

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Air Canada Debuts Exclusive Air Canada Signature Suite for Premium International Customers at its Toronto Global Hub

Air Canada unveiled on November 29, 2017 the Air Canada Signature Suite for its top International Business customers at its Toronto Pearson global hub. The new suite is an exclusive airport retreat where eligible premium customers can dine à la carte at a complimentary, full-service restaurant from a menu created by acclaimed chef David Hawksworth, or enjoy hors d'œuvres, champagne, fine wines and cocktails in an intimate, Canadian-designed and decorated setting.

### 2. Air Canada Expands its North American Network with New Transborder Routes starting Spring 2018

Air Canada on November 29, 2017 announced that several new non-stop year-round transborder routes will begin Spring 2018 from Toronto, Montreal, Edmonton and Vancouver. All new flights are now available for purchase. The new daily services will be from Toronto to Omaha and Providence, Montreal to Baltimore and Pittsburgh, Vancouver to Sacramento, and Edmonton to San Francisco.

### 3. Aircraft movement statistics: Major airports, September 2017

There were 506,030 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations compared with 500,675 movements in September 2016. Itinerant movements (flights from one airport to another) increased 2.1% in September 2017 on a year-over-year basis to reach 367,221. During the same period, the level of local movements (flights that remain in the vicinity of the airport) fell 1.5% to 138,809.

### 4. Aviation: Commission updates the EU Air Safety List to ensure highest level of protection for passengers

On November 30, 2017, the European Commission updated the EU Air Safety List, the list of non-European airlines that do not meet international safety standards, and are therefore subject to an operating ban or operational restrictions within the European Union. The EU Air Safety List seeks to ensure the highest level of air safety for European citizens, which is a top priority of the Commission's Aviation Strategy. With today's update, one airline, Avior Airlines (Venezuela), is added to the list, while two others - Mustique Airways (St. Vincent and the Grenadines) and Urga (Ukraine) - are removed following safety improvements.

### 5. Canadian Transportation Agency issues determination in Air Transat inquiry – Air carrier to pay \$295,000 penalty for delay of flights 157 and 507

The Canadian Transportation Agency (CTA) on November 30, 2017 issued its [determination](#) in the matter of the tarmac delays of Air Transat Flight Nos. 157 and 507, which occurred in Ottawa on July 31, 2017. In its determination, the CTA found that during the tarmac delays, Air

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## TRANSPORTATION Canada

1. Air Canada Debuts Exclusive Air Canada Signature Suite for Premium International Customers at its Toronto Global Hub, November 29, 2017, [www.aircanada.ca](http://www.aircanada.ca)

2. Air Canada Expands its North American Network with New Transborder Routes starting Spring 2018, November 29, 2017, [www.aircanada.ca](http://www.aircanada.ca)

3. Aircraft movement statistics: Major airports, September 2017, November 30, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)

4. Aviation: Commission updates the EU Air Safety List to ensure highest level of protection for passengers, November 30, 2017, [www.europa.eu](http://www.europa.eu)

5. Canadian Transportation Agency issues determination in Air Transat inquiry – Air carrier to pay \$295,000 penalty for delay of flights 157 and 507, November 30, 2017, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

6. Air Canada to Launch New Domestic Routes for Summer 2018, December 1, 2017, [www.aircanad.ca](http://www.aircanad.ca)

7. Air Canada Rouge to Launch Non-Stop Montreal-Victoria Flights for Summer 2018, December 1, 2017, [www.aircanad.ca](http://www.aircanad.ca)

8. Air Freight Up 5.9% in October; Signals Strong Start to Q4, December 1, 2017, [www.iata.org](http://www.iata.org)

9. G'Day Melbourne; Air Canada Inaugurates the Only Non-Stop Flights from Canada, December 2, 2017, [www.aircanada.ca](http://www.aircanada.ca)

10. October Passenger Demand Rebounds from Weather-Impacted September, December 4, 2017, [www.iata.org](http://www.iata.org)

11. JFK Airport to get \$132 million to modernize air cargo operations, December 4, 2017, [www.ctl.ca](http://www.ctl.ca)

12. Strong Airline Profitability Continues in 2018, December 5, 2017, [www.iata.org](http://www.iata.org)

13. Delta and WestJet agree to form joint venture, December 6, 2017, [www.westjet.ca](http://www.westjet.ca)

14. WestJet Investor Day provides targets for 2018-2020, December 6, 2017, [www.westjet.ca](http://www.westjet.ca)

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

Transat did not properly apply its own tariff rules. The CTA also found that the air carrier was not relieved of its obligations to passengers simply because of events beyond its control. Finally, the CTA found that it was unreasonable for the tariff's Force Majeure rule to be as broadly worded as it was, and for pilots to have such wide discretion to decide whether or not to allow passengers to disembark, no matter how lengthy the tarmac delay. Based on these findings, the CTA has ordered Air Transat to: 1) compensate all passengers 2) ensure that its employees are properly trained on tariff provisions, etc. 3) amend its international tariffs to incorporate the terms and conditions of its *Contingency Plan for Lengthy Tarmac Delays at US Airports*, and 4) tighten the definition of Force Majeure in its tariffs. Following this determination, a CTA Designated Enforcement Officer issued a [penalty of \\$295,000](#) against the air carrier. Air Transat has been advised that the penalty may be reduced by the amount of compensation provided to passengers on the affected flights, excluding the refund of out of pocket expenses.

#### **6. Air Canada to Launch New Domestic Routes for Summer 2018**

Air Canada on December 1, 2017 announced that new non-stop, seasonal services will begin in June 2018 from Toronto to Nanaimo and to Kamloops, and Montreal to Victoria, British Columbia. All new flights are now available for purchase at [www.aircanada.com](http://www.aircanada.com) and through Travel Agents.

#### **7. Air Canada Rouge to Launch Non-Stop Montreal-Victoria Flights for Summer 2018**

Air Canada on December 1, 2017 announced non-stop, seasonal service between Montreal and Victoria, B.C. starting in June 2018. The new domestic transcontinental route complements Air Canada's U.S. transborder expansion announced on November 30, 2017 with new non-stop year-round Montreal-Baltimore and Montreal-Pittsburgh routes beginning in Spring 2018. All new flights are now available for purchase at [www.aircanada.com](http://www.aircanada.com) and through travel agents. Air Canada is continuing its Montreal hub expansion with more than 83 per cent capacity increase and 29 new routes since 2012.

#### **8. Air Freight Up 5.9% in October; Signals Strong Start to Q4**

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), rose 5.9% in October 2017 compared to the year-earlier period. This was a slowdown from the 9.2% annual growth recorded in September 2017 but still exceeded the average annual growth rate of 3.2% over the past decade. Freight capacity, measured in available freight tonne kilometers (AFTKs), rose by 3.7% year-on-year in October 2017. This was the 15th consecutive month in which demand growth outstripped capacity growth, which is positive for load factors, yields, and financial performance.

#### **9. G'Day Melbourne; Air Canada Inaugurates the Only Non-Stop Flights from Canada**

Air Canada's inaugural flight, AC037 Boeing 787 Dreamliner service, departed Vancouver December 1, 2017 in the late evening, and arrived December 3, 2017 morning at Melbourne's Tullamarine Airport. This arrival marks the only non-stop service linking Canada and Melbourne, Air Canada's third destination served in Australia following Sydney and Brisbane. Seasonal service now operates four times weekly between Vancouver and Melbourne until February 4, 2018 and year-round service begins June 1, 2018.

15. Quarterly civil aviation statistics, second quarter 2017, December 8, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)

16. Aircraft movement statistics: Small airports, August 2017, December 8, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)

17. Aviation Strategy for Europe: Commission strengthens aviation ties with China, December 8, 2017, [www.europa.eu](http://www.europa.eu)

18. Air Canada's New Boeing 737 MAX Enters Regular Service to Transport Customers with Next Generation Amenities, December 11, 2017, [www.aircanada.ca](http://www.aircanada.ca)

19. 3rd Quarter 2017 Airline Financial Data, December 11, 2017, [www.dot.gov](http://www.dot.gov)

20. Garneau faces blow back from senators over transportation bill, December 12, 2017, [www.ctl.ca](http://www.ctl.ca)

21. WestJet reports November load factor of 82.4 per cent, December 13, 2017, [www.westjet.ca](http://www.westjet.ca)

22. Air China and Air Canada Expand Strategic Cooperation, Strengthening Canada-China Network in Advance of Full Joint Venture, December 12, 2017, [www.aircanada.ca](http://www.aircanada.ca)

23. Canada's Airports Welcome the Royal Assent of Bill C-23, December 12, 2017, [www.cacairports.ca](http://www.cacairports.ca)

24. October 2017 Airline On-Time Performance Slightly Down From Previous Year, Up From September 2017, December 12, 2017, [www.dot.gov](http://www.dot.gov)

25. The United States and the European Union Agree to Expand Cooperation in the areas of Aviation Safety and Air Traffic Management Modernization, December 13, 2017, [www.europa.eu](http://www.europa.eu)

26. Air fares, second quarter 2017, December 14, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)

27. Escape to the Next Level of Luxury with Air Canada Vacations, December 14, 2017, [www.aircanada.ca](http://www.aircanada.ca)

28. Canadian Transportation Agency to host international forum in 2018 on issues related to storing and transporting mobility devices on aircraft, December 12, 2017, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

29. September 2017 U.S. Airline Traffic Data, December 14, 2017, [www.dot.gov](http://www.dot.gov)

30. Aircraft movement statistics: Major airports, October 2017, November 18, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)

31. Monthly civil aviation statistics, October 2017, November 18, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)

32. Air Canada inaugurates the only non-stop flights between Yellowknife and Vancouver, December 16, 2017, [www.aircanada.ca](http://www.aircanada.ca)

33. Air Canada Inaugurates Non-Stop Flights to Cartagena; Newest Destination in Ongoing Strategic

## 10. October Passenger Demand Rebounds from Weather-Impacted September

The International Air Transport Association (IATA) announced global passenger traffic results for October 2017 showing that demand (measured in revenue passenger kilometers, or RPKs) rose 7.2% compared to the same month last year. Capacity grew 6.2% and load factor climbed 0.8 percentage points to 80.8%, which was a record for the month. October's performance was a strong bounce-back after the hurricane-related disruptions in September 2017. Domestic and international travel growth largely was in balance. Alexandre de Juniac, IATA's Director General and CEO said "As expected, the recent severe weather in the Americas region had only a temporary impact on the healthy travel demand we have seen this year, and we remain on course for another year of above-trend growth." The Asia Pacific market showed the strongest results, demand rising 10.1% RPKs.

## 11. JFK Airport to get \$132 million to modernize air cargo operations

Governor Andrew M. Cuomo on December 4, 2017 announced a long-term lease between the Port Authority of New York and New Jersey and Aero JFK II, LLC for a 21st century, state-of-the-art 346,000 square-foot cargo handling facility at John F. Kennedy International Airport. The \$132 million combined investment in the facility and taxiway upgrades represent the first phase of the modernization of air cargo operations at JFK.

## 12. Strong Airline Profitability Continues in 2018

The International Air Transport Association (IATA) forecasts global industry net profit to rise to \$38.4 billion in 2018, an improvement from the \$34.5 billion expected net profit in 2017 (revised from a \$31.4 billion forecast in June). Highlights of expected 2018 performance include: 1) A slight decline in the operating margin to 8.1% (down from 8.3% in 2017); 2) An improvement in net margin to 4.7% (up from 4.6% in 2017); 3) A rise in overall revenues to \$824 billion (+9.4% on 2017 revenues of \$754 billion); 4) A rise in passenger numbers to 4.3 billion (+6.0% on the 4.1 billion passengers in 2017); 5) A rise in cargo carried to 62.5 million tonnes (+4.5% on the 59.9 million tonnes in 2017); 6) Slower growth for both passenger (+6.0% in 2018, +7.5% in 2017) and cargo (+4.5% in 2018, +9.3% in 2017) demand; and 7) Average net profit per departing passenger of \$8.90 (up from \$8.45 in 2017).

## 13. Delta and WestJet agree to form joint venture

Delta Air Lines and WestJet have agreed to deepen their existing partnership by entering into a comprehensive transborder joint venture that will increase travel choices between the U.S. and Canada. Highlights of the planned joint venture arrangement, subject to board approvals, execution of definitive agreements and applicable regulatory approvals, in the United States and Canada, include: 1) Coordinated flight schedules for new nonstop flights to new destinations, expanded codesharing and seamless and convenient connections on the airlines' extensive networks in the U.S. and Canada. 2) Enhanced frequent flyer benefits including reciprocal benefits for top tier members of both airlines.

## 14. WestJet Investor Day provides targets for 2018-2020

WestJet is targeting an annual operating margin of between 10 per cent and 12 per cent in 2018 to 2020 and an improving annual return on invested capital (ROIC) that is expected to exceed 13 per cent in 2020. From 2018 to 2020, WestJet expects to deliver cumulative free cash flow of \$775 to \$875 million, with capital expenditures of approximately \$780 million in 2018, peaking in 2019 at approximately \$1 billion and dropping to approximately \$870 million in 2020. In terms of its key credit metric, WestJet estimates by the end of 2020 the leverage ratio to be at 1.2 as measured by adjusted net debt over EBITDAR, and it expects to grow its number of unencumbered aircraft from 51 at the end of the third quarter of 2017 to 96 aircraft in 2020.

## 15. Quarterly civil aviation statistics, second quarter 2017

The number of air carriers increased from 24 in 2016 to 26 in 2017, as two Level III air carriers were promoted to Level II. Total operating revenue for the 26 largest Canadian air carriers increased 10.6% from the second quarter of 2016 to \$5.8 billion in the second quarter of 2017. Total operating expenses grew 9.2% to \$5.3 billion. As a result, net operating income rose 27.7% to \$518.5 million. This amount,

International Expansion, December 18, 2017, [www.aircanada.ca](http://www.aircanada.ca)

34. Enjoy family fun with Porter's seasonal service to Myrtle Beach, December 18, 2017, [www.flyporter.com](http://www.flyporter.com)

35. Mississauga Transitway Now Complete, December 18, 2017, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

36. Arrival Gate Pop-Ups Treat Travellers with Warm Welcomes, December 19, 2017, [www.aircanada.ca](http://www.aircanada.ca)

37. Contract awarded to build new equipment maintenance building at Port Hardy Airport, December 19, 2017, [www.tc.gc.ca](http://www.tc.gc.ca)

38. Transport Canada suspends West Wind Aviation's Air Operator Certificate, December 22, 2017, [www.tc.gc.ca](http://www.tc.gc.ca)

39. European cargo picks up in November, December 29, 2017, [www.transporweekly.com](http://www.transporweekly.com)

combined with a net non-operating loss of \$85.3 million, produced a net income of \$433.2 million, up from the net income of \$313.5 million posted in the same quarter in 2016.

**16. Aircraft movement statistics: Small airports, August 2017**

Take-offs and landings at 126 Canadian airports without air traffic control towers reached 74,765 movements in August 2017. Ten airports accounted for 39% of the month's activity: Peterborough, Ontario (5,979 movements); Pickle Lake, Ontario (3,656); Goose Bay, Newfoundland and Labrador (3,048); Drummondville, Quebec (2,686); Barrie-Orillia-Lake Simcoe Regional, Ontario (2,566); Quesnel, British Columbia (2,394); Red Lake, Ontario (2,357); Trois-Rivières, Quebec (2,150); Sherbrooke, Quebec (2,121); and Collingwood, Ontario (2,056).

**17. Aviation Strategy for Europe: Commission strengthens aviation ties with China**

The European Commission and China have agreed to strengthen their aviation cooperation by concluding negotiations for two agreements aiming to facilitate market access and boost the competitiveness of the EU's aeronautical sector on December 8, 2017. This marks yet another key deliverable under the Commission's [Aviation Strategy for Europe](#), whose top priority is to ensure the EU taps into growth markets. The first agreement is a **Bilateral Civil Aviation Safety Agreement (BASA)**. The second agreement initialled today is a so-called **Horizontal Aviation Agreement**.

**18. Air Canada's New Boeing 737 MAX Enters Regular Service to Transport Customers with Next Generation Amenities**

Air Canada embarked on the next phase of its transformation with the entry into scheduled service of its new Boeing 737 MAX 8 aircraft on December 11, 2017. Flight AC137 from Toronto to Calgary this morning was the first to be operated using the 169-seat, fuel-efficient aircraft, featuring Air Canada's next generation in-flight entertainment system, spacious overhead storage bin capacity and Boeing's Sky Interior. Throughout the day it will then fly passengers from Calgary to Montreal, followed by service from Montreal to Vancouver.

**19. 3rd Quarter 2017 Airline Financial Data**

U.S. scheduled passenger airlines reported an after-tax net profit of \$3.7 billion in the third quarter of 2017, down from \$4.7 billion in the second quarter and down from \$3.8 billion in the third quarter of 2016, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on December 11, 2017. The 24 U.S. scheduled service passenger airlines reported an after-tax net profit as a group for the 18th consecutive quarter.

**20. Garneau faces blow back from senators over transportation bill**

Marc Garneau's hopes that the Senate would approve an air passenger rights bill by Christmas failed to take off on December 12, 2017 during a hearing marked by strong rebukes and a fiery exchange between the transport minister and a former Liberal party operative.

**21. WestJet reports November load factor of 82.4 per cent**

WestJet on December 13, 2017 announced the November 2017 traffic results with a load factor of 82.4 per cent, an increase of 2.4 percentage points compared to November 2016. Revenue passenger miles (RPMs), or traffic, increased 12.1 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 8.9 per cent over the same period. The airline flew a record 1.9 million guests in November 2017, a year-over-year increase of 13.2 per cent or approximately 226,000 additional guests.

**22. Air China and Air Canada Expand Strategic Cooperation, Strengthening Canada-China Network in Advance of Full Joint Venture**

Air Canada and Air China Limited on December 12, 2017 announced that the airlines will expand their mutual codeshare services and lounge agreement in time for the 2018 Canada-China Year of Tourism, recognizing the importance of tourism and trade between the two countries. As Air Canada and Air China work toward finalizing their planned joint venture, while satisfying both countries' applicable regulatory conditions, the two Star Alliance carriers also launched their first joint frequent flyer promotion to offer the carriers' respective Aeroplan and PhoenixMiles members up to 30 per cent bonus miles effective December 15, 2017 for eligible travel between April 1, 2018 and June 15, 2018 on all flights between Canada and China operated by Air China and Air Canada.

**23. Canada's Airports Welcome the Royal Assent of Bill C-23**

"U.S. preclearance provides Canadian airports distinct advantages in attracting air service and offering enhanced connectivity in a globally competitive marketplace," said Daniel-Robert Gooch, president of the CAC. "Canada's airports look forward to working with the Government of Canada on implementation of Bill C-23." Preclearance is currently offered at Canada's eight highest-volume airports. It allows travellers direct access to destinations in the U.S without customs facilities, promoting the cross-border flow of

people and goods. Each U.S. Customs Border Protection officer stationed in Canada clears on average 30,000 passengers/year.

#### **24. October 2017 Airline On-Time Performance Slightly Down From Previous Year, Up From September 2017**

The U.S. Department of Transportation (DOT) on December 12, 2017 released its December 2017 *Air Travel Consumer Report* on air carrier data compiled for the month of October 2017. In October, the reporting carriers posted an on-time arrival rate of 84.8 percent, slightly down from the 85.5 percent on-time rate in October 2016, but up from the 83.6 percent mark in September 2017.

#### **25. The United States and the European Union Agree to Expand Cooperation in the areas of Aviation Safety and Air Traffic Management Modernization**

U.S. Federal Aviation Administration (FAA) Administrator Michael Huerta, Ambassador Kaja Tael, Permanent Representative of Estonia to the European Union, and European Commission Directorate General for Mobility and Transport (DG MOVE) Director General Henrik Hololei signed Amendments to two US-EU agreements that will expand areas for joint efforts on aviation safety and air traffic management harmonization.

#### **26. Air fares, second quarter 2017**

Base air fares in Canada, domestic and international combined, averaged \$230.70 in the 2017 second quarter, up 6.3% from the same quarter of 2016, reversing the downward trend of the previous eight quarters. Base air fares do not include taxes and user fees. The average domestic fare was up 2.0% from the second quarter of 2016 to \$167.70, while the average international fare rose 8.4% to \$298.90. The growth in the international sector marked the first increase since the third quarter of 2015. The largest increases in average domestic air fares were reported in three western cities, Saskatoon (+9.0%), Regina (+8.3%) and Calgary (+7.4%). Two eastern cities, Halifax (-0.7%) and Montréal (-1.3%), posted decreases.

#### **27. Escape to the Next Level of Luxury with Air Canada Vacations**

Air Canada Vacations is thrilled to unveil its new Ultimate Escapes Collection. This is the first collection of its kind for Air Canada Vacations and features newly added properties like the One&Only Palmilla, Gansevoort Turks + Caicos and Viceroy Riviera Maya, among others, specifically selected for their premium service and state-of-the-art amenities. Canadian Transportation Agency is to host the international forum in 2018 on issues related to storing and transporting mobility devices on aircraft.

#### **28. Canadian Transportation Agency to host international forum in 2018 on issues related to storing and transporting mobility devices on aircraft**

The Canadian Transportation Agency (CTA) will host an international forum on April 4-5, 2018. Over the last 18 months, the CTA has undertaken a major [initiative to modernize](#) all the regulations, codes and guidelines it administers, starting with accessible transportation. In the course of consultations and analysis related to this initiative, it has become clear that issues related to the storage and transportation of mobility aids on aircraft are becoming more serious as mobility devices grow in size and complexity.

#### **29. September 2017 U.S. Airline Traffic Data**

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on December 14, 2017 that U.S. airlines' September systemwide (domestic and international) scheduled service passenger enplanements fell 3.1 percent from August 2017, falling for the second consecutive month to 68.6 million, seasonally-adjusted. From August 2017 to September 2017, enplanements on domestic flights declined 3.0 percent while international enplanements to and from the U.S. fell 3.8 percent, resulting in a 3.1 percent systemwide decline.

#### **30. Aircraft movement statistics: Major airports, October 2017**

There were 479,630 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations in October 2017, compared with 444,800 movements in October 2016. In October 2017, growth in both itinerant movements (flights from one airport to another) and local movements (flights that remain in the vicinity of the airport) contributed to the year-over-year gain. Itinerant movements increased 7.4% to 343,841 and local movements rose 8.8% to 135,789.

#### **31. Monthly civil aviation statistics, October 2017**

The six Canadian Level I air carriers flew 6.3 million passengers on scheduled and charter services in October 2017, up 7.5% from October 2016. Traffic increased 8.6% year over year to 15.9 billion passenger-kilometres in October 2017. Capacity rose 8.7% to 19.7 billion available seat-kilometres. This resulted in a slightly lower passenger load factor in October 2017 (80.3%) compared with the same month a year earlier (80.4%), as capacity growth outpaced traffic growth.

#### **32. Air Canada inaugurates the only non-stop flights between Yellowknife and Vancouver**

Air Canada's inaugural flight, AC8834 from Yellowknife to Vancouver departed this morning, marking the only non-stop service linking Canada's spectacular Northwest Territories and Vancouver. The route's daily seasonal service operates until April 2018, and next year's seasonal service from Vancouver will begin Sept. 5, 2018.

### **33. Air Canada Inaugurates Non-Stop Flights to Cartagena; Newest Destination in Ongoing Strategic International Expansion**

Air Canada's inaugural flight, AC1872 from Toronto to Cartagena departed on December 18, 2017, marking the airline's newest destination in its ongoing international expansion. Benjamin Smith, President said "We are very pleased to add Cartagena to our global route network." In 2017, Air Canada launched new international flights from: 1) Toronto to: Mumbai (India), Berlin (Germany), Reykjavik (Iceland), St. Vincent (Caribbean), Belize City (Belize), Cartagena (Colombia); 2) Montreal to: Shanghai (China), Marseille (France), Reykjavik (Iceland), Tel-Aviv (Israel), Algiers (Algeria) and Lima (Peru); 3) Vancouver to: Melbourne (Australia), Taipei (Taiwan), Nagoya (Japan), Frankfurt (Germany), London Gatwick (UK). In 2018, Air Canada will launch new international services from: 1) Toronto to: Shannon (Ireland), Porto (Portugal), Zagreb (Croatia), Bucharest (Romania), Buenos Aires (Argentina); 2) Montreal to: Tokyo-Narita (Japan), Dublin (Ireland), Bucharest (Romania), Lisbon (Portugal), Tel Aviv (Israel); 3) Vancouver to: Paris (France), Zurich (Switzerland)

### **34. Enjoy family fun with Porter's seasonal service to Myrtle Beach**

Porter Airlines resumes seasonal service to Myrtle Beach, beginning February 14, 2018.

### **35. Mississauga Transitway Now Complete**

Renforth Station, part of the Mississauga Transitway, officially opened on December 18, 2017 by all three levels of government. With the final station now open, the completed Transitway will continue to make east-west travel across Mississauga faster and more convenient for commuters in the region.

### **36. Arrival Gate Pop-Ups Treat Travellers with Warm Welcomes**

Reunions were a little sweeter, hugs were a little tighter and smiles were a little wider at arrival gates across Canada this holiday season thanks to surprise pop-up boutiques from Air Canada in Toronto, Vancouver and Montreal airports. To help make travellers' holiday homecomings even more memorable, Air Canada pilots and flight attendants offered gifts, including giant teddy bears, balloons, and flowers to arriving customers on select flights. Some lucky travellers were also surprised with free tickets to help shorten the time between visits with their family and friends.

### **37. Contract awarded to build new equipment maintenance building at Port Hardy Airport**

On December 19, 2017, Transport Canada awarded a \$4.98 million contract to JDG Construction Management Ltd. to construct a new building at the Port Hardy airport, B.C. for storage and maintenance of equipment, vehicles and materials such as de-icing liquids. Construction work is expected to begin in early 2018 and completed by March 2019. Investing in the airport will create good middle class jobs and economic opportunities for those in the community.

### **38. Transport Canada suspends West Wind Aviation's Air Operator Certificate**

Transport Canada suspended West Wind Aviation's Air Operator Certificate on December 2017, which prohibits the company from providing commercial air services. The department took this serious action in the interest of public safety because the department identified deficiencies in the company's Operational Control System. An Operational Control System ensures that a company's day-to-day actions are compliant with safety requirements for things such as, for example, the dispatching of personnel and aircraft.

### **39. European cargo picks up in November**

European airlines enjoyed cargo demand growth in November 2017 with Lufthansa leading the pack with a 9.4 per cent year-on-year increase to 962 million revenue cargo tonne kilometres. The improvement comes despite warnings from the International Air Transport Association (IATA) in its October 2017 market round-up that the industry may have passed its peak for the current growth cycle. Air France KLM posted 6.9 per cent year-on-year gain to 759 million revenue cargo tonne kilometres while IAG's grew 9.7 per cent year to 531 million revenue cargo tonne kilometres. November 2017 growth was ahead of its year-to-date improvement of 7.4 per cent and was also up on the 2.4 per cent increase in October 2017, reported London's Air Cargo News.

## WATER TRANSPORTATION

### 1. Eimskip advances to weekly callings and feeder sea service at Port of Halifax

Icelandic carrier Eimskip has announced a short sea feeder shipping service between the Port of Halifax and Portland, Maine. This new service feature will start on November 30, 2017 with the arrival of the Eimskip Selfoss at Halterm International Container Terminal at the Port of Halifax. To deliver a weekly service, Eimskip is deploying a third vessel to its Green Line rotation.

### 2. World box volumes to hit all time high - 200 million TEU in 2017

Container volume growth continues apace with loaded shipments on course to break 200 million TEU for the first time in 2017, says London's Drewry Maritime Research. Recent port and trade statistics confirm that as a certainty and even suggest that Drewry will need to raise the outlook even more.

### 3. Maersk Line closes acquisition of Hamburg Süd

On 1 December 2016, Maersk Line announced its intention to acquire Hamburg Süd. The acquisition triggered a regulatory approval process in 23 jurisdictions which was successfully concluded on November 28 with the approval of the acquisition by the Korea Fair Trade Commission. Together, Maersk Line and Hamburg Süd will have a total container capacity of 4.15 million TEU and a 19.3% global fleet capacity share (Alphaliner, 27 November 2017). 105 Hamburg Süd vessels will be integrated into the fleet of Maersk Line. The combined fleet will include a total of 772 vessels (owned and chartered).

### 4. PortGraphic | Top 15 European container ports: 1st half 2017 growth

The top ports in Europe in 2017 were: Rotterdam, Antwerp, Hamburg and Bremerhaven. First, with an overall growth figure of 3.7%, the top 15 ports are performing much better than in 2016 (+2.1%) and 2015 (-1.6%). The top three recorded a growth of 4.3% in H1 2017 compared to 2% in 2016 and -1% in 2015. Second, while the two largest container ports in South Europe saw a traffic decline in H1 2017, other top ranked ports in the region show healthy growth. Third, growth figures in north European ports are mixed. Europe's largest container port Rotterdam outperformed rivals with an impressive 9.3% TEU growth in H1 2017. Also Le Havre can look back at a strong first half year. Antwerp, a strong performer in 2015 and 2016 (i.e. +7.5% and +4% respectively), recorded a more modest 1.9% increase in the first half of this year. Hamburg's container throughput stagnated, while neighbouring Bremerhaven handled 4.9% less TEU in H1 2017.

### 5. Changes to access charges coming soon to benefit smaller container trucking companies

Effective January 1, 2018, the amount the port authority charges container trucking companies that are authorized to operate within the port will be changed to benefit smaller companies. The changes are being made in response to feedback from smaller trucking companies and government who said the charges were disproportionate.

### 6. Special examination reports sound operational practices by the Vancouver Fraser Port Authority

Overall the Special Examination found, for the period under examination, there were no significant deficiencies in the books, records, systems and practices related to the focus areas examined. The Special Examination team noted examples of good practices in each of the focus areas examined, and would like to commend management on

## WATER TRANSPORTATION

### Canada

1. Eimskip advances to weekly callings and feeder sea service at Port of Halifax, November 29, 2017, [www.portofhalifax.ca](http://www.portofhalifax.ca)
2. World box volumes to hit all time high - 200 million TEU in 2017, December 1, 2017, [www.transportweekly.com](http://www.transportweekly.com)
3. Maersk Line closes acquisition of Hamburg Süd, December 1, 2017, [www.ctl.ca](http://www.ctl.ca)
4. PortGraphic | Top 15 European container ports: 1st half 2017 growth, Dec. 4, 2017, [www.porteconomics.eu](http://www.porteconomics.eu)
5. Changes to access charges coming soon to benefit smaller container trucking companies, December 5, 2017, [www.portmetrovancover.com](http://www.portmetrovancover.com)
6. Special examination reports sound operational practices by the Vancouver Fraser Port Authority, December 6, 2017, [www.portmetrovancover.com](http://www.portmetrovancover.com)
7. Seattle, Tacoma output up 6pc in first 10 months, December 6, 2017, [www.transportweekly.com](http://www.transportweekly.com)
8. EU green lights COSCO's takeover of OOIL, December 6, 2017, [www.americanshipper.com](http://www.americanshipper.com)
9. Drewry: World Container Index down 19% from last year, December 7, 2017, [www.americanshipper.com](http://www.americanshipper.com)
10. Government of Canada to improve local maritime situational awareness through the Oceans Protection Plan, December 8, 2017, [www.tc.gc.ca](http://www.tc.gc.ca)
11. Port of NY/NJ volume up 3.6pc in October, December 11, 2017, [www.transportweekly.com](http://www.transportweekly.com)
12. Port of Antwerp goes further towards efficient, sustainable modal shift, December 8, 2017, [www.ctl.ca](http://www.ctl.ca)
13. Size isn't everything when it comes to ports: Drewry, December 11, 2017, [www.ctl.ca](http://www.ctl.ca)
14. Port of Oakland expects record cargo volumes for 2017, December 11, 2017, [www.americanshipper.com](http://www.americanshipper.com)
15. CMA CGM finalizes Mercosul acquisition from Maersk, December 11, 2017, [www.americanshipper.com](http://www.americanshipper.com)
16. Port authority submits annual report of permits granted in 2016, December 12, 2017, [www.portmetrovancover.com](http://www.portmetrovancover.com)
17. SISI: Global ports see stable throughput growth in Q3 2017, December 12, 2017, [www.americanshipper.com](http://www.americanshipper.com)
18. Statement by Member of Parliament David Graham on changes to *Vessel Operation Restriction Regulations*, December 13, 2017, [www.tc.gc.ca](http://www.tc.gc.ca)
19. Port of Québec proposes construction of a container terminal, December 13, 2017, [www.ctl.ca](http://www.ctl.ca)
20. Just-released emissions inventory

the robust nature of its management practices. Consistent with any Special Examination there were opportunities for improvement noted; particularly in overall information-sharing, process integration, and effectiveness in the implementation of processes and controls.

#### **7. Seattle, Tacoma output up 6pc in first 10 months**

The Northwest Seaport Alliance (NWSA) posted a six per cent year-on-year increase in container volume through Seattle and Tacoma in the first 10 months of the year to 2.45 million TEU. Year-to-date import volumes were up two per cent year on year to 1.25 million TEU, while exports rose 10 per cent to 1.2 million TEU. But the alliance's total volumes in October 2017 declined by two per cent year on year, with imports down six per cent to 119,943 TEU. On the other hand, October's 2017 export throughput was up one per cent year on year to 120,196 TEU, while empty exports surged 46 per cent.

#### **8. EU green lights COSCO's takeover of OOIL**

Under the proposed transaction, COSCO will own 90.1 percent of Orient Overseas (International) Ltd. and Shanghai International Port (Group) Co., Ltd. will own the remaining 9.9 percent share. The European Commission has approved COSCO Shipping Holdings' bid to take over Orient Overseas (International) Ltd. (OOIL), the parent company of Hong Kong-based ocean carrier Orient Overseas Container Line (OOCL).

#### **9. Drewry: World Container Index down 19% from last year**

The World Container Index, a composite of container freight rates on eight major routes to/from the U.S., Europe and Asia, is up 0.8 percent to \$1,157 per 40 ft. container (FEU) compared to last week, but down about 19 percent compared to the same week last year, according to Drewry Shipping Consultants, which gathers and assesses the information for the index.

#### **10. Government of Canada to improve local maritime situational awareness through the Oceans Protection Plan**

Local marine traffic around Canada's coasts is increasing. The Enhanced Maritime Situational Awareness initiative will create an accessible, real-time, common operating picture that provides coastal partners, including Indigenous peoples, provincial governments, scientific non-governmental organizations and other stakeholders, with greater access to local maritime data. This new action will be designed with, and will help Canada's Indigenous peoples, coastal communities, and stakeholders to better understand activities occurring in the waters around them, improve collaboration between all parties, and lead to stronger marine safety planning, pollution prevention, and emergency response. The Oceans Protection Plan is creating a world-leading marine safety system while preserving our ecosystems, creating strong Indigenous partnerships and engaging coastal communities, and investing in research to ensure decisions are evidence based.

#### **11. Port of NY/NJ volume up 3.6pc in October**

The Port of New York and New Jersey on the US east coast handled 588,848 TEU in October 2017, up 9.2 per cent year on year. Year to date, total container volume rose 7.2 per cent to 3.2 million units, up from the 2.9 million handled in the first 10 months of 2016, reported American Shipper. In October 2017 import loads grew 5.8 per cent year on year to 305,729 TEU, while export loads rose 1.3 per cent to 121,203 TEU. Year to date, export loads were up 3.2 per cent year on year to 1.1 million TEU, and import loads were up 6.4 per cent at 2.8 million TEU.

#### **12. Port of Antwerp goes further towards efficient, sustainable modal shift**

The port of Antwerp is to invest 1.4 million euros over the next three years in projects aimed at making port-generated freight traffic smoother and more efficient. The seven projects that have been selected for financial support will together reduce the number of truck trips by up to 250,000 annually. The Flemish government in turn is building on the Call for Proposals by the Port Authority, and in the next few months it will release a further 1.4 million euros for projects to make transport in and around Antwerp more sustainable.

report finds significant decrease in Port of Vancouver air pollutant emissions since 2010, December 12, 2017, [www.portmetrovanancouver.com](http://www.portmetrovanancouver.com)

21. Port of LA sets monthly box volume record in November, December 13, 2017, [www.americanshipper.com](http://www.americanshipper.com)

22. Port of Oakland expects box volumes to hit record highs through 2022, December 18, 2017, [www.transportweekly.com](http://www.transportweekly.com)

23. Port of Metro Vancouver – Container traffic statistics: Year to date (January to November 2017)

24. Port of Prince Rupert – Container traffic statistics: Year to date (January to November 2017)

25. Cosco Shipping Ports volume growth slows down, December 20, 2017, [www.transportweekly.com](http://www.transportweekly.com)

26. Federal government's investment in oil spill research welcomed by port authority, December 20, 2017, [www.portmetrovanancouver.com](http://www.portmetrovanancouver.com)

27. DHL and GoodShipping reduce ocean freight's carbon footprint, December 20, 2017, [www.ctl.ca](http://www.ctl.ca)

28. Hutchison Ports has acquired a 50% shareholding in TMA Logistics B.V. ("TMA"), December 22, 2017, [www.transportweekly.com](http://www.transportweekly.com)

39. Transport Canada issues another fine for non-respect of the speed restriction in the Gulf of St. Lawrence, December 22, 2017, [www.tc.gc.ca](http://www.tc.gc.ca)

40. S Carolina ports' box throughput rises 2.5pc in fiscal year-to-date, December 27, 2017, [www.transportweekly.com](http://www.transportweekly.com)

41. Quarterly cargo at big ports worldwide up 6.4pc to 1.52 billion tons, December 28, 2017, [www.transportweekly.com](http://www.transportweekly.com)



### **13. Size isn't everything when it comes to ports: Drewry**

Shippers looking for more direct calls in the third choice of export ports may do best to consider routing their cargo through smaller ports, rather than the largest container hubs. Unveiling the results of its port connectivity index, Drewry Maritime Advisors said that, while the world's largest container port, Shanghai, was also the most connected – serving all six world regions via 168 weekly deep sea services – in many other regions, secondary ports were very often better connected than their larger local rivals. Drewry calculates that North America's most connected port is actually Savannah, ahead of New York, Norfolk and Charleston. Los Angeles comes sixth, behind Oakland.

### **14. Port of Oakland expects record cargo volumes for 2017**

Record cargo volumes are expected at the Port of Oakland by the end of 2017 due to improved infrastructure coupled with new supply chain capabilities, a senior port official said recently. These things could also make Oakland a first port of call for containerships visiting the U.S. from Asia, according to Port of Oakland Maritime Director John Driscoll.

### **15. CMA CGM finalizes Mercosul acquisition from Maersk**

Maersk Line, the world's largest ocean carrier, officially sold off Brazilian cabotage specialist Mercosul Line to CMA CGM, Maersk and CMA CGM reported. Financial terms of the deal were not disclosed. The transaction was subject to Brazilian regulatory approval and the closing of Maersk's acquisition of Hamburg Süd, both of which have now been finalized, Maersk said

### **16. Port authority submits annual report of permits granted in 2016**

The Vancouver Fraser Port Authority recently submitted its annual report to Parliament on permits granted between January 1 and December 31, 2016. Under section 71 of the Canadian Environmental Assessment Act 2012 (CEAA 2012), Canada Port Authorities are required to report annually to Parliament on all permits they issued during the previous year. This requirement is one of several mechanisms in place that provides oversight to port authority matters. The report is publicly available on the websites of both the federal government and the port authority.

### **17. SISI: Global ports see stable throughput growth in Q3 2017**

Cargo throughput at major ports across the globe grew by 6.4 percent year-over-year during the third quarter of 2017, according to a report released by the Shanghai International Shipping Institute (SISI) on December 11, 2017. The SISI, an institution of research and consultation on international shipping industry development, said that although the year-over-year growth was strong last quarter, it was actually a slight drop compared to Q2 2017.

### **18. Statement by Member of Parliament David Graham on changes to *Vessel Operation Restriction Regulations***

On December 13, 2017, regulations *Amending the Vessel Operation Restriction Regulations*, were published in Part II of the *Canada Gazette* to enhance safety on Lac Sainte-Marie in the municipality of Nominingue, Quebec. The updated Regulations will prohibit the use of all power-driven vessels and implement a maximum speed limit of 10 km/h for vessels driven by electrical propulsion. The municipality will need to inform the users of Lac Sainte-Marie of the new Regulations, and post appropriate signs so that the Regulations can be enforced for the next boating season. The regulations will also ban all vessels in the lower portion of the Niagara River, south of Whirlpool and north of the Niagara Falls Bridge Commission in the City of Niagara Falls, Ontario. This portion of the river is extremely dangerous and emergency response in the area is very limited. In addition, changes to the regulations will correct the geographical coordinates for existing restrictions in 20 bodies of water in Quebec, one body of water in Ontario, and 42 in British Columbia.

### **19. Port of Québec proposes construction of a container terminal**

The Québec Port Authority (QPA) announced its plan to build a container terminal at the site of the Beauport 2020 project. This initiative, part of the Beauport 2020 expansion project, is the culmination of a lengthy process by the QPA to identify economic niches with the highest potential for the future Port's development. After multiple technical and commercial studies, the QPA has come to the conclusion that building a container terminal at the Beauport 2020 site is the best way to leverage this space. For the Québec City area and all along the St. Lawrence, this promising project could potentially create a new international economic hub geared toward logistics, distribution centers, and new businesses.

### **20. Just-released emissions inventory report finds significant decrease in Port of Vancouver air pollutant emissions since 2010**

The Vancouver Fraser Port Authority has released its third [Port Emissions Inventory Report](#), which indicates air pollutant emissions have decreased significantly since 2010, despite an increase in trade

through the port – a result of stronger regulation and investment in technology. The port authority completes an air emission inventory for the Port of Vancouver every five years, at the same time as regional and national inventories carried out by [Metro Vancouver](#) and [Environment and Climate Change Canada](#). The port authority’s inventory report estimates air emissions from marine, rail, on-road, non-road and administrative activities associated with the Port of Vancouver. It complements regional and national emission inventories that capture other sources, such as commuter vehicles, buildings, and commercial activity, to provide a complete picture of emissions in the Lower Mainland.

**21. Port of LA sets monthly box volume record in November**

Through the first 11 months of 2017, container volumes at the Port of Los Angeles were up 6.3 percent compared to last year’s record-breaking 8.8 million TEUs, according to statistics released by the port Dec. 12, 2017. The increased volumes have put the Port of Los Angeles on track to become the first port in North America to ever handle more than 9 million TEUs in a calendar year. In November 2017 alone, the port moved over 924,000 TEUs.

**22. Port of Oakland expects box volumes to hit record highs through 2022**

Construction projects underway at the US port of Oakland are expected to draw additional containerised cargo traffic from the beginning of 2018, and the port anticipates it will see all-time high cargo volumes annually through 2022, according to Shipping Gazette. New facilities at the port and equipment upgrades could also make Oakland a first port of call for containerhips visiting the US from Asia, port of Oakland maritime director John Driscoll told an audience of supply chain officials that meets three times a year to review the port's operating performance.

**23. Port of Metro Vancouver – Container traffic statistics: Year to date (January to November 2017)**

The Port of Vancouver released its container traffic statistics (TEUs) for the period January to November 2017. Total traffic was 2,981,734, a 10.8% increase from the same period in 2016. Total imports were 1,579,199, a 10.6% increase and total exports were 1,402,536, a 11.1% increase.

**24. Port of Prince Rupert – Container traffic statistics: Year to date (January to November 2017)**

The Port of Prince Rupert released its container traffic statistics (TEUs) for the period January to November 2017. Total traffic was 848,897.25, a 25% increase from the same period in 2016. Total imports were 480,406, a 20.6% increase and total exports were 368,491.25, a 33% increase.

**25. Cosco Shipping Ports volume growth slows down**

China's major port operator, Cosco Shipping Ports (CSP) saw container volume growth momentum slow down towards the end of 2017 with overall throughput in November 2017 rising 8.9 per cent to 7.52 million TEU from 6.91 million TEU in November 2016, driven by solid performance at its overseas ports and the newer southeast and southwest coast ports. CSP's overseas ports saw volume soar 42.1 per cent to 1.85 million TEU from 1.30 million TEU in the previous corresponding period as its European terminals in particular did well while key Asian terminals in Singapore and Busan also saw good growth.

**26. Federal government’s investment in oil spill research welcomed by port authority**

The Vancouver Fraser Port Authority applauds the federal government on its recent announcement to invest \$80 million on new science funding, partnerships, and technologies that will help mitigate and prevent marine incidents such as oil spills. “Our vision is to be the world’s most sustainable port and a key element of this vision is environmental protection,” said Duncan Wilson, vice president, corporate social responsibility at the Vancouver Fraser Port Authority. “The federal government’s investment in research and new technologies to better protect Canada’s marine ecosystems aligns well with our environmental objectives, and we are pleased to see their ongoing commitment to protect the marine environment.”

**27. DHL and GoodShipping reduce ocean freight’s carbon footprint**

DHL Global Forwarding, the air and ocean freight specialist of Deutsche Post DHL Group, and the GoodShipping Program, the world’s first initiative to decarbonize the container shipping industry by changing the marine fuel mix, exclusively collaborate in making ocean freight transports more environmentally friendly. With the signed memorandum of understanding DHL Global Forwarding is the first to offer its customers the opportunity to select next generation marine biofuels rather than fossil fuels for their transports by sea.

**28. Hutchison Ports has acquired a 50% shareholding in TMA Logistics B.V. (“TMA”)**

Hutchison Ports has acquired a 50% shareholding in TMA Logistics B.V. (“TMA”). TMA has a variety of general cargo terminal operations together with warehousing, shipping, logistics and project cargo activities at three sites in Amsterdam and one in Antwerp as well as at the Hutchison Ports’ Amsterdam Container Terminal (“ACT”). Commenting on the acquisition, Clemence Cheng, Executive Director, Hutchison Ports, said: “The acquisition of a 50% stake in TMA Logistics complements both our existing operations

in Amsterdam and the activities of Hutchison Logistics. We have developed a good working relationship with TMA over the last three years which has brought a range of operations to ACT.

### **39. Transport Canada issues another fine for non-respect of the speed restriction in the Gulf of St. Lawrence**

A penalty of \$6,000 has been issued to the vessel *C.T.M.A. Vacancier* for alleged non-compliance with a temporary mandatory vessel slowdown. The vessel owner has 30 days to pay the penalty or to ask the Transportation Appeal Tribunal of Canada to review the facts of the violation or the amount of the penalty. Transport Canada is examining all reported cases of non-compliance, on a case-by-case basis. In August 2017, Transport Canada implemented a temporary mandatory slowdown of vessels 20 metres or more to a maximum of 10 knots due to the increased presence of whales in the western Gulf of St. Lawrence, between the Quebec north shore and just north of Prince Edward Island.

### **40. S Carolina ports' box throughput rises 2.5pc in fiscal year-to-date**

South Carolina Ports Authority's (SCPA) 2018 fiscal year container throughput through November 2017 rose by 2.5 per cent compared to the same period last year, with the port of Charleston handling 886,414 TEU since July 2017. The port said it moved 163,592 TEU in November 2017 alone, with a balanced mix of import and export cargo. Measured in pier container volume, or the total number of boxes handled, the port moved 92,329 containers in November 2017. Fiscal year to date, SCPA handled 502,063 pier containers, representing a year-on-year increase of 2.9 per cent. Inland port Greer handled 7,308 rail moves in November 2017. With 49,482 rail moves handled to date in FY18, the facility's growing volumes are 10.2 per cent higher than last year.

### **41. Quarterly cargo at big ports worldwide up 6.4pc to 1.52 billion tons**

The world's top three ports by cargo volume retained their rankings with Shanghai up 16.7 per cent, Ningbo-Zhoushan up 11.3 per cent and Singapore up seven per cent, according to the Shanghai International Shipping Institute's global third quarter report for 2017. Notably, Tangshan port experienced a spike in cargo throughput, growing 16.5 per cent in the third quarter and lifting it two places from sixth to fourth place in the rankings, and pushing Tianjin down to eighth place as the major commodities port was hit by the ban on road transport of coal. In the 2017 third quarter, cargo throughput at the world's major ports rose by 6.4 per cent year on year to 1.52 billion tons, but the growth rate was slightly weaker when compared to the previous quarter's growth of 6.8 per cent.

## **RAIL TRANSPORTATION**

### **1. CP bolsters Sales and Marketing unit, adds Stone and Bullard to leadership team**

Canadian Pacific Railway Ltd. on November 29, 2017 announced that it has strengthened its Sales and Marketing team with the addition of two new vice-presidents and reorganized the group's structure to better leverage its best-in-class service to meet the needs of current and future customers.

### **2. Via rail reports double digit growth in q3 2017**

VIA Rail Canada (VIA Rail) published its third quarter results of 2017 on November 30, 2017 and reported on another successful quarter. As the positive trend continued, ridership increased by 11.7%, compared to the same period in 2016 while revenues increased by 13.9%, including a passenger revenue increase of 14.8%. With more travellers aboard, a total of 296 million miles were journeyed on its trains all across the country over the quarter, up 15% from 2016.

### **3. Feds announce funding for Churchill, Man., as rail dispute continues**

The federal government has announced millions of dollars in economic diversification and research money for a northern Manitoba town that lost its rail service this year. Natural Resources Minister Jim Carr says the money will be used to help create jobs in Churchill, which is dealing with higher shipping costs and a drop in the vital tourism industry.

### **4. Port Canaveral drops cargo rail proposal**

## **RAIL TRANSPORTATION**

### **Canada**

1. CP bolsters Sales and Marketing unit, adds Stone and Bullard to leadership team, November 29, 2017, [www.cpr.ca](http://www.cpr.ca)
2. Via rail reports double digit growth in q3 2017, November 30, 2017, [www.viarail.ca](http://www.viarail.ca)
3. Feds announce funding for Churchill, Man., as rail dispute continues, December 4, 2017, [www.ctf.ca](http://www.ctf.ca)
4. Port Canaveral drops cargo rail proposal, December 7, 2017, [www.americanshipper.com](http://www.americanshipper.com)
5. AAR: U.S. rail traffic rises 1.5% in November, December 8, 2017, [www.americanshipper.com](http://www.americanshipper.com)
6. CP to purchase its common shares under specific share repurchase programs as part of its normal course issuer bid, December 11, 2017, [www.cpr.ca](http://www.cpr.ca)
7. Port of Felixstowe sets U.K. intermodal rail record, December 13, 2017, [www.americanshipper.com](http://www.americanshipper.com)
8. Railway Carloadings, October 2017, December 20, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
9. All VIA rail trains to allow two mobility aid scooters on board, December 20, 2017, [www.viarail.ca](http://www.viarail.ca)

Port commissioners voted against constructing a cargo rail from the port to the mainland. Port Canaveral commissioners voted 5-0 on December 7, 2017 to withdraw a proposal for the port to construct a cargo rail line from the port to the mainland from consideration by the federal Surface Transportation Board (STB), the port announced on Wednesday.

#### **5. AAR: U.S. rail traffic rises 1.5% in November**

Total combined U.S. carload and intermodal traffic in November 2017 ticked up 1.5 percent, or 38,587 carloads and intermodal units, from the same month in 2016, according to the Association of American Railroads (AAR). Intermodal rail traffic remains on pace to set a new annual record in 2017, with the last week in November marking the best rail intermodal week in 2017, up 3.8 percent from the same month last year.

#### **6. CP to purchase its common shares under specific share repurchase programs as part of its normal course issuer bid.**

Canadian Pacific Railway Limited (CP) announced on December 11, 2017 that it will repurchase common shares from two third-party sellers under two share repurchase programs (the "Programs"). The Programs will form part of CP's normal course issuer bid for up to 4,384,062 common shares announced on May 10, 2017.

#### **7. Port of Felixstowe sets U.K. intermodal rail record**

Port of Felixstowe handled its one millionth TEU by rail. Port of Felixstowe handled its 1 millionth TEU by rail on December 13, 2017, becoming the first port in the United Kingdom to do so in a single year, according to terminal operator Hutchinson Ports. The record setting cargo was loaded on a Freightliner service to Birmingham, one of the three major rail services out of the port.

#### **8. Railway Carloadings, October 2017**

Freight originating in Canada increased 3.9% in October 2017 from the same month in 2016 to 29.7 million tonnes. Non-intermodal freight rose 2.7% to 316,000 carloads in October 2017. The amount of freight loaded into these cars totalled 26.5 million tonnes, up 3.0% from October 2016. Intermodal freight loadings rose 12.3% to 214,000 units from October 2016 to October 2017. The gain was attributable to increases in both containers-on-flat-cars (+12.4%) and trailers-on-flat-cars (+5.6%). Freight traffic received from the United States rose 19.2% to 3.3 million tonnes, as a result of increases in both non-intermodal (+20.7%) and intermodal (+2.7%) freight from the United States.

#### **9. All VIA rail trains to allow two mobility aid scooters on board**

VIA Rail Canada (VIA Rail) announced on December 20, 2017 that, following an order by the Canadian Transportation Agency (CTA), its accessibility policy was revised on December 18, 2017 and will take effect on January 3, 2018. The Corporation will offer space for two passengers travelling together on the same train with qualified 3-wheel scooters either by having two tie-down spaces per train or by securing two unoccupied scooters in one tie-down.

#### **10. CN and CP exceed their Maximum Grain Revenue Entitlements for Crop Year 2016-2017**

In a determination issued on December 21, 2017, the Canadian Transportation Agency (CTA) ruled that revenues of the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) have exceeded their Maximum grain revenue entitlements for crop year 2016-2017. 1) CN's grain revenue of \$808,213,784 was \$5,773,741 above its entitlement of \$802,440,043. 2) CP's grain revenue of \$725,457,448 was \$1,078,947 above its entitlement of \$724,378,501. CN and CP now have 30 days to pay the amount by which they exceeded their 2016-2017 revenue entitlements, in addition to a five percent penalty of \$288,687 for CN and \$53,947 for CP. Regulations stipulate that such payments must be made to the Western Grains Research Foundation, a farmer-financed and directed organization set up to fund research that benefits Prairie farmers. In the 2016-2017 crop year, 43,196,615 tonnes of Western grain were moved—6.9 percent more than the volume moved during the previous crop year. The average length of haul of 953 miles was two miles, or 0.2 percent, higher than the previous crop year.

#### **11. CN selects Toyo Engineering Canada Ltd. for CanaPux™ pilot project demonstrating transport of solid bitumen by rail**

CN on December 22, 2017 announced that Calgary-headquartered Toyo Engineering Canada Ltd. has been selected to design and build a pilot project to produce CanaPux™ pellets, a key step toward demonstrating the commercial viability of moving bitumen by rail in solid form. "Working with InnoTech Alberta, CN

10. CN and CP exceed their Maximum Grain Revenue Entitlements for Crop Year 2016-2017, December 21, 2017, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

11. CN selects Toyo Engineering Canada Ltd. for CanaPux™ pilot project demonstrating transport of solid bitumen by rail, December 22, 2017, [www.cn.ca](http://www.cn.ca)

12. CN to purchase 200 new locomotives over the next three years, December 22, 2017, [www.ctl.ca](http://www.ctl.ca)

13. CN to conduct pilot project on transport of solid bitumen, December 22, 2017, [www.ctl.ca](http://www.ctl.ca)

14. Peterborough-Toronto freight rail analysis to get funding, December 22, 2017, [www.ctl.ca](http://www.ctl.ca)

15. Garneau makes push for voice, video recorders in locomotives after Amtrak crash, December 27, 2017, [www.ctl.ca](http://www.ctl.ca)

has developed CanaPux™, an innovative product and new way of transporting bitumen that puts both safety and the environment at the forefront," said Janet Drysdale, vice-president of corporate development & sustainability at CN. "This partnership with Toyo continues our development of a new supply chain that has the potential to unlock offshore markets for Canada's energy producers."

#### **12. CN to purchase 200 new locomotives over the next three years**

CN announced it will acquire 200 new locomotives from 2018 to 2021 from GE Transportation to accommodate future growth opportunities and drive operational efficiency across its system.

#### **13. CN to conduct pilot project on transport of solid bitumen**

CN announced that Calgary-headquartered Toyo Engineering Canada Ltd. has been selected to design and build a pilot project to produce CanaPux pellets, a key step toward demonstrating the commercial viability of moving bitumen by rail in solid form.

#### **14. Peterborough-Toronto freight rail analysis to get funding**

The Federal Government announced funding for the Peterborough-Toronto Freight Rail Analysis project. The Feds will contribute up to \$65,000 towards this project, which will build on economic and engineering work already completed. The Government of Ontario is also providing up to \$65,000 towards this project. The project will define freight infrastructure requirements and outline the projected economic impact of potential future freight rail improvements along the Peterborough-Toronto-Havelock-Blue Mountain rail corridor. Specifically, the project will evaluate the benefits and impacts associated with enabling increased freight rail capacity along the corridor.

#### **15. Garneau makes push for voice, video recorders in locomotives after Amtrak crash**

An Amtrak train derailed Dec. 18, 2017 in DuPont, Wash., killing three people and injuring dozens of others when it hurtled off an overpass and onto the highway below on its first trip. The derailment underlines the need to have voice and video recorders in trains to improve safety on Canada's rail lines, the transport minister Marc Garneau says. Transport Minister wants to see the video recorders on that train put on locomotives running in Canada and he's also open to adding them to airplanes as well. Garneau said "I support anything that will help us to improve safety and improve our understanding of any accident that occurs".

## **HIGHWAY TRANSPORTATION**

### **1. Monthly Passenger Bus and Urban Transit, September 2017**

Total operating revenues (excluding subsidies) for urban transit companies were \$361.2 million in September 2017. Ridership was 160.0 million passenger trips over the same period.

### **2. Couriers and Messengers Services Price Index, October 2017**

The Couriers and Messengers Services Price Index (CMSPI) increased 1.6% in October 2017, following a 0.7% decline in September 2017. This was the largest gain for the month of October since the series began in 2003. The couriers component was up 2.0%, while the local messengers and local delivery component decreased 0.1%. The CMSPI rose 8.8% in October 2017 compared with the same month a year earlier. Both the couriers component (+9.7%) and the local delivery component (+4.3%) increased.

### **3. Cross-Border U.S.-Canada Freight Increases Again**

Comparing September 2016 to September 2017, the value of U.S.-Canada freight flows increased by 5% to \$48.5 billion as the value of freight on four major modes increased from a year earlier, according to new Transportation Department figures. The value of freight carried on vessel increased by 52.4% due in part to an increase in the unit value and a 23.9% increase in the volume of mineral fuels traded, according to the report. Pipeline increased by 11.1%, truck by 3.1%, and rail by 2.4%. Air decreased by 5%.

### **4. US freight volumes accelerate as once stagnant sectors thrive**

## **HIGHWAY TRANSPORTATION Canada**

1. Monthly Passenger Bus and Urban Transit, September 2017, November 30, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Couriers and Messengers Services Price Index, October 2017, November 30, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Cross-Border U.S.-Canada Freight Increases Again, November 29, 2017, [www.ctl.ca](http://www.ctl.ca)
4. US freight volumes accelerate as once stagnant sectors thrive again, December 4, 2017, [www.transportweekly.com](http://www.transportweekly.com)
5. Manitoulin Transport acquires Duckering's Transport, December 4, 2017, [www.ctl.ca](http://www.ctl.ca)
6. General Motors to launch autonomous robo-taxi, December 4, 2017, [www.americanshipper.com](http://www.americanshipper.com)
7. Ontario Improving Transit for Commuters and Families in the GTHA, December 7, 2017, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
8. Industry Survey on Fuel Efficiency Spec'ing, Retrofit Technologies, December 7, 2017, [www.cantruck.ca](http://www.cantruck.ca)
9. Descartes integrates air and ocean freight transportation messaging and customs filing, December 7, 2017, [www.ctl.ca](http://www.ctl.ca)

again

Shipping across the US is accelerating at a rate freight companies say they haven't seen in years, reports the Wall Street Journal. Rising demand in the long-stagnant industrial sector and a big seasonal boost in e-commerce are moving more goods on the land, water and air, say operators who expect the US economy to keep growing into 2018. "This week has been one of our busiest this year," said intermodal chief Shane Van Der Waag, of The Dependable Companies in Southern California. "We hit up other companies to help us out and they've been fully stacked and packed as well." The US Commerce Department has reported the economic output grew at a 3.3 per cent annual rate in the 2017 third quarter, faster than earlier estimated, and the reports from shipping sites suggest the muscular economic growth is continuing in the fourth quarter.

#### **5. Manitoulin Transport acquires Duckering's Transport**

Manitoulin Transport has acquired Duckering's Transport Ltd. of Red Deer, Alberta, a less than truckload (LTL) service provider offering next-day service to more than 400 locations throughout the province. The acquisition builds on Manitoulin's many previous investments in Western Canada in recent years and further demonstrates its commitment to provide the most comprehensive coverage across Canada.

#### **6. General Motors to launch autonomous robo-taxi**

General Motors will launch a fleet of autonomous taxis in "quarters, not years." General Motors Co (GM) is planning to launch a commercial fleet of autonomous robo-taxis in 2019, according to a conference call with investors that was reported by Reuters .

#### **7. Ontario Improving Transit for Commuters and Families in the GTHA**

Ontario is creating more transit options for commuters and families across the Greater Toronto and Hamilton Area (GTHA) with major improvements to the Lakeshore West GO line that will allow for increased service and better commutes. Steven Del Duca, Minister of Transportation, was joined by Han Dong, MPP for Trinity-Spadina, on December 7, 2017 at the Exhibition GO Station to make the announcement.

#### **8. Industry Survey on Fuel Efficiency Spec'ing, Retrofit Technologies**

Certain fuel reducing technologies exist as aftermarket "retrofit" solutions to fleets and truck owners, while OEM fuel efficient options exist for specifying new vehicles. FP Innovations has partnered with NRCAN to determine the rate of adoption of retrofit technologies and discover potential barriers to the adoption of these new technologies. The ultimate goal is to help industry better define what role the Government of Canada can play, including regulatory changes, incentive programs, increased research etc.

#### **9. Descartes integrates air and ocean freight transportation messaging and customs filing**

Descartes Systems Group announced that, as part of its Software Development Cooperation Agreement (SCDA) with SAP, it has successfully integrated air and ocean transportation freight messaging and customs declaration filing with SAP Transportation Management (SAP TM). The integration helps customers using the SAP TM application to streamline the international shipment of goods, better collaborate with their transportation partners, and comply with import and export filing requirements.

#### **10. MTO Works With OTA, OPP To Improve Winter Safety in Eastern ON**

Ontario announced it is taking steps to improve traffic safety along Highway 401 in eastern Ontario by introducing new winter driving measures. Throughout the winter, the province will conduct a series of

10. MTO Works With OTA, OPP To Improve Winter Safety in Eastern ON, December 10, 2017, [www.ontruck.ca](http://www.ontruck.ca)
11. Leading indicator of cross-border traveller volume, November 2017, December 11, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
12. Addressing Expedited Delivery Expectations, December 11, 2017, [www.inboundlogistics.com](http://www.inboundlogistics.com)
13. October 2017 Freight Transportation Services Index (TSI), October 13, 2017, [www.dot.gov](http://www.dot.gov)
14. DHL Freight tests electric trucks to lower its overland transport emissions, December 14, 2017, [www.ctl.ca](http://www.ctl.ca)
15. Canada is one step closer to expanding preclearance operations with the U.S., December 14, 2017, [www.ctl.ca](http://www.ctl.ca)
16. Ontario to Offer Rebates for Businesses Buying Low-Carbon Vehicles, December 14, 2017, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
17. New regulations to make electronic stability control and electronic logging devices mandatory, December 18, 2017, [www.tc.gc.ca](http://www.tc.gc.ca)
18. CTA Welcomes Fed ELD Announcement; Urges Uniform Support by All Provinces, December 18, 2017, [www.ontruck.ca](http://www.ontruck.ca)
19. U.S. transportation employment jumps in November, December 18, 2017, [www.americanshipper.com](http://www.americanshipper.com)
20. For-hire Motor Carrier Freight Services Price Index, third quarter 2017, December 21, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
21. Ontario Boosting Transit Funding for Towns and Cities Across the Province, December 19, 2017, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
22. FedEx Q2 FY2018 earnings rise 11.7%, Dec. 20, 2017, [www.americanshipper.com](http://www.americanshipper.com)
23. UPS pre-orders 125 Tesla electric trucks, December 20, 2017, [www.ctl.ca](http://www.ctl.ca)
24. American trucking head calls for infrastructure spending, December 20, 2017, [www.todaystrucking.com](http://www.todaystrucking.com)
25. Monthly Passenger Bus and Urban Transit, October 2017, December 22, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
26. Couriers and Messengers Services Price Index, November 2017, December 22, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
27. Manufacturing IT: Investing for the Future, December 28, 2017, [www.inboundlogistics.com](http://www.inboundlogistics.com)
28. FedEx quarterly profit up 10.7pc as sales rise 9.4pc, December 29, 2017, [www.transportweekly.com](http://www.transportweekly.com)
29. UPS forecasts 1.4m package returns on National Returns Day, December 28, 2017, [www.americanshipper.com](http://www.americanshipper.com)

targeted commercial vehicle enforcement actions, focused on distracted and aggressive driving and the safe transportation of dangerous goods on Ontario's highways. The province is helping drivers make informed decisions during winter driving conditions, by introducing improvements to the information provided to all drivers, including commercial vehicles and carriers of dangerous goods.

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

Data indicating the number of US residents entering Canada by automobile in November 2017 through land ports equipped with the automated Integrated Primary Inspection Line (IPIL) system are now available upon request. Data are available by the visitors' state of residence and by province of entry into Canada. The data provide counts of US residents entering Canada through IPIL ports in automobiles licensed in the United States. A traveller's state of residence is estimated from the licence plate of the automobile used to enter Canada.

**12. Addressing Expedited Delivery Expectations**

Amazon and other large retailers set customer expectations by offering expedited delivery at low or no cost. Retailers of all sizes must compete on the same turf, yet lack the negotiating power that could net meaningful discounts with commercial carriers. And private carriers often assess charges such as delivering to a residential address, penalties for failing to meet contracted volumes, and peak holiday premium surcharges. Many retailers deploy parcel shipping systems that exacerbate these issues, says a new Forbes Insight report titled *Shipping as Strategy: How Small and Midsize Retailers Can Best Meet Customers' Delivery Expectations in the Age of Amazon*, developed in association with Pitney Bowes.

**13. October 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, reached an all-time high in October 2017, rising 0.6 percent in October 2017 from September 2017, after a one-month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The October 2017 index level (129.2) was 36.4 percent above the April 2009 low during the most recent recession

**14. DHL Freight tests electric trucks to lower its overland transport emissions**

DHL Freight is electrifying its freight forwarding business with the deployment of two FUSO eCanters made by Daimler Trucks. Official vehicle handover to the first European customers marks the beginning of DHL Freight's extensive 24-month test phase of the electric trucks in the Berlin metropolitan area.

**15. Canada is one step closer to expanding preclearance operations with the U.S.**

Expanding preclearance will enable faster travel between Canada and the United States, provide access to more American airports, bolster trade, better protect our rights and increase security. Minister of Public Safety and Emergency Preparedness, Ralph Goodale, highlighted the importance of Bill C-23: "An Act respecting the preclearance of persons and goods in Canada and the United States" receiving Royal Assent. This important milestone brings Canada and the United States closer to implementing the "Agreement on Land, Rail, Marine and Air Transport Preclearance between the Government of Canada and the Government of the United States of America."

**16. Ontario to Offer Rebates for Businesses Buying Low-Carbon Vehicles**

Ontario is helping businesses reduce their carbon impact through a [new program](#) that helps companies buy low-carbon vehicles and fuel-saving devices. This investment is part of Ontario's *Climate Change Action Plan* and is funded by proceeds from the province's cap on pollution and carbon market.

**17. New regulations to make electronic stability control and electronic logging devices mandatory**

To improve safety for all of Canada's road users, the Government of Canada is always exploring ways that technology can make roads safer. With this in mind, Transport Canada is requiring commercial trucks and buses to adopt two new technologies. New regulations require electronic stability control technology on new truck tractors and heavy buses sold in Canada. Electronic stability control systems are a crash avoidance technology that can reduce collisions by helping drivers maintain control, preventing rollovers, and improving directional stability. Electronic stability control technology is now required in new truck tractors, and school buses and intercity buses will require electronic stability control by June 2018. Separate proposed regulations will introduce mandatory electronic logging devices for federally regulated motor carriers (trucks and buses) and their commercial drivers. Electronic logging devices help a driver to remain compliant with the federal *Commercial Vehicle Drivers Hours of Service Regulations*, which reduces the potential for driver fatigue. Electronic logging devices also reduce the administrative burden related to paper log books.

**18. CTA Welcomes Fed ELD Announcement; Urges Uniform Support by All Provinces**

The Canadian Trucking Alliance is applauding federal Transport Minister Marc Garneau's leadership in introducing language in Gazette I which mandates the use of electronic logging devices (ELDS) in the trucking industry. The Alliance will now continue consulting with the provinces on a strategy to roll out these imperative safety devices across Canada as soon as possible.

#### **19. U.S. transportation employment jumps in November**

United States transportation and logistics companies added another 10,500 jobs for the month in November 2017, according to the latest preliminary data from the U.S. Department of Labor's Bureau of Labor Statistics (BLS). Job gains in the sector during November 2017 were led by the truck transportation, warehousing and courier segments, which grew employment by 1,800, 8,100 and 2,200 jobs, respectively, from the previous month

#### **20. For-hire Motor Carrier Freight Services Price Index, third quarter 2017**

The Canadian For-hire Motor Carrier Freight Services Price Index rose 0.2% in the 2017 third quarter, following a 1.1% increase in the 2017 second quarter. This was the fifth consecutive quarterly gain. The general freight trucking component was up 0.2%, while the specialized freight trucking component declined 0.1%. The index was up 3.4% in the 2017 third quarter compared with the same quarter of 2016. The general freight trucking component increased 4.3% and the specialized freight trucking component rose 1.5%.

#### **21. Ontario Boosting Transit Funding for Towns and Cities Across the Province**

Ontario is providing more support to 105 municipalities across the province, to help them enhance and expand their transit systems, reduce congestion, and shorten commute times. Steven Del Duca, Minister of Transportation for Ontario and other officials on December 19, 2017 announced this year's gas tax funding for municipalities.

#### **22. FedEx Q2 FY2018 earnings rise 11.7%**

FedEx Corp. saw earnings of \$2.84 per diluted share (\$3.18 per diluted share on an adjusted basis) for its second quarter ended Nov. 30, 2017 compared to earnings of \$2.59 per diluted share (\$2.77 per diluted share on an adjusted basis) a year ago, the express delivery service company reported Dec. 19, 2017. Revenue was reported at \$16.3 billion during the quarter, compared to \$14.9 billion the same period last year, while net income was a reported \$755 million, compared to \$700 million during the same period last year.

#### **23. UPS pre-orders 125 Tesla electric trucks**

UPS, which operates one of the largest commercial trucking fleets in the world, on December 20, 2017 announced that it has placed a reservation for 125 of Tesla's new fully-electric Semi tractors. The new tractors will join UPS's extensive alternative fuel and advanced technology vehicle fleet, comprised of trucks and tractors propelled by electricity, natural gas, propane and other non-traditional fuels.

#### **24. American trucking head calls for infrastructure spending**

The head of the American Trucking Associations has called on the U.S. government to invest more in highway infrastructure to help the trucking industry keep up with growing demand for freight transportation services. "The Highway Trust Fund is projected to run short of the revenue necessary to maintain current spending levels by 2021, creating a huge funding gap that could force states to cancel or delay critical projects. The U.S. spends less than half of what is necessary to address these needs," said Chris Spear, association's president and Chief Executive Officer, when presenting to a senate panel. "As the investment gap continues to grow, so too will the number of deficient bridges, roads, bottlenecks and, most critically, fatalities attributable to inadequate roadways." He said the solution is in a Build America Fund that would be supported with a new 20-cent-per-gallon fee on transportation fuels collected at the terminal rack, generating \$340 billion in the first 10 years.

#### **25. Monthly Passenger Bus and Urban Transit, October 2017**

Total operating revenues (excluding subsidies) for urban transit companies were \$334.8 million in October 2017. Ridership was 153.4 million passenger trips over the same period.

#### **26. Couriers and Messengers Services Price Index, November 2017**

The Couriers and Messengers Services Price Index (CMSPI) increased 0.6% in November 2017 following a 1.6% gain in October 2017. The couriers' component was up 0.6% while the local messengers and local delivery component increased 0.1%. The CMSPI rose 9.0% in November 2017 compared with the same month a year earlier. Both the couriers' component (+10.0%) and the local delivery component (+3.7%) increased.

#### **27. Manufacturing IT: Investing for the Future**



A continuum of change and digital transformation is swirling within the manufacturing industry and global economy. In this fluid environment, it can be tough for manufacturers to nail down IT planning strategies. IDC's FutureScape: Worldwide Manufacturing 2018 Predictions can help. The study provides manufacturers the following 10 predictions and underlying drivers expected to impact technology investments in 2018 and beyond: 1. Ecosystems and experiences. 2. Embedded intelligence. 3. Data capitalization. 4. IT-OT organizations. 5. Customer-driven design. 6. The service gig economy. 7. The thinking supply chain. 8. Supply chain commerce networks. 9. Market-driven assets. 10. Intelligent assets.

#### **28. FedEx quarterly profit up 10.7pc as sales rise 9.4pc**

FedEx has posted a 10.7 per cent increase in fiscal second quarter net profit to US\$775 million, drawn on revenues of \$16.3 billion, up 9.4 per cent year on year, according to Shipping Gazette. The company attributed the strong results to higher base rates, volume growth and favourable fuel effects. FedEx chief executive officer Fred Smith said the company was on track for another record holiday shipping season. "Strategic execution by the FedEx team and a stronger global economy drove improved financial results, and we are well positioned for profitable, long-term growth," said Mr Smith. Looking ahead, the company sounded a bullish note, with FedEx president David Bronczek saying: "We absolutely believe that short and long term, international air freight shipments will continue to grow and outpace GDP, like it always used to in the past."

#### **29. UPS forecasts 1.4m package returns on National Returns Day**

National Returns Day, the date when UPS says it ships the most holiday season gifts back from recipients to retailers, is expected to peak at 1.4 million packages on Jan. 3, the Atlanta-based package delivery company said Dec. 27. "In December 2017, consumers shipped more than one million returns packages to retailers daily, a pace expected to last into early January 2018," the company explained in a statement.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. EU invests €1 billion in transport network development**

The European Commission on November 30, 2017 proposed to invest €1 billion in 39 transport projects which will unlock a total of €4.5 billion of public and private co-financing. This investment is being made under the *Connecting Europe Facility*, the EU fund supporting infrastructure networks, and combines - for the first time - EU grants with financing from the European Investment Bank, National Promotional Banks and private banks. The selected projects will upgrade Europe's rail network, further develop alternative fuels infrastructure and pave the way for zero emission water transport. In doing so, the Commission is firmly delivering on its Clean Mobility Package of 8 November 2017.

#### **2. International Travel Survey: Public use microdata file, 2016**

The International Travel Survey (ITS) public use microdata file for 2016 is now available. This public use microdata file contains data for a wide variety of variables collected from the 2016 ITS, including the characteristics of Canadian resident travellers and non-resident travellers, travel expenditures, length of stay, type of transportation, purpose of trip, accommodation used, places visited, and expenditures by category.

#### **3. Major New Investment to Make Cycling Safer and More Convenient**

Ontario is making it safer and more convenient for people to get around by bike, by more than doubling its investment in local cycling to build bike lanes and other cycling infrastructure in towns and cities across the province. This investment is part of Ontario's *Climate Change Action Plan* and is funded by proceeds from the province's cap on pollution and carbon market.

#### **4. Canada strengthens ties with China, but trade deal remains uncertain**

### **Canada**

1. EU invests €1 billion in transport network development, November 30, 2017, [www.europa.eu](http://www.europa.eu)
2. International Travel Survey: Public use microdata file, 2016, December 4, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Major New Investment to Make Cycling Safer and More Convenient, December 4, 2017, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
4. Canada strengthens ties with China, but trade deal remains uncertain, Dec. 5, 2017, [www.americanshipper.com](http://www.americanshipper.com)
5. UK government made no analysis of Brexit's economic impact, December 6, 2017, [www.ctl.ca](http://www.ctl.ca)
6. National Transportation Atlas Database, Dec. 8, 2017, [www.bts.gov](http://www.bts.gov)
7. Administration's Unified Agenda Highlights USDOT's Pro-Growth, Responsible Policies to Unleash Innovation in the American Economy, December 14, 2017, [www.dot.gov](http://www.dot.gov)
8. Manley, CEOs urge Trudeau to join new U.S. free Trans Pacific Partnership, December 18, 2017, [www.ctl.ca](http://www.ctl.ca)
9. Travel between Canada and other countries, October 2017, December 19, 2017, [www.statcan.gc.ca](http://www.statcan.gc.ca)
10. U.S.-Mexico trade holds strong despite transport challenges, NAFTA uncertainty, December 27, 2017, [www.americanshipper.com](http://www.americanshipper.com)

Canadian Prime Minister Justin Trudeau and Li Keqiang, Premier of the State Council of the People's Republic of China, agreed to continue exploratory discussions towards a comprehensive trade agreement. Trudeau, who is in China from Dec. 3-7, announced on December 5, 2017 new joint partnerships with China after concluding the second Annual Leaders' Dialogue with Li.

**5. UK government made no analysis of Brexit's economic impact**

The U.K. official shepherding Britain's departure from the European Union acknowledged on December 6, 2017 that the government has made no formal assessments of the economic impact of leaving the 28-nation bloc. Brexit Secretary David Davis told a parliamentary committee that the nation should be prepared for a profound shift in the way the economy operates on a scale similar to that of the 2008 financial crisis.

**6. National Transportation Atlas Database**

The U.S. Department of Transportation's Bureau of Transportation Statistics has released the Fall 2017 update to the National Transportation Atlas Database (NTAD) with three new datasets and 23 updated datasets.

**7. Administration's Unified Agenda Highlights USDOT's Pro-Growth, Responsible Policies to Unleash Innovation in the American Economy**

U.S. Secretary of Transportation Elaine L. Chao on December 14, 2017 highlighted DOT's pro-growth deregulatory agenda that will spur innovation, speed up infrastructure project delivery, and create more jobs. The White House Office of Information and Regulatory Affairs' (OIRA) Unified Agenda of Regulatory and Deregulatory Actions published on December 14, 2017 includes DOT's rulemakings currently under consideration and proposed for future action. The Agenda positions DOT to regulate safety, stimulate economic competitiveness, and foster critical innovation.

**8. Manley, CEOs urge Trudeau to join new U.S. free Trans Pacific Partnership**

Canada needs to immediately join a revamped Trans-Pacific Partnership that does not include the United States or it will miss its chance to deepen trade links with Asia, warns an ex-Liberal cabinet minister. The urgency is self-evident because Canada's relationship with its top trading partner —the U.S. —is in jeopardy with the Trump administration's threats to tear up NAFTA, said John Manley, president of the Business Council of Canada and former finance and foreign minister for Jean Chretien.

**9. Travel between Canada and other countries, October 2017**

US residents made nearly 2.1 million trips to Canada in October 2017, a 1.5% increase from September 2017, and up 3.1% from October 2016. This was also the highest number of trips recorded for the month of October since 2007. Overseas residents made 551,000 trips to Canada in October 2017, up 1.5% from September 2017 and up 0.3% from the October 2016. This was a record for the month of October and the eighth consecutive year of increased travel from overseas to Canada in the month of October. Canadian residents took 3.6 million trips to the United States in October 2017, edging down 0.2% from the previous month, but up 2.3% from October 2016. On a year-to-date basis, travel by Canadians to the United States was up 2.0% from January to October 2017, compared with the same period last year.

**10. U.S.-Mexico trade holds strong despite transport challenges, NAFTA uncertainty**

Trade between the United States and Mexico has been increasing over the last several years, but the market continues to face headwinds from ongoing cross-border transport challenges and uncertainty regarding the future of the North American Free Trade Agreement (NAFTA) between the U.S., Canada and Mexico.