factor of 85.6 per cent, August 10, 2017, www.westjet.ca
18. Aircraft movement statistics: Small airports, April 2017, August 11, 2017, www.statcan.gc.ca

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

5. Air Canada Reports Record Second Quarter 2017 Results

Air Canada on August 1, 2017 reported record second quarter 2017 EBITDAR (earnings before interest, taxes, depreciation, amortization, impairment and aircraft rent) of \$670 million compared to the previous record second quarter 2016 EBITDAR of \$605 million, an increase of \$65 million and consistent with the forecast in Air Canada's July 6th, 2017 news release. The airline recorded a second quarter EBITDAR margin of 17.1 per cent. On a GAAP basis, Air Canada reported second quarter operating income of \$281 million versus operating income of \$277 million in the second quarter of 2016. Air Canada recorded adjusted net income of \$215 million or \$0.78 per diluted share in the second quarter of 2017 compared to adjusted net income of \$203 million or \$0.72 per diluted share in the second quarter of 2016. The airline reported record second quarter net income of \$300 million or \$1.08 per diluted share compared to net income of \$186 million or \$0.66 per diluted share in the second quarter of 2016. "I am pleased to report that, in our second quarter, we delivered record operating revenues, record EBITDAR and ended with record liquidity levels, exceeding last year's financial results and analysts' consensus estimates for EBITDAR. We also improved our guidance for key financial measures, including a significant improvement in projected free cash flow for 2017," said Calin Rovinescu, President and Chief Executive Officer.

6. WestJet reports second quarter net earnings of \$48 million, up 32 per cent

WestJet on August 1, 2017 announced its second quarter results for 2017, with net earnings of \$48.4 million, or \$0.41 per fully diluted share, as compared with the net earnings of \$36.7 million, or \$0.30 per fully diluted share reported in the second quarter of 2016, up 32.0 per cent and 36.7 per cent, respectively. WestJet achieved its 49th consecutive quarter of profitability and flew a record 5.9 million guests. Based on the trailing twelve months, the airline achieved a return on invested capital of 9.8 per cent, compared with the 10.0 per cent reported in the previous quarter. "I am very pleased with the positive momentum we are seeing in our business as we reported second quarter earnings growth, margin expansion, double digit revenue growth, and for the second consecutive quarter positive year over year RASM growth. Clearly our business fundamentals are strong and we are confident that the strategic initiatives we are pursuing position us for continued profitable growth," said WestJet President and CEO Gregg Saretsky.

7. WestJet announces normal course issuer bid

WestJet Airlines Ltd. announced on August 1, 2017, that the Toronto Stock Exchange (TSX) has accepted its notice of intention to make a normal course issuer bid to purchase outstanding variable voting and common voting shares (the Shares) on the open market in accordance with the rules of TSX. As approved by the TSX, WestJet is authorized to purchase up to 5,856,671 Shares under the normal course issuer bid, representing 5.0 per cent of WestJet's issued and outstanding Shares, as of July 20, 2017

8. Air cargo markets continue to surprise

The air cargo market continued with its surprise in June 2017, according to market intelligence firm WorldACD, with a continuation of the volume growth seen for well over half a year, while US Dollar yields have halted their 2015-2016 free fall. "This [growth] trend did not show the slightest tendency of tapering off in June," stated the report. "On the contrary, the volume increase year-over-year (YoY) for the month was 10.5%, accompanied by an increase in direct ton kilometres of 12%, showing that the average distance between origin and destination of shipments continues to increase." Meanwhile, worldwide yield, measured in US dollars, was 7% higher, "a big bonus for airlines and a development we have not been able to report since the recovery of 2010-11."

9. Air Cargo Posts Strongest First Half-Year Growth Since 2010

19. Government of Canada investing in safety at Thompson Airport, August 10, 2017, www.tc.gc.ca

20. May 2017 U.S. Airline Traffic Data, August 10, 2017, www.bts.gov

21. Pilotless cargo planes 'by early 2020s', says report, August 10, 2017, www.ctl.ca

22. The Mile-High city for a low price, August 14, 2017, www.westjet.ca

23. European Airports posts best half for freight since 2010, August 14, 2017, www.americanshipper.com

24. Scheduled air passenger origin and destination: Canada-United States, 2016, August 16, 2017, www.statcan.gc.ca

25. Canada pilots new IATA-FIATA Air Cargo Program, August 15, 2017, www.ctl.ca

26. Cargojet earnings flying high in Q2 2017, August 16, 2017, www.americanshipper.com

27. June 2017 Passenger Airline Employment Data, August 17, 2017, www.bts.gov

28. MIA tonnage cargo tonnage rises 5% in first half of 2017, August 21, 2017, www.americanshipper.com

29. Air Canada Introduces Montreal-Tokyo Non-stop Flights, August 23, 2017, www.aircanada.ca

30. Drewry's: Air cargo rates up 1.5% in July, August 23, 2017, www.americanshipper.com

31. Monthly civil aviation statistics, June 2017, August 25, 2017, www.statcan.gc.ca

32. Oui, ja, yes to more rewards opportunities!, August 29, 2017, www.westjet.ca

33. Major Airlines post improved earnings, August 30, 2017, www.transportweekly.com

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), grew by 10.4% in the first-half of 2017 compared to the first-half of 2016. This was the strongest first half-year performance since air cargo's rebound from the Global Financial Crisis in 2010 and nearly triple the industry's average growth rate of 3.9% over the last five years. Freight capacity, measured in available freight tonne kilometers (AFTKs), grew by 3.6% in the first half of 2017 compared to the same period in 2016. Demand growth continues to significantly outstrip capacity growth, which is positive for yields. Air cargo's strong performance in the first half of 2017 was confirmed by June's 2017 results. Year-on-year demand growth in June increased 11% compared to the same year-earlier period. Freight capacity grew by 5.2% year-on-year in June 2017. All regions experienced positive freight growth in the first half of 2017. Carriers in Asia Pacific and Europe accounted for two-thirds of the increase in demand.

10. Government of Canada investing in safety at the Sault Ste. Marie Airport

Terry Sheehan, Member of Parliament for Sault Ste. Marie, on behalf of the Honourable Marc Garneau, Minister of Transport, on August 1, 2017 announced the government's \$960,300 investment to replace an aircraft rescue and firefighting vehicle and associated equipment at the Sault Ste. Marie Airport. The funding comes through Transport Canada's Airports Capital Assistance Program. Since the Program's launch in 1995, the Government of Canada has provided more than \$784 million for 900 projects at 182 airports across the country.

11. Canadian Transportation Agency launches inquiry into Air Transat tarmac delays

The Canadian Transportation Agency (CTA) on August 2, 2017 ordered Air Transat to explain the circumstances surrounding a delay of two of the airline's flights, which spent several hours on the tarmac of the Ottawa Macdonald-Cartier International Airport on Monday, July 31, 2017. The CTA's order questions whether, during the incidents, Air Transat respected its terms and conditions of carriage for international flights (tariff) with respect to the treatment of passengers on the aircraft.

12. Strong Demand Growth resumes in June

The International Air Transport Association (IATA) announced global passenger traffic data for June 2017 showing that demand (measured in total revenue passenger kilometers or RPKs) rose by 7.8% compared to the year-ago period. This was in line with the 7.7% growth recorded in May. All regions reported growth. June capacity (available seat kilometers or ASKs) increased by 6.5%, and load factor rose 1.0 percentage point to 81.9%. For the first six months of 2017, the industry experienced a 12-year high in traffic growth (7.9%) and a record first half load factor of 80.7%.

13. BTS Directive: 18 Airlines to Report 2018 On-Time Performance and Denied Boarding Data

The U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS) has designated 18 U.S. airlines to report 2018 on-time performance and denied boarding data for domestic flights and 13 U.S. airlines to report 2018 mishandled baggage data for domestic flights.

14. Cargojet revenues jump nearly \$9 million in second quarter

Cargojet Inc. announced financial results for the quarter ended June 30, 2017. The results are as follows. 1) Total Revenues were \$88.2 million, an increase of \$8.9 million or 11.2% versus the previous year; 2) Gross Margin was \$23.3 million, an increase of \$2.4 million or 11.5% versus the previous year; 3) Adjusted EBITDA was \$24.6 million, an increase of \$2.1 million or 9.3% versus the previous year; 4) Adjusted EBITDAR was \$28.3 million, an increase of \$1.4 million or 5.2% versus the previous year. Ajay Virmani, President and Chief Executive Officer said "We are very pleased with the financial and operating results produced during the Quarter."

15. Airline Bumping Rate Lowest in Decades

The U.S. Department of Transportation (DOT) on August 8, 2017 released its August 2017 *Air Travel Consumer Report*, compiling air carrier data for the month of June 2017, second quarter of 2017, and first half of 2017. For the first six months of this year, the 12 U.S. carriers who report involuntary denied boarding, or bumping, data posted a bumping rate of 0.52 per 10,000 passengers, the lowest January through June rate based on historical data dating back to 1995 and down from the rate of 0.62 posted during the first six months of 2016. For the second quarter of 2017, the carriers posted a bumping rate of 0.44 per 10,000 passengers, the lowest quarterly rate based on historical data dating back to 1995 and down from the rate of 0.62 posted in both the second quarter of 2016 and the first quarter of 2017.

16. WestJet named one of Canada's best places to work

WestJet on August 9, 2017 announced that Indeed, Canada's number one job search site, has named WestJet top ten in its list of Best Places to Work in Canada, as determined by WestJet employee reviews through Indeed's website.

17. WestJet reports record July load factor of 85.6 per cent

WestJet on August 9, 2017 announced July 2017 traffic results with a load factor of 85.6 per cent, an increase of 0.4 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 6.8 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 6.4 per cent over the same period. The airline flew a record 2.2 million guests in July, a year-over-year increase of 9.1 per cent or approximately 185,000 additional guests. WestJet President and CEO Gregg Saretsky said "We are very pleased with our continued strong traffic growth as we achieved a record July load factor, flew a record 2.2 million guests and set an all-time single day high by flying 76,985 guests on July 27th."

18. Aircraft movement statistics: Small airports, April 2017

Take-offs and landings at 113 Canadian airports without air traffic control towers reached a total of 49,152 movements in April 2017. Ten airports accounted for 45% of the month's activity.

19. Government of Canada investing in safety at Thompson Airport

The Honourable Marc Garneau, Minister of Transport, on August 10, 2017 announced the government's \$662,710 investment for the rehabilitation of Apron 1 at the Thompson Airport. This is in addition to \$94,745 announced earlier this year for the purchase of a material spreader to apply liquid and/or sand to runways, taxiways and aprons to melt ice and improve traction. The Apron 1 rehabilitation project will include the removal of old concrete and asphalt pavement and replacing it with new asphalt to provide ongoing safety for both employees and travellers. The funding comes from Transport Canada's Airports Capital Assistance Program (ACAP). Since the Program's launch in 1995, the Government of Canada has invested more than \$785.9 million for 904 projects at 182 airports across the country.

20. May 2017 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on August 10, 2017 that passenger enplanements on all U.S. scheduled airlines reached a new seasonally adjusted all-time high of 70.9 million in May 2017, rising 0.7 percent from April for the third consecutive monthly increase.

21. Pilotless cargo planes 'by early 2020s', says report

Pilotless freighter aircraft could be a reality by the early years of the next decade, considers a report by UBS evidence lab. In a report by its aerospace, airline and logistics analysts published on August 7, 2017 it postulated that the first full size pilotless all cargo planes could be flying by the early 2020s. And while a survey of around 8,000 people carried out as part of the study found that most people would be reluctant to fly as passengers on pilotless planes, there would be no such objections to freight being carried on such aircraft.

22. The Mile-High city for a low price

WestJet announced on August 14, 2017 it will begin serving Denver International Airport (DEN) daily from Calgary International Airport (YYC) starting March 8, 2018. Canada ranks as Colorado's largest trading partner, accounting for nearly \$1.4 billion in exports in 2016. In addition, Canada ranks as the second-largest foreign investor in Colorado, only the United Kingdom has more corporate presence

23. European Airports posts best half for freight since 2010

Airport traffic at airports in Europe in the first six months of 2017 has recorded its best half-year performance since 2010, according to European industry body Airports Council International (ACI). The 8.7 percent increase in traffic reflects an improved global market, in particular a 7.8 percent rise in cargo at EU airports and a 14.4 percent jump at non-EU gateway according to ACI data.

24. Scheduled air passenger origin and destination: Canada-United States, 2016

In 2016, more than 22.2 million passengers travelled on scheduled air services between Canada and the United States, a 1.1% increase compared with 2015. This is the seventh consecutive year-over-year increase since the economic downturn of 2009. Six provinces and one territory showed gains in the volume of passengers travelling between Canada and the United States. Transborder travel continued to be primarily to/from the states of California and Florida. Together, these two states accounted for 37.6% of all traffic, with California reporting 20.0% and Florida reporting 17.6%.

25. Canada pilots new IATA-FIATA Air Cargo Program

The Canadian International Freight Forwarders Association (CIFFA) and Air Canada Cargo take the lead as Canada launches the new global IATA-FIATA Air Cargo Program (IFACP). To meet the evolving needs of the air cargo industry and better reflect the change in relationships and the transformed role of the freight forwarder, IATA and FIATA joined forces to review, refine, and re-engineer the current Cargo Agency Program to develop a new and modernized program: the IATA-FIATA Air Cargo Program (IFACP). This program, which begins its global rollout with the Canadian pilot in August, replaces the current IATA Cargo Agency Program.

26. Cargojet earnings flying high in Q2 2017

Ontario-based all-cargo airline Cargojet posted net earnings of \$4.4 million Canadian (U.S. \$3.4 million) for the second quarter of 2017, an increase of 15.8 percent compared the same period a year prior, according to the company's most recent financial statements. Diluted earnings per share stood at C\$0.39 for the quarter, as revenues ticked up 1.2 percent year-over-year C\$88.2 million. In addition, the airline's gross margin totalled C\$23.3 million, an increase of 11.5 percent from the second quarter of 2016.

27. June 2017 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 3.8 percent more workers in June 2017 than in June 2016, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on August 17, 2017. June 2017 was the highest monthly full-time equivalent (FTE) employment total (427,818) since July 2005 (428,091) and was the 44th consecutive month that U.S. scheduled passenger airlines' FTEs exceeded the same month in 2016.

28. MIA tonnage cargo tonnage rises 5% in first half of 2017

Miami International Airport said that during the first 6 months of 2017, it saw an 8.3 percent increase in domestic cargo and 3.7 percent growth in international freight. Massive growth in cargo tonnage on Middle East carriers and double-digit growth in freight on European and Asian airlines led to cargo shipments at Miami International Airport (MIA) growing by about 5 percent during the first six months of 2017, according to recently released data.

29. Air Canada Introduces Montreal-Tokyo Non-stop Flights

Air Canada announced on August 23, 2017 the introduction of a new service between Montreal and Tokyo Narita starting June 1, 2018. Flights will operate year-round, with daily service during summer peak travel and three times a week during the winter, with Air Canada's flagship aircraft, the Boeing 787 Dreamliner. Air Canada's new transpacific service from its Montreal hub is designed to optimize connectivity to several Canadian and U.S. cities: Quebec City, Ottawa, Halifax, Charlottetown, Boston, Philadelphia and Orlando.

30. Drewry's: Air cargo rates up 1.5% in July

The average price of airfreight on east-west routes rose to an average of \$2.64 per kilogram in July 2017, up from \$2.59 per kilogram the previous month, according to Drewry's East-West Air Freight Price Index. "Drewry's East-West Airfreight Price Index continued its upward trajectory in July, an increase of 1.9 percent month-on-month, and about 1.5 percent above the same month last year," the firm said in its latest *Sea & Air Shipper Insight* publication.

31. Monthly civil aviation statistics, June 2017

The six Canadian Level I air carriers flew 6.7 million passengers on scheduled and charter services in June 2017, up 9.2% from June 2016. Traffic increased 9.5% to 17.9 billion passenger-kilometres, while capacity rose 8.8% to 21.7 billion available seat-kilometres. This resulted in a slightly higher passenger load factor in June 2017 (82.5%) than in June 2016 (82.0%), as the increase in demand for travel was stronger than the rise in capacity. The volume of turbo fuel consumed rose 8.6% to 663.1 million litres, while the number of flying hours increased 8.3% to 183,000. Total operating revenue increased 10.1% from the same month a year earlier to \$1.9 billion in June 2017.

32. Oui, ja, yes to more rewards opportunities!

Further to their successful codeshare partnership, on August 29, 2017 Air France-KLM and WestJet launched the earn phase of the airlines' reciprocal frequent flyer agreement. Passengers can now accumulate their choice of Flying Blue Miles or WestJet dollars on all WestJet, Air France, and KLM flights.

33. Major Airlines post improved earnings

The switch from ocean to air freight by shippers has driven up earnings for major Asian air cargo carriers, according to a Reuters report. Given the region's 40 per cent stake in the global market on account of Asia being a manufacturing hub, carriers like Cathay Pacific Airways and Korean Air Lines generate a quarter of their revenues from freight. According to Reuters, air carriers are benefitting from downturns in semiconductors and auto parts inventories, leading customers and manufacturers to utilise air freight rather than ocean shipping for replenishment thanks to its faster transit times. As a result, global air cargo volumes grew 10.4 per cent in the first six months of the year, marking the strongest half-year performance in seven years, according to data from the International Air Transport Association (IATA), reported American Shipper.

WATER TRANSPORTATION

1. The Port of Prince Rupert – Accumulated container traffic January to June 2017

The Port of Prince Rupert released its container traffic (TEUs) on July 30, 2017. Total container traffic in terms of TEUs increased 15% for the first six months of 2017 (i.e. to 422,866.50 TEUs from 367,053.75 TEUs). Exports increased by 23% (i.e., to 180,155.25 TEUs from 146,709.50 TEUs) and imports increased by 10% (i.e. to 242,711.25 TEUs from 220,344.25) over this period.

2. Global container traffic is like the global economy's heartbeat

International trade is the backbone of our economy, linking businesses and consumers all over the world. Mammoth tankers and bulk carriers transport commodities (oil, coal, iron ore) across the seas to consumers in other countries. Most of the electronic goods and clothes we see in stores have also spent three to four weeks boxed up in a container. Global container traffic is like the global economy's heartbeat. The more freight movements there are, the greater the economic activity.

3. Australia fines NYK \$25m for cartel behavior

The Australian Federal Court has ordered ocean carrier Nippon Yusen Kaisha (NYK) to pay a \$25 million fine due to cartel behavior, according to a report from shipping industry news outlet *TradeWinds*. The ocean carrier engaged in the transportation of vehicles to Australia between 2009 and 2012. Furthermore, the court found that a cartel operated from at least February 1997 and affected vehicles brought into the country by NYK and other shipping lines, reported *TradeWinds*. The \$25 million fine is the second largest sum imposed by the Australian Competition and Consumer Commission (ACCC), but it could have been double had NYK had not pleaded guilty last year. The fine was calculated on the basis of 10 percent of NYK's annual turnover in connection with Australia.

4. Hong Kong's Competition Commission issued BEO for liner shipping VSAs

Hong Kong's Competition Commission issued a block exemption order (BEO) on August 8, 2017 under section 15 of the Competition Ordinance for vessel sharing agreements (VSAs) between liner shipping companies. The order was issued in response to an application submitted to the commission in December 2015 from the Hong Kong Liner Shipping Association (HKLSA) for a BEO, in which the shipping association was seeking a BEO covering both VSAs and voluntary discussion agreements (VDAs), the commission said in a statement. VSAs are agreements between shipping lines on certain operational arrangements, while VDAs are agreements pursuant to which shipping lines discuss certain commercial matters relating to particular shipping routes.

5. Port of Virginia volumes up 7.5 % in July

The Port of Virginia just had the best July cargo performance in its history. Terminals at the mid-Atlantic port handled 234,230 TEUs last month, a 7.5 percent increase compared to July 2016, despite a decrease in exports, according to data released Aug. 9, 2017. Loaded export during the month amounted to 75,703 TEUs, down 2 percent year-over-year, but the decline was offset by a 9 percent jump in loaded imports to 109,215 TEUs and a 13 percent year-over-year increase in truck containers to 85,442 TEUs.

6. Completion of a shore power project at Port of Montréal will reduce air pollution

The Government of Canada has contributed \$5 million to the Port of

WATER TRANSPORTATION

Canada

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2. Global container traffic is like the global economy's heartbeat, August 1, 2017, www.ctl.ca
3. Australia fines NYK \$25m for cartel behavior, August 3, 2017, www.americanshipper.com
4. Hong Kong's Competition Commission issued BEO for liner shipping VSAs, August 9, 2017, www.americanshipper.com
5. Port of Virginia volumes up 7.5 % in July, August 10, 2017, www.americanshipper.com
6. Completion of a shore power project at Port of Montréal will reduce air pollution, August 11, 2017, www.tc.gc.ca
7. Port of Los Angeles up 16pc in July, August 14, 2017, www.transportweekly.com
8. Port of Long Beach sets new water high-mark for container traffic, August 14, 2017, www.americanshipper.com
9. Record grain and containers boost mid-year results at the Port of Vancouver, August 15, 2017, www.portmetrovancover.com
10. Seaway cargo shipments up 18% in first-half of shipping season, August 15, 2017, www.ctl.ca
11. Port of Montreal – Accumulated container traffic January to June 2017, August 16, 2017, www.portofmontreal.ca
12. Vancouver Fraser Port Authority applauds federal contribution to project designed to increase good movement efficiency, August 16, 2017, www.tc.gc.ca
13. Canada orders vessels to reduce speed in Gulf of St Lawrence to save whales, August 21, 2017, www.transportweekly.com
14. Vancouver HI traffic up 9.6pc, August 21, 2017, www.transportweekly.com
15. Suez Canal to slash rates for containerships, August 18, 2017, www.americanshipper.com
16. Shipping firm blames fee hike on federal measures to protect right whales, August 21, 2017, www.ctl.ca
17. NWSA sees 5% container growth in first half 2017, August 23, 2017, www.americanshipper.com
18. Government of Canada introduces new measures to protect the marine environment and coastal communities in Canada's Arctic, August 27, 2017, www.tc.gc.ca
19. DP World predicts higher volumes

Montréal Authority's shore power project. The newly completed project will reduce greenhouse gas emission. Shore power is an effective way of reducing air emissions and improving local air quality. It also reduces ship owners' fuel costs which increases the competitiveness of Canadian ports.

7. Port of Los Angeles up 16pc in July

Container volumes through the Port of Los Angeles in July 2017 increased 16 per cent year on year to 796,804 TEU, making it the busiest July in the port's history. Laden imports increased 13 per cent to 417,090 TEU while laden export boxes were up 17 per cent to 154,925 TEU. July 2017 empties were 20 per cent up to 796,804 TEU. Previously, the strongest July in Port history was 2006, when 761,326 TEUs moved through the port's terminals.

8. Port of Long Beach sets new water high-mark for container traffic

The number of containers the Port of Long Beach moved in July 2017 was an all-time monthly high for the Southern California seaport. The peak season shipping witnessed record monthly container volumes at the Port of Long Beach. In July 2017, the Southern California port handled a total of 720,310 TEUs of containerized cargo, the most that have ever moved through Long Beach's terminals in a single month, surpassing the previous high mark of 703,652 in August 2010.

9. Record grain and containers boost mid-year results at the Port of Vancouver

The Vancouver Fraser Port Authority on August 15, 2017 released its 2017 mid-year statistics for trade through the Port of Vancouver. Overall cargo through the Port of Vancouver has increased four per cent to 69 million metric tonnes (MMT) over the same time last year with mid-year records in bulk grain and containers. Container quantities (measured by TEUs or twenty-foot equivalents) increased by 9.6 per cent compared to mid-year 2016 to a record 1.6 million TEUs as a result of the strengthening economy as well as global demand for Canadian products shipped in containers and Canadian demand for consumer and manufacturing goods from Asia.

10. Seaway cargo shipments up 18% in first-half of shipping season

According to The St. Lawrence Seaway Management Corporation, in the first half of the 2017 shipping season cargo shipments were up 18 per cent over the 2016 season. Total cargo tonnage from March 20 to July 31 reached 16 million metric tons — 2.5 million metric tons more compared to the same period in 2016. Iron ore and grain exports continued to drive a St. Lawrence Seaway shipping resurgence in the first half of 2017.

11. Port of Montreal – Accumulated container traffic January to June 2017

For the first six months of 2017, the Port of Montreal reported total container traffic of 752,966 TEUs. Total inbound traffic was 365,807 TEUs and total outbound traffic was 387,159 TEUs. Total traffic increased by 6.24% (i.e. 44, 235 TEUs or from 708,731 TEUs to 752,966) compared to the same period in 2016.

12. Vancouver Fraser Port Authority applauds federal contribution to project designed to increase good movement efficiency

On August 16, 2017, the Government of Canada announced a federal contribution of \$250,000 to the Vancouver Fraser Port Authority towards a project to assess real-time information on the supply chain performance for all rail cargo moving to and from the Port of Vancouver. The port authority launched the Supply Chain Visibility Project in 2015. The port authority's Supply Chain Visibility Project contributes to three objectives of the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund: improving the efficiency of the national multimodal transportation network; enhancing transportation infrastructure safety, security and quality of life; and, improving the connectivity of intermodal interfaces.

13. Canada orders vessels to reduce speed in Gulf of St Lawrence to save whales

The Canadian government has ordered that vessels 20 metres long or more to temporarily reduce their speed to a maximum of 10 knots when travelling in the western Gulf of St Lawrence from the Quebec north shore to just north of Prince Edward Island, to prevent further deaths of endangered whales in the area. The move takes immediate effect, according to Shipping Gazette. If they fail to do so, they face a fine of US\$19,600.

14. Vancouver HI traffic up 9.6pc

The Port of Vancouver's first half container throughput rose 9.6 per cent year on year to 1.6 million TEU, while cargo volumes rose 3.9 pc to 69 million tons, on the back of mid-year records in container shipments

for 2017 after higher first half growth, August 25, 2017, www.americanshipper.com
20. The Next Transformational Technology for Terminal Operations: Simplified and Integrated Systems, August, 28, 2017, www.inboundlogistics.com
21. Port of Prince Rupert completes Fairview terminal expansion, August 29, 2017, www.rupertport.com
22. CN: Port of Prince Rupert container terminal a model of supply chain collaboration and a true success story, August 29, 2017, www.cn.ca

and bulk grain, according to the Vancouver Fraser Port Authority. Port officials said that over the reporting period global demand increased for Canadian products shipped in containers, while Canadian demand rose for consumer and manufacturing goods from Asia, reported *American Shipper*. Bulk grain volumes at the port grew 12.9 per cent year on year to 12.5 million tons thanks to strong overseas demand, while bulk dry cargo volumes were up 4.9 per cent to 43.6 million tons.

15. Suez Canal to slash rates for containerships

Transit rates for container vessels in the northern and southern Suez ports will be reduced from between 3 percent and 50 percent, the Egyptian government revealed on August 16, 2017, according to a report from the *Middle East Monitor*. The reductions will take effect Oct. 1, 2017 said Mohab Mamish, who is the chairman of the Suez Canal Authority (SCA) and president of the economic district of the Suez Canal. Vessels carrying more containers will receive larger reductions.

16. Shipping firm blames fee hike on federal measures to protect right whales

A Newfoundland shipping firm is raising its fees, blaming higher costs because of federal measures taken to protect North Atlantic right whales after a series of deaths. Oceanex Inc. says the four-per-cent “temporary marine protection surcharge” on service between Montreal and St. John’s, N.L., follows a federal speed limit imposed last Friday in an area of the Gulf of St. Lawrence.

17. NWSA sees 5% container growth in first half 2017

Container volumes at the Pacific Northwest ports of Seattle and Tacoma rose 5 percent during the first half of the year despite a 1 percent dip in throughput for the month of July 2017, according to recent data from the Northwest Seaport Alliance (NWSA), the ports’ marine cargo operating partnership. Year-to-date, combined full import volumes at the ports were up 6 percent to 803,357 TEUs, while full exports were flat at 540,344 TEUs. Total international container volumes, including empties, increased 9 percent to 1.7 million TEUs during the first half of the year. Year-to-date 2017 total international TEU volumes were the highest since 2007, NWSA said.

18. Government of Canada introduces new measures to protect the marine environment and coastal communities in Canada’s Arctic

On August 27, 2017, the Honourable Marc Garneau, Minister of Transport announced a total investment of over \$175 million in seven measures to help protect Arctic waters as part of the Oceans Protection Plan. For residents of Canada’s Northern territories, marine transportation is an essential lifeline. Ships bring food and other important goods and represent critical jobs and employment. In November 2016, Prime Minister Justin Trudeau launched the \$1.5 billion Oceans Protection Plan.

19. DP World predicts higher volumes for 2017 after higher first half growth

Dubai-based port terminal operator DP World handled 33.9 million TEUs during the first half of 2017, an increase of 7.7 percent compared to gross throughput during the same period last year, according to recent data from the company. On a reported basis, profit attributable to owners of the company, before separately disclosed items, stood at \$606 million, while earnings per share totalled \$0.73 for the first half of 2017. Revenue grew 9.6 percent, due to strong volumes across all three DP World regions, and adjusted EBITDA increased by 4.2 percent, the company said in its latest earnings report. “Looking ahead to the second half of the year, we expect higher levels of throughput to be maintained. Overall, the steady financial performance of the first six months leaves us confident in meeting full-year market expectations,” said Bin Sulayem.

20. The Next Transformational Technology for Terminal Operations: Simplified and Integrated Systems

The terminal operations sector is in constant motion. The systems leveraged by terminal operations today are —everything from vehicle/fleet management, remote crane management, terminal operating systems, gate operation, position detection, asset management, and many others—you’ll see these systems are highly integrated. The key is to make integration easier, more cost effective, and yield higher quality results? In short simplify and standardize.

21. Port of Prince Rupert completes Fairview terminal expansion

The Port of Prince Rupert can now accommodate the largest container vessels in the world, following DP World’s expansion of its Fairview Container Terminal that increases the Port’s container-handling capacity to 1.35 million TEUs annually. The conclusion of the two-year “Phase 2 North” expansion project was celebrated on August 29, 2017 by shippers, supply chain partners, local labour and First Nations and community leaders with a ribbon cutting and community open house attended by thousands. The expansion grows Fairview Container Terminal’s annual throughput capacity from 850,000 to 1.35 million TEUs (twenty-foot equivalent units).

22. CN: Port of Prince Rupert container terminal a model of supply chain collaboration and a true success story

CN on August 29, 2017 joined its supply chain partners, the Port of Prince Rupert and DP World, in marking the 10th anniversary of the Fairview Container Terminal and celebrating the facility's expansion. "The city of Prince Rupert was built for Canadian trade and the container terminal unlocked so much of the port's untapped potential," said Luc Jobin, president and chief executive officer of CN. "As one of the fastest growing ports in North America, the Port of Prince Rupert holds a premier place on the global trade map. The last decade of supply chain collaboration between the port, terminal operators, CN and other partners has become the model for how to establish and grow a trade corridor." Opened in 2007 at the western terminus of CN's three-coast transcontinental network, the partnership between the port, Fairview terminal, and the governments of Canada and British Columbia created a congestion-free gateway to growing markets across Canada and the United States.

RAIL TRANSPORTATION

1. Intermodal recovery strengthens in Q2

Total intermodal volumes gained 4.5 percent in the 2017 Q2, the strongest growth in nearly three years, according to the Intermodal Association of North America's *Intermodal Market Trends and Statistics* report. International traffic once again was the primary driver, rising 5.6 percent; domestic containers and trailer volumes increased 3.2 percent and 3.9 percent respectively. "Growth in Q2 indicates that economic conditions continue to improve for all segments of the intermodal market. Year-to-date performance is a healthy 3.3 percent, notwithstanding a weak year-over-year comparison for the second quarter," said Joni Casey, president and CEO of IANA.

2. CP releases 2016 corporate sustainability report

Canadian Pacific (CP) on August 3, 2017 released its corporate sustainability report outlining the company's commitment as a responsible operator to long-term value creation and sustainable operations. Key highlights are: 1) *Safety and Security*: Achieved a 11 percent decline in FRA-reportable employee injuries and a 27 percent decline in FRA-reportable train accidents; 2) *Environmental Responsibility*: Reduced greenhouse gas emissions (GHG) by 15 percent; 3) *Social and Economic Development*: Hosted immigrant professionals through a work experience program and committed approximately \$5 million to various community investment initiatives; 4) *Financial Viability and Customer Service*: Improved network performance by lengthening our trains on average by 4 percent, reducing average dwell time by 7 percent and increasing average network speed by 10 percent; 5) *Infrastructure Planning and Design*: Invested \$1.2 billion in 2016 in our capital programs, enhancing safety, reliability and operating performance

3. IANA: Q2 2017 intermodal volume growth strongest in years

The North American intermodal industry in the second quarter of 2017 saw the strongest growth in nearly three years, according to the latest Intermodal Market Trends and Statistics report from the Intermodal Association of North America (IANA). Total intermodal volumes gained 4.5 percent in the quarter, according to IANA statistics, with international traffic being the primary driver, rising 5.6 percent.

4. AAR: U.S. rail traffic rises 2.5% in July

Total combined U.S. carload and intermodal traffic in July 2017 was up 2.5 percent, or 49,918 carloads and intermodal units, from the same month a year ago, according to the Association of American Railroads (AAR). While carloads in July 2017 were down 0.6 percent, intermodal containers and trailers were up 5.6 percent compared to the same period a year prior. Nine of the 20 carload commodity categories tracked by the AAR each month saw carload gains compared with July 2016.

RAIL TRANSPORTATION Canada

1. Intermodal recovery strengthens in Q2, August 2, 2017, www.ctl.ca
2. CP releases 2016 corporate sustainability report, August 3, 2017, www.cpr.ca
3. IANA: Q2 2017 intermodal volume growth strongest in years, August 3, 2017, www.americanshipper.com
4. AAR: U.S. rail traffic rises 2.5% in July, August 3, 2017, www.americanshipper.com
5. BNSF's Second-Quarter 2017 Financial Performance: Volumes, Revenues and Expenses, August 2017, www.mbnf.com
6. CN conductors in Canada ratify new labour agreement, August 8, 2017, www.ctl.ca
7. CP launches direct rail transportation service from Vancouver to Detroit, August 1, 2017, www.cpr.ca
8. Ontario Boosting Train and Bus Service Across the GO Network, August 16, 2017, www.mto.gov.on.ca
9. Transload facility to boost Prince Rupert volume, carrier pull, August 14, 2017, www.joc.com
10. CP ready to again deliver best-in-class service this crop year, August 21, 2017, www.cpr.ca
11. CN urges investment in rail infrastructure as grain shipments hit a record high, August 21, 2017, www.nationalpost.ca
12. Canadian growers move a record 21.8 million metric tonnes of grain on CN network during 2016-2017 crop year, August 22, 2017, www.cn.ca

5. BNSF's Second-Quarter 2017 Financial Performance: Volumes, Revenues and Expenses

BNSF, a Berkshire company, reported its 2017 second quarter and six months results in August 2017. Its financial performance results were: Volumes, Revenues and Expenses Second quarter and first six months of 2017 operating income were \$1.8 billion and \$3.4 billion, respectively, an increase of \$300 million (20 percent) and \$389 million (13 percent), respectively, compared to the same periods in 2016. Total revenues for the second quarter and first six months of 2017 were up 15 percent and 12 percent, respectively, compared with the same periods in 2016. This is a result of increases in unit volume for the second quarter and first six months of 2017 of 9 percent and 8 percent, respectively, and higher average revenue per car/unit. Net income rose 24% to \$958 million from \$722 million and operating ratio improved to 65% from 66.7% for the second quarter of 2017.

6. CN conductors in Canada ratify new labour agreement

CN announced that the Teamsters Canada Rail Conference – Conductors, Trainpersons and Yardpersons (TCRC-CTY) union that represents the company's conductors and yard crews in Canada has ratified a new collective agreement with the company. The three-year agreement retroactive to July 23, 2016, provides wage increases and benefit improvements to approximately 3,000 conductors.

7. CP launches direct rail transportation service from Vancouver to Detroit

Canadian Pacific Railway Limited (CP) on August 14, 2017 announced the launch of the most direct rail transportation service between Vancouver and Detroit, a service that extends CP's reach and increases optionality and access to key markets for shippers. Leveraging CP's newest transload facility in Vancouver and its innovative live-lift operation at Portal, North Dakota to accelerate cross-border shipments, this new service can cut transit times from the West Coast to Detroit by as much as 48 hours compared with our nearest competitors.

8. Ontario Boosting Train and Bus Service Across the GO Network

Ontario is increasing GO train and bus service across the network to help manage congestion and provide convenient and frequent service for commuters and families. Effective Sept. 2, 2017, Ontario will introduce more peak period GO train service on the Barrie line, providing more travel options to commuters in Barrie, Bradford West Gwillimbury, East Gwillimbury, Newmarket, Aurora, King City, Vaughan and Toronto. The province will also increase GO bus service on some of the most in-demand routes that serve customers in Burlington, St. Catharines, Guelph, Mississauga, Oakville, Hamilton and Richmond Hill.

9. Transload facility to boost Prince Rupert volume, carrier pull

The new terminal, pulling in grain carloads from the western Canadian provinces and the US Midwest, will help alleviate equipment shortages for North American outbound moves.

10. CP ready to again deliver best-in-class service this crop year

Collaboration, communication and coordination are front and centre as Canadian Pacific (CP) prepares to deliver best-in-class service in the 2017-2018 crop year. CP's service offering to grain customers is driven by maximizing efficiency at the origin elevator and enhancing capabilities at the export terminal, all driving velocity in the rail portion of the complex grain supply chain. "At CP, moving grain is embedded in our DNA and has been for more than a century," said John Brooks, CP Senior Vice-President and Chief Marketing Officer. "While we have a long history of delivering for farmers, shippers and the North American economy, we are more focused now than ever on our relationships with our customers and on building the world-class grain supply chain that will deliver for the next century."

11. CN urges investment in rail infrastructure as grain shipments hit a record high

Canadian National Railway is calling on the government to invest infrastructure funds in rail capacity to Vancouver's export terminals as the company reports that it moved a record 21.8 million metric tonnes of grain this past year. According to the company's 2016-2017 grain report, scheduled for release on August 22, 2017, Canada's largest railway beat its one-year record set in the 2014-2015 season by two per cent. Shipments began slowly, due to wet conditions across the Prairies, but by week seven the company was shipping more tons of grain than the previous three-year average, a pace that continued through the spring of 2017.

12. Canadian growers move a record 21.8 million metric tonnes of grain on CN network during 2016-2017 crop year

CN announced it moved a record 21.8 million metric tonnes of Western Canadian grain during the 2016-17 crop year. "Through innovation, collaboration and improved communication with our supply chain partners, CN moved more grain in a single crop year than ever before," said Doug MacDonald, CN vice president of bulk. "We did this by further developing our supply chain ingenuity with our partners to meet

demand, resulting in improvements in the use of equipment and better than ever efficiencies in size of trains.” In a year-end grain report published on August 22, 2017, CN outlined other key highlights from the crop year, including: 1) Shipping seven per cent more tonnage than the prior three-year-average; 2) Beating the one-year record set in 2014-15 by two per cent; 3) Shipping records (six new monthly) between the peak months of September and March when grain prices are highest; 4) Introducing 200-car grain trains to improve efficiency and turn equipment back to the Prairies faster; 5) Expanding use of distributed power and air repeater cars to extend train length and improve train braking during extreme weather winter months. MacDonald said “We gave our customers what they were looking for by significantly expanding our commercial product offering.”

HIGHWAY TRANSPORTATION

1. Transforce’s operating income (before finance income and costs, and income taxes) decreased 164.3% to -\$47.2 million from \$73.4 million, for the second quarter of 2017. Its adjusted net income from continuing operations was \$63.7 million, or \$0.68 per diluted share, versus \$54.8 million or \$0.58 last year. It declared a dividend of \$0.19 per share compared to \$0.17 for the same quarter in 2016. Alain Bédard, Chairman, President and Chief Executive Officer of TFI International said “Although TFI International’s results remain affected by difficult conditions in the U.S. Truckload market, we are pleased that benefits from earlier initiatives aimed at improving efficiency and generating superior returns are materializing in all other operating segments. We also returned our excess cash flow to shareholders by repurchasing \$42.5 million in common shares during the second quarter.”

2. ATA Predicts Continued Growth for Trucking

The American Trucking Associations (ATA) released its Freight Transportation Forecast report for 2017 through 2028 on July 28, 2017 and has projected continued growth for the transportation and trucking industry. “As the U.S. population grows and the economy increases with it, we will see continued gains in demand for freight transportation,” said ATA chief economist Bob Costello. In the forecast, ATA projects freight volumes to grow 2.8% in 2017, and after that a 3.4% annual growth through 2023. After that, ATA projects a more modest growth rate of 2.3%. In 2017, ATA projects that 15.18 billion tons of freight will be moved by all modes – a figure that rises 36.6% to 20.73 billion tons in 2028. In 2016, trucks handled 70.6% of total tonnage.

3. Couriers and Messengers Services Price Index, June 2017

The Couriers and Messengers Services Price Index (CMSPI) decreased 0.1% in June 2017. This was the first decrease since September 2016. The couriers’ component was unchanged, while the local messengers’ and local delivery component decreased 0.4%. The CMSPI posted a 9.4% increase in June compared with the same month a year earlier. Both the couriers component (+10.5%) and the local delivery component (+4.2%) increased.

4. Monthly Passenger Bus and Urban Transit, May 2017

Total operating revenues (excluding subsidies) for urban transit companies were \$307.6 million in May 2017. Ridership was 144.5 million passenger trips over the same period.

5. U.S.-Canada Freight Flows Increase by Double Digits

The value of U.S.-Canada freight flows increased by 11.4% to \$51.2 billion between May 2016 and May 2017 as the value of freight on

HIGHWAY TRANSPORTATION Canada

1. TFI International Announces 2017 Second Quarter Results, July 27, 2017, www.tfintl.com
2. ATA Predicts Continued Growth for Trucking, July 28, 2017, www.cantruck.ca
3. Couriers and Messengers Services Price Index, June 2017, July 31, 2017, www.statcan.gc.ca
4. Monthly Passenger Bus and Urban Transit, May 2017, July 31, 2017, www.statcan.gc.ca
5. U.S.-Canada Freight Flows Increase by Double Digits, July 31, 2017, www.ontruck.ca
6. Report: Multimodal Transportation Has a Future in Europe, August 1, 2017, www.inboundlogistics.com
7. House committee approves self-driving vehicle legislation, refines safety exemptions, August 1, 2017, www.americanshipper.com
8. UPS’ Q2 profit up 9.1pc, August 2, 2017, www.transportweekly.com
9. Overall TFI revenue up, but TL drags, July 28, 2017, www.todaystrucking.com
10. TransCore’s Canadian Freight Volumes Closed Q2 2017 on Historic High, August 1, 2017, www.transcore.ca
11. Uber Freight expanding to more US markets, August 4, 2017, www.americanshipper.com
12. Freight by Mode since the Recession, August 7, 2017, www.bts.gov
13. Freight Management and Route Optimization: A Critical Combination, August 8, 2017, www.inboundlogistics.com
14. DHL Deutsche Post Q2 profit beats earnings on ecommerce growth, August 8, 2017, www.financialtimes.com
15. OTA supports zero-tolerance for drivers on weed, August 4, 2017, www.todaystrucking.com
16. Leading indicator of cross-border traveller volume, July 2017, August 10, 2017, www.stacan.gc.ca
17. June 2017 Freight Transportation Services Index (TSI), August 9, 2017, www.bts.gov
18. Ryder announces North American partnership with Maxon, August 9, 2017, www.ctl.ca
19. U.S. regulators drop mandatory sleep apnea testing, August 9, 2017, www.todaystrucking.com

all five major modes increased from a year earlier. The value of freight carried on pipeline increased by 66%, vessel by 26%, rail by 9.8%, air by 9.7%, and truck by 5.4%. Trucks carried 57.8% of the value of the freight to and from Canada. Rail carried 16.4% followed by pipeline, 10.5%; air, 4.5%; and vessel, 3.8%.

6. Report: Multimodal Transportation Has a Future in Europe

Multimodal logistics moves freight by combining two or more transport modes. In this area, Europe still lags the more advanced U.S. market but has made steady progress. In its latest industrial research for the EMEA region Colliers International highlights a number of examples of established and emerging European multimodal platforms and discusses the drivers and prospects for multimodal logistics in Europe, concluding that there are reasons to be optimistic for this mode of transportation going forward.

7. House committee approves self-driving vehicle legislation, refines safety exemptions

The first legislation in the United States that would govern the testing, manufacturing and deployment of self-driving vehicles has been unanimously passed by a House of Representatives committee. The Energy and Commerce Committee on July 27, 2017 approved the Safely Ensuring Lives Future Deployment and Research in Vehicle Evolution Act (H.R. 3388), also known as the “SELF DRIVE Act,” legislation aimed at regulating emerging automated vehicle technologies.

8. UPS' Q2 profit up 9.1pc

Major global package delivery company, United Parcel Service (UPS), says second quarter net income rose 9.1 per cent year on year to US\$1.38 billion on five per cent higher revenue at \$15.75 billion. Operating income for the quarter grew 8.7 per cent to \$2.22 billion. Revenue rose in all three of the company's operating segments, and operating income was up in both the US domestic and supply chain/freight segments. Operating income declined in the international segment due to foreign exchange effects.

9. Overall TFI revenue up, but TL drags

TFI International saw a 23% boost in revenue in the second quarter of 2017, reaching \$1.12 billion – but Canada's largest carrier still posted a \$47.2 million operating loss because of a \$129.8 million goodwill write-off of U.S. truckload operations. Adjusted operating income rose 12% to \$82.6 million, excluding the goodwill write-off. “Although TFI International’s results remain affected by difficult conditions in the U.S. truckload market, we are pleased that benefits from earlier initiatives aimed at improving efficiency and generating superior returns are materializing in all other operating segments,” said Alain Bedard, chairman, president and Chief Executive Officer. The company also repurchased \$42.5 million in common shares.

10. TransCore’s Canadian Freight Volumes Closed Q2 2017 on Historic High

TransCore Link Logistics Canadian load volumes continued its impressive performance, achieving significant increases to close the first half of 2017. TransCore’s Canadian Freight Index, a measure of total truckload freight [spot market](#) volumes, rose nine percent in June compared to May 2017. Compared to last year, volumes in June rose 45 percent year-over-year, easily surpassing all previously recorded load volumes recorded for the month. Also noteworthy, when compared to any month in any given year, June 2017’s volumes were the second highest recorded in history.

11. Uber Freight expanding to more US markets

Uber Freight, the three-month-old trucking industry offshoot of the now-ubiquitous ridesharing application, is expanding from its first launch market, Texas, to additional areas of the United States, the company announced on August 3, 2017. “In the last few months, we’ve heard from drivers that they want more loads in more places,” the company wrote in a post on its official blog. “And we are excited to expand our focus around the country to major metros across California, Arizona, the Chicago-Midwest region, Georgia, South Carolina, and North Carolina....”

12. Freight by Mode since the Recession

The U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS) has shown that all but one of the major freight modes grew since the recession that ended in June 2009 with rail intermodal

20. Researchers Study benefits of Pedestrian Detection Systems on Vehicles, August 10, 2017, www.ontruck.ca
21. Descartes acquires MacroPoint, August 15, 2017, www.ctl.ca
22. Passenger bus and urban transit, 2015, August 18, 2017, www.statcan.gc.ca
23. Travel between Canada and other countries, June 2017, August 18, 2017, www.statcan.gc.ca
24. Strengthening economy buoys North American freight market, August 18, 2017, www.ctl.ca
25. NACFE: Fleet Fuel Economy Increased in 2016, August 23, 2017, www.ontruck.ca
26. FTR: Increased Costs Could Mean Less Favorable Trucking Conditions, August 23, 2017, www.ontruck.ca
27. The Textalyzer: Next Distracted Driving Police Tool?, August 23, 2017, www.cantruck.ca
28. Trucking costs up in June: FTR, August 23, 2017, www.todaystrucking.com
29. June 2017 North American Freight Numbers, August 25, 2017, www.bts.gov
30. Canada Post reports strong growth in parcels, August 25, 2017, www.ctl.ca
31. National Trade Corridors Fund (NTCF), August 28, 2017, www.tc.gc.ca

growing the fastest, rising 50.6 percent from June 2009 (the end of the economic recession) to December 2016. BTS has reviewed recent movement of freight and determined that transportation services, as measured by the freight TSI, continue to lead the economy. The freight TSI tends to turn in advance of slowdowns and accelerations in economic growth.

13. Freight Management and Route Optimization: A Critical Combination

There are significant opportunities for fleets to improve their operational efficiency with a combination of freight management and route optimization. Regardless of the definition of former the task is to avoid empty miles as the most expensive commodity to ship is a trailer full of air. In essence, it is costing you money to haul nothing. One has to also find the most suitable and consistent freight as possible. To achieve this, you will have to nurture existing relationships, as well as source new ones, while working with both shippers and carriers to manage the process. Route optimization is also a key component of this process. It allows you to model specific static or dynamic environment requirements, in addition to variables such as weather, traffic, road types, and vehicle speed. This results in a predictable availability of resources, and projects the amount of freight you can reasonably absorb while still serving your existing primary customer base.

14. DHL Deutsche Post Q2 profit beats earnings on ecommerce growth

With the European economy looking up, Europe's largest logistics company posted higher than expected earnings in the second quarter. DHL Deutsche Post reported €602m in net profit in the three months to June 2017, up 11.3 per cent from a year ago and ahead of estimates at €595m. Second quarter revenue was €14.8bn, up 4.4 per cent from €14.19bn a year ago, while margins expanded from 5.3 per cent to 5.7 per cent. The group cited strong e-commerce-driven parcel growth in Europe and internationally, while declines in mail "normalised as expected."

15. OTA supports zero-tolerance for drivers on weed

As it engages in consultations with the provincial government, the Ontario Trucking Association (OTA) is supporting the Canadian Trucking Alliance (CTA) position that the trucking industry should be held to a zero-tolerance policy for being under the influence of marijuana.

16. Leading indicator of cross-border traveller volume, July 2017

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

17. June 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 0.8 percent in June 2017 from May 2017. The seasonally adjusted index fell after reaching an all-time high in May, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The June 2017 index level (126.2) was 33.3 percent above the April 2009 low during the most recent recession.

18. Ryder announces North American partnership with Maxon

Ryder System, Inc. announced its new partnership with Maxon Lift Corporation, the leading manufacturer of truck and trailer liftgates in North America. This is the first time Maxon made the decision to outsource its warehousing function, recently tapping into five Ryder-operated warehouse facilities in California, Texas, Indiana, Georgia, and Pennsylvania, to span the country. Additionally, the family-owned business relies on Ryder to handle their transportation management, using Ryder's Freight Management Group to plan and execute outbound shipping from their warehouses to their.

19. U.S. regulators drop mandatory sleep apnea testing

Federal regulators in the United States will no longer be looking to make tests for moderate-to-severe obstructive sleep apnea mandatory for truck drivers or railway engineers. The Federal Motor Carrier Safety Administration (FMCSA) and the Federal Railroad Administration (FRA) revealed last week that they are withdrawing their March 2016 notice seeking the changes for those in safety sensitive positions in highway and rail transportation.

20. Researchers Study benefits of Pedestrian Detection Systems on Vehicles

Fatalities involving vulnerable road users, such as pedestrians, bicyclists, and motorcyclists, have increased over the past decade, with one out of three involving a pedestrian crossing the road, reports the US DOT's Volpe Center. To prevent these crashes, many automakers now offer a "pedestrian detection" system in some models. If the system detects that a pedestrian could be in the vehicle's travel path, it alerts the driver or employs automatic emergency braking, preventing what could be a crash. A team of advanced vehicle experts at U.S. DOT's Volpe Center recently conducted a study to find out just how effective these systems are today.

21. Descartes acquires MacroPoint

Descartes Systems Group, the global leader in uniting logistics-intensive businesses in commerce, announced that it has acquired MacroPoint, LLC, an electronic transportation network providing location-based truck tracking and predictive freight capacity data content.

22. Passenger bus and urban transit, 2015

Total operating revenue for the Canadian passenger bus and urban transit industry held steady from 2014 to 2015 at \$12.1 billion, while total operating expenses increased slightly to almost \$12.9 billion. In 2015, human resources expenses accounted for 57.9% of total operating expenses, with drivers representing over two-thirds (69.1%) of full-time equivalent employees. These employees operated almost 70,000 vehicles, including about 60,000 motor coaches, school buses and urban transit buses. The industry consumed 945.5 million litres of diesel fuel and 813.6 million kilowatts of electricity to operate these vehicles. Vehicle energy expenses accounted for 8.5% of total operating expenses in 2015.

23. Travel between Canada and other countries, June 2017

US residents made 2.0 million trips to Canada in June 2017, up 3.3% from May 2017 and 3.8% higher than in June 2016. This was also the highest figure for the month since June 2007. The number of US residents travelling to Canada by car increased by 2.2% in June to 1.4 million, with 696,000 (+2.1%) making same-day trips and 661,000 (+2.4%) taking trips of one or more nights. In June 2017, 1.1 million *Canadians took a trip to overseas countries*, an increase of 5.4% from May 2017 and 15.0% higher than June 2016. *Overseas residents made 558,000 trips to Canada* in June 2017, up 2.6% from May 2017. This was 7.6% higher than June 2016, and the highest level for the month of June 2017 since modern record keeping began in 1972. The highest increases in overseas travellers were from Mexico followed by China.

24. Strengthening economy buoys North American freight market

The North American freight market has continued its positive trend, albeit less strong in July 2017 with a 1.4 percent year-over-year increase, according to the latest Cass Freight Index Report. The index shows data points that suggest the U.S. economy is strengthening, but some show deceleration, particularly in rail. Consumers are spending money, but not in brick-and-mortar stores.

25. NACFE: Fleet Fuel Economy Increased in 2016

The North American Council for Freight Efficiency reports overall fuel economy rose 1% in 2016, the ninth year in a row trucking fleets in the study have recorded an increase. In its 2017 Annual Fleet Fuel Study, NACFE's covered 19 fleets operating more than 71,000 tractors and 234,000 trailers. According to NACFE, some 2017 model trucks achieved 7.8-9.2 mpg, with some reportedly approaching 10 mpg. "We are thrilled to see that fleets are still seeing fuel economy improvements from their investments," said Mike Roeth, executive director of NACFE. "While gains are smaller than in the past, any improvement in fuel economy curbs the fleet's expenses." In total, NACFE identified 85 currently available technologies for fleets to increase fuel economy in this study.

26. FTR: Increased Costs Could Mean Less Favorable Trucking Conditions

FTR's Trucking Conditions Index fell by more than two points in June 2017 as a result of increased costs for labor, fuel, and equipment, reflecting less favorable conditions for trucking. FTR is maintaining a favorable freight forecast for the rest of the year, but does not expect as strong of a result for 2018. It is projecting around half of the growth for next year with an increased risk of recession toward the end of 2018.

27. The Textalyzer: Next Distracted Driving Police Tool?

Lawmakers in several U.S. states are considering legislation to allow law enforcement officers patrolling the highways to connect a device known as a "textalyzer" to a mobile phone to instantly learn if the driver was texting prior to a crash. Fleet Owner describes the proposals, including [legislation introduced in New York](#), similar in scope to laws that require drivers to submit to a breathalyzer: Not blowing into the device (or not handing over your mobile device) can be grounds citation or another punitive action. Other states including New Jersey and Tennessee are studying the textalyzer with an eye toward legislation, reports Fleet Owner.

28. Trucking costs up in June: FTR

Trucking was costlier in June 2017, compared to the month before, according to FTR Transportation Intelligence. The industry forecasting website said June saw costs for labor, fuel, and purchased transport increase over those in May. Jonathan Starks, chief operating officer at FTR, says that despite the increase, the industry has stayed relatively stable since this time last year.

29. June 2017 North American Freight Numbers

U.S.-NAFTA freight totaled \$99.8 billion as all five major transportation modes carried more freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in June 2017 compared to June 2016, according to the TransBorder Freight Data released on August 25, 2017 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). The 7.7 percent rise from June 2016 is the eighth consecutive month in which the year-over-year value in current dollars of U.S.-NAFTA freight increased from the same month of the previous year. For June 2017, the value of **U.S.-Canada** freight flows increased by 6.0 percent to \$51.1 billion as the value of freight on three major modes increased from a year earlier. The value of freight carried on pipeline increased by 30.5 percent, rail by 8.1 percent, and truck by 2.3 percent. Air decreased by 2.9 percent and vessel decreased by 10.3 percent. Trucks carried 58.3 percent of the value of the freight to and from Canada. Rail carried 16.1 percent followed by pipeline, 9.8 percent; air, 4.5 percent; and vessel, 3.4 percent. The surface transportation modes of truck, rail and pipeline carried 84.1 percent of the value of total U.S.-Canada freight flows. **For the first six months of 2017**, NAFTA freight totaled \$563.801 billion, a 6.4% (from \$529.820 b) increase from the same period in 2016.

30. Canada Post reports strong growth in parcels

Canada Post reported that 2017 second quarter, parcel volumes grew by 10 million pieces or 23.0 per cent compared to the same period in 2016 and domestic parcels volumes grew by 7 million pieces or 19.6 per cent. Canada Post delivered one million or more parcels on a single day. With the peak holiday season ahead, the Corporation is on pace to surpass the previous record of 34 days on which it delivered one million or more parcels, set in 2016. The growing momentum in the parcels business reflects the strategic decision Canada Post made in 2011 to become a leader in e-commerce.

31. National Trade Corridors Fund (NTCF)

The NTCF is a merit-based program designed to help infrastructure owners and users invest in the critical assets that support economic activity and the physical movement of goods and people in Canada. It represents a long-term commitment by the Government of Canada to work with stakeholders on strategic infrastructure projects that help to address transportation bottlenecks, vulnerabilities and congestion along Canada's trade corridors. A total of \$2 billion over 11 years has been allocated for the NTCF, including up to \$400 million in dedicated funding for Northern territorial transportation infrastructure.

GENERAL TRANSPORTATION

Canada

1. New Publication from the OECD

1. *Overcoming Obstacles to Implementing SMS*, Discussion Paper, 7 August 2017, Jouni Lappalainen, www.itf-oecd.org
2. *The Investigation of Safety Management Systems and Safety Culture*, Discussion Paper, 11 August 2017, Simon French and Tabitha Steel, www.itf-oecd.org
3. *Measuring Integration and Urban Sustainability with Indicators*, Discussion Paper, 16 August 2017, Zsuzsanna Olofsson, August 16, 2017, www.itf-oecd.org

2. E-commerce logistics market set to explode over the next four years: report

Technavio analysts forecast the global e-commerce logistics market to grow at a compound annual growth rate (CAGR) of close to 10% between 2017 and 2021, according to their latest report. According to Technavio, the global e-commerce logistics market is growing because many companies are offering automated solutions for the e-commerce industry. Moreover, software technologies are emerging in the e-commerce industry. For instance, WordPress is used as a host for e-commerce websites, and ReadyCLOUD is used as a cross-channel e-commerce customer relationship management (CRM) tool. These factors are generating a demand for e-commerce logistics and helping the growth of the global e-commerce logistics market. Technavio analysts highlight the following three factors that are contributing to the growth of the global e-commerce logistics

Canada

1. New Publication from the OECD, August 7, 2017, www.itf-oecd.org
2. E-commerce logistics market set to explode over the next four years: report, August 10, 2017, www.ctl.ca
3. Manufacturing, Logistics Grew Dramatically Over Last Generation, August 14, 2017, www.inboundlogistics.com
4. Global merchandise trade growth continues, August 17, 2017, www.transportweekly.com
5. Department of Transportation Publishes August 2017 Significant Rulemaking Report, August 18, 2017, www.dot.gov
6. Characteristics of international overnight travellers, first quarter 2017, August 28, 2017, www.statcan.gc.ca
7. Global infrastructure investment needs to reach \$97 trillion by 2040, August 2017, www.ctl.ca

market: 1) Growing e-commerce industry; 2) Emerging technologies in e-commerce logistics; 3) Growing e-commerce penetration in the consumer-packaged goods (CPG) industry.

3. Manufacturing, Logistics Grew Dramatically Over Last Generation

Contrary to public perception, U.S. manufacturing and logistics experienced dramatic growth over the past generation, says a study by the Ball State Center for Business and Economic Research (CBER) and Conexus Indiana. U.S. manufacturing production grew 11 percent since the 2000-2003 dot.com bust and ensuing economic turbulence of the 2001 and 2007-2009 recessions, reports *Manufacturing and Logistics: A Generation of Volatility & Growth*.

4. Global merchandise trade growth continues

The World Trade Organisation's (WTO) World Trade Outlook Indicator (WTOI) indicates that global merchandise trade growth will continue to strengthen in the third quarter of 2017. The latest reading of 102.6 on the WTOI is higher than the previous reading of 102.2 issued in May 2017, suggesting sustained momentum for trade growth. The readings earlier this year anticipated moderate trade growth after weak expansion in 2016, which have now been adjusted to estimate growth above trend, reported American Shipper. Strong performances in air freight, export orders and container shipping are balanced by weaker results in other indices, said the WTO.

5. Department of Transportation Publishes August 2017 Significant Rulemaking Report

On August 18, 2017, the Department of Transportation (DOT) announced the return of its monthly public Significant Rulemaking Report. The Report demonstrates a commitment to transparency in DOT's rulemaking process. The Report can be found on its website.

6. Characteristics of international overnight travellers, first quarter 2017

Canadian residents made 8.5 million overnight trips abroad in the first quarter of 2017, spending \$11.4 billion. Of these trips, 4.6 million were to the United States, accounting for \$5.0 billion in spending. United States residents made 1.9 million overnight trips to Canada in the first quarter, spending \$1.2 billion during their trips, while overseas residents made 0.9 million overnight trips to Canada, spending \$1.5 billion.

7. Global infrastructure investment needs to reach \$97 trillion by 2040

A ground-breaking new report by the G20's Global Infrastructure Hub (GI Hub) outlines infrastructure investment needs globally and individually for 50 countries and seven sectors to 2040. The report, *Global Infrastructure Outlook*, reveals the cost of providing infrastructure to support global economic growth and to start to close infrastructure gaps is forecast to reach US\$94 trillion by 2040, with a further \$3.5 trillion needed to meet the UN Sustainable Development Goals (SDGs) for universal household access to drinking water and electricity by 2030, bringing the total to \$97 trillion.