

Transportation Information Update*

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AIR TRANSPORTATION

1. Edmonton airport continues expansion overhaul for air cargo handling

Canada's Edmonton International Airport, the nation's largest airport in terms of land mass, has undergone several major expansions since it opened in 1960 and last year expanded storage space to accommodate Cargojet and DHL. Next in the development pipeline is a large, new cargo facility for Air Canada at the airport that will involve the construction of a perishable cargo facility, reports *Varna's Wings Journal*. A new logistics centre for freight forwarding companies and customs brokers has now been set up at the airport and two massive new fuel tanks are being built there by Shell Aviation.

2. Air Canada to Reduce Single-Use Plastics Starting with Eliminating Plastic Stir Sticks in Summer 2019

Air Canada is reducing single-use plastics onboard aircraft and in its workplaces as part of the company's ongoing commitment to curtail waste. Starting in Summer 2019, Air Canada will replace plastic with wood stir sticks in drinks served on all flights, a move that will save 35 million plastic stir sticks annually – enough if laid end-to-end to join Halifax and Vancouver.

3. Government of Canada investing in safety at local airports

The Honourable Marc Garneau, Minister of Transport, on January 31, 2019 announced that the Government of Canada is making important safety investments at local airports across the country. Transport Canada's Airports Capital Assistance Program (ACAP) will provide over \$48.6 million for new safety-related improvement projects, including \$354,851 to install wildlife fencing at the Brandon Municipal Airport and \$168,270 to rehabilitate the electrical systems on Apron IV at the St. Andrews Airport in Manitoba. This announcement represents the largest investment in ACAP projects since the program started in 1995.

4. New funding to strengthen Winnipeg James Armstrong Richardson International Airport's resilience to climate change

On January 31, 2019, the Honourable Marc Garneau, Minister of Transport, announced that the Winnipeg Airports Authority is receiving \$50,000 to develop a better understanding of the risks tornados and their wind speeds could have on the Winnipeg James Armstrong Richardson International Airport's infrastructure and operations. Funded through the Transportation Assets Risk Assessment program, the data and analysis gathered during the project to develop a tornado occurrence model will be used to improve the infrastructure design of the airport and prevent climate change-related travel disruptions.

5. Government of Canada investing in safety at Red Lake Airport

The Honourable Marc Garneau, Minister of Transport, on January 31, 2019 visited the Red Lake Municipal Airport to highlight the recent completion of two safety improvement projects: the purchase of a de-icer spraying trailer, which is used with a snow plough to help keep runways, taxiways and the apron clear of ice and snow; and the replacement of an omni-directional approach lighting system, including power converters and transformers, for Runway 26. The omni-directional approach lighting system is an important part of airport operations as fog and harsh winter weather are common in the Red Lake region. Replacing the power converters and

AIR TRANSPORTATION Canada

1. Edmonton airport continues expansion overhaul for air cargo handling, January 31, 2019, www.transportweekly.com

2. Air Canada to Reduce Single-Use Plastics Starting with Eliminating Plastic Stir Sticks in Summer 2019, January 31, 2019, www.aircanada.ca

3. Government of Canada investing in safety at local airports, January 31, 2019, www.tc.gc.ca

4. New funding to strengthen Winnipeg James Armstrong Richardson International Airport's resilience to climate change, January 31, 2019, www.tc.gc.ca

5. Government of Canada investing in safety at Red Lake Airport, January 31, 2019, www.tc.gc.ca

6. Monthly civil aviation statistics, November 2018, January 31, 2019, www.statcan.gc.ca

7. Air Canada Is Named a Top Employer in Montreal for the Sixth Consecutive Year, January 31, 2019, www.aircanada.ca

8. AA 2018 profit falls to US\$1.4 billion, February 1, 2019, www.transportweekly.com

9. Passenger Air Services Price Index, 2017, February 4, 2019, www.statcan.gc.ca

10. WestJet reports fourth quarter and full year results, February 5, 2019, www.westjet.ca

11. Air Canada and Chorus Aviation Finalize Amended and Extended Capacity Purchase Agreement for Jazz Regional Flying, February 4, 2019, www.aircanada.ca

12. Government of Canada investing in safety at the Rouyn-Noranda Airport, February 5, 2019, www.tc.gc.ca

13. WestJet results ahead of expectations, but turnaround still requires 'heavy lifting', February 4, 2019, www.ntionalpost.ca

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

transformers will ensure the new lighting system functions effectively. Funding of \$152,943 came from Transport Canada's Airports Capital Assistance Program for these two projects. Minister Garneau also viewed detailed plans for the upcoming \$10-million rehabilitation of Runway 08-26, Taxiways A, B and C, and Apron 2A adjacent to the Air Terminal Building. This project is also being funded through the Airports Capital Assistance Program.

6. Monthly civil aviation statistics, November 2018

The six Canadian Level I air carriers flew 6.1 million passengers on scheduled and charter services in November 2018, up 5.3% from November 2017 and continuing the upward year-over-year monthly trend that began in April 2014. In 2018, November marked the lowest monthly volume of passengers by these carriers combined, as was the case the previous three years. Traffic increased 7.7% year over year to 14.9 billion passenger-kilometres in November 2018. Capacity rose 6.6% to 18.4 billion available seat-kilometres. This resulted in a higher passenger load factor in November 2018 (80.8%) compared with the same month a year earlier (80.0%), as the increase in demand for travel was stronger than the rise in capacity. Total operating revenue was up 11.8% from the same month a year earlier to \$1.7 billion in November.

7. Air Canada Is Named a Top Employer in Montreal for the Sixth Consecutive Year

Air Canada on January 31, 2019 was named one of "Montreal's Top Employers" for the sixth consecutive year in Mediacorp Canada Inc's annual employer survey. The 2019 survey recognizes companies in Montreal with exceptional human resources programs and forward-thinking workplace policies, and includes a comparison of others in their industry and region.

8. AA 2018 profit falls to US\$1.4 billion

American Airlines Cargo in 2018 suffered a decline in net profit, although, tonnage hit a record 90,700 tonnes despite facing some major hurdles last year, including higher fuel costs and the forced cancellation of 2,100 flights due to hurricane Florence, according to *Shipping Gazette*. The carrier's 2018 net profit amounted to US\$1.4 billion, or \$2.1 billion excluding net special items, which are both down from 2017, in which its figures were \$1.9 and 2.4 billion respectively, reported *New York's Air Cargo World*.

9. Passenger Air Services Price Index, 2017

The Canadian Passenger Air Services Price Index rose 0.5% in 2017 compared with 2016. This was the first increase since 2013, when the index grew 1.1%. Both domestic (+0.4%) and international (+0.5%) fares increased. The increase in the index coincided with higher jet fuel prices. According to the Industrial Product Price Index, jet fuel prices grew 9.6% from 2016 to 2017.

10. WestJet reports fourth quarter and full year results

WestJet on February 5, 2019 announced its fourth quarter and year end results for 2018, with full year net earnings of \$91.5 million, or \$0.80 per fully diluted share. This compares with net earnings of \$279.1 million, or \$2.38 per fully diluted share in the full year 2017. In the fourth quarter of 2018 the airline achieved net earnings of \$29.2 million, or \$0.26 per fully diluted share. This result compares with net earnings of \$47.8 million, or \$0.41 per fully diluted share reported in the fourth quarter of 2017. "In 2018 we executed several significant milestones on our path to becoming a high-value global network airline," said Ed Sims, WestJet President and CEO. "As we enter 2019, we continue to build momentum and are well-positioned to deliver on our strategic initiatives and expand margins. I would like to thank every WestJetter for their hard work through an especially busy holiday season culminating in our WestJet mainline business achieving the highest completion rate in North America in December, as measured by FlightStats."

11. Air Canada and Chorus Aviation Finalize Amended and Extended Capacity Purchase Agreement for Jazz Regional Flying

Air Canada and Chorus Aviation Inc. ("Chorus"), parent company of Jazz Aviation

14. Air Freight Demand Ends Year Up 3.5%, Despite Softening Late 2018, February 6, 2019, www.iata.org

15. Healthy Passenger Demand Continues in 2018 with Another Record Load Factor, February 7, 2019, www.iata.org

16. Delta, Virgin Atlantic Cargo celebrate five years of partnership, February 7, 2019, www.transportweekly.com

17. Australia attracts growing volumes of air cargo from Singapore, February 7, 2019, www.transportweekly.com

18. Air Canada Cargo to offer CEIV for shipments with GTA dnata, February 10, 2019, www.ctl.ca

19. WestJet reports January load factor of 80.5 per cent, February 8, 2019, www.westjet.ca

20. Government of Canada investing in safety at the Hall Beach Airport, February 12, 2019, www.tc.gc.ca

21. Air Travel Consumer Report: November 2018 Numbers, February 12, 2019, www.bts.gov

22. Consultation on the requirement to identify a basic fare, February 13, 2019, www.cta-otc.gc.ca

23. Air Canada Makes Strategic Enhancements on Eastern Canadian Regional Routes for Spring 2019, February 14, 2019, www.aircanada.ca

24. IATA Calls on US Government, Industry, to Work Together to Grow Aviation's Benefits, February 13, 2019, www.iata.org

25. Air cargo volumes in Europe grow by 1.8pc in 2018, January 14, 2019, www.transportweekly.com

26. Air Canada Reports 2018 Annual Results, February 15, 2019, www.aircanada.ca

27. Government of Canada investing in safety at the La Ronge (Barber Field) Airport, February 14, 2019, www.tc.gc.ca

28. Government of Canada investing in safety at the Fond du Lac Airport, February 14, 2019, www.tc.gc.ca

29. Estimated January 2019 U.S. Airline Traffic Data, February 14, 2019, www.bts.gov

30. WestJet to implement recently increased foreign ownership levels, February 15, 2019, www.westjet.ca

31. Air Canada to Implement Recently Increased Foreign Ownership Levels, February 15, 2019, www.aircanada.ca

32. Air Canada to Launch Seasonal Flights Between Calgary and

LP ("Jazz"), on February 4, 2019 confirmed that all conditions have been met and the previously announced amendment and extension of the Capacity Purchase Agreement (CPA) between Air Canada and Jazz has become effective. As announced on January 14, 2019, the improved CPA is effective retroactively as of January 1, 2019 and extends to December 31, 2035. As part of the agreement to amend the CPA, Air Canada has also completed the \$97.26 million equity investment in Chorus previously announced on January 14, 2019. Air Canada has acquired 15,561,600 Class B Voting Shares in the capital of Chorus, representing approximately 9.99% of the issued and outstanding Class A Variable Voting Shares and Class B Voting Shares of Chorus on a combined basis.

12. Government of Canada investing in safety at the Rouyn-Noranda Airport

The Honourable Marc Garneau, Minister of Transport, on February 5, 2019 announced a Government of Canada investment of \$10,931,156 to rehabilitate the airside surfaces at the Rouyn-Noranda Airport. The work includes a partial rehabilitation of pavement on Runway 08-26 and Taxiways A and B, and the rehabilitation of pavement on a section of the apron.

13. WestJet results ahead of expectations, but turnaround still requires 'heavy lifting'

WestJet Airlines Ltd. ended a turbulent year with results that beat analysts' expectations, but chief executive Ed Sims acknowledged that "heavy lifting" is still required as the airline wades through labour negotiations and vies to attract both low-cost and premium travellers. The Calgary-based airline reported profit of \$29.2 million or diluted earnings of 26 cents per share in the fourth quarter of 2018, down 39 per cent from the same period a year prior but double analysts' estimates of 13 cents a share. The results fuelled a 3.6-per cent boost to its stock price, which closed at \$20.95 on the Toronto Stock Exchange.

14. Air Freight Demand Ends Year Up 3.5%, Despite Softening Late 2018

The International Air Transport Association (IATA) released full-year 2018 data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs) grew by 3.5% compared to 2017. This was significantly lower than the extraordinary 9.7% growth recorded in 2017. Freight capacity, measured in available freight tonne kilometers (AFTKs), rose by 5.4% in 2018, outpacing annual growth in demand. This exerted downward pressure on the load factor but yields proved resilient. Air cargo's performance in 2018 was sealed by a softening in demand in December 2018. Year-on-year, December 2018 demand decreased by 0.5%. This was the worst performance since March 2016. Freight capacity, however, grew by 3.8%. This was the tenth month in a row that year-on-year capacity growth outstripped demand growth.

London, Ontario, February 21, 2019, www.aircanada.ca

33. WestJet Dreamliner launches first revenue flight, February 20, 2019, www.westjet.ca

34. IATA Releases 2018 Airline Safety Performance, February 21, 2019, www.iata.org

35. Hong Kong air cargo falls 4.2pc in January, February 21, 2019, www.transportweekly.com

36. Quarterly civil aviation statistics, third quarter 2018, February 21, 2019, www.statcan.gc.ca

37. A Newfoundland adventure awaits - Porter releases 2019 Stephenville schedule, February 21, 2019, www.flyporter.com

38. New study criticizes plan to privatize Canadian airports, February 22, 2019, www.ctl.ca

39. Heathrow reflects on record passenger year, but cargo stays flat, February 25, 2019, www.transportweekly.com

40. IATA Launches Diversity & Inclusion Awards, February 26, 2019, www.iata.org

41. January air cargo off up to 8pc for Asia, Europe, Americas carriers, January 26, 2019, www.transportweekly.com

42. Aircraft movement statistics: Major airports, December 2018, February 27, 2019, www.statcan.gc.ca

43. Air Canada to Introduce Dreamliner Service on Flights between Toronto and Honolulu [and others], February 26, 2019, www.aircanada.ca

44. WestJet celebrates summer with new route between London, ON and Montreal, February 26, 2019, www.westjet.ca

45. Commercialization accelerating drone delivery market: Frost & Sullivan, February 26, 2019, www.ctl.ca

15. Healthy Passenger Demand Continues in 2018 with Another Record Load Factor

The International Air Transport Association (IATA) announced global passenger traffic results for 2018 showing that demand (revenue passenger kilometers or RPKs) rose by a healthy 6.5% compared to full-year 2017. Although this represented a slowdown compared to the 2017 annual growth of 8.0%, it was another year of above-trend growth. Full year 2018 capacity climbed 6.1%, and load factor edged up 0.3 percentage point to a record 81.9%, exceeding the previous high set in 2017. Alexandre de Juniac, IATA's Director General and CEO said "2018 was another year of strong passenger demand, as aviation continued to support the global economy. We expect similar, if somewhat moderating performance in 2019. Nevertheless, slowing growth in the second half of 2018, coupled with concerns over issues including Brexit and US-China trade tensions, are creating some uncertainty to this positive outlook."

16. Delta, Virgin Atlantic Cargo celebrate five years of partnership

Virgin Atlantic Cargo and Delta Cargo are promising customers more choice and reach, as well as the service benefits of greater automation as their trans-Atlantic joint venture partnership celebrates its fifth anniversary. The airlines' commitment to build the leading trans-Atlantic partnership has already increased customers' access to major cities in the U.K. and North America, with a 20 percent rise in the number of Delta and Virgin Atlantic flights

since the joint venture began. Customers now have a choice of 74 daily flights serving 28 routes between the U.K. and U.S. which, in 2018, carried over a quarter of total trans-Atlantic air cargo volumes.

17. Australia attracts growing volumes of air cargo from Singapore

Australia is experiencing growth in volumes of inbound international air cargo, new official figures show, reports New York's FreightWaves. Freight volumes from overseas airports to airports in Australia grew by 7.3 per cent in the year ended November 2018 to stand at 1,174,286 tonnes, according to the federal government's Bureau of Infrastructure, Transport and Regional Economics (BITRE). The greatest volume of freight uplifted / discharged from overseas to Australia took place on the Singapore-Melbourne route. In the year ended November 2018, which is the latest month for which data is available, 72,371 tonnes of freight were loaded on that route.

18. Air Canada Cargo to offer CEIV for shipments with GTA dnata

Air Canada Cargo announced it is collaborating with GTA dnata at its hub at Toronto Pearson International Airport to provide its customers specialized in pharmaceutical shipments with industry-leading service. As of February 26, 2019, all export and import pharmaceutical shipments booked with Air Canada Cargo that originate in, are destined to and transiting via Toronto will be handled at GTA dnata.

19. WestJet reports January load factor of 80.5 per cent

On February 8, 2019, WestJet announced January 2019 traffic results with a load factor of 80.5 per cent, a decrease of 2.1 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 2.7 per cent year over year, while capacity, measured in available seat miles (ASMs), grew 5.4 per cent over the same period.

20. Government of Canada investing in safety at the Hall Beach Airport

On behalf of the government, an official on February 12, 2019 announced the investment to rehabilitate airside surfaces and upgrade lighting at the Hall Beach Airport. The investment of \$9,973,717 includes the removal of all surfaces, grading and compacting new crushed aggregate on the runway, taxiway and apron; installing new edge lighting for the runway, taxiway and apron; runway identification lighting, illuminated windcones and guidance signs for the taxiway; precision approach slope indicators; a new field electrical centre complete with all airfield lighting power and control equipment; and apron floodlighting.

21. Air Travel Consumer Report: November 2018 Numbers

The U.S. Department of Transportation (DOT) on February 12, 2019 released its January 2019 Air Travel Consumer Report (ATCR) on marketing and reporting air carrier data compiled for the month of November 2018. In November 2018, marketing carriers posted an on-time arrival rate of 79.3 percent, down from the 82.3 percent on-time rate in October 2018; marketing carriers cancelled 1.2 percent of their scheduled domestic flights, a higher rate than 0.8 percent in October 2018; airlines reported 21 tarmac delays of more than three hours on domestic flights, an increase from the two such tarmac delays reported in October 2018, and no tarmac delays reported in November 2017; the reporting carriers posted a mishandled baggage rate of 2.58 reports per 1,000 passengers, a higher rate than both 2.35 in October 2018 and November 2017's rate of 1.84; and the DOT received 1,148 complaints about airline service from consumers, down 11.8 percent from the total of 1,302 filed in November 2017 and down 7.5 percent from the 1,242 received in October 2018.

22. Consultation on the requirement to identify a basic fare

The Canadian Transportation Agency (CTA) is requesting comments from interested stakeholders on the basic fare requirement, including the circumstances in which an air carrier should be exempted from identifying a basic fare in their tariff.

23. Air Canada Makes Strategic Enhancements on Eastern Canadian Regional Routes for Spring 2019

Air Canada on February 14, 2019 announced strategic changes to Eastern Canada routes including upgrading Air Canada Express regional aircraft to larger Air Canada Rouge aircraft with inflight amenities on its flights from Toronto to Fredericton, Moncton and Thunder Bay, and adding capacity on flights from Montreal to St. John's with larger aircraft.

24. IATA Calls on US Government, Industry, to Work Together to Grow Aviation's Benefits

The International Air Transport Association (IATA) urged the United States government and industry to work together to ensure that aviation is able to accommodate an expected 62% rise in demand for air travel to, from and within the country over the next 20 years. Speaking at the International Aviation Club in Washington, D.C., Alexandre de Juniac, IATA's Director General and CEO, noted that aviation already supports 6.5 million jobs in the United States and contributes over \$778 billion to GDP, including aviation-supported tourism. The social and economic benefits enabled by aviation will increase as the number of passenger journeys rises to 1.26 billion by 2037, from 780 million in 2017. De Juniac highlighted key factors necessary to ensure aviation is able to meet this increase and grow aviation's benefits. These include maintaining a competitive environment that stimulates innovation, and adequate infrastructure to cope with new demand.

25. Air cargo volumes in Europe grow by 1.8pc in 2018

Airports across Europe saw freight traffic dropped by 2.2 per cent as the lights went out on 2018. 2018 December's decrease followed on from the 1.4 per cent decline registered in November 2018, according to figures from Airports Council International (ACI) that show cargo volumes rose by 1.8 per cent for the year as a whole. The deceleration primarily impacted European Union airports which reported growth of 1.1 per cent for the year or less, while non-EU airports recorded an increase of 5.6 per cent.

26. Air Canada Reports 2018 Annual Results

Air Canada on February 15, 2019 reported full year 2018 EBITDAR (earnings before interest, taxes, depreciation, amortization, impairment and aircraft rent) of \$2.851 billion compared to full year 2017 record EBITDAR of \$2.928 billion. Air Canada reported an EBITDAR margin of 15.8 per cent, in line with its projections. Air Canada reported 2018 operating income of \$1.174 billion compared to 2017 operating income of \$1.371 billion. Adjusted pre-tax income amounted to \$952 million in 2018 compared to adjusted pre-tax income of \$1.165 billion in 2017. On a GAAP basis, the airline reported net income of \$167 million in 2018 compared to net income of \$2.029 billion in 2017. The decrease of \$1.862 billion in net income year-over-year is mainly due to an increase in net tax expense of \$981 million, unfavourable foreign exchange results of \$437 million and Air Canada having a recorded a loss on disposal of assets of \$188 million in 2018. Calin Rovinescu, President and Chief Executive of Air Canada said "I am very pleased with Air Canada's solid fourth quarter results... During the year, we successfully managed many challenges, including intensifying competition and a volatile fuel price environment which resulted in approximately \$1 billion in additional costs or 30 per cent more than 2017." For 2018, revenue passenger miles, available seat capacity and load factor were: 92,360m, 110,866m and 83.3%, compared to 85,137m, 103,492m and 82.3% in 2017, representing a change of 8.5%, 7.1% and 1.0 points. For the fourth quarter of 2018, revenue passenger miles, available seat capacity and load factor were: 20,801m, 25,598m and 81.3%, compared to 19,396m, 24,191m and 80.2% for the fourth quarter in 2017, representing a change of 7.2%, 5.8% and 1.1 points.

27. Government of Canada investing in safety at the La Ronge (Barber Field) Airport

A government official on February 14, 2019 visited the La Ronge (Barber Field) Airport to highlight the recent completion of two safety improvement projects: the replacement of the airfield lighting control system and the construction of a sand storage shed. Funding of \$392,548 for this investment came from Transport Canada's Airports Capital Assistance Program for these two projects.

28. Government of Canada investing in safety at the Fond du Lac Airport

A government official on February 14, 2019 announced a Government of Canada investment to rehabilitate Runway 10-28, Taxiway A, Apron 1, and the airfield lighting system at the Fond du Lac Airport in Saskatchewan. The investment of \$12,148,100 includes: rehabilitating the asphalt on the runway, Taxiway A and Apron I; installing a precision approach path indicator system for the runway; replacing the runway and Taxiway A edgelights; and replacing Apron I floodlights.

29. Estimated January 2019 U.S. Airline Traffic Data

U.S. airlines' carried an estimated 75.2 million systemwide (domestic and international) scheduled service passengers, seasonally-adjusted, in January 2019, up 0.1 percent from the December 2018 estimate, according to a Bureau of Transportation Statistics' (BTS) first estimate. Year-over-year, systemwide traffic was up 4.6 percent from 71.8 million; domestic traffic was up 4.8 percent from 62.8 million; and international traffic was up 3.5 percent from 9.06 million

30. WestJet to implement recently increased foreign ownership levels

WestJet on February 15, 2019 announced that it will seek shareholder approval at its 2019 annual and special meeting of shareholders to amend its articles of incorporation and By-Law No. 2005-1 to increase the limits on foreign ownership and control of its voting shares to those permitted by amendments made to the Canada Transportation Act (CTA) in 2018. The amendments to its articles and By-Law No. 2005-1 will be undertaken by way of a court supervised and shareholder approved statutory plan of arrangement. Prior to the CTA amendments, no more than 25% of the voting interests of a Canadian air carrier could be owned or controlled by non-Canadians. The Government of Canada's stated purpose in implementing the CTA amendments is to attract more foreign investment and encourage growth in the aviation sector by increasing, from 25% to 49%, the permitted level of foreign ownership of Canadian air carriers. At the same time, the CTA amendments introduced two new limitations on voting ownership and control, by capping the voting rights of single non-Canadians and of the aggregate of non-Canadian air carriers at 25%.

31. Air Canada to Implement Recently Increased Foreign Ownership Levels

Air Canada on February 15, 2019 announced that it will seek shareholder approval at its 2019 annual and special meeting of shareholders to amend its articles of incorporation to increase the limits of foreign ownership and control of its voting shares to those permitted by amendments made to the *Canada Transportation Act* (CTA) in 2018. The

amendments to its articles will be undertaken by way of a court supervised and shareholder approved statutory plan of arrangement.

32. Air Canada to Launch Seasonal Flights Between Calgary and London, Ontario

Air Canada on February 21, 2019 announced it will launch new daily, seasonal flights between Calgary and London, Ontario beginning June 24, 2019 until mid-October. Flights will be operated onboard Air Canada Rouge Airbus A319 aircraft with a choice of two cabins, wi-fi options and in-flight entertainment streamed to personal devices.

33. WestJet Dreamliner launches first revenue flight

WestJet's Dreamliner made its official debut when it pushed back on its first revenue flight on February 20, 2019 from Toronto Pearson International Airport. The aircraft, heading for Calgary, was carrying WestJet guests for the first time. "Today's first revenue flight on the Dreamliner has been years in the making," said Arved von zur Muehlen, WestJet Chief Commercial Officer. "There are big things in store for the tall 901 as it is the first 787 that will take WestJet global." The aircraft will operate on domestic flights for crew training and regulatory compliance before the first scheduled international flight between Calgary and London (Gatwick) on April 28.

34. IATA Releases 2018 Airline Safety Performance

The International Air Transport Association (IATA) released data on the 2018 safety performance of the commercial airline industry showing continuing safety improvements over the long term, however there was an increase in accidents compared to 2017. The all accident rate (measured in accidents per 1 million flights) was 1.35, which was the equivalent of one accident for every 740,000 flights. This was an improvement over the all accident rate of 1.79 for the previous 5-year period (2013-2017), but a decline compared to 2017's record performance of 1.11.

35. Hong Kong air cargo falls 4.2pc in January

Hong Kong airport, the world's busiest air cargo facility in the world, saw freight volumes decline 4.2 per cent in January 2019 to 401,000 tonnes. "Uncertain global economic conditions contributed to decreases in cargo volume in January," the airport said. Imports and transshipments were affected the most, registering eight per cent and six per cent year-on-year drops respectively. Cargo to and from Europe and southeast Asia decreased with air freight flights in January 2019 declining 1.5 per cent to 4,889 take offs and landings.

36. Quarterly civil aviation statistics, third quarter 2018

The number of air carriers decreased from 26 in 2017 to 25 in 2018, as one Level II air carrier was reclassified to Level IV. Total operating revenue for the 25 largest Canadian air carriers increased 8.6% from the third quarter of 2017 to \$7.7 billion in the third quarter. Total operating expenses grew 16.3% to \$6.7 billion, mainly driven by higher fuel prices year over year and by the increase in capacity. Net operating income fell 22.9% to \$1.1 billion in the third quarter. This amount, combined with a net non-operating loss of \$259.3 million, produced a net income of \$823.3 million, down from \$2.0 billion in the third quarter of 2017. However, this marked the first net profit following two consecutive quarters of losses.

37. A Newfoundland adventure awaits - Porter releases 2019 Stephenville schedule

Porter Airlines released its 2019 schedule for Stephenville, N.L., with 48 round-trip flights operating between Halifax, beginning May 4, 2019, through January 8, 2020, with schedules varying by season. "We are ready to begin our sixth year of service in Stephenville," said Robert Deluce, president and CEO, Porter Airlines. "It is an important route for locals and an opportunity for visitors to access a unique area of the province."

38. New study criticizes plan to privatize Canadian airports

A new study unhesitatingly concludes that privatizing Canadian airports would not lead to any significant productivity gains. The Trudeau government has been considering privatizing the eight largest airports in the national network since a report was tabled on the future of transportation in Canada, but the idea has not received unanimous approval. While it is certainly attractive in terms of public finances, the prospect has been strongly criticized by different stakeholders, from airlines worried about seeing user fees increase to certain airport authorities who see no benefits for the country. The Centre for Productivity and Prosperity – Walter J. Somers Foundation, wishing to shed more light on this question, has released a study on the potential impact of this change for Canada. By analyzing the impact of different governance models at airports around the world, the author found that privatization does not guarantee more efficient and effective management.

39. Heathrow reflects on record passenger year, but cargo stays flat

Heathrow Airport Limited (HAL), has said that 2018 was a record year for the UK's biggest and busiest air freight facility, reports *London's Air Cargo News*. As well as handling a record number of passengers (80.1 million), it also enjoyed an increase in revenue and profits compared to 2017. However, in January 2019, the airport operator confirmed that it registered just a 0.1 per cent increase in cargo volumes last year. The London hub processed 1.7 million tonnes of cargo during 2018, with North American volumes making up 600,000 tonnes and connections with the Asia Pacific region second with 510,000 tonnes.

40. IATA Launches Diversity & Inclusion Awards

The International Air Transport Association (IATA) announced the launch of the IATA Diversity & Inclusion Awards to recognize and encourage industry excellence. Three categories of leadership in gender diversity and inclusion will be awarded.

41. January air cargo off up to 8pc for Asia, Europe, Americas carriers

Air cargo carriers based in Asia, Europe and the Americas suffered a drop in cargo volumes in January 2019, with the six major Asia-based airlines recording decreases - barring China Airlines - ranging from 0.3 and eight per cent, according to *Shipping Gazette*. This preliminary result follows two years of strong January growth. Most airlines posting declines this year reported low-single-digit growth in both 2016 and 2017, Seattle's Cargo Facts reported, noting that the timing of the Chinese New Year has skewed the results to some degree.

42. Aircraft movement statistics: Major airports, December 2018

Aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 8.7% in December 2018 to 387,035 movements, compared with 355,899 movements in December 2017. A rise 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 increase. Itinerant movements increased 5.1% to 284,017 and local movements grew 20.3% to 103,018. This was the second largest year-over-year increase in local movements since December 2014.

43. Air Canada to Introduce Dreamliner Service on Flights between Toronto and Honolulu [and others]

Air Canada announced on February 26, 2019 that it will operate its seasonal service between Toronto and Honolulu next winter with its state-of-the-art Boeing 787 Dreamliner. Customers travelling between Toronto and Hawaii will have the option to fly in Air Canada's Signature cabin, featuring fully lie-flat suites, meals prepared by celebrated Canadian chef David Hawkworth and other amenities. Air Canada also announced that it will launch: the new, non-stop service between Toronto and Quito, Ecuador; the addition of new, non-stop, seasonal flights between Vancouver and Auckland, New Zealand, four times weekly onboard the carrier's state-of-the-art flagship Boeing 787-8 Dreamliner aircraft beginning December 12, 2019 until the end of March 2020, subject to obtaining the necessary government approvals; and the new winter service from Montreal to São Paulo, Brazil, the only non-stop flights between the two cities, this new route to São Paulo will commence on December 11, 2019 and will operate three return-trips weekly from Montreal until March 27, 2020.

44. WestJet celebrates summer with new route between London, ON and Montreal

WestJet on February 16, 2019 announced that it is adding more choice for travellers in London and Montreal this summer with a new daily service starting June 24 through October 15 on WestJet Encore.

45. Commercialization accelerating drone delivery market: Frost & Sullivan

With the number of delivery drones in the global eCommerce industry alone expected to increase to 2.2 million units by 2025, there will be a surge in the demand for drone servicing, repair, and maintenance. Drone delivery trials are being conducted in at least 15 countries, including Canada, Australia, the US, the UK, Japan, and Switzerland by specialized companies such as Flirtey, Flytrex, and Zipline, as well as cross-industry companies such as Amazon, Alphabet, Alibaba, JD.com, Airbus, and UPS. The entry of majors from other industries is a huge boost to the market, as they are able to leverage their expertise in technology, eCommerce, aviation, and logistics to accelerate the commercialization process.

WATER TRANSPORTATION

<p>1. Long Beach breaks records despite trade war The Port of Long Beach has posted a record year in container throughput despite the Sino-American trade war - or perhaps because of it, according to <i>Shipping Gazette</i>. "That's because retailers expedited shipments because of the uncertain trade outlook in the New Year," said Long Beach Harbour Department executive director Mario Cordero.</p> <p>2. Port of Los Angeles breaks record in 2018 The Port of Los Angeles set another record in 2018, increasing 1.2 per cent year on year to 9.5 million TEU, port executive director Gene Seroka told an audience in his State of the Port address. Mr. Seroka ascribed the success to the "strong collaboration" between longshore labour, terminal operators, harbour truckers and rail providers, reported the <i>American Journal of Transportation</i>.</p> <p>3. Port of Savannah moves record 4.35 million TEUs</p>	<p>WATER TRANSPORTATION Canada</p> <ol style="list-style-type: none"> 1. Long Beach breaks records despite trade war, January 30, 2019, www.transportweekly.com 2. Port of Los Angeles breaks record in 2018, January 30, 2019, www.transportweekly.com 3. Port of Savannah moves record 4.35 million TEUs, January 30, 2019, www.americanshipper.com 4. Le Havre again achieves record container volume of 2.1 million TEU, February 4, 2019, www.transportweekly.com
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The Port of Savannah moved 4.35 million TEUs in 2018, its highest annual volume ever, and a 7.5 percent increase over 2017, according to Georgia Ports Authority Executive Director Griff Lynch. In December 2018, the Port of Savannah handled 351,366 TEUs, an increase of 8.7 percent, or 28,250 TEUs. It was the authority's busiest December ever and capped a year with nine of the GPA's 10 busiest months on record.

4. Le Havre again achieves record container volume of 2.1 million TEU

Container flow through the Port of Le Havre reached a record 2.1 million TEU in 2018 despite an 8.4 per cent year-on-year decline in intermodal traffic, reports *London's Container Management*. Strikes at the start of 2018 led to the decrease in rail traffic but the performance of the Le Havre Multimodal Terminal improved as it grew to 155,000 TEU. Full containers saw a net increase of three per cent and transshipments were stable due to an improvement at the end of the year.

5. UN's sulphur fuel emissions cap stands to reverse Panama Canal's gains

High fuel prices prompted by the UN mandated sulphur cap could divert 1.2 million TEU back to US west coast and reduce the use of the Panama Canal that now drains Asian cargo from west to east coast ports, says one expert. "Just because the macro [economic] trends are in your favour, does not mean that the cargo will flow," said Josh Hurwitz, of Moffatt & Nichol port engineering specialist Josh Hurwitz.

6. Prince Rupert's Fairview Container Terminal moves 1 million TEU in 2018

The Canadian Port of Prince Rupert in northern British Columbia moved its one millionth TEU in 2018 through the recently expanded Fairview Container Terminal. The container was filled with dimensional lumber from Canfor and was moved by rail to the Fairview terminal before being loaded as sea freight onto the Cosco Africa in December 2018, reported *Saskatoon's Western Producer*. "Reaching one million TEU in a calendar year is an exciting milestone," said Port of Prince Rupert president Shaun Stevenson.

7. Minister Garneau announces government's intent to amalgamate Oshawa and Hamilton port authorities

The ports of Oshawa and Hamilton play an important role in southern Ontario. They link our businesses to global markets and provide jobs to surrounding middle-class families. The Government of Canada is taking action to ensure these ports remain competitive. On February 5, 2019, the Honourable Marc Garneau, Minister of Transport, announced the Government of Canada's intent to amalgamate the Oshawa and Hamilton port authorities to form a new entity. This action is being taken to improve port efficiencies and planning in the region. A certificate of intent to amalgamate, which formally announces the Government's intent, will be published in the *Canada Gazette*, Part I on February 9, 2019.

8. Port of Vancouver cancels permit for coal export terminal

The Port of Vancouver canceled a permit Jan. 30, 2019 for a planned \$15-million thermal coal export terminal for Fraser Surrey Docks after the project failed to meet one of its 83 conditions. The project, which had a permit issued in November 2015 that amended a permit from the previous year, failed to show substantial progress that construction had been made by Nov. 30, 2018, according to the port authority.

9. DP World terminals top 71 TEU in 2018

DP World handled 71.4 million TEU across its global portfolio of container terminals in the full year of 2018, with gross container volumes growing by 1.9% year-on-year on a reported basis and 2.9% on a like-for-like basis. Gross volumes were stable in 4Q2018 despite softer volumes in the UAE and the tough year-on-year comparables (4Q2017 grew by 10.3%). The UAE handled 15.0 million TEU in 2018 down 2.7% year-on-year. At a consolidated level, our terminals handled 36.8 million TEU in 2018, a 0.8% improvement in performance on a reported basis and up 1.4% year-on-year on a like-for-like basis.

10. Vanterm terminal reopening

An Evergreen ship, the *Ever Summit*, that struck a gantry crane at the GCT Vanterm container facility in the Port of Vancouver on January 28, 2019 has been freed

5. UN's sulphur fuel emissions cap stands to reverse Panama Canal's gains, February 4, 2019, www.transportweekly.com

6. Prince Rupert's Fairview Container Terminal moves 1 million TEU in 2018, February 5, 2019, www.transportweekly.com

7. Minister Garneau announces government's intent to amalgamate Oshawa and Hamilton port authorities, February 5, 2019, www.tc.gc.ca

8. Port of Vancouver cancels permit for coal export terminal, February 5, 2019, www.americanshipper.com

9. DP World terminals top 71 TEU in 2018, February 5, 2019, www.ctl.ca

10. Vanterm terminal reopening, February 6, 2019, www.ajot.com

11. Port of New York/New Jersey has record-breaking 2018, Feb. 7, 2019, www.americanshipper.com

12. Amendments to Port Information Guide formalize 15-knot speed reduction in the First Narrows and other safety best practices, February 8, 2019, www.portmetrovancover.com

13. Merger on the horizon, February 12, 2019, www.transportweekly.com

14. Conventional reefer vessels lose further market share, Feb. 12, 2019, www.transportweekly.com

15. Halterm orders one STS crane, two RTGs and nine terminal tractors, February 13, 2019, www.transportweekly.com

16. Cargo surge pushes Vancouver port to limits, February 12, 2019, www.joc.com

17. Trois-Rivières invests \$2.5M for environmental protection, February 12, 2019, www.ctl.ca

18. Maersk targets logistics & services for 2019 growth, February 12, 2019, www.ctl.ca

19. Government of Canada works with local communities to remove abandoned boats across Canada through the Oceans Protection Plan, January 13, 2019, www.tc.gc.ca

20. Continuing container growth pushes throughput at port of Rotterdam to a new high, Feb. 14, 2019, www.transportweekly.com

21. Vancouver port launches rail upgrades amid delays. February 14, 2019, www.joc.com

22. Feds move forward with Vancouver infrastructure project, February 14, 2019, www.ctl.ca

23. Ports of L.A., Oakland report container volume increase, February 14, 2019, www.americanshipper.com

through recovery operations and is expected to depart on February 8, 2019 morning, announced GCT spokesperson Louanne Wong. The impacted ship-to-shore crane boom was removed from the vessel paving the way for resumption of full vessel operations. Ms. Wong said “Subsequently, the ship was relocated to the appropriate position on the berth and is currently being worked on, with a focus on removing damaged Vancouver-destined containers.”

11. Port of New York/New Jersey has record-breaking 2018

The Port of New York and New Jersey announced it handled more than 7 million TEUs in a single year for the first time in its six-decade history, in 2018. The port’s record-setting amount of cargo — 7.18 million TEUs — exceeded the 2017 quantity by almost 7 percent and it handled one-third of all containers on the East Coast in 2018, a 2.8 percent increase in market share. The growth was stimulated by an 8.2 percent increase in imported goods over its previous record for imports set in 2017.

12. Amendments to Port Information Guide formalize 15-knot speed reduction in the First Narrows and other safety best practices

The Vancouver Fraser Port Authority has made amendments to the procedures outlined in its Port Information Guide to further promote safety best practices within the Port of Vancouver. One of the key changes includes formalizing the 15-knot speed reduction in the First Narrows, which was previously voluntary. Other changes include mandatory speed limit areas in the First Narrows Traffic Control Zone, Coal Harbour, Port Moody Inlet and areas in Indian Arm.

13. Merger on the horizon

The Korea Development Bank (KDB), the owner of a 55 per cent stake in Daewoo Shipbuilding and Marine Engineering (DSME), is engaged in moves to merge with the world's largest shipyard Hyundai Heavy Industries (HHI). Korea's Yonhap news agency said the bank has signed an agreement to sell its controlling stake in DSME to HHI. It quoted bank chairman Lee Dong-gull as telling reporters it would "contact Samsung Heavy, another potential buyer, to see if it is interested in Daewoo Shipbuilding as well."

14. Conventional reefer vessels lose further market share

The transport of fresh produce by sea grew by five per cent to 116 million tonnes in 2017, and containerised reefer traffic grew by eight per cent. However, conventional reefer vessels which have a traditional cargo operation with top opening hatches, have lost ground. Down from some 55 per cent in 2000, the share of conventional carriers in the transport of refrigerated perishables has now dropped to just over 18 per cent, according to Dynamar's 2018 REEFER Analysis - Market Structure, Conventional, Containers.

15. Halterm orders one STS crane, two RTGs and nine terminal tractors

Halterm Container Terminal in Halifax Nova Scotia has announced another equipment order as it gears up to handle two large container vessels simultaneously, reported *World Cargo News*. Halterm has announced it is making “a significant investment in a Super Post-Panamax ship-to-shore container gantry crane and

associated lifting equipment, together with an extensive order for container yard equipment, including 2 Rubber-Tired Gantry Cranes and 9 Terminal Tractors and Trailers, with an option to extend procurement to a further Ship-to-Shore crane in 2019”.

16. Cargo surge pushes Vancouver port to limits

Container dwell times at the port in Vancouver have spiked as terminal operators and Canadian railroads struggle to add sufficient capacity to handle growing volumes.

17. Trois-Rivières invests \$2.5M for environmental protection

The Trois-Rivières Port Authority (TRPA) is continuing to deploy its On Course for 2030 plan by setting up two funds for its users, with a total investment of \$2.5 million over five years. The Environment Fund aims to support users’ investments in solutions that will improve the Port’s environmental performance, in a spirit of sustainable development. Through this innovative initiative, the TRPA wishes not only to support the implementation of projects, but also to enable them to be carried out earlier.

18. Maersk targets logistics & services for 2019 growth

24. Los Angeles-Long Beach ports suffer containerised imports slowdown, February 18, 2019, www.transportweekly.com

25. Los Angeles port up 5.4pc, February 19, 2019, www.transportweekly.com

26. Ports of L.A., Oakland report container volume increase, February 14, 2019, www.americanshipper.com

27. South Carolina ports up 12.5pc in January, February 19, 2019, www.transportweekly.com

28. Port of Hamburg sets record for seaport-hinterland rail traffic, February 18, 2019, www.ctl.ca

29. New tutorial available for mariners to help protect whales in B.C. waters, February 15, 2019, www.portmetrovanancouver.com

30. Port of Oakland getting three new cranes, could be tallest in U.S., February 21, 2019, www.ajot.com

31. Rotterdam port sees box traffic rise to record 14.5 million TEU, February 21, 2019, www.transportweekly.com

32. DP World acquires European transportation and logistics provider, February 20, 2019, www.ctl.ca

33. Port of Long Beach looks to deepen, widen channels, February 21, 2019, www.americanshipper.com

34. South America's container trade bounces back after 3 years decline, February 22, 2019, www.transportweekly.com

35. Container carriers are in for a rough ride in 2019 as trade slows: BIMCO, February 25, 2019, www.transportweekly.com

36. Hapag-Lloyd reports higher revenues, earnings in 2018, February 25, 2019, www.americanshipper.com

37. US antitrust probe of container shipping ends, February 26, 2019, www.joc.com

A.P. Moller-Maersk announced the acquisition of Vandegrift Inc., a premier US-based Customs House Broker, representing the first acquisition of the year in the fast-growing logistics sector.

19. Government of Canada works with local communities to remove abandoned boats across Canada through the Oceans Protection Plan

On January 13, 2019, the Honourable Marc Garneau, Minister of Transport, announced the most recent applicants to receive funding under A) Transport Canada's Abandoned Boats Program; and B) Fisheries and Oceans Canada's Abandoned Wrecked Vessels Removal Program. Under A, a total of \$51,272 will be provided to remove five boats in British Columbia and one in Ontario. The recipients are: 1) Bowen Island Municipality (B.C.) – removal of two boats (\$11,330); 2) Salish Sea Industrial Services (Victoria, B.C.) – removal of three boats in Cadboro Bay, B.C. (\$34,915); and 3) Township of Carling (Ontario) – removal of one boat (\$5,027). Under B, a total of \$138,839 will be provided to remove 14 vessels, and to gain legal possession of an additional 11 vessels with the goal of removing them in the future. The recipients are: 1) British Columbia (Steveston, Alert Bay, Port Edward, and Pender) – removal of eight boats, and another three funded to obtain legal possession (\$95,425); 2) Quebec (Pointe Basse, Havre Aubert, and Newport) – removal of one boat, and another three funded to obtain legal possession (\$25,334); and 3) Newfoundland and Labrador (Musgrave, Codroy, Burgeo, and Branch) – removal of five boats (\$18,080)

20. Continuing container growth pushes throughput at port of Rotterdam to a new high

At 469.0 million tonnes, the port of Rotterdam's total throughput volume ended up slightly higher in 2018 than in 2017, which was itself a record year (467.4 million tonnes). Container transshipment was the engine of growth again, with a 4.5% increase in tonnage. Measured in TEUs, the standard unit for containers, the increase was 5.7% and the annual total was 14.5 million TEUs – also a record. This strengthens the position of Europe's largest container port in this strategically important market segment. Significant underlying shifts were observable in the goods segments.

21. Vancouver port launches rail upgrades amid delays

A project was launched at the port of Vancouver designed to meet growing cargo demand as the port expands its share of intermodal traffic destined for eastern Canada and the US Midwest.

22. Feds move forward with Vancouver infrastructure project

The Government of Canada, the Vancouver Fraser Port Authority and CN have signed an agreement to upgrade key infrastructure to increase capacity on a critical segment of trade infrastructure in the Greater Vancouver area. The project is part of a long-term strategy to increase capacity and grade-separate the Burrard Inlet rail corridor that serves the south shore port area in Vancouver. It consists of double-tracking a four-kilometre section of rail that links expanding import and export terminals on the south shore of the Burrard Inlet to the national rail network. By building a second track, CN will create more rail capacity, allow for a better flow of rail traffic in and out of the port, and improve efficiencies in the supply chain.

23. Ports of L.A., Oakland report container volume increase

The ports of Los Angeles and Oakland both experienced total container volume increases in January 2019 compared to January 2018. The Port of Los Angeles experienced the busiest January 2019 in its history by handling 852,449 TEUs, a 5.41 percent increase from January 2018. The Port of Oakland's total volume for January 2019 increased by 3.2 percent to 212,496 TEUs. Unlike these two ports, the Port of Long Beach's total volume decreased by 0.1 percent with drops to both its containerized imports and exports.

24. Los Angeles-Long Beach ports suffer containerised imports slowdown

The twin ports of Los Angeles and Long Beach saw sluggish import activity in January 2019, indicating the rush to import Chinese goods ahead of possible hefty tariff hikes may be past, after import traffic at Los Angeles rose by just 1.7 per cent compared to the same month last year and volumes dipped marginally at the port of Long Beach. Last year both ports achieved record volumes as retailers scrambled to bring in products to avoid possible tariffs on US\$200 billion worth on Chinese goods, reported Los Angeles Business Journal.

25. Los Angeles port up 5.4pc

The Port of Los Angeles lifted 5.4 per cent more containers in January 2019 year on year to 852,449 TEU, making it the best January 2019 in the ports history and making it the seventh consecutive month the port has handled more than 800,000 TEU. January 2019 imports increased 1.7 per cent to 429,923 TEU compared to the previous year. Exports decreased 3.4 per cent to 144,993 TEU while empties were up 17.7 per cent to 277,534 TEU.

26. Ports of L.A., Oakland report container volume increase

The ports of Los Angeles and Oakland both experienced total container volume increases in January 2019 compared to January 2018, but the Port of Long Beach total volume decreased by .1 percent with drops to both its containerized imports and exports. The Port of Oakland was the only one of the three to have containerized export volume increase compared to January 2018 with a slight .6 percent jump to 75,350 TEUs. The port's containerized imports grew by 9 percent to 81,895 TEUs and its total volume increased by 3.2 percent to 212,496 TEUs.

27. South Carolina ports up 12.5pc in January

The South Carolina Ports Authority (SCPA) experienced its strongest ever fiscal year with volume rising 12.5 per cent to 205,689 TEU in January 2018. Since the port's fiscal year began in July, the SCPA's two container terminals have handled a combined 1.4 million TEU. January also marked a record for pier container volume. SCPA moved 119,042 pier containers last month, raising fiscal year volume to 795,245 containers.

28. Port of Hamburg sets record for seaport-hinterland rail traffic

Handling 135.1 million tons of seaborne cargoes (down one percent), Germany's largest universal port can report a respectable result for 2018. Hamburg successfully asserted itself in a difficult environment, achieving a distinct advance on railborne seaport-hinterland transport. In 2018, this category accounted for totals of 46.8 million tons – up 2.7 percent – and 2.44 million TEU – up 4.7 percent. More than 60,000 cargo trains with around 1.6 million freight cars were handled during 2018 on the Port Railway network alone. This topped the record total set in 2016 and extended Hamburg's position as Europe's leading rail port.

29. New tutorial available for mariners to help protect whales in B.C. waters

In advance of World Whale Day on February 16, BC Ferries and the Vancouver Fraser Port Authority have launched a tutorial for mariners to build awareness of local whale species and how to identify them, and provide navigational strategies to reduce potential interactions between ships and whales in B.C. waters.

30. Port of Oakland getting three new cranes, could be tallest in U.S.

Towering new cranes are coming to the Port of Oakland to handle the latest generation of megaships. The Port said on February 21, 2019 that its largest marine terminal would install three 300-foot-tall gantry cranes late next year. The three cranes would go to Oakland International Container Terminal on Oakland Estuary. A \$30 million order for the cranes was submitted last week, the Port said. It added that the new cranes would be the tallest on the West Coast and perhaps, the nation. The Port said the new cranes would be able to load and unload the world's largest container ships. Megaships can be up to 1,300 feet long and carry nearly 23,000 cargo containers. Containers are stacked up to 12-high above deck on the largest vessels. Taller cranes are required to reach the top of the stacks.

31. Rotterdam port sees box traffic rise to record 14.5 million TEU

The Port of Rotterdam Authority saw 469 million tonnes of cargo pass through its gates in 2018, just beating the record set in 2017. The container transshipment segment was described again as being an engine of growth, with a 4.5 per cent increase in tonnage, helping container throughput increase by 5.7 per cent year on year to an all-time high of 14.5 million TEU. Container transshipment saw a further strong increase in 2018, as a result of which market share was gained in the Hamburg-Le Havre range. A key factor in the increase in 2018 was the growth in numbers of transshipment and full import containers.

32. DP World acquires European transportation and logistics provider

DP World PLC announced the acquisition of P&O Ferries. P&O Ferries is a pan-European integrated logistics business consisting of a market leading roll-on roll-off (Ro-Ro) ferries operation and a European transportation and logistics solutions provider, P&O Ferrymasters. P&O Ferries operates a fleet of 21 vessels on the Short Sea, North Sea and Irish Sea sectors across 11 ports whilst P&O Ferrymasters provides supply chain solutions in 19 European locations. P&O Ferries handles over 2.5m freight units per year which accounts for approximately 75% of group revenues.

33. Port of Long Beach looks to deepen, widen channels

The Port of Long Beach and U.S. Army Corps of Engineers are proposing deepening and widening the port's shipping channels and selected berths at the port. "Even though we are 'big ship ready,' there are opportunities that have been identified within the port to improve or make navigation even more efficient so that vessel and goods movement can be more efficient within the Port of Long Beach," said Eric Paulsen, senior program manager at the port. Matthew Arms, the director of environment planning at the port, noted that ships are continuing to grow in size. "I recall that when I started at the port in 2003, all the excitement was around the biggest ship to ever call at the port and it was 8,000 TEUs. Just 15 years ago, that was a big ship, Now they're talking ships that are 20,000, 22,000 TEU."

34. South America's container trade bounces back after 3 years decline

Dutch maritime research house Dynamar has released its latest South America Container Trades report, highlighting a return to growth after three years of decline for the region's international trade, according to *Shipping Gazette*. The report, written by Darron Wadey, notes the growth after economic contractions between 2014 and 2016, with subsequent recovery in 2017. Full container carryings between South America and the rest of the world reached just over 10 million TEU in 2017. This was up eight per cent on 2016. Dynamar expects South America containerised trade to reach 14 million TEU in 2021.

35. Container carriers are in for a rough ride in 2019 as trade slows: BIMCO

Chief shipping analyst at BIMCO Peter Sand expects the trade in containerised imports in the US to shrink this year amid an ongoing shift by shipping lines to US east coast ports thanks to the expansion of the Suez Canal to

accommodate mega ships, according to *Shipping Gazette*. "The long-haul main lane trades, which are critical for the overall health of the container shipping market, are in for what could become a tough year with several pitfalls," Mr. Sand said. The first is "trade tensions between the US on one side, and China and Europe on the other." He notes that lower demand on long-haul routes from Asia to the US and from Asia to Europe are also likely to impact intra-Asia services.

36. Hapag-Lloyd reports higher revenues, earnings in 2018

Hapag-Lloyd had higher revenue and operating profit in 2018 than the prior year, with the company attributing the improvement to higher container transport volumes, steadily improving freight rates in the second half of the year, its merger with United Arab Shipping Company Ltd. (UASC), and cost synergies resulting from that merger. Looking ahead, the company said forecasts of healthy growth in container shipping volume and "reasonable" orders for new ships are expected to lead to an improving balance of supply and demand in the container shipping industry.

37. US antitrust probe of container shipping ends

Two of the three top container lines say that the Department of Justice has closed its investigation into the container shipping industry and released them from their related obligations. Mediterranean Shipping Company SA (MSC) said on February 26, 2019 that it "has been informed by the U.S. Department of Justice that the DOJ has closed its investigation into MSC and the global container shipping industry, without bringing charges or imposing penalties. This is an important decision where the global container shipping industry has, once again, been fully investigated and exonerated. MSC is pleased to move forward, now that this matter is closed."

RAIL TRANSPORTATION

1. CN envisions Halifax as 'Prince Rupert of the East'

Officials from Canadian National Railway Co. highlighted their desire to grow intermodal cargo, including plans to develop the Port of Halifax into a "Prince Rupert of the East," during an analyst call discussing financial results for 2018 and outlook for the coming year. Last month, Jean-Jacques Ruest, the chief executive officer of CN, told Canada's Financial Post that the railroad had put in a preliminary offer to acquire the Halterm terminal in Halifax.

2. CP Rail confirms 3 crew members die in B.C. grain car derailment

Three crew members of a Canadian Pacific freight train have died in a derailment near the Alberta-British Columbia boundary. A spokeswoman with the railway said the crew members died when the westbound freight jumped the tracks at about 1 a.m. MT near Field, B.C.

3. Appeal court says CP Rail failed to meet service obligations after bridge fire

The Federal Court of Appeal has upheld a ruling that Canadian Pacific Railway Co. failed to provide adequate rail service to Univar Canada, one of the country's biggest chemical distributors, after the railway chose not to repair a Vancouver bridge damaged by fire. The court agreed with a 2017 decision from Canada's transportation regulator that found CP Rail had breached its service obligations when it opted to hold off on expensive repairs and bar traffic on its bridge for years. The Marpole Bridge, which connects Vancouver to the island suburb of Richmond, has provided the only direct rail link to Univar's facility since it opened in 1968.

4. CN announces C\$800-million debt offering

CN on February 5, 2019 announced a public two-tranche debt offering of C\$800 million, comprised of C\$350 million 3.00% Notes due 2029, and C\$450 million 3.60% Notes due 2049. CN expects to close the offering on Feb. 8, 2019, subject to customary closing conditions.

5. United Steelworkers ratify new CN agreement

CN and the United Steelworkers (USW) announced on February 5, 2019 that following a tentative agreement reached between CN and USW Local 2004 negotiators in December 2018, union members in communities across the country reviewed the agreement and approved the contract in a national ratification vote held over the last several weeks.

6. VIA rail firmly committed to helping achieve universal accessibility for all Canadians

RAIL TRANSPORTATION Canada

1. CN envisions Halifax as 'Prince Rupert of the East', January 30, 2019, www.americanshipper.com
2. CP Rail confirms 3 crew members die in B.C. grain car derailment, February 4, 2019, www.ctl.ca
3. Appeal court says CP Rail failed to meet service obligations after bridge fire, February 4, 2019, www.ctl.ca
4. CN announces C\$800-million debt offering, February 5, 2019, www.cn.ca
5. United Steelworkers ratify new CN agreement, February 5, 2019, www.cn.ca
6. VIA rail firmly committed to helping achieve universal accessibility for all Canadians, February 6, 2019, www.viarail.ca
7. January freight rail traffic a "mixed picture": AAR, February 6, 2019, www.railwayage.com
8. CN recognized as a top employer in Montreal for the third straight year, February 7, 2019, www.cn.ca
9. Minister Garneau orders precautionary safety measures following Canadian Pacific derailment near Field, British Columbia, February 8, 2019, www.tc.gc.ca
10. North American rail traffic slips 4pc, February 12, 2019, www.transportweekly.com
11. Canadian Pacific Railway Limited declares dividend,

VIA Rail Canada (VIA Rail) unveiled the result of significant renovations to its Ottawa station, works that have now made the station the most accessible in its network. Kate Young, Parliamentary Secretary to Minister of Public Services and Procurement and Accessibility (Accessibility) stated that “Renovations like those at VIA Rail’s Ottawa Station are crucial to improving accessible travel for all Canadians. I’m happy to see the principles behind our Government’s proposed *Accessible Canada Act* being embraced. By working together, we can identify, remove and prevent barriers in a number of priority areas – ensuring we are inclusive by design.”

7. January freight rail traffic a “mixed picture”: AAR

In January 2019, 11 of the 20 carload commodity categories tracked by the AAR each month saw carload gains compared with January 2018. These included: petroleum & petroleum products, up 12,791 carloads or 23.9%; chemicals, up 3,841 carloads or 2.5%; and primary metal products, up 3,103 carloads or 7.2%. Commodities that saw declines in January 2019 from January 2018 included: crushed stone, sand & gravel, down 2,118 carloads or 2.2%; coke, down 2,046 carloads or 9.9%; and motor vehicles & parts, down 2,015 carloads or 2.7%. Total U.S. carload traffic for the first month of 2019 was 1,238,487 carloads, up 1.7%, or 21,054 carloads, from the same period last year; and 1,316,168 intermodal units, up 0.5%, or 6,008 containers and trailers, from last year. Total combined U.S. traffic for the first five weeks of 2019 was 2,554,655 carloads and intermodal units, an increase of 1.1% compared to last year.

8. CN recognized as a top employer in Montreal for the third straight year

CN is pleased to be recognized as one of Montreal’s top employers of 2019 by Canada’s Top 100 Employers for the third straight year. “We are very pleased to be selected as a top employer in Montreal for the third straight year,” said Kim Madigan, Senior Vice-President, Human Resources at CN. “This year, we are particularly proud that Canada’s Top 100 Employers has recognized our commitment to employee development initiatives and community involvement. Our people are what differentiates CN as a world-class transportation company. Giving

February 14, 2019, www.cpr.ca

12. VIA rail’s fleet replacement program: Siemens Canada launches procurement process, February 15, 2019, www.viarail.ca

13. U.S. Department of Transportation Announces Safety Rule to Strengthen Oil Train Spill Response Preparedness, February 15, 2019, www.dot.gov

14. Officials still working out how much oil leaked from derailment in Manitoba, February 18, 2019, www.ctl.ca

15. ‘We take action:’ Alberta investing \$3.7B to move oil by rail, leasing cars, February 19, 2019, www.ctl.ca

16. Alberta plans to lease 4,400 rail cars to ship crude amid low oil prices, lack of new pipeline capacity, February 19, 2019, www.globeandmail.ca

17. TSB says improved tankers involved in Manitoba derailment that spilled crude, February 19, 2019, www.ctl.ca

18. U.S. carloads, intermodal experience weekly decline, February 20, 2019, www.railwavage.com

19. Family day long weekend: VIA rail’s ridership up 5%, February 21, 2019, www.viarail.ca

20. Railway carloadings, December 2018, December 26, 2019, www.statcan.gc.ca

back to the communities we work in is not a slogan, it is a way of doing business for CN, and our employees take that to heart.” Also recognized as one of Canada’s Best Diversity Employers of 2018, CN employs more than 3,000 people in the Montreal Metropolitan region.

9. Minister Garneau orders precautionary safety measures following Canadian Pacific derailment near Field, British Columbia

The Honourable Marc Garneau, Minister of Transport, issued the following statement on February 8, 2019: “Transport Canada is conducting an investigation for the purpose of determining compliance with both the *Canada Labour Code* and the *Railway Safety Act* related to the February 4, 2019 railway accident that resulted in the deaths of the three Canadian Pacific employees. ... As a precaution until such time that the exact cause of the accident is determined, my department has issued a Ministerial Order under the *Railway Safety Act* to all railway companies mandating the use of handbrakes should a train be stopped on a mountain grade after an emergency use of the air brakes. This order takes effect immediately and will remain in effect as long as necessary.”

10. North American rail traffic slips 4pc

North American rail volume for the week ending January 26, on 12 reporting US, Canadian and Mexican railways totalled 347,141 carloads, down 4.1 per cent compared year on year as well as 352,380 intermodal units, down 4.3 per cent. Total US carloads for the week ending January 26 were 248,937 carloads, down 4.7 per cent compared with the same week in 2018, while US weekly intermodal volume was 273,089 containers and trailers, down 3.3 per cent year on year. Total combined U.S. traffic for the first four weeks of 2019 was 2,056,367 carloads and intermodal units, an increase of 3.9 percent compared to last year. Canadian railways reported 80,560 carloads for the week, up 2.2 per cent, and 66,650 intermodal units, down 1.1 per cent year on year. For the first four weeks of 2019, Canadian railways reported cumulative rail traffic volume of 590,626 carloads, containers and trailers, up 8.3 per cent.

11. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on February 14, 2019 declared a quarterly dividend of \$0.650 per share on the outstanding Common Shares. The dividend is payable on April 29, 2019.

12. VIA rail’s fleet replacement program: Siemens Canada launches procurement process

As part of VIA Rail Canada (VIA Rail) fleet replacement program, Siemens Canada, the company that was selected by VIA Rail to manufacture the new trains to operate on the Quebec City-Windsor Corridor, is looking for interested suppliers. For this process, two Siemens' procurement offices have been set up in Montreal, Quebec and Oakville, Ontario. Siemens aims to provide Canadian content of up to 20% in supplies and services. Siemens is looking for suppliers in the following fields of expertise: 1. Electrical supplies; 2. Mechanical supplies; and 3. Services related to the technical service and spare parts supply agreement.

13. U.S. Department of Transportation Announces Safety Rule to Strengthen Oil Train Spill Response Preparedness

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), in coordination with the Federal Railroad Administration (FRA), on February 15, 2019 issued a final rule that requires railroads to develop and submit Comprehensive Oil Spill Response Plans for route segments traveled by High Hazard Flammable Trains (HHFTs). The rule applies to HHFTs that are transporting petroleum oil in a block of 20 or more loaded tank cars and trains that have a total of 35 loaded petroleum oil tank cars.

14. Officials still working out how much oil leaked from derailment in Manitoba

Canadian National Railway says it doesn't yet know how much oil leaked from a derailment in western Manitoba, but it says trains are now running on the line again. The railway said on February 16, 2019 that there was "a partial leak" of crude south of St. Lazare, Man., but it was contained and none had reached a nearby river. When asked on February 17, 2019 about how much oil spilled, and how many of the 37 cars that derailed leaked, a CN spokesman said it's "still being assessed."

15. 'We take action:' Alberta investing \$3.7B to move oil by rail, leasing cars

Alberta Premier Rachel Notley says the province is spending \$3.7 billion to move landlocked oil to market by rail — and it isn't counting on Ottawa to pitch in. "We must take action today to provide more relief to our energy workers and the families who rely on these good jobs across this province and this country," she said on January 19, 2019. "Albertans don't just stand by. We take action." Notley said the best long-term solution is for new pipeline capacity to coastal ports, which would enable Alberta crude to be sold to overseas markets and ensure the best price.

16. Alberta plans to lease 4,400 rail cars to ship crude amid low oil prices, lack of new pipeline capacity

Premier Rachel Notley has announced plans to spend \$3.7-billion to lease thousands of rail cars to ship Alberta crude, as her government continues an aggressive intervention into a market that has left the province suffering from low prices and constrained pipeline access. Ms. Notley, who faces a tough spring campaign for re-election in which management of the energy industry will be a key issue, said the government will lease 4,400 rail cars that will ship 120,000 barrels of crude a day by next year. The first cars are expected to be in service by July, she said, and the province has signed contracts with Canadian Pacific Railway and Canadian National Railway to transport the cars.

17. TSB says improved tankers involved in Manitoba derailment that spilled crude

Federal investigators say CN railcars that spilled crude after derailling on farm land in western Manitoba were upgraded tankers. The Transportation Safety Board says 37 of 110 cars went off the tracks early Saturday (February 16, 2019) near St. Lazare. The board says the derailed tankers are all Class 117R cars — an upgraded version considered to have improved safety features over the cars that were involved in the 2013 fatal explosion and fire in Lac Megantic, Que.

18. U.S. carloads, intermodal experience weekly decline

U.S. rail traffic for the week ending Feb. 9, 2019, was relatively flat, with carload declines cancelling out intermodal gains. For the week ending Feb. 16, 2019 carloads and intermodal both took hits, according to figures released by Association of American Railroads (AAR). Total carloads were 250,236, down 3.9% compared with the same week in 2018, while intermodal volume was 273,679 containers and trailers, down 2.1% compared to 2018. Combined U.S. weekly rail traffic was 523,915 carloads and intermodal units, down 3% compared with the same week last year. North American rail volume for the week ending February 16, 2019, on 12 reporting U.S., Canadian and Mexican railroads totaled 344,274 carloads, down 2.7% compared with the same week last year, and 353,755 intermodal units, down 2.6% compared with last year. Canadian railroads reported 73,275 carloads for the week ending February 9, 2019, up 2.2%, and 62,783 intermodal units, down 5.1% compared with the same week in 2018. For the first seven weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 999,293 carloads, containers and trailers, up 3.1%.

19. Family day long weekend: VIA rail's ridership up 5%

New records were set by VIA Rail Canada (VIA Rail) over the Family Day long weekend and, once again, thousands of Canadians chose an easy, safe, sustainable and enjoyable travel experience to visit friends and family. Between February 14 and 19, 2019 VIA Rail welcomed a total of 89,400 people onto its trains, a 5% ridership increase compared to 2018. The most popular segment was Ottawa – Toronto with 13,800 passengers and where VIA Rail offers 20 weekday departures. The most notable increases of the weekend were seen on trips between

Ottawa – Québec (31% increase), London – Windsor (20% increase) and Ottawa – Kingston (15% increase). In addition, 23,500 passengers travelled from Ontario to a destination in Quebec and vice versa, reflecting a 4.9% increase from the previous year.

20. Railway carloadings, December 2018

Freight originating in Canada rose 9.0% from the same month in 2017 to 30.0 million tonnes in December 2018. Non-intermodal freight increased 9.8% to 327,000 carloads. The amount of freight loaded into these cars rose 10.3% from December 2017 to 27.1 million tonnes. Intermodal freight loadings rose 2.2% from December 2017 to 199,000 units. In terms of weight, intermodal traffic decreased 1.9% to 2.9 million tonnes. Freight traffic received from the United States fell 14.9% to 2.6 million tonnes, as a result of a 16.4% decrease in non-intermodal freight.

HIGHWAY TRANSPORTATION

1. Monthly Passenger Bus and Urban Transit, November 2018

Total operating revenues (excluding subsidies) for urban transit companies totalled \$336.5 million in November 2018. Ridership amounted to 160.4 million passenger trips over the same period.

2. Couriers and Messengers Services Price Index, December 2018

The Couriers and Messengers Services Price Index (CMSPI) decreased 0.3% in December 2018, following a 0.2% increase in November 2018. The couriers component was down 0.2%, while the local messengers and local delivery component declined 0.8%. Year-over-year change, the CMSPI rose 3.9% in December 2018 compared with the same month a year earlier. Both the couriers (+3.6%) and the local messengers and local delivery components (+5.0%) increased.

3. UPS' profit slips, but results top expectations, shares rise

United Parcel Service Inc. said on January 31, 2019 that fourth-quarter profit fell, hurt by a hefty pension charge, but the results beat expectations as the company handled more packages and boosted prices. Revenue during the critical Christmas shipping period rose nearly 5 per cent compared with a year earlier. UPS shares climbed \$6.11, or 6 per cent, to \$107.30 in late-morning trading. Atlanta-based UPS earned \$453 million in the 2018 fourth quarter, including a \$1.24 billion pension charge that executives blamed on volatility in the stock market in late 2018. Profit was down from \$1.1 billion a year earlier. Removing the pension charge and other items, UPS said it earned \$1.94 per share, which easily beat the forecast of \$1.58 per share among analysts surveyed by FactSet. Revenue was \$19.85 billion, short of the analysts' prediction of \$19.97 billion. UPS predicted that 2019 earnings will range between \$7.45 and \$7.75 per share. Analysts were expecting \$7.67 per share.

4. Ontario's Government Drives Road Builders to Succeed

On February 5, 2019, Jeff Yurek, Minister of Transportation, addressed the Ontario Road Builders' Association's annual convention to reaffirm that Ontario's Government is working for the people of Ontario to cut red tape, grow the economy, and plan strategic investments to drive road building and maintenance forward.

5. U.S. Department of Transportation Announces \$705.7 Million in Emergency Relief for Road and Bridge Repairs

The U.S. Department of Transportation's (USDOT) Federal Highway Administration (FHWA) on February 5, 2019 announced more than \$705.7 million in Emergency Relief (ER) funds to help 34 states, as well as American Samoa, Puerto Rico, and the U.S. Virgin Islands, make repairs to roads and bridges damaged by storms, floods, and other unexpected events.

6. U.S. Department of Transportation Announces More than \$60 Million in Funding for Leading Transportation Research

The U.S. Department of Transportation (USDOT) on February 5, 2019 announced more than \$60 million in funding for 32 University Transportation Centers (UTCs) around the country. UTCs are comprised of groups of universities seeking solutions to national, regional and local transportation issues. The 32 UTCs were previously selected for grants authorized under the Fixing America's Surface Transportation

HIGHWAY TRANSPORTATION Canada

1. Monthly Passenger Bus and Urban Transit, November 2018, January 31, 2019, www.statcan.gc.ca

2. Couriers and Messengers Services Price Index, December 2018, January 31, 2019, www.statcan.gc.ca

3. UPS' profit slips, but results top expectations, shares rise

4. Ontario's Government Drives Road Builders to Succeed, Feb. 5, 2019, www.mto.gov.on.ca

5. U.S. Department of Transportation Announces \$705.7 Million in Emergency Relief for Road and Bridge Repairs, February 5, 2019, www.dot.gov

6. U.S. Department of Transportation Announces More than \$60 Million in Funding for Leading Transportation Research, February 5, 2019, www.dot.gov

7. DSV is still keen on acquisitions, February 7, 2019, www.americanshipper.com

8. ATRI Measures How Growth of E-Commerce Affects Trucking, February 7, 2019, www.ctl.ca

9. Mullen Group's trucking segment achieves record revenue, February 7, 2019, www.todaystrucking.com

10. Leading indicator of cross-border traveller volume, January 2019, January 11, 2019, www.statcan.gc.ca

11. Ontario Supporting Businesses and Drivers in Northern Ontario, February 8, 2019, www.mto.gov.on.ca

12. Chefs and truck drivers beware: AI is coming for your jobs, February 10, 2019, www.ctl.ca

13. U.S. Secretary of Transportation Elaine L. Chao Joined by Jacksonville Officials to Formally Announce \$25 Million BUILD Grant for Revitalization Projects, February 8, 2019,

(FAST) Act.

7. DSV is still keen on acquisitions

DSV still believes that further consolidation in the logistics business is a good idea, though two recent acquisition targets have spurned its recent overtures. During a call with securities analysts in which the company reported record earnings, Jens Bjørn Andersen, DSV's chief executive officer, said even though the largest shareholder of Panalpina turned down a DSV offer earlier this week and CEVA rejected a DSV overture in October 2018 in favor of a closer relationship with CMA CGM, "We have the very clear understanding an opinion that in this extremely fragmented industry where the biggest players have only a fraction of the market consolidation makes a lot of sense..."

8. ATRI Measures How Growth of E-Commerce Affects Trucking

The driver shortage, hours of service, and truck parking, are all affected by the growth of e-commerce and omni-channel marketing, says the American Transportation Research Institute in an analysis of these impacts, including the challenges and opportunities posed by more regionalized retail supply chains and the proliferation of urban "last mile" deliveries have presented. From 1999-2017, e-commerce sales increased from less than 1% of total U.S. retail sales to more than 9% – a 3,000% increase in e-commerce sales. Annual growth of e-commerce has ranged between 13% and 16% over the last five years, outpacing the 1% to 5% annual growth in traditional retail sales. At the same time, we've seen the rise of the omni-channel model. Retailers are becoming more flexible in how they transact with consumers, decentralizing their distribution/fulfillment networks to bring inventory closer to consumers. One of the findings was that the number of intra-regional and last-mile truck trips has increased, while the average length of haul has declined and average trip lengths have decreased 37% since 2000, while urban vehicle miles traveled have increased for much of this time period.

9. Mullen Group's trucking segment achieves record revenue

Mullen Group achieved record 2018 fourth quarter revenue of \$219.7 million in its trucking/logistics segment, but a "market meltdown" hampered earnings in its oilfield services division. "I am pleased to report that our fourth quarter results from an operating perspective were up year over year despite some significant challenges associated with the market meltdown in late 2018," said Murray Mullen, chairman and CEO of Mullen Group. "We definitely saw the freight demand slow in the quarter as business adjusted to credit tightening. The major impact, however, was felt by our oilfield services segment, particularly those business units tied to drilling activity. The swift declines in crude oil pricing along with a blow-out in the price for Canadian crude oil virtually brought drilling activity to a halt in the fourth quarter as producers adjusted spending plans to align with cash flow." For the full year 2018, Mullen's revenue increased 10.7% to \$1.26 billion. The truckload segment saw revenue increase 14.7% to \$873.3 million, setting a new record for the company. Its adjusted net income for 2018 was up 46.9% to \$62 million.

10. Leading indicator of cross-border traveller volume, January 2019

Data indicating cross-border travel by automobile through land ports equipped with the automated Integrated Primary Inspection Line (IPIL) system are now available upon request from Statistics Canada. The data provide counts of US residents

www.dot.gov

14. Ottawa expects trade interest in China to slow amid tensions with Beijing, February 11, 2019, www.ctl.ca

15. New permafrost research to improve understanding of climate change on northern highways, airports, February 12, 2019, www.tc.gc.ca

16. Ontario Government Supporting Transportation Improvements to Connect Communities in Halton Region, February 13, 2019, www.mto.gov.on.ca

17. December 2018 Freight Transportation Services Index (TSI), February 13, 2019, www.bts.gov

18. Kriska acquires Icon Transportation, February 11, 2019, www.todaystrucking.com

19. GTI Transport acquires Precision Specialized, February 11, 2019, www.ctl.ca

20. Redwood acquires Strive Logistics, February 11, 2019, www.ctl.ca

21. UPS revenues up 4.6pc but pension charges drag down net profit in Q4, February 12, 2019, www.transportweekly.com

23. Uber Freight Eyes Global Expansion, February 15, 2019, www.ontruck.org

24. ATA truck tonnage index increased in January, February 20, 2019, www.todaystrucking.com

25. Transport Canada gearing up for automated and connected vehicle tests in Canada, February 25, 2019, www.tc.gc.ca

26. Ontario's Government Supporting Municipalities, February 25, 2019, www.mto.gov.on.ca

27. TFI International acquires Schilli, February 26, 2019, www.todaystrucking.com

28. Rise of the megacity impacts supply chains: Ti, February 25, 2019, www.ctl.ca

29. OTA Chair, Federal Minister Discuss Industry Opportunities for Success of Gordie Howe Bridge, February 26, 2019, www.ontruck.ca

entering Canada through IPIL ports in automobiles licensed in the United States, and Canadian residents returning from the United States through IPIL ports in automobiles licensed in Canada. Data are available by the travellers' state or province of residence and by province of entry into Canada. A traveller's state or province of residence is estimated from the licence plate of the automobile used to enter Canada.

11. Ontario Supporting Businesses and Drivers in Northern Ontario

The Ontario government is providing drivers in the province with more options by allowing newer models of studded tires to be sold in Northern Ontario. Parliamentary Assistant to the Minister of Transportation Kinga Surma and Nipissing MPP Vic Fedeli, were at Kal Tire in North Bay on February 8, 2019 to announce that Ontario is changing a regulation that prevented some new models of studded tires from coming to market.

12. Chefs and truck drivers beware: AI is coming for your jobs

Robots aren't replacing everyone, but a quarter of U.S. jobs will be severely disrupted as artificial intelligence accelerates the automation of existing work, according to a new Brookings Institution report. The report from the Washington think-tank says roughly 36 million Americans hold jobs with "high exposure" to automation — meaning at least 70 per cent of their tasks could soon be performed by machines using current technology. Among those most likely to be affected are cooks, waiters and others in food services; short-haul truck drivers; and clerical office workers.

13. U.S. Secretary of Transportation Elaine L. Chao Joined by Jacksonville Officials to Formally Announce \$25 Million BUILD Grant for Revitalization Projects

U.S. Department of Transportation Secretary Elaine L. Chao on February 8, 2019 made the formal announcement of a \$25 million grant to support the Bay Street Innovation Corridor and Urban Core Riverfront Revitalization projects in Jacksonville.

14. Ottawa expects trade interest in China to slow amid tensions with Beijing

Canada's trade minister says the government expects Canadian business interest in China to slow given current tensions, but he is confident the two countries will work through their differences and allow economic ties to again flourish.

15. New permafrost research to improve understanding of climate change on northern highways, airports

On February 12, 2019, the Honourable Marc Garneau, Minister of Transport, visited Yukon College where he announced details of two climate change adaptation research projects under the Northern Transportation Adaptation Initiative: 1) Starting in 2019-20, funding of over \$368,000 over two years to support the Northern Climate ExChange at Yukon College to design and put into use systems to alert about potential permafrost-related hazards, such as landslides and ground subsidence. This project involves sites on the Dempster Highway in Yukon, at Iqaluit Airport in Nunavut, and in Tasiujaq and Salluit in Nunavik, Quebec. 2) With more than \$339,000 in funding between now and March 2021, the Université Laval will assess the effectiveness of climate change adaptation techniques being used at the Iqaluit Airport in Nunavut, and identify further permafrost-related risks that may surface over the short to long term. Funding will also support the transfer of knowledge to the Government of Nunavut and local airport managers so that they can monitor permafrost conditions and manage associated impacts in the future.

16. Ontario Government Supporting Transportation Improvements to Connect Communities in Halton Region

The Ontario government is providing support for transportation infrastructure in Halton Region and the Town of Oakville to build the Wyecroft Road Extension and to connect communities in the region. Currently, Wyecroft Road is disconnected at Bronte Creek with no crossing. The Wyecroft Road Extension Project would connect both sides of Wyecroft Road, including building a bridge over Bronte Creek. The road extension and bridge would include a mixed-use path for active transportation.

17. December 2018 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 3.1 percent in December 2018 from November 2018, declining after four consecutive monthly increases, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). For the full year 2018, the index rose 1.4 percent, the third consecutive annual rise but down from the 6.8 percent increase in 2017. The *TSI for passengers* rose 0.2 percent in December 2018 from its November 2018 level. The Passenger TSI December 2018 level of 130.7 was 2.4 percent above the December 2017 level. The *combined freight and passenger TSI* fell 2.0 percent in December 2018 from its November 2018 level. The combined TSI December 2018 level of 133.1 was 1.8 percent above the December 2017 level.

18. Kriska acquires Icon Transportation

Kriska Transportation Group has announced its acquisition of Icon Transportation Logistics (ITL) out of Puslinch, Ont. Icon Transportation Logistics offers domestic and cross-border truckload and expedited services. It operates 46 trucks, including 12 teams, and 78 dry van trailers.

19. GTI Transport acquires Precision Specialized

GTI Transport Solution Inc., a leading provider of open-deck, specialized and over-dimensional freight services, announced it is acquiring Precision Specialized Division Inc., a division of Precision Truck Lines Inc. Located in Woodbridge, Ontario, PSD is a leader of open-deck and heavy haul transportation in the province.

20. Redwood acquires Strive Logistics

Redwood Logistics announced that it is acquiring Strive Logistics. The combination creates a technology-focused, high growth industry leader that is both a top-15 truck broker and an emerging multimodal logistics provider with over \$1 billion in freight under management.

21. UPS revenues up 4.6pc but pension charges drag down net profit in Q4

Express giant UPS saw revenues increase during the fourth quarter on the back of "record shipments" but its profits took a hit as a result of pension charges. Fourth-quarter revenues increased by 4.6 per cent year on year to US\$19.8 billion, but operating profits were down 2.9 per cent on last year to \$2 billion and net income declined by 58.7 per cent to \$453 million. Included in the results are pension charges of \$1.2 billion, reports *London's Air Cargo News*. Looking at its different business areas, US domestic package revenues were up 6.3 per cent to \$12.6 billion and operating profits were down 8.1 per cent to \$999 million.

23. Uber Freight Eyes Global Expansion

Uber Freight, which spun out of Uber to become its own business unit in 2018, has offices in San Francisco and Chicago. The company has been scaling up its business since launching in May 2017, growing from limited regional operations in Texas to the rest of the continental United States. Uber Freight has bigger expansion plans for 2019, including Canada. The company plans to more than double its staff this year and is eyeing international markets. The company doesn't disclose employee numbers. However, insiders target the number at "hundreds." Uber Freight already has a dedicated team looking into international markets, the company confirmed.

24. ATA truck tonnage index increased in January

American Trucking Associations' advanced seasonally adjusted (SA) for-hire truck tonnage index increased 2.3% in January 2019 after falling 1% in December 2018. In January 2019, the index equalled 117.3 (2015=100), up from 114.7 in December 2018. "After monthly declines in both November and December, tonnage snapped back in January," said ATA chief economist Bob Costello. "I was very pleased to see this rebound. But we should expect some moderation in tonnage this year as most of the key sectors that generate truck freight tonnage are expected to decelerate." Year-over-year, the SA index increased 5.5%. In 2018, the index increased 6.7% over 2017, which was the largest annual gain since 1998.

25. Transport Canada gearing up for automated and connected vehicle tests in Canada

Automated and connected vehicles have the potential to greatly improve road safety and increase mobility, while also offering new economic opportunities and environmental benefits to Canadians. That's why the Government of Canada has just published: 1) [Canada's Safety Framework for Automated and Connected Vehicles](#), and 2) [Safety Assessment for Automated Driving Systems in Canada](#). These two new, innovative documents released by Transport Canada will help industry accelerate the safe introduction of automated and connected vehicles on Canadian roads. To coincide with the release of these documents, the Government of Canada has also launched a new automated and connected vehicle section on Transport Canada's website. The new site provides information about these vehicles, their technologies, and the benefits for Canadians. Collectively, these new reports complement the work outlined in two other recently published documents: 1) [Automated and Connected Vehicles Policy Framework for Canada](#) was released in January 2019, by the Council of Ministers Responsible for Transportation and Highway Safety; 2) [Testing Highly Automated Vehicles in Canada: Guidelines for Trial Organizations](#) was released in June 2018 by Transport Canada.

26. Ontario's Government Supporting Municipalities

On February 25, 2019, Jeff Yurek, Minister of Transportation, addressed the Ontario Good Roads Association's annual conference to reaffirm that the government is working for the people of Ontario to cut red tape, grow the economy, and plan strategic investments in transportation. Noting that the government inherited a \$15 billion deficit, Minister Yurek said that finding ways to save money, while promoting job creation, investment and trade, will help to support key services across Ontario.

27. TFI International acquires Schilli

TFI International on February 26, 2019 announced that a wholly-owned subsidiary of TFI International has acquired Schilli Corporation, a business that specializes in the transportation of dry and liquid bulk and offers dedicated fleet solutions and other value-add services throughout the Midwest, Southeast and Gulf Coast regions of the United States.

28. Rise of the megacity impacts supply chains: Ti

Total Logistics 2019, a new report looks at the key trends shaping the global logistics market, including the impact of megacities on supply chains, innovation and technology, e-commerce, inventory centralization, clustering, global trade patterns and networks, outsourcing and Just-in-Case manufacturing. With some big deals potentially in the pipeline for the year ahead, Transportation Intelligence's (Ti) new report, looks at industry consolidation and alternative growth strategies deployed in the market.

29. OTA Chair, Federal Minister Discuss Industry Opportunities for Success of Gordie Howe Bridge

In a roundtable in the week of February 17, 2016 hosted by the Windsor-Detroit Bridge Authority (WDBA) and chaired by Federal Minister of Infrastructure, the Honorable Francois-Phillipe Champagne, OTA chairman David Carruth and staff laid out opportunities for the success of the bridge and how it would benefit the trucking industry. “The key for this project from my perspective is to ensure the physical movement of drivers, trucks and freight keeps pace with the electronic transfer of information to provide for an efficient border process,” said Carruth. “The groundwork has been laid with various border programs at crossings across North America and we now have the opportunity, working with our border partners, to incorporate the best of these technologies and processes.”

OTHER TRANSPORTATION

<p>CANADA</p> <p>1. Transportation Statistics Annual Report 2018 The 23rd edition of the Transportation Statistics Annual Report (TSAR), a congressionally-mandated report, is now available from the US Bureau of Transportation Statistics. TSAR 2018 presents key transportation indicators along with an overview of the transportation system. It also includes data and statistics on passenger travel, freight movement, transportation and the economy, system reliability, safety, energy use and environmental impacts.</p> <p>2. U.S., China agree any deal must be enforceable The U.S. and China have agreed that any resolution of ongoing trade talks between the two countries will be fully enforceable, the White House said in a statement at the conclusion of bilateral trade meetings in Washington, D.C. “We have much work to do if we’re going to have an agreement, but we made substantial progress,” U.S. Trade Representative Robert Lighthizer said, according to a readout of a public portion of the meeting. “We focused on the most important issues, which are the structural issues and the protection of U.S. intellectual property, stopping forced technology transfer, intellectual property protection, agriculture and services issues, and enforcement, enforcement, enforcement.”</p> <p>3. Fears grow: 1/3 of UK firms consider move abroad over Brexit Nearly a third of U.K. firms may shift their operations abroad because of Britain’s pending departure from the European Union, a survey of 1,200 company directors suggested, as the political stalemate over a Brexit deal heightened jitters among businesses. The survey by the Institute of Directors, an employers’ group, found that 16 per cent of businesses already had relocation plans while a further 13 per cent were “actively considering” a move.</p> <p>4. Ottawa says Ontario’s call to drop retaliatory tariffs would mean ‘surrender’ Ottawa is dismissing a call from Ontario’s economic development minister to drop retaliatory tariffs against the United States, saying doing so would mean “unilateral surrender” to the Americans. The federal government applied tariffs on \$16.6-billion worth of American imports of steel, aluminum and other products after the U.S. imposed steel and aluminum levies last year.</p> <p>5. China pumps US\$163.2 billion into infrastructure to prop up economy China has approved 16 infrastructure development projects worth a total of CNY1.1 trillion (\$163.2 billion), including the US\$44.24 billion Shanghai Urban Rail Transit, since the start of December, in a bid to give its flagging economy a shot in the arm, the <i>South China Morning Post</i> reported as the trade row with the US drags on. This is a dramatic increase from the \$15.69 billion approved for seven major infrastructure projects by the National Development and Reform Commission (NDRC) over the previous 12 months.</p> <p>6. Trump uses state of the union speech to urge Congress to approve USMCA The president of the United States used his state of the union speech on February 5, 2019 to urge a divided, combative Congress to come together to ratify a continental trade pact he’s convinced will breathe new life into America’s moribund manufacturing sector. He also derided NAFTA as a “catastrophe” and a “historic trade blunder,” Donald Trump sang the praises of the U.S.-Mexico-Canada</p>	<p>GENERAL TRANSPORTATION</p> <p>Canada</p> <ol style="list-style-type: none"> 1. Transportation Statistics Annual Report 2018, January 31, 2019, www.bts.gov 2. U.S., China agree any deal must be enforceable, February 1, 2019, www.americanshipper.com 3. Fears grow: 1/3 of UK firms consider move abroad over Brexit, Feb. 1, www.americanshipper.com 4. Ottawa says Ontario’s call to drop retaliatory tariffs would mean ‘surrender’, February 4, 2019, www.ctl.ca 5. China pumps US\$163.2 billion into infrastructure to prop up economy, February 5, 2019, www.transportweekly.com 6. Trump uses state of the union speech to urge Congress to approve USMCA, February 6, 2019, www.ctl.ca 7. National tourism indicators, implicit price indexes, third quarter 2018, February 13, 2019, www.statcan.gc.ca 8. US-China trade talks at a higher level start in Beijing as March deadline looms, February 15, 2019, www.transportweekly.com 9. Trump says he again could delay raise in China tariffs, February 15, 2019, www.americanshipper.com 10. Global trade still growing, but becoming more regionalized: McKinsey, February 15, 2019, www.ctl.ca 11. EU parliament votes 500 - 49 to tightly screen Chinese investments, February 20, 2019, www.transportweekly.com 12. U.S. tariffs on steel, aluminum could be gone in weeks, ambassador says, February 21, 2019, www.ctl.ca 13. Tariffs could jeopardize new NAFTA deal in Parliament, Garneau warns, February 22, 2019, www.ctl.ca 14. China to propose \$30 billion more US agriculture purchases, February 21, 2019, www.ajot.com 15. National Travel Survey, third
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Agreement as a recipe for resurrecting his country's farm sector, creating blue-collar jobs and restoring the lustre of the once-mighty American auto industry.

7. National tourism indicators, implicit price indexes, third quarter 2018

Data on the implicit price indexes of tourism demand are now available for the third quarter of 2018 from Statistics Canada. All data have been revised. Data series expressed at 2007 prices (adjusted for inflation) have been rebased to the 2012 reference year.

8. US-China trade talks at a higher level start in Beijing as March deadline looms

The US-China trade talks in Beijing have moved to a higher level in a push to de-escalate a tariff war ahead of a March 1, 2019 deadline for a deal. US Treasury Secretary Steven Mnuchin said he was looking forward to trade talks with China without elaborating to reporters as he left his hotel.

9. Trump says he again could delay raise in China tariffs

"There is a possibility" President Donald Trump will extend the March 2 deadline for raising tariffs on China, depending on if the U.S. and China are "close" to reaching an agreement to resolve trade tensions or if "the deal is going in the right direction," Trump said in remarks at the White House on February 15, 2019. "I would do that at the same tariffs that were charging now," he said. "I would not increase the tariffs." The U.S. is collecting tariffs of 25 percent on goods from China totaling \$50 billion in 2017 import value and tariffs of 10 percent on goods from China across \$200 billion in 2017 import value.

10. Global trade still growing, but becoming more regionalized: McKinsey

While trade is still growing in absolute terms, cross-border goods have declined from 28.1% of the total share in 2007 to 22.5% in 2017, and volume growth has slowed from 2.1 times faster than GDP to 1.1, according to McKinsey's *Globalization in Transition: the future of trade and value chains*. The authors state that "globalization reached a turning point in the mid-2000s, although the changes were obscured by the Great Recession."

11. EU parliament votes 500 - 49 to tightly screen Chinese investments

The powerless European Parliament voted 500 - 49 for tighter screening of foreign investments into Europe to slow increasing numbers of Chinese deals that have aroused growing fears, Reuters reports. Policymakers fear that greater influence in sectors responsible for key technologies could undermine competitiveness and national security. "All the powers in the world - the US, Canada, Japan to China - have had their systems of screening, the US with CFIUS since 1975. Only Europe has no screening system," said French Christian Democrat MEP Franck Proust, who led the initiative. "We're not looking to bar foreign investment. It is essential for EU countries, we need it. It's to pay attention to the investments that are strange, that do not make economic sense but are political," he said.

12. U.S. tariffs on steel, aluminum could be gone in weeks, ambassador says

A long-awaited end to Canada's steel-and-aluminum tariff nightmare could be just weeks away, says Ottawa's ambassador to the United States. Along with Transport Minister Marc Garneau, MacNaughton was taking part in a panel discussion on February 21, 2019 about the prospects of the new U.S.-Mexico-Canada Agreement when he abruptly declared that an end to U.S. tariffs on metals imported from Canada, which have been in place for nearly nine months, could soon be at hand. "I think we're going to resolve it in a positive way in the next short while," the ambassador said. "I don't want to go into great detail, but I think we're going to resolve this matter soon ... even governments end up doing the right thing eventually."

13. Tariffs could jeopardize new NAFTA deal in Parliament, Garneau warns

Parliament will struggle to ratify the new North American trade deal if U.S. tariffs on steel and aluminum exports aren't lifted soon, Canada's transport minister, Marc Garneau warned on February 24 2019 during a high-profile gathering of American state lawmakers. Mr. Garneau said time is running out for the federal government to get the United States-Mexico-Canada Agreement ratified before the House of Commons rises for the summer break, and it remains an open question whether it will happen without the tariffs being lifted.

14. China to propose \$30 billion more US agriculture purchases

China is proposing that it could buy an additional \$30 billion a year of U.S. agricultural products including soybeans, corn and wheat as part of a possible trade deal being negotiated by the two countries, according to people with knowledge of the plan.

15. National Travel Survey, third quarter 2018

Canadian residents made 112 million trips within Canada and abroad in the third quarter, spending \$29.1 billion. Over 90% of all trips by Canadians during the quarter involved travel within the country, with two-thirds (66.5%) of overall travel expenditures spent on travel in Canada. Most trips by Canadian residents are to Canadian destinations.

quarter 2018, February 26, 2019, www.statcan.gc.ca

16. Trump to delay increase in China tariffs, February 25, 2019, www.americanshipper.com

17. Transport Minister promotes new NAFTA in the United States, February 26, 2019, www.tc.gc.ca

18. Brexit: Parliament gets to decide between no deal and delay, February 26, 2019, www.ctl.ca

Out of 112 million overall trips taken by Canadian residents during the third quarter, 101 million were trips within Canada. Over three-quarters of trips outside the country are to the United States. Canadian residents made 8.3 million trips to the United States, or 78.0% of all trips abroad during the quarter, spending \$5.5 billion. One in five trips outside the country is to overseas countries. Canadians took 2.3 million trips overseas (countries other than the United States), accounting for 22.0% of trips abroad by Canadians during the third quarter. Spending on overseas trips comprised 43.3% (\$4.2 billion) of total travel spending abroad by Canadians.

16. Trump to delay increase in China tariffs

The Trump administration will delay the increase of tariffs across \$200 billion of goods from China in annual import value beyond March 2, President Donald Trump tweeted on February 24, 2019. The tariffs had been set to jump up from 10 percent to 25 percent if the two sides could not reach a deal to resolve trade issues by March 2.

17. Transport Minister promotes new NAFTA in the United States

The Honourable Marc Garneau, Minister of Transport and Chair of the Canada-United States Relations Cabinet Committee, on February 26, 2019 concluded a working visit to Washington, D.C., to take part in a series of events with American officials and discuss the new trade agreement between Canada, the United States and Mexico and other trade matters. “The new NAFTA is a very good trade deal. Once ratified, it will bring stability, predictability and growth while ensuring our relationship with the United States and Mexico continues to thrive. Canada has been clear from the outset that the 232 tariffs imposed on Canada are illegal and unjustified. Now that we have concluded our NAFTA negotiations with the United States, we believe it is all the more reason for the US Administration to lift its tariffs.”

18. Brexit: Parliament gets to decide between no deal and delay

British Prime Minister Theresa May bowed to intense political pressure on February 26, 2019 and handed control of Brexit to Parliament, telling lawmakers they will get to choose between leaving the European Union on schedule — with or without a divorce deal — and asking the EU to postpone departure day. May said that if Parliament rejects her deal with the EU in a vote due by March 12, lawmakers would be given a vote the next day on whether to leave the bloc without a withdrawal agreement. If the no-deal option is defeated, as seems likely, they would get a vote on whether to ask the EU to delay Brexit by up to three months. May said the promises were “commitments I am making as prime minister and I will stick by them.”