

## **Transportation News Digest**

**Joseph Monteiro and Gerald Robertson**

*Address for correspondence:* Joseph Monteiro, Competition Bureau, Industry Canada, Place du Portage, Phase 1, 21<sup>st</sup> Floor, 50 Victoria Street, Gatineau, Quebec K1A 0C9, Canada, [Monteiro.joseph@ic.gc.ca](mailto:Monteiro.joseph@ic.gc.ca). Gerald Robertson is Acting Director, Strategic Communications and Planning, Industry Sector, Industry Canada.

### **Disclaimer**

Neither the Competition Bureau nor Industry Canada are responsible for this digest.

## 1.0 Introduction

The transport sector will be remembered in 2007 for two events. First, the fortunes of the industry improved, in particular for the first half of the year. Second, several new bills or regulations were introduced. Perhaps, the most important was the *Canada Transportation Act*. Its review began in 1998 and was completed in 2001 but not much could be accomplished because of the election and the change in government. The amendments were introduced in three stages and were the culmination of extensive discussions and consultations aimed at updating this legislative framework.

## 2.0 Air Transportation

### 2.1 The State of the Industry - The Airlines

In 2007, the structure of the Canadian airlines did not change but their fortunes continued to improve. Air Canada nearly doubled its profits to \$433 million compared to a year earlier and WestJet recorded a profit of \$193 million a 68.2% increase. Air Canada was ranked as the 'Best Airline in North America' in the world's largest survey of 14 million air travelers. Its available seat miles increased by 2.3% and its revenue passenger miles increased by 2.6%. Air Canada's Montie Brewer, President and Chief Executive Officer stated "With a load factor of 80.6 per cent, 2007 was the fourth consecutive record year for Air Canada and Jazz, ... I am particularly pleased with our ongoing strong performance in the domestic Canada market." [1]. Canada's second largest airline, WestJet, celebrated its eleventh anniversary with continued stellar performance. It won a spot in Canada's 10 Most Admired Corporate Cultures award program. Its load factor improved by 1.3 points to 79.3. Its available seat miles increased by 15.2% and its revenue passenger miles increased by 17.1%. WestJet President Sean Durfy said, "These results are a strong springboard to 2008. Despite the rising price of oil, we are confident our plans for the coming year remain on track." [2].

### 2.2 Issues - Airport Rents, Landing and Security Fees

Airport rents, landing fees and security fees have been a major irritant to the air transportation industry for some time. A report by the C.D. Howe Institute labeled the Federal Government's taxation regime imposed on the airline industry as "inequitable and inefficient." It indicated that "if the aviation sector is to be at its most productive in facilitating personnel and commercial travel, a revamp of its taxation policy is required." The President and CEO of Air Transport Association of Canada [ATAC] on February 8, 2007 said, "This report from a respected Canadian economic think tank echoes the concerns we have been raising as an industry. ... A top priority should be a significant reduction in the high levels of airport rent charged by the Federal Government." [3]. A few days later, the Air Transport Association of Canada (ATAC) joined the Greater Toronto Airports Authority in launching a Campaign for a Fair Rent Deal. The CEO of ATAC said "This tax structure is undermining the global competitiveness of Canadian airlines ..." [4]. A similar sentiment was voiced by the International Air Transport Association (IATA) on March 12, 2007 and G. Bisignani, the CEO of IATA, singled out Canada's taxation policies with respect to security and airport Crown rent [5]. He said Federal rents charged to Canadian airport authorities are a "rip-off" and airport security charges in Canada amount to "sky-way robbery." [6]. Both ATAC and the Canadian Airports Council expressed disappointment that the government did not include airport rent reductions in the most recent budget [7]. In general, there is need to address three areas of taxation: airport rents, fuel excise tax and security charges. Other areas where possible review could occur are: the ownership restrictions and the effective tax rate on air transportation relative to other sectors.

### **2.3 Collusive Activities**

Collusive activities which have been outlawed for nearly a century were the focus of attention in air transportation. Investigations involving several airlines - British Airways, Korean Air Lines, Lufthansa, Virgin Atlantic ... - began in February 2007 by several anti-trust agencies over cargo and passenger air fuel surcharges. On August 1, 2007, the United Kingdom's Office of Fair Trading fined BA a record \$247 million. The airline admitted that from August 2004 to January 2006, it colluded on at least six occasions with Virgin Atlantic over the surcharges. During that period, surcharges rose from £5 (\$10.16) to £60 (\$121.99) per ticket for a typical long-haul return flight. On the same day, the U.S. Department of Justice fined British Airways and Korean Air Lines, each \$300 million. Both carriers agreed to pay the fine. Lufthansa agreed in September 2006 to pay \$85 million to settle 80 class suits by U.S. shippers over cargo price-fixing. Virgin Atlantic was granted immunity after it tipped off the Office of Fair Trading. A year later on December 24, 2007, Air Canada confirmed that it received a statement of objections from the European Commission regarding a preliminary assessment of its investigation into alleged anti-competitive cargo pricing activities, including the levying of certain fuel surcharges, by a number of airlines and air cargo operators - Cathay Pacific Airways Ltd., British Airways PLC, Air France- KLM and Scandinavian Airline System AB - in breach of EC antitrust laws [8]. The investigations have now been broadened to include surcharges applied by freight forwarders, principally for fuel.

### **2.4 Air Liberalization**

Progress towards air liberalization occurred through two fronts; first, the EU talks, and second new liberal air agreements. In January 2007, the European Commission presented a negotiating mandate to its Council of Ministers for approval to negotiate an air agreement with Canada. The Honourable Lawrence Cannon said, "I am pleased that the European Commission is eager to negotiate an air agreement with Canada ..." [9]. Later in June, Prime Minister Harper announced that Canada intends to begin negotiations on a comprehensive Air Services Agreement with the EU. On June 20, 2007, the Honourable Lawrence Cannon and Mr. Jacques Barrot, Vice-President of the European Commission met in Ottawa to discuss joint transportation initiatives and reaffirmed their commitment to launch formal negotiations. The first round of negotiations for an Open Skies-type air transport agreement between Canada and the European Union was announced on November 27, 2007 [10]. This announcement has been looked forward to by several bodies. A coalition of groups representing the Canadian Airports Council, the Canadian Chamber of Commerce and the Tourism Association of Canada urged the Government to conclude an Open Skies Agreement with the EU. This is not surprising as the European Union is Canada's second largest air transport market (6.7 million one-way passenger trips). Such an agreement would increase the number of passengers flying between the two countries from 8 million to 14 million by 2011. It would also increase consumer benefits by \$110 million through lower fares and would increase employment by 3,700 [11].

Canada's Blue Sky Policy began to take off with several new open skies agreements. On March 12, 2007, Canada signed an expanded Open Skies Agreement with the U.S. providing for more flight choices and lower fares to Canadians. The Canadian Airports Council hailed the signing of the Agreement as an important milestone and the Air Transport Association of Canada welcomed the signing of the expanded Open Skies agreement [12]. In addition, since the initiation of the Blue Sky Policy several other countries - Japan, Ireland, Kuwait, Mexico, Iceland, New Zealand, Republic of Singapore, Mexico and Jordan - have signed open skies, expanded or new agreements with Canada.

## 2.5 Bills or Regulations Introduced

To reduce the risk of mid-air collisions Transport Canada amended the *Canadian Aviation Regulations* by requiring aircraft in Canada to install collision avoidance equipment. The equipment is designed as a safety backup to existing ground-based air traffic control systems. This equipment, known as an airborne collision avoidance system, alerts flight crews when their aircraft is on course to collide with another aircraft. It includes auditory and visual alerts [13]. On July 9, 2007, the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, announced proposed regulatory amendments to increase accountability in the aviation sector through the implementation of safety management systems by airports and organizations providing air traffic services [14].

## 3.0 Water Transportation

### 3.1 The State of the Industry - The Ports

Movement of containers through the two major ports of Canada Vancouver and Montreal continued to increase but the increase was not as dramatic in 2007 as in 2006 especially for Vancouver. For the Port of Vancouver, the total TEUs (inbound and outbound) in 2007 were 2,307,289 compared to 2,207,748 in 2006, a 5% increase. Imports (inbound) increased by 6% compared to a 3% increase in exports (outbound). For the Port of Montreal, the number of containers moved was 1,363,021 for 2007, an increase of 5.7% compared to the same period in 2006. The number of TEUs increased by 6.9% outbound compared to the increase of 4.5% inbound. The Port of Halifax reported somewhat disappointing results with the total number of TEUs falling by 8.3% for the first eleven months of 2007 compared to the same period in 2006. The number of TEUs outbound declined (10.4%) and the number of TEUs inbound declined (6.3%) [15].

### 3.2 Issues - Backlog and Congestion

In the beginning of 2007, congestion continued to affect the Port of Vancouver, British Columbia's leading port. But this was more because of weather and train derailment than because of sudden surges in trade. On January 23, 2007, the operator of Vancouver's biggest container port, Deltaport, reported the largest backlog in its history. Colin Donaldson, the manager of Deltaport, said, "As of this morning (January 23) [the backlog] is 6,800, ...it's the highest ground count we've had for rail. This is all weather-related." Even in March, the Vancouver Port Authority was struggling to clear a backlog of some 13,250 containers — a situation exacerbated by train derailments, the CN rail strike and bad weather. It took four to six weeks before there was some relief from congestion [16]. Fortunately, since then there have not been any reports of congestion.

### 3.3 Terminals

The growth of trade has led to an increasing interest in investment in port terminals. Liner companies are looking to acquire more of their own terminals because of the competitive advantage it gives them and others are looking to acquire them as a source of steady income from safe investments. In March, 2006 Centerm terminal at the Port of Vancouver was acquired by DP World of Dubai (operated under the name P&O Ports Canada). Predictions were then made that more acquisition deals were on the way, however, there were not likely to be any huge acquisitions or mergers like DP World's acquisition of P&O [17]. As predicted, Macquarie Bank Ltd. of Australia acquired the Vancouver-region container and breakbulk terminal, Fraser Surrey Docks, on January 17, 2007. This was followed by the sale of nearby terminals Deltaport and Vanterm in the Port of Vancouver by Orient Overseas (International) Ltd. to a Canadian Teachers Pension Fund. Macquarie also invested in container terminal operations on Canada's east coast and on the U.S. West Coast as well as in Europe and Asia [18]. Apart from

acquisitions, ports have been seeking investment in expansion projects. The Port of Vancouver is seeking expressions of interest for a long planned \$1 billion expansion project from the major terminal owners or shipping lines and new terminal proposals have been made for terminals at Melford and Sydney, N.S.

### **3.4 Bills Introduced**

The Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, tabled amendments to the *Pilotage Act* (Bill-64) on June 19, 2007. The five key amendments in general help to ensure the financial self-sufficiency of pilotage authorities while maintaining high levels of safety. More specifically, the amendments were: to include as requirements that an Authority has to consider; to give flexibility to conduct an investigation to the Minister when a notice of objections is received; to ensure that an arbitrator considers certain factors (i.e., requirement to be self-sufficient and the Authority's corporate plan) when selecting a final offer; to require the Canadian Transportation Authority to consider certain factors (i.e., requirement to be self-sufficient and the Authority's corporate plan) when making an amendment to a tariff regulation; and to make it possible for an Authority to engage in certain employment practices (i.e. engaging both employee pilots and contracted corporate pilots with a Pilot Corporation) for provision of pilot services [19].

On November 16, 2007 proposed amendments to the *Canada Marine Act* were introduced (Bill C-23). These amendments will strengthen the operating framework for Canada Port Authorities (CPAs) by modifying the current borrowing regime, providing for access to contribution funding, and clarifying some aspects of governance. The amendments would also include provisions regarding amalgamation of CPAs and introduce new provisions to make the enforcement of minor violations easier to manage. A number of policy initiatives to modernize the National Marine Policy, to streamline the process for borrowing limits and to enhance flexibility in management of port lands were also introduced [20].

## **4.0 Rail Transportation**

### **4.1 The State of the Industry - The Railways**

There were minor changes to the structure of the Canadian railways in Canada in 2007. CN acquired a number of shortlines (the Athabasca Northern Railway Ltd. in 2007; the Mackenzie Northern Railway and Lakeland & Waterways Railway (LWR) in 2006; and the Savage Alberta Railway, Inc. in 2006) in Canada. The railways operating performance in 2007 were mixed compared with 2006. Nevertheless, its net income showed an improvement over 2006 over 2005. For CP, net income for 2007 was C\$946.2 million compared to C\$796.3 million in 2006, a 18.8% increase. Its operating ratio was 75.3 in 2007 compared to 75.4 in 2006, an decrease of 0.1 points. For CN, net income for 2007 was C\$2,158 million compared to C\$2,087 million in 2006, a 3.4% increase. Its operating ratio was 63.6 in 2007 compared to 61.8 in 2006, an increase of 1.8 points. CN estimates its revenue will increase between 6% and 8% next year, largely from its new terminal in Prince Rupert. With regard to passenger rail services, the government provided a new funding package of \$691.9 million on October 11, 2007.

### **4.2 Issues - Labour**

Labour problems affected both major Canadian railways in the first half of 2007. On February 10, 2007, the United Transportation Union (UTU) announced that it planned to strike CN's Canadian rail operations. CN said that the UTU demanded excessive wage increases during negotiations that broke off on Feb. 9, 2007. The UTU's final demand was for 40 per cent higher wages than the increases CN negotiated in recent collective agreements for a comparable three-year period. CN applied on February 13, 2007 to the Canada Industrial Relations Board to declare the strike illegal. Back-to-work

legislation, Bill C-46 was later passed. On April 23, 2007, the government named Andrew C.L. Sims as arbitrator in the CN labour dispute. A few weeks after the CN strike, CP's Teamsters Canada Rail Conference Maintenance Way workers notified CP that it planned to strike on May 15, 2007 after talks broke off. On May 16, 2007, Canada's second rail strike began when Canadian Pacific Railway employees walked off the job. On June 7, 2007, CP reached a tentative agreement with the Teamsters - a 10% wage increase over three years and lump sum bonuses. Strikes in rail can have a severe impact on the Canadian economy and it is estimated that real GDP declines by 0.3% to 0.4% for each month of a strike. Not surprisingly, there was a call for more Government oversight.

### **4.3 Acquisitions**

The Canadian railways were engaged in two major acquisitions in the U.S. The first was by Canadian Pacific Railway Limited (CPR). On September 4, 2007, it had reached an agreement to acquire Dakota, Minnesota & Eastern Railroad Corporation (DM&E) and its subsidiaries for US\$1.48 billion. DM&E is the largest U.S. regional railway, serving eight states. By expanding its current network by approximately 2,500 miles, CPR will increase its access to U.S. Midwest markets including agri-products, coal and ethanol. On October 4, 2007, it completed the acquisition [21]. The second was by Canadian National Railway Co. On September 26, 2007, Canadian National Railway Co. reached an agreement to buy a major portion of the Elgin, Joliet and Eastern Railway Co. (EJ&E), a Class 2 railway, from U.S. Steel for US\$300 million. EJ&E operates over 198 main line miles of track encircling Chicago. The acquisition is expected to improve the fluidity of CN's rail operations in the Chicago region, providing faster transit times and more reliable service. CN President and Chief Executive Officer E. Hunter Harrison said: "This acquisition is good news for railroading in Chicago ... [it] will drive new efficiencies ...." The two transactions have yet to be approved by the U.S. Surface Transportation Board [22].

### **4.4 Bills Introduced**

The Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, tabled Bill C-8 on amendments to the rail freight provisions of the *Canada Transportation Act* in the House of Commons on October 29, 2007. This was the third and final stage of its amendment to this Act. The amendments in this bill were: removing the substantial commercial harm test which now applies to extended interswitching and competitive line rates; increasing the notice period provisions to 30 days from 20 days for rate increases; permitting the Agency, upon complaint by a shipper, to conduct its investigation on charges and incidental charges and to establish new charges; ensuring that the discontinuance process applies to railway lines that are leased to local railway operators and subsequently revert to a federal railway; requiring railways to publish a list of rail sidings available for grain producer car loadings together with a 60 days' notice before removing such sidings from operation; extending the final offer arbitration to groups of shippers; and allowing for the suspension of any final offer arbitration process, if the parties agree to pursue mediation [23].

## **5.0 Highway Transportation**

### **5.1 The State of the Industry - The For-hire Trucking Carriers**

The operating revenues and expenses of the for-hire trucking companies (with revenues of \$1 million or more) for 2006 totalled \$28.77 billion and \$26.91 billion respectively, up 6.4% and 8% from 2005. There was a decrease in performance as indicated by a rise in the operating ratio from 0.92 to 0.94. Over the last five years (i.e., from 2002) operating revenues and expenses increased by 39.5% and 40%,

respectively, while the operating ratio decreased marginally by 0.1 points. The year did not end favourably for the industry. The CEO of the Canadian Transport Alliance told MPs that, “A comparison of export statistics for November 2006 and November 2007 shows year-over-year decreases of 4.4 percent in industrial goods, 3.7 percent in machinery and equipment, 5.9 percent in automotive products and 9.9 percent in other consumer goods.” The top four for-hire trucking companies in 2007 were Transforce Income Fund, Vitran Corporation Inc., Mullen Group Inc., and Trans X according to the 100 top Annual Survey of for hire-trucking companies.

## **5.2 Issues -Privatization of Canada Post**

Most Canadian Crown Corporations have been privatized but the few that remain continue to attract attention. The latest to come under attack is Canada Post. The C.D. Howe Institute called on the Canadian government to end Canada Post’s monopoly. It stated, “We believe the case for de-monopolizing the Canadian postal sector and moving to some substantial degree of private ownership is compelling and consistent with developments in jurisdictions beyond Canada.” Despite the fact that Canada Post made profit in each of the last eleven years, the report draws attention to the following: a decrease in mail volumes while delivery addresses increase; and an increase in competition in international shipping and delivery. Further, the report claims that opening the market to private sector competitors would force Canada Post to be more efficient and lead to increased profits. Furthermore, it points to the success of countries that have adopted postal liberalization.

## **5.3 Levies**

To the dismay of the trucking industry, in late January 2007, the publication of two rules in the United States resulted in increases in the cost of transportation services in North America. One is the single-crossing fee increase of 50 cents for commercial trucks entering the United States from Canada. This fee is supposedly designed to offset the costs to operate the US Customs and Border Protection agency. The other is the charge to truck drivers who require access to US ports for what is called a Transportation Worker Identity Credential (TWIC). The cost is expected to be between US\$107 and US\$127. Canadian Trucking Alliance CEO, David Bradley, said, “But what bothers me, and should be of grave concern to Canadian exporters, is that the cost to send goods into the United States continues to rise, with absolutely no end in sight...”[24]. The industry soon thereafter received another blow when the US proceeded with its plan to impose a border crossing fee of \$US 5.25 per truck on June 1, 2007. The levy is designed to fund additional agricultural quarantine inspections on the Canada — US border. It will be applied to trucks that pay to enter the United States on a per crossing basis — regardless of what they are carrying - but will not impact those carriers who have already purchased a 2007 user fee transponder [25]. All of the events that occurred during this period were not unfortunate as some relief was seen by the industry when the federal government indicated that it will seek legislation to amend Tariff Item 9801.10 that places Canadian motor carriers at a competitive disadvantage compared to US carriers. Tariff Item 9801.10 prevented Canadian carriers from bringing US trucks or trailers used strictly in cross-border operations into this country without attracting duty and taxes on that equipment. The enforcement of that provision will now be suspended [26].

## **5.4 Cabotage**

The cabotage regimes in Canada and U.S. have been harmonized with regard to trucks and trailers, however, the prohibitions against drivers operating in the domestic market of either country have remained unchanged to this day. In July 2007, the US Federal Motor Carrier Administration renewed

efforts to enforce cabotage by enlisting state troopers, local police forces and other US law enforcement agencies to pay increased attention to the enforcement of truck cabotage rules. This prompted reaction by Canadian truckers who believe that the enforcement of rules has always been much stronger in the US than Canada. As a result, any mention of even tougher enforcement of rules in the United States has the Canadian trucking industry worried that Canadian trucking companies may be placed at a competitive disadvantage in doing business across the border. Not surprisingly, they have called for increased enforcement in Canada to level the competitive playing field [27]. It is questionable whether this is the right approach as one should strive to remove barriers rather than erect them.

### **5.5 Bills Introduced**

On February 1, 2007, the *International Bridges and Tunnels Act*, formerly known as Bill C-3, received Royal Assent. This legislation which is the first stage of the *Canada Transportation Act* amendments provides the federal government with the legislative authority to ensure effective oversight of the existing 24 international vehicular bridges and tunnels and nine international railway bridges and tunnels, as well as any new international bridges or tunnels built in the future. The highlights also include: giving the Governor-in-Council power to make regulations; the authority to issue an emergency directive; the authority to construct new international bridges without the need for special legislation; and the requirement for the approval of the minister for changes in ownership or operation of an international bridge or tunnel.

## **6.0 Other Transportation Matters**

### **6.1 Security**

The benefits of security can hardly be doubted; nevertheless it has generated its own set of problems. The harsh security crackdown at the Canada-U.S. border since 9/11 has forced exporters in key industries to abandon just-in-time delivery and to return to the outdated practice of stockpiling goods, to sending goods before they are needed, to dropping shipments at the border and to using rail. According to the Conference Board of Canada, this has been eating into profit and has eroded some of the advantages of NAFTA. Manufacturers & Exporters president Perrin Beatty said, “We have to rethink how we're managing the border. ... What you're seeing is a border that's becoming more difficult to cross as opposed to one that is more integrated” [28]. The Canadian Trucking Alliance in its appearance before the Commons Standing Committee on Industry, Science and Technology said that trucking security programs, particularly at the Canada-US border, continue to result in duplication, overlap and ever-increasing costs. “The big picture – an appropriate balance between security and trade efficiency based on an assessment of risk – seems to have been lost,” said Cooper. “The situation is not sustainable. We can't go on forever, layering one new program on top of another, further driving up the cost of transportation and harming Canadian competitiveness” [29].

### **6.2 Environment: Green House Gas Emissions**

The failure of Canada to create a low-carbon economy has continued to attract attention. Canada was criticized by environmental groups and other governments at the Climate Change Conference in Bali in December 2007 for its climate change position. The need to take the matter seriously was highlighted in the recent fourth report in October 2007 by the United Nations on the *Global Environment Outlook*. The report indicates that environmental damage will soon be irreversible. A few months later, the National Round Table on the Environment published its findings and urged Canadian politicians to



focus the debate on either a carbon tax, a cap and trade system, or both [30]. The Round Table indicates that Canada can transform itself into a clean-running green machine by 2050, slashing its emissions by more than half with very little economic pain. The price tag is estimated to be one to two years of 'lost growth' of GDP between now and 2050. Other evidence also suggests that Canada can become green. For example, a study by the Rocky Mountain Institute and statements by the CEO of the Canadian Trucking Alliance indicate that emissions from the trucking industry, one of the largest smog polluters in transportation, can be eliminated by 2010 [31]. The government has rejected the carbon tax proposal but the Environment Minister indicates that new rules are going to be introduced in 2008 that will force industry to reduce overall emissions.

In sum, the prosperity enjoyed by transportation companies in 2006 continued into 2007. What is particularly noteworthy is that transportation companies continue to dominate the annual list of Canada's 50 Best Managed Companies award.

### Endnotes

1. Air Canada reports October traffic; record load factor for December and full year 2007 Jan. 8, 2008, [www.aircanada.ca](http://www.aircanada.ca).
2. WestJet Reports Record December Load Factor of 79.3 Per Cent, Jan. 7, 2008, [www.westjet.ca](http://www.westjet.ca).
3. Excess Baggage, Measuring Air Transportation's Fiscal Burden, C.D. Howe Institute, No. 242, February 2007, p. 24. ATAC Welcomes C.D. Howe Institute Study on Airline Taxation, February 8, 2007, [www.atac.ca](http://www.atac.ca).
4. ATAC Joins the Greater Toronto Airports Authority in calling on the Federal Government to Reduce Airport Rent, February 12, 2007, [www.atac.ca](http://www.atac.ca).
5. Canada charging airport authorities too much, IATA head says, March 13, 2007, [www.nationalpost.ca](http://www.nationalpost.ca).
6. Taxation is not a Recipe for Competitiveness-IATA Urges Change in Canada's Aviation Policy, March 12, 2007, [www.iata.org](http://www.iata.org).
7. Lack of action undermines government commitment to global competitiveness and open skies, March 19, 2007, [www.atac.ca](http://www.atac.ca); and Airport Rent Continues to Disadvantage Canada's Airports, March 19, 2007, [www.cacairports.ca](http://www.cacairports.ca).
8. British Airways fined for cargo price-fixing, August 1, 2007, [www.joc.co](http://www.joc.co); U.K. fines British Airways £121.5 million for price-fixing, August 1, 2007, [www.americanshipper.com](http://www.americanshipper.com); British Airways pleads guilty to price-fixing, August 24, 2007, [www.joc.com](http://www.joc.com); Price-fixing fines push KAL into the red, August 3, 2007, [www.joc.com](http://www.joc.com); and [www.westjet.com](http://www.westjet.com); Air Canada receives statement of objections from European Commission, Dec. 24, 2007, [www.aircanada.ca](http://www.aircanada.ca).
9. Canada's New Government Welcomes European Commission Interest in Air Agreement Negotiations, January 10, 2007, [www.tc.gc.ca](http://www.tc.gc.ca).
10. Canada Begins Negotiations with European Union on Blue Sky's First Anniversary, Nov 27, 2007, [www.tc.gc.ca](http://www.tc.gc.ca).
11. Canada's Airports Look Forward to Favourable EU Talks, October 3, 2007, [www.cacairports.ca](http://www.cacairports.ca); and Business, Tourism, Airports Sectors Urge Canada to Conclude Open Skies Agreement with Europe, Nov. 27, 2007, [www.cacairports.ca](http://www.cacairports.ca).
12. U.S. and Canada Sign Historic Open Skies Agreement More options and lower fares for businesses and travelers, March 12, 2007, [www.dot.gov](http://www.dot.gov); U.S. Open Skies an Important Milestones for Canada,

- Canada Airports Says, March 12, 2007, [www.airports.ca](http://www.airports.ca); and ATAC Welcomes New Canada-us Open Skies Agreement, March 12, 2007, [www.atac.ca](http://www.atac.ca).
13. Additional On-board Safety Equipment for Aircraft, June 27, 2007, [www.tc.gc.ca](http://www.tc.gc.ca).
  14. Proposed Regulations to Improve Aviation Safety, July 9, 2007, [www.tc.gc.ca](http://www.tc.gc.ca).
  15. See the following websites: [www.portvancouver.com](http://www.portvancouver.com); [www.portofmontreal.ca](http://www.portofmontreal.ca); [www.portofhalifax.ca](http://www.portofhalifax.ca).
  16. Vancouver container backlog port's worst ever, January 23, 2007, [www.nationalpost.ca](http://www.nationalpost.ca); and Vancouver ports struggle with container backlog, March 10, 2007, [www.ctl.ca](http://www.ctl.ca).
  17. Money Talks, *The Journal of Commerce*, January 2007, pp. 38-40.
  18. Macquarie buys Vancouver's Fraser Surrey Docks, January 19, 2007, [www.joc.com](http://www.joc.com).
  19. Transport Canada Tables Amendments to the *Pilotage Act*, June 19, 2007, [www.tc.gc.ca](http://www.tc.gc.ca).
  20. Transport Minister Introduces Amendments to the *Canada Marine Act*, November 16, 2007, [www.tc.gc.ca](http://www.tc.gc.ca).
  21. Canadian Pacific announces agreement to acquire DM&E Railroad, September 4, 2007, [www.cpr.ca](http://www.cpr.ca); CP Rail to buy largest U.S. regional railway, September 5, 2007, [www.globeandmail.ca](http://www.globeandmail.ca); CP Challenges Rail giants, September 6, 2007, [www.nationalpost.ca](http://www.nationalpost.ca); and Canadian Pacific completes acquisition of DM&E Railroad, October 4, 2007, [www.cpr.ca](http://www.cpr.ca).
  22. Canadian National to buy Chicago rail line, September 26, 2007, [www.joc.com](http://www.joc.com); CN to acquire key operations of Elgin, Joliet and Eastern Railway for US\$300 million, September 26, 2007, [www.cn.ca](http://www.cn.ca); CN files application with U.S. Surface Transportation Board seeking regulatory approval to acquire the major portion of the Elgin, Joliet & Eastern Railway Company, October 30, 2007, [www.cn.ca](http://www.cn.ca).
  23. Bill C-8, [www.parl.gc.ca](http://www.parl.gc.ca).
  24. Escalation in transportation levies shows no sign of abating, according to CTA, January 31, 2007, [www.cantruck.ca](http://www.cantruck.ca).
  25. For Higher Border Crossing Costs, May 28, 2007, [www.ontruck.ca](http://www.ontruck.ca).
  26. Competitive Disadvantage for Canadian Motor Carriers Removed as Longstanding Transborder Tariff Problem Resolved, February 28, 2007, [www.ontruck.ca](http://www.ontruck.ca).
  27. Canadian Trucking Alliance Will Be Watching US Cabotage Enforcement, July 31, 2007, [www.cantruck.ca](http://www.cantruck.ca).
  28. Border foils "'just-in-time' delivery, June 15, 2007, [www.globeandmail.ca](http://www.globeandmail.ca).
  29. See "Trucking Alliance Tells Commons Committee How Industry Being Hit by Economic Conditions", [www.ontruck.ca](http://www.ontruck.ca).
  30. A carbon tax would force industry to pay a fee for every tonne of harmful emissions released into the atmosphere. A cap and trade system would allow companies to emit up to a specific cap. Permits to emit above the cap would have to be purchased from companies that have lowered their emissions below their cap. See Panel pushes debate on carbon tax, *Globe and Mail*, January 7, 2008, [www.globeandmail.ca](http://www.globeandmail.ca).
  31. Environmental Benefits of New Heavy Truck Initiative Validated, October 15, 2007, [www.cantruck.ca](http://www.cantruck.ca); and Environmental Truck Convoy Calls Upon Federal Support for Smog-Free, Reduced GHG Tractor-Trailers, October 15, 2007, [www.cantruck.ca](http://www.cantruck.ca).