

Transportation Information Update*

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AIR TRANSPORTATION

1. Air Canada to Inaugurate Toronto-Mumbai Non-stop Service

Air Canada inaugurates new, non-stop Toronto-Mumbai service on July 1, 2017, the only non-stop flight from Canada to India's largest city. The four-times weekly service will be operated with Air Canada's most modern aircraft, the Boeing 787-9 Dreamliner.

2. Air Canada Celebrates the inauguration of Montreal-Algiers Flights

Air Canada marks the launch of non-stop service to Algeria's capital city, its second destination in North Africa from its Montreal hub on July 1, 2017.

3. Air Canada Rouge Celebrates Fourth Birthday

Air Canada Rouge is celebrating its birthday on July 1, 2017, marking four years of providing customers memorable beginnings and endings to their journeys. From its first flight on Canada Day 2013, Air Canada's leisure carrier has grown to 49 aircraft from four, created 1,800 incremental jobs and flown more than 16 million customers.

4. Minister Garneau signs important transport agreements with Mexico

The Honourable Marc Garneau, Minister of Transport, signed two agreements with Mexico while in Mexico City. 1. An Agreement to amend the Canada-Mexico Air Transport Agreement reached in 2016. The amendments remove administrative requirements to make it easier for airlines to react quickly to market pricing conditions. Canadian and Mexican airlines will also be able to serve third countries when operating between Canada and Mexico, with the prior approval of both governments. 2. An agreement to work together to identify opportunities to fly drones safely.

5. Transport Canada proposes new rules on flight crew fatigue and fitness for duty to make air travel safer for Canadians

The Honourable Marc Garneau, Minister of Transport, on July 30, 2017 proposed changes to the *Canadian Aviation Regulations* to improve passenger and flight crew safety and align regulations with today's scientific data, international standards, and best practices. The proposed changes will introduce: 1. New rules to prohibit flight crew members from working within 12 hours of drinking alcohol. This would be an increase from the current limit of eight hours; 2. New fit-for-duty rules that will prohibit any flight crew member from working while they are not fit for duty. This will include consumption of alcohol or drugs, mental and physical conditions, and fatigue; 3. New rules on flight crew fatigue management that address flight time and hours of work limits; 4. Flight duty period limits that take into account the time of day, increased rest periods, and new requirements for time free from duty; and 5. Fatigue Risk Management System (FRMS) to allow air operators to

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TRANSPORTATION Canada

1. Air Canada to Inaugurate Toronto-Mumbai Non-stop Service, Jun3 30, 2017, www.aircanada.ca
2. Air Canada Celebrates the inauguration of Montreal-Algiers Flights, June 30, 2017, www.aircanada.ca
3. Air Canada Rouge Celebrates Fourth Birthday, July 1, 2017, www.aircanada.ca
4. Minister Garneau signs important transport agreements with Mexico, June 30, 2017, www.tc.gc.ca
5. Transport Canada proposes new rules on flight crew fatigue and fitness for duty to make air travel safer for Canadians, June 30, 2017, www.tc.gc.ca
6. Proposed New Rules on Flight Crew Fatigue Management, June 30, 2017, www.tc.gc.ca
7. Perhaps it's time to float the idea of airships, July 3, 2017, www.winnipegfreepress.com
8. Regulations Amending the Canadian Aviation Regulations - Flight Crew Member Hours of Work and Rest Periods, July 4, 2017, www.atac.ca
9. Canada's Airports Welcome Government of Canada's National Trade Corridors Fund, July 4, 2017, www.cacairports.ca
10. Global Air Freight Demand increases 13% in May, July 5, 2017, www.iata.org
11. Passenger demand moderates from recent peak but stays strong, July 7, 2016, www.iata.org
12. Air Canada Sets Record for Passengers Carried, July 6, 2017, www.aircanada.ca
13. Expanded air transport agreement with Thailand to provide more travel options for Canadians, July 7, 2017, www.tc.gc.ca
14. Aviation: 10 years of EU-US Air Transport Agreement, July 10, 2017, www.europa.eu
15. WestJet Vacations' Early Booking Bonus brings the heat, July 11, 2017, www.westjet.ca

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

adapt policies, procedures and practices to manage fatigue risk in an operation. FRMS will allow operators, including those who provide cargo services, more flexibility as long as they can demonstrate an equivalent level of safety. The draft amendments will be published in the *Canada Gazette*, Part I, on July 1, 2017.

6. Proposed New Rules on Flight Crew Fatigue Management

Transport Canada is proposing new rules on flight crew fatigue and fitness for duty to improve passenger and flight crew safety and align regulations with today's scientific data, international standards, and best practices. The proposed changes to flight crew fatigue management include two essential elements: 1. A way for air operators to adopt a Fatigue Risk Management System. 2. A New scientific-based flight and duty time limits.

7. Perhaps it's time to float the idea of airships

Is there a solution to freight transportation on ice roads? When it comes to freight, governments and businesses around the world are investing serious money in airships, hoping for reliable and cost-effective cargo transportation to isolated communities. The Financial Post reports a Quebec company called Quest Rare Minerals plans to use a fleet of seven Lockheed airships to transport supplies to its Strange Lake mine near Labrador, and then to carry ore out. The Quebec firm is getting the airships from Lockheed Martin, the largest supplier of military aircraft in the U.S., a country that has spent US\$1 billion in research into airships since 9/11. The global progress in airship development has been chronicled by in-depth journalism in the Economist, the Telegraph and the New Yorker.

8. Regulations Amending the Canadian Aviation Regulations - Flight Crew Member Hours of Work and Rest Periods

On July 1st the Government of Canada published their latest proposal for new Flight Crew Fatigue regulations in Canada Gazette Part 1 for comment. Some changes that ATAC had been seeking during their prolonged advocacy have been incorporated in this latest proposal however overall ATAC is not pleased with this latest proposal. Many of the specific new requirements penalize our industry that already has one of the best safety records in the world. The Government's "one size fits all" approach isn't justifiable nor practical! ATAC will continue to work closely with our members, and their other industry colleagues, over the 90 day comment period to ensure the Government understands their concerns and hopefully listens to their concerns prior to proceeding to Canada Gazette Part 2 in 2018.

9. Canada's Airports Welcome Government of Canada's National Trade Corridors Fund

Canada's airports look forward to working with the Government of Canada on its National Trade Corridors Fund, enabling all National Airport System (NAS) airports to apply for funding to support more efficient transportation corridors. A separate, more tailored call for proposals will be made available for small NAS airports.

10. Global Air Freight Demand increases 13% in May

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), grew 12.7% in May 2017 compared to the year-earlier period. This was up from the 8.7% annual growth recorded in April 2017 and is more than three times higher than the five year average growth rate of 3.8%. Freight capacity, measured in available freight tonne kilometers (AFTKs), grew by 5.2% year-on-year in May 2017.

16. Air Canada Named Winner in Finance for The 2017 Airline Strategy Awards, July 12, 2017, www.aircanada.ca
17. WestJet reports record June load factor of 82.9 per cent, July 13, 2017, www.westjet.ca
18. Aircraft movement statistics: Small airports, March 2017, July 13, 2017, www.statcan.gc.ca
19. WestJet reports record June load factor of 82.9 per cent – Second Quarter 2017, July 13, 2017, www.westjet.ca
20. April 2017 U.S. Airline Traffic Data, July 13, 2017, www.dot.gov
21. London Heathrow cargo volume up 13.4pc in June, July 14, 2017, www.transportweekly.com
22. Airlines Report 27 Tarmac Delays Over Three Hours on Domestic Flights, No Tarmac Delays Over Four Hours on International Flights in May, July 14, 2017, www.dot.gov
23. Moving NewGen ISS Forward, July 20, 2017, www.iata.org
24. IATA and airlines for america launch baggage tracking campaign, July 20, 2017, www.iata.org
25. May 2017 Passenger Airline Employment Data, July 20, 2017, www.dot.gov
26. WestJet announces Vancouver and Edmonton service to Huatulco, and Calgary to Belize service, July 24, 2017, www.westjet.ca
27. More sun for Southern Ontario this winter, July 24, 2017, www.westjet.ca
28. WestJet increases service from Kelowna this winter, July 24, 2017, www.westjet.ca
29. 1st-Quarter 2017 Air Fare Data, July 25, 2017, www.bts.gov
30. Quarterly civil aviation statistics, fourth quarter 2016, July 26, 2017, www.statcan.gc.ca
31. Aircraft movement statistics: Major airports, May 2017, July 27, 2017, www.statcan.gc.ca
32. Monthly civil aviation statistics, May 2017, July 2017, www.statcan.gc.ca
33. Air Canada Adds Vancouver-Yellowknife Flights for Winter 2017, July 26, 2017, www.aircanada.ca

11. Passenger demand moderates from recent peak but stays strong

The International Air Transport Association (IATA) announced global passenger traffic results for May 2017 showing that demand (measured in revenue passenger kilometers, or RPKs) rose 7.7% compared to the same month in 2016. This was slower than the 10.9% growth recorded in April 2017. However, this still was well ahead of the 5- and 10-year average growth rates. Capacity climbed 6.1%, and load factor rose 1.2 percentage points to 80.1%, which was a record high for the month. All regions, excluding the Middle East and North America, posted record-high May load factors.

12. Air Canada Sets Record for Passengers Carried

Air Canada transported close to one million customers throughout the six-day holiday period, during which it achieved a single-day record for passengers carried. On June 29, 2017, Air Canada welcomed aboard 166,850 customers, a record for Canada's flag carrier, and from June 29 to July 4 over 930,000 customers took flight with Air Canada.

13. Expanded air transport agreement with Thailand to provide more travel options for Canadians

The Honourable Marc Garneau, Minister of Transport, on July 7, 2017 announced a modernized and expanded Canada-Thailand air transport agreement that allows any number of Canadian and Thai airlines to serve any city in Canada and Thailand. The new agreement, which replaces the existing 1989 agreement, establishes an allowance of 21 flights per week for each country. It also enhances rights that allow airlines to extend Canada-Thailand services to third countries (otherwise known as fifth freedom rights) on up to seven of the 21 weekly flights. In addition, the new agreement enhances previously existing code-share rights (when an air carrier sells seats on a flight operated by another carrier) and modernizes aviation safety and security articles as well as doing business provisions. The new agreement was reached under Canada's Blue Sky Policy.

14. Aviation: 10 years of EU-US Air Transport Agreement

On July 10, 2017, the European Union and the United States celebrated the 10th anniversary of the EU-US Air Transport Agreement which forms the legal basis for the flights of 54 million passengers annually. Henrik Hololei, Director General for Mobility and Transport at the European Commission, and Acting Assistant Secretary of State for Economic and Business Affairs Patricia Haslach spoke at a dedicated event hosted by the US State Department, in Washington.

15. WestJet Vacations' Early Booking Bonus brings the heat

On July 11, 2017, WestJet launched an Early Booking Bonus on eligible WestJet Vacations packages to anywhere in Mexico, the Caribbean or Hawaii where each guest on the booking can receive an additional 100 WestJet dollars. WestJet is giving our guests an even greater incentive to book early and secure their spot in the sun this coming winter," said Lyell Farquharson, WestJet Vice-President, Sales and Business Development.

16. Air Canada Named Winner in Finance for The 2017 Airline Strategy Awards

Air Canada was named winner in the Finance category of the 2017 Airline Strategy Awards, run by established air transport industry news and analysis provider, Flight Airline Business. The 16th annual edition of the awards was presented at a recent event in London, England.

17. WestJet reports record June load factor of 82.9 per cent

On July 13, 2017, WestJet announced June 2017 traffic results with a record load factor of 82.9 per cent, an increase of 2.5 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 8.9 per cent year over year, and capacity, measured in available seat miles (ASMs), grew 5.7 per cent over the same period. For the second quarter of 2017, the airline achieved a record load factor of 82.8 per cent, an increase of 2.0 percentage points year over year, and flew a record 5.9 million guests, a year over year increase of 11.5 per cent or approximately 608,000 additional guests. "We are very pleased with our record-breaking traffic and load factor as we flew more guests, and achieved new records for both June and the second quarter, while celebrating WestJet Encore's fourth birthday," said WestJet President and CEO Gregg Saretsky.

18. Aircraft movement statistics: Small airports, March 2017

Take-offs and landings at 114 Canadian airports without air traffic control towers reached 40,085 movements in March 2017. Ten airports accounted for 40% of the month's activity.

19. WestJet reports record June load factor of 82.9 per cent – Second Quarter 2017

On July 13, 2017, WestJet announced the results for the second quarter of 2017. Load factor, available seat miles and revenue passenger miles were 82.8%, 7.564b and 6.260b, an increase of 2 points, 6.3% and 8.9%. " We are very pleased with our record-breaking traffic and load factor as we flew more guests, and

achieved new records for both June and the second quarter, while celebrating WestJet Encore's fourth birthday," said WestJet President and CEO Gregg Saretsky

20. April 2017 U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on July 13, 2017 that U.S. airlines' April systemwide (domestic and international) scheduled service passenger enplanements rose 0.9 percent from March 2017, rising for the second consecutive month to 70.3 million, an all-time seasonally-adjusted monthly high in which enplanements have exceeded 70 million for the first time.

21. London Heathrow cargo volume up 13.4pc in June

London Heathrow airport posted a 13.4 per cent year-on-year air freight volume increase to 142,349 tonnes in June 2017 with Latin American volumes soaring 38 per cent against last year's figures. North America retains its position as the largest cargo market for Heathrow, with June's volume to these destinations 15.8 per cent higher than last year. For the six months ended June 2017, Heathrow's air freight volumes are up 9.1 per cent to 823,321 tonnes, compared with half year 2016, reported London's Air Cargo News. In response to high demand at Heathrow, American Airlines has opened a new expanded pharmaceutical cargo facility.

22. Airlines Report 27 Tarmac Delays Over Three Hours on Domestic Flights, No Tarmac Delays Over Four Hours on International Flights in May

The U.S. Department of Transportation (DOT) on July 14, 2017 released its July 2017 *Air Travel Consumer Report*, compiling air carrier data for the month of May 2017. In May 2017, airlines reported 27 tarmac delays of more than three hours on domestic flights and no tarmac delays of more than four hours on international flights. Twenty-four of the long tarmac delays took place in Philadelphia on May 25, 2017 when there were heavy thundershowers in the area. All reported extended tarmac delays are being investigated by the Department. The reporting carriers posted an on-time arrival rate of 79.1 percent in May 2017, down from the 83.4 percent on-time rate in May 2016, but up from the 78.5 percent mark in April 2017.

23. Moving NewGen ISS Forward

The International Air Transport Association (IATA) announced key milestones toward implementing the New Generation of IATA Settlement Systems (NewGen ISS). Edenred and Multiservice Technology Solutions (MSTS) were selected to implement the IATA EasyPay payment solution for travel agents in more than 100 markets, while Euler Hermes was appointed as the Global Default Insurance provider. IATA also announced that Featurespace was selected to provide a risk management and fraud protection solution. NewGen ISS is a program launched by IATA to ensure the continued relevance and value of the IATA Billing and Settlement Plan (BSP) to travel agent and airline customers.

24. IATA and Airlines for America Launch Baggage Tracking Campaign

The International Air Transport Association (IATA) and Airlines for America (A4A), have launched a year-long global campaign related to baggage tracking with the goal of reducing mishandled bags in addition to increasing efficiency in baggage operations. Annually, more than 4 billion bags are carried by airlines globally. Less than 0.43 percent do not arrive with their owners. The industry is determined to do even better and has agreed to Resolution 753 (R753). By June 2018, airlines have committed to being able to track a bag when it is accepted at the airport, loaded onto the aircraft, transferred to the arrival system or put into the transfer system for carriage by another airline. Airlines should also be able to share this tracking information with interline carriers as needed.

25. May 2017 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 3.6 percent more workers in May 2017 than in May 2016, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on July 20, 2017. May 2017 was the highest monthly full-time equivalent (FTE) total (425,251) since July 2005 (428,091) and was the 43rd consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year.

26. WestJet announces Vancouver and Edmonton service to Huatulco, and Calgary to Belize service

WestJet on July 24, 2017 announced new non-stop weekly service between Vancouver and Huatulco, Mexico, effective October 29, 2017. It also announced new non-stop weekly service between Edmonton and Huatulco, Mexico, effective November 2, 2017. In addition, it announced new non-stop weekly service between Calgary and Belize, effective November 3, 2017.

27. More sun for Southern Ontario this winter

WestJet on July 24, 2017 announced an additional 55 weekly non-stop flights this winter from Toronto Pearson International Airport to key domestic business destinations as well as popular sun spots in the U.S., Mexico and the Caribbean.

28. WestJet increases service from Kelowna this winter

WestJet on July 24, 2017 announced more flights between Kelowna and Edmonton, Calgary and Toronto, effective November 2017.

29. 1st-Quarter 2017 Air Fare Data

The average domestic air fare in the US decreased to \$352 in the first quarter of 2017, down 5.0 percent from \$370 in the first quarter of 2016, adjusted for inflation but up 1.5 percent from \$347 in the fourth quarter of 2016, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on July 25, 2017.

30. Quarterly civil aviation statistics, fourth quarter 2016

Total operating revenue for the 24 largest Canadian air carriers was \$5.1 billion in the fourth quarter of 2016, up 4.0% from the same quarter in 2015. Total operating expenses grew 8.1% to \$5.0 billion. As a result, net operating income fell 61.2% to \$112.2 million. This amount, combined with a net non-operating loss of \$259.9 million, produced a net loss of \$147.8 million, which was larger than the net loss of \$76.9 million recorded in the same quarter in 2015. These airlines recorded a negative profit margin (net income divided by operating revenue) (-2.9%). In other words, every dollar of service sold in the fourth quarter resulted in a loss of 2.9 cents for the carriers. These same 24 Canadian air carriers carried 19.1 million passengers during the fourth quarter, up 10.2% from the same quarter a year earlier. The number of passengers flying on scheduled flights rose 10.0% to 18.7 million, while the passenger counts on chartered flights increased 24.0% to 396,000.

31. Aircraft movement statistics: Major airports, May 2017

There were 524,168 aircraft take-offs and landings in May 2017 at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations, up 1.8% from 515,121 movements in May 2016. Growth in both itinerant movements (flights from one airport to another) and local movements (flights that remain in the vicinity of the airport) contributed to the year-over year gain in May 2017.

32. Monthly civil aviation statistics, May 2017

The six Canadian Level I air carriers flew 6.2 million passengers on scheduled and charter services in May 2017, up 7.8% from May 2016. Traffic increased 9.2% to 15.9 billion passenger-kilometres, while capacity rose 9.9% to 19.3 billion available seat-kilometres. This resulted in a slightly lower passenger load factor in May 2017 (82.0%) than in May 2016 (82.5%), as capacity growth outpaced traffic growth. The volume of turbo fuel consumed rose 9.1% to 587.9 million litres, while the number of flying hours increased 8.2% to 172,000. Total operating revenue increased 6.4% from the same month a year earlier to \$1.6 billion in May 2017.

33. Air Canada Adds Vancouver-Yellowknife Flights for Winter 2017

Air Canada announced on July 26, 2017 the introduction of the only daily service between Vancouver and Yellowknife starting December 15, 2017 until April 1, 2018.

WATER TRANSPORTATION

1. Safety and Shipping Report: Cyber Security, Regulation, and Cost Cutting Impacts Global Shipping

Large shipping losses have declined by 50% and more than a quarter of these losses occurred in 2016 in the South China, accounting for more than 50% of total losses. Safety continues to improve and safety-enhancing technology is already impacting shipping – from electronic navigational tools to shore-based monitoring of machinery and crew welfare. The technology behind autonomous vessels is developing rapidly, including technology that could allow ships to be controlled remotely or to operate autonomously. While, the threat of cyber attacks continues to be significant, piracy in 2016 continued their downward trend. Despite some of the advancements, economic pressures could lead to risky cost saving measures for example, the collapse of one of the world's largest shipping companies, Hanjin Shipping, over the past year exposed the perilous state of some parts of the sector. .

2. CMA CGM to sell majority stake in LA terminal

French ocean carrier CMA CGM will sell a 90 percent equity interest in the Global Gateway South (GGS) terminal at the Port of Los Angeles to EQT Infrastructure III for \$817 million. CMA CGM signed the binding agreement with EQT Infrastructure and its partner P5 Infrastructure on June 30, 2017, the carrier said. “CMA CGM will receive a cash consideration of \$817 million to be paid at closing,” the carrier said.

3. China's COSCO to buy Orient Overseas for \$6.3 billion

China's biggest shipping company, state-owned COSCO Shipping Holdings Co., is creating the world's No. 3 container shipping giant by acquiring rival Orient Overseas (International) Ltd. Shares in both companies surged on July 10, 2017 following the announcement of the \$6.3 billion deal. A wave of consolidation has created huge competitors in a global shipping industry that is struggling with sluggish trade and depressed prices.

4. Drewry: Idle containership fleet declining

The idle containership fleet has drastically declined over the last several months, illustrating how the industry is getting healthier, with fewer unwanted assets draining costs, London-based shipping research and consulting firm Drewry said. The idle containership fleet (defined as inactive for at least 14 days) has shrunk from 1.7 million TEUs in November 2016 to under 500,000 TEUs as of June 2017, according to Drewry's latest Container Forecaster report.

5. SC Ports break cargo record in FY2017

South Carolina Ports Authority (SCPA) handled a record 2.14 million TEUs in its fiscal year 2017, an increase of 10 percent compared to the previous year's volumes, according to SCPA data. The port authority's previous record, set in FY2006, was 1.98 million TEUs. According to SCPA, June 2017 volumes were the highest ever at 183,237 TEUs, allowing the port authority to end its fiscal year, which runs from July 1 through June 30, on a strong note.

6. Port of Virginia records 7% annual growth in FY 2017

The Port of Virginia completed its fiscal year 2017 having handled a record-setting 2.7 million TEUs, in addition it set a record last month by handling 231,675 TEUs in June 2017, a 7 percent increase when compared with the same month last year, according to port data. “We finished fiscal year 2017 with a solid volume increase and thus marked our fourth consecutive fiscal year of volume growth,” Virginia Port

WATER TRANSPORTATION

1. Safety and Shipping Report: Cyber Security, Regulation, and Cost Cutting Impacts Global Shipping, July 3, 2017, www.inboundlogistics.com
2. CMA CGM to sell majority stake in LA terminal, July 3, 2017, www.americanshipper.com
3. China's COSCO to buy Orient Overseas for \$6.3 billion, July 10, 2017, www.ctl.ca
4. Drewry: Idle containership fleet declining, July 10, 2017, www.americanshipper.com
5. SC Ports break cargo record in FY2017, June 12, 2017, www.americanshipper.com
6. Port of Virginia records 7% annual growth in FY 2017, June 12, 2017, www.americanshipper.com
7. New Fishing Vessel Safety Regulations come into force today, July 13, 2017, www.tc.gc.ca
8. The Netherlands investigates possible price-fixing by port bunker firms, July 13, 2017, www.americanshipper.com
9. Minister Garneau announces extension of the St. Lawrence Seaway agreement, July 14, 2017, www.tc.gc.ca
10. Port of Singapore's volume continues to rise, July 17, 2017, www.transportweekly.com
11. Canadian Pacific Railway Limited declares dividend, July 17, 2017, www.cpr.ca
12. CMA CGM and Seatrade launch new reefer service, July 17, 2017, www.ctl.ca
13. Sen. McCain introduces legislation to repeal Jones Act, again, July 18, 2017, www.americanshipper.com
14. Los Angeles box volume up 8.4 pc, July 19, 2017, www.transportweekly.com
15. Port of Metro Vancouver – Accumulated container traffic: January to June 2017, July 20, 2017, www.portmetrovcouver.com
16. Seaway cargo up 20% as waterway supports economic growth, July 19, 2017, www.ctl.ca
17. Port of Halifax – Accumulated container traffic: April to June 2017, July 21, 2017, www.portofhalifax.ca
18. Drewry: North Europe-America spot rates to remain stable, July 24, 2017, www.ctl.ca
19. Port of Rotterdam container volumes jump 9.3% in 2017, July 24, 2017, www.americanshipper.com
20. Georgia Ports Authority posts record throughput for FY2017, July 24, 2017, www.americanshipper.com
21. DP World volumes grow nearly 11% in Q2 2017, July 26, 2017, www.americanshipper.com

Authority CEO and Executive Director John F. Reinhart said

22. Port of NY/NJ on pace for record cargo volumes in 2017, July 27, 2017, www.americanshipper.com

7. New Fishing Vessel Safety Regulations come into force today

The Honourable Marc Garneau, Minister of Transport, on July 13, 2017 announced that new regulations to enhance safety in the commercial fishing industry are now in force. The *Fishing Vessel Safety Regulations* set out new requirements for safety equipment, written safety procedures and vessel stability for small commercial fishing vessels operating in Canada.

8. The Netherlands investigates possible price-fixing by port bunker firms

The Netherlands Authority for Consumers and Markets (ACM) has launched an investigation into possible cartel behaviour in the bunker sector and has already conducted several dawn raids, the federal agency said on July 10, 2017. The investigation involves companies that are active in the ports of Amsterdam, Rotterdam and Antwerp. Several companies may have concluded illegal price-fixing agreements, ACM said, without publicly identifying what companies are under investigation or have been raided.

9. Minister Garneau announces extension of the St. Lawrence Seaway agreement

The Government of Canada recognizes that the St. Lawrence Seaway is an important, competitive and sustainable transportation corridor that provides economic opportunities for Canada's middle class. On July 14, 2017, the Honourable Marc Garneau, Minister of Transport, announced a five-year extension to the Government of Canada's agreement with the St. Lawrence Seaway Management Corporation to manage, maintain and operate the Seaway. This extends the existing agreement until March 31, 2023, and will provide stability for the St. Lawrence Seaway Management Corporation and the marine shipping industry.

10. Port of Singapore's volume continues to rise

The Port of Singapore's container throughput in June 2017 increased 8.5 per cent year on year to 2.82 million TEU, according to the Maritime and Port Authority of Singapore (MPA). But month-to-month Singapore box volumes fell 5.7 per cent from 2.99 million TEU in May 2017, which was the highest monthly volume this year. Year-to-date, Singapore volumes were up 6.3 per cent to 16.14 million TEU compared to 15.18 million in the same period in 2016.

11. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited (CP) on July 17, 2017 declared a quarterly dividend of \$0.5625 per share on the outstanding Common Shares. The dividend is payable on October 30, 2017 to holders of record at the close of business on September 29, 2017.

12. CMA CGM and Seatrade launch new reefer service

French ocean liner CMA CGM has announced a vessel sharing agreement with Antwerp, Belgium-based refrigerated container transport (reefer) specialist Seatrade to offer a weekly reefer service beginning in October 2017, CMA CGM said in a statement on July 17, 2017. The two carriers have agreed to combine their current services – CMA CGM's PAD loop and Seatrade's MERIDAN string – which connect Europe and Oceania, stopping along the east coast of North America the Caribbean and South America.

13. Sen. McCain introduces legislation to repeal Jones Act, again

U.S. Sen. John McCain, R-Ariz., has again introduced legislation that would repeal, or rather amend, the Merchant Marine Act of 1920, better known to most in the U.S. shipping industry as the Jones Act. McCain first introduced legislation to repeal the Jones Act, which requires that all goods shipped between U.S. ports be carried by U.S.-built vessels, owned and operated by Americans, in the Senate in 2010, as well as [an amendment in January 2015](#) that would waive Jones Act requirements for oil and gasoline tankers in regards to the Keystone XL Pipeline.

14. Los Angeles box volume up 8.4 pc

The Port of Los Angeles container volume increased 8.4 per cent year on year to 9.2 million TEU in its fiscal year that ended June 30, 2017 a record throughput for any port in the western hemisphere, according to Shipping Gazette. The port also reported that June 2017 volumes increased 8.1 per cent over the same period in 2016, marking the second-busiest June in its 110-year history. The adjacent Port of Long Beach posted a 9.2 per cent year-on-year increase in container throughput in June 2017 to 658,000 TEU, making it the second best June in history.

15. Port of Metro Vancouver – Accumulated container traffic: January to June 2017

The Port of Metro Vancouver released its accumulated container traffic (TEUs) for the first six months of 2017. Total container traffic increased 9.6% i.e., to 1,558,733 TEUs from 1,421,842 TEUs. Total inbound traffic (imports) increased 11.4% i.e., to 824,611 TEUs from 740,007 TEUs. Total outbound traffic (exports) increased 7.7% i.e., to 734,123 TEUs from 681,836 TEUs.

16. Seaway cargo up 20% as waterway supports economic growth

Total cargo shipments through the St. Lawrence Seaway are up 20 per cent in 2017, according to the St. Lawrence Seaway Management Corporation. Total cargo tonnage from March 20 2017 to June 30, 2017 reached 12 million metric tons — two million metric tons more compared to the same period in 2016.

17. Port of Halifax – Accumulated container traffic: April to June 2017

The Port of Halifax released its accumulated container traffic (TEUs) for the second quarter of 2017. Total container traffic increased 18.9% i.e., to 143,848 TEUs from 120,942 TEUs. Total inbound traffic (imports) increased 19.9% i.e., to 71,209 TEUs from 59,412 TEUs. Total outbound traffic (exports) increased 18.1% i.e., to 72,639 TEUs from 61,530 TEUs.

18. Drewry: North Europe-America spot rates to remain stable

In the first five months of 2017, North European exports to North America registered a rise of 5.7%, according to statistics from PIERS and CTS, shipping consultancy Drewry said in its Container Insight report. Loads bound for the US rose 4.9% to 890,000 TEU; Canadian imports were flat at roughly 260,000 TEU, while inbound Mexican volumes continued to soar, rising by nearly 20% to just under 180,000 TEU. Some carriers are hopeful that this current rate of growth will continue throughout the year, but Drewry is more skeptical. “In our opinion westbound Transatlantic volumes are likely to soften in the second half of the year and the annual growth rate will probably end up closer to 3%. The key factors that have brought us to this conclusion are the Brexit effect and a slowdown in new car sales in the US,” Drewry said. Drewry concluded the report by stating it “believes that westbound demand growth will probably taper off as the year progresses, but even so spot rates will continue to be relatively stable.”

19. Port of Rotterdam container volumes jump 9.3% in 2017

The Port of Rotterdam saw container volumes increase 9.3 percent in TEUs and 10.4 percent in metric tons during the first six months of 2017, according to the port authority. Overall port throughput increased 3.9 percent, showing growth in eight of the ten port market segments. According to the port, a total of 283 million metric tons of goods were handled in the first half of the year.

20. Georgia Ports Authority posts record throughput for FY2017

The Georgia Port Authority (GPA) reported a 6.7 increase in TEUs in its fiscal year 2017, which ended June 30, 2017 compared to the year prior. The 3.85 million TEUs handled in 2017 is an all-time high for GPA. The port authority also moved a record 33.4 million tons of cargo across all terminals, an 8.3 percent increase over FY2016.

21. DP World volumes grow nearly 11% in Q2 2017

Marine terminal operator and maritime services company DP World Ltd. handled 34 million TEUs across its global portfolio of container terminals during the first half of 2017, with gross container volumes growing 8.2 percent year-over-year, the company said in a statement July 25, 2017. Second quarter 2017 throughput growth rates rose to 10.7 percent year-over-year, the company said, well above Drewry Maritime’s estimate of 4 percent throughput growth for the industry at large.

22. Port of NY/NJ on pace for record cargo volumes in 2017

Cargo volumes at the Port of New York and New Jersey are on record pace for 2017, with throughput in the first six months of 2017, 4.4 percent higher than the same period in 2015, when the previous record of 3,093,789 TEUs was set, according to recent data from the port authority. Between January and June of 2017, the port handled 3.2 million TEUs, compared to 3,041,287 TEUs handled during the same period in 2016. In June 2017 alone, the port handled 584,606 TEUs, making it the best June on record for NY/NJ and the second highest monthly volume ever recorded in the port’s history.

RAIL TRANSPORTATION

1. Locomotive emissions regulations to reduce air pollutants: Feds

Minister of Transport Marc Garneau, announced new regulations to reduce air pollutants emissions from railway locomotives that harm our health and the environment. The *Locomotive Emissions Regulations*, which were published on June 29, 2017 in the *Canada Gazette*, Part II, were developed under the *Railway Safety Act*. The Regulations will limit harmful emissions from locomotives operated by railway companies under federal jurisdiction through mandatory emission standards and reduced idling. These Regulations align with those of the United States, which was one of the goals of the Canada-U.S. Regulatory Cooperation Council Locomotive Emissions Initiative.

2. AAR: U.S. rail traffic picks up steam in June

Total freight rail carload and intermodal originations in the United States totalled 2.18 million in June 2017, an increase of 4.5 percent from the same month a year ago, according to recent data from the Association of American Railroads (AAR). U.S. railroads originated 1.07 million carloads and 1.11 million containers and trailers for the month, year-over-year increases of 4.4 percent and 4.6 percent, respectively.

3. FRA Releases Environmental Review for Hudson Tunnel Project

The U.S. Department of Transportation's Federal Railroad Administration (FRA) on July 7, 2017 published the Draft Environmental Impact Statement review (DEIS) for the Hudson Tunnel Project completing the review in 14 months from the Federal Register Notice of Initiation. The DEIS identifies the project's preferred alternative.

4. Intermodal rates continue to rise, but at a slower pace

Intermodal pricing in May 2017 continued to expand, but the pace of growth slowed, according to the latest Cass Intermodal Price Index report. Rates increased 2.2 percent year-over-year to 129.3 in another consecutive month of expansion, but the data suggests momentum is slowing, Cass said. The 3-5 percent growth seen earlier this year has dropped steadily.

5. Canadian Pacific freight train derails in Southern Alberta, no injuries

Six cars of a Canadian Pacific freight train have gone off the tracks in southern Alberta near Lunbreck Falls. Crowsnest Pass RCMP says no one was injured in the derailment and no hazard materials were spilled. The cars were hauling molten sulfur and fertilizer.

6. Union Pearson Express looks unlikely to break even

It cost the public purse about \$11 for every passenger aboard the Union Pearson Express (UPX) last year, a subsidy that has been whittled down by growing demand for Toronto's airport train but is still more than the fares paid by the riders themselves, around \$9.80 a person. The current

UPX subsidy is far higher than the public expenditure per passenger on GO Transit. It also far exceeds the per-rider subsidy on the TTC, and is roughly in line with the city transit agency's worst-performing express buses. Mr. Del Duca, Ontario Transport Minister, defended the UPX. He noted that subsidy had come down dramatically and argued the UPX is praise-worthy at the current subsidy. He said "I consider the service to be a success right now. Even at \$11 a customer."

7. CP reports record second-quarter 2017 financial results; revenues grow 13 percent

Canadian Pacific Railway Limited (CP) on July 19, 2017 announced record second-quarter earnings driven by strong top-line growth and continued margin improvements produced by its industry-leading operating model and its 12,000 talented railroaders. 1) Total revenues grew 13 percent to \$1.64 billion; 2) Operating ratio improved 330 basis points to a second-quarter record of 58.7 percent; 3) Operating income increased 23 percent to \$679 million, a second-quarter record; 4) Adjusted income climbed 30 percent to \$407 million, with adjusted diluted earnings per share increasing 35 percent to \$2.77; 5) Cash from

RAIL TRANSPORTATION Canada

1. Locomotive emissions regulations to reduce air pollutants: Feds, June 29, 2017, www.ctl.ca
2. AAR: U.S. rail traffic picks up steam in June, July 7, 2017, www.americanshipper.com
3. FRA Releases Environmental Review for Hudson Tunnel Project, July 6, 2017, www.dot.gov
4. Intermodal rates continue to rise, but at a slower pace, July 7, 2017, www.americanshipper.com
5. Canadian Pacific freight train derails in Southern Alberta, no injuries, July 8, 2017, www.ctl.ca
6. Union Pearson Express looks unlikely to break even, July 13, 2017, www.globeandmail.ca
7. CP reports record second-quarter 2017 financial results; revenues grow 13 percent, July 19, 2017, www.cpr.ca
8. CSX ups profits 15% in Q2 2017, July 19, 2017, www.americanshipper.com
9. TCRC-MWED ratify five-year agreement with CP, July 20, 2017, www.cpr.ca
10. Union Pacific Reports Second Quarter 2017 Results, July 20, 2017, www.up.com
11. Hunter Harrison leads CSX to 2nd quarter 8pc revenue gain from 12pc loss, July 21, 2017, www.transportweekly.com
12. CN reports Q2-2017 net income of C\$1,031 million, or C\$1.36 per diluted share, July 25, 2017, www.cn.ca
13. CN declares third-quarter 2017 dividend, July 25, 2017, www.cn.ca
14. CN Rail boosts profit but sees threat in rising Canadian dollar, July 25, 2017, www.globeandmail.ca
15. Railway carloadings, May 2017, July 26, 2017, www.statcan.gc.ca
16. Norfolk Southern reports second-quarter 2017 results, July 26, 2017, www.preneswire.com
17. CN announces C\$500-million debt offering, July 27, 2017, www.cn.ca

operations for the first six months rose to \$922 million from \$730 million a year earlier, supporting a gain in free cash flow to \$361 million from \$173 million in the same period. Keith Creel, CP's President and Chief Executive Officer said "This quarter's impressive results demonstrate the power of precision railroading, strong volumes across many of our key business segments, combined with disciplined cost control, produced record operating income and earnings for the quarter."

8. CSX ups profits 15% in Q2 2017

CSX Corp. posted net earnings of \$510 million for the second quarter of 2017, up 15 percent from the same three-month period last year, according to the Jacksonville, Fla.-based Class I railway's most recent financial statements. Earnings per share (EPS) totalled \$0.55 for the quarter, falling short of the \$0.59 per share Wall Street analysts had projected.

9. TCRC-MWED ratify five-year agreement with CP

Canadian Pacific (CP) and the Teamsters Canada Rail Conference Maintenance of Way Employees Division (TCRC-MWED) on July 20, 2017 announced they have ratified a new five-year agreement. The agreement received 85 percent support and is effective January 1, 2018. The agreement ensures wage increases of 2 percent each year over the term of the contract and provides the opportunity for additional increases of 1 percent in the fourth and fifth years depending on gains in Revenue Ton Miles. TCRC-MWED represents approximately 2,000 workers at CP.

10. Union Pacific Reports Second Quarter 2017 Results

Union Pacific Corporation (UNP) on July 20, 2017 reported 2017 second quarter net income of nearly \$1.2 billion, a second quarter record of \$1.45 per diluted share. This compares to about \$1.0 billion, or \$1.17 per diluted share, in the second quarter 2016. Union Pacific also reported a second quarter record operating ratio of 61.8 percent, a 3.4 point improvement compared to the second quarter 2016 operating ratio. "I am pleased with our results through the first six months, and look forward to continuing our momentum through the remainder of the year," said Lance Fritz, Union Pacific chairman, president and chief executive officer. "Guided by our strategic value tracks, our entire team is focused on providing an excellent customer experience while safely and efficiently delivering on our innovative productivity initiatives."

11. Hunter Harrison leads CSX to 2nd quarter 8pc revenue gain from 12pc loss

Jacksonville Class I railway CSX declared a 14 per cent year-on-year 2017 second quarter net profit increase to US\$510 million, drawn on revenues of \$2.93 billion, up eight per cent. This is a big quarter for CSX because it is the first quarter that the company has been led by the railway's controversial and expensive CEO Hunter Harrison. This latest second quarter produced a profit that "significantly exceeded" analysts' already high expectations, said Bloomberg. Restructuring cost 1,000 people their jobs, ended nap breaks, and also produced \$90 million in efficiency gains. Closing some CSX hump yards operations saved money too.

12. CN reports Q2-2017 net income of C\$1,031 million, or C\$1.36 per diluted share

CN on July 25, 2017 reported its financial and operating results for the second quarter and six-month period ended June 30, 2017. For the 2017 second quarter 1. Net income increased 20 per cent to C\$1,031 million, while diluted EPS increased 24 per cent to C\$1.36, compared with the second quarter of 2016. 2. Adjusted net income increased 17 per cent to C\$1,013 million, with adjusted diluted EPS increasing 21 per cent to C\$1.34. 3. Operating income increased 16 per cent to C\$1,495 million. 4. Revenues increased by 17 per cent to a quarterly record of C\$3,329 million. Carloadings increased 14 per cent, and revenue ton-miles increased 18 per cent. 5. Operating expenses increased 18 per cent to C\$1,834 million. 6. Operating ratio of 55.1 per cent, an increase of 0.6 points over the prior-year quarter. 7. Free cash flow ⁽¹⁾ for second-quarter 2017 was C\$811 million, up from C\$585 million for the year-earlier quarter. Luc Jobin, president and chief executive officer, said: "Once again, CN delivered solid quarterly performance with strong volume growth across most commodity groups, building on the momentum started in the fourth quarter of 2016. Our team of railroaders remained focused on balancing operational and service excellence while efficiently adjusting to the growing demand.

13. CN declares third-quarter 2017 dividend

CN announced on July 25, 2017 that its Board of Directors has approved a third-quarter 2017 dividend on the Company's common shares outstanding. A quarterly dividend of forty-one-and-one-quarter cents (C\$0.4125) per common share will be paid on Sept. 29, 2017, to shareholders of record at the close of business on Sept. 8, 2017.

14. CN Rail boosts profit but sees threat in rising Canadian dollar

Canadian National Railway Co. posted a 20-per-cent rise in second-quarter profit, but warned that the stronger loonie poses a headwind for the rest of the year. The Canadian currency has risen about 10 per

cent against the U.S. currency this year, amid U.S. economic weakness and stronger oil prices. CN said every one-cent rise in the loonie reduces profit by \$30-million (Canadian), or 4 cent a share. CN said it is sticking with the earlier forecast of profit growth of a range of 8 to 11 per cent, or a range of an adjusted \$4.95 to \$5.10 a share, from 5 per cent, despite the strong quarter.

15. Railway carloadings, May 2017

The volume of rail freight carried in Canada totalled 31.0 million tonnes in May 2017, up 12.1% from the same month last year. In May, freight originating in Canada increased 11.8% from the same month last year to 27.8 million tonnes. Non-intermodal freight increased 10.5% to 298,000 carloads in May. The amount of freight loaded into these cars totalled 24.6 million tonnes, up 11.4% from the same month last year. Intermodal freight loadings rose 12.6% to 210,000 units from May 2016 to May 2017. Freight traffic received from the United States rose 15.4% to 3.2 million tonnes as a result of a 17.7% increase in non-intermodal freight and an 8.6% decline in intermodal freight from the United States

16. Norfolk Southern reports second-quarter 2017 results

Norfolk Southern Corporation (NSC) on July 26, 2017 reported second-quarter financial results. Second-quarter net income was \$497 million, up 23 percent year-over-year, driven by a 15 percent increase in income from railway operations, and a record operating ratio. Diluted earnings per share were \$1.71, up 26 percent year-over-year. The 2017 second quarter results were: 1. Railway operating revenues of \$2.6 billion increased 7 percent compared with second-quarter 2016, as overall volumes were 6 percent higher, reflecting growth within our major commodity categories of coal and intermodal. 2. Railway operating expenses increased \$65 million, or 4 percent, to \$1.7 billion as targeted expense reductions helped offset volume and inflation-related expenses. 3. Income from railway operations was \$888 million, up 15 percent year-over-year, and the operating ratio, or operating expenses as a percentage of revenues, was 66.3 percent, an all-time record.

17. CN announces C\$500-million debt offering

CN on July 27, 2017 announced a public debt offering of C\$500 million 3.6% Notes due 2047. CN expects to close the offering on Aug. 1, 2017, subject to customary closing conditions. CN plans to use the net proceeds from the offering for general corporate purposes, including the redemption and refinancing of outstanding indebtedness, and share repurchases.

HIGHWAY TRANSPORTATION

1. For-hire Motor Carrier Freight Services Price Index, first quarter 2017

The For-hire Motor Carrier Freight Services Price Index rose 1.2% in the 2017 first quarter, following a 0.8% increase in the fourth quarter of 2016. Both the general freight trucking component (+1.6%) and the specialized freight trucking component (+0.5%) increased. The index was up 2.4% in the 2017 first quarter compared with the same quarter of 2016. This was the first year-over-year increase following nine consecutive quarters of decline. The general freight trucking component increased 3.3% and the specialized freight trucking component rose 0.6%.

2. Couriers and Messengers Services Price Index, May 2017

The Couriers and Messengers Services Price Index (CMSPI) increased 0.2% in May 2017. The index has increased in each of the last eight months. The couriers' component rose 0.1% while the local messengers' and local delivery component increased 0.5%. The CMSPI rose 9.6% in May 2017 compared with the same month a year earlier. Both the couriers' component (+10.8%) and the local delivery component (+3.4%) increased.

3. Monthly Passenger Bus and Urban Transit, April 2017

Total operating revenues (excluding subsidies) for urban transit companies were \$311.4 million in April 2017. Ridership was 144.4 million passenger trips over the same period.

4. CTA Highlights Challenges with Federal Carbon Pricing

HIGHWAY TRANSPORTATION Canada

1. For-hire Motor Carrier Freight Services Price Index, first quarter 2017, June 30, 2017, www.statcan.gc.ca
2. Couriers and Messengers Services Price Index, May 2017, June 30, 2017, www.statcan.gc.ca
3. Monthly Passenger Bus and Urban Transit, April 2017, June 30, 2017, www.statcan.gc.ca
4. CTA Highlights Challenges with Federal Carbon Pricing Approach, July 4, 2017, www.ontruck.ca
5. Truckload rates stabilize in May, July 7, 2017, www.americanshipper.com
6. BC Supreme Court rules in favour of container truckers, July 7, 2017, www.ctl.ca
7. FMCSA Announces Electronic Logging Device Implementation National Tour, July 10, 2017, www.dot.gov
8. Uber Unveils Latest Autonomous Truck Design, July 11, 2017, www.ontruck.ca
9. Ontario Seeking Feedback on Draft Northern Transportation Strategy, July 12, 2017, www.mto.gov.on.ca
10. NACFE Updates 6x2 Confidence Report, July 11, 2017, www.ontruck.ca
11. May 2017 Freight Transportation Services Index (TSI), July 12, 2017, www.dot.gov

Approach

The Canadian Trucking Alliance (CTA) has made a submission highlighting the administrative and competitive challenges created by the proposed federal pricing system contained in the federal government's [technical paper released last](#) month. While CTA is not conceptually opposed to market-based solutions like carbon pricing, contending that since diesel fuel is the second largest operating cost component after labour, the Alliance has for months [been warning](#) against taking the program down certain paths. In its submission, CTA declared that without more information, clarity, and changes in certain policy areas CTA cannot support the federal government's plan.

5. Truckload rates stabilize in May

Truckload rates stabilized in May 2017 after April 2017 put a stop to a 13-month free fall in pricing, according to the Cass Truckload Linehaul Index. The Truckload Linehaul Index increased 1.1 percent year-over-year to a reading of 122.7, a continuation of last month's year-over-year pricing growth. However, May's pricing declined 1.5 percent sequentially compared with April 2017 and was flat compared with May 2015, according to Cass.

6. BC Supreme Court rules in favour of container truckers

The Supreme Court of British Columbia has upheld the wage floor in the *Container Trucking Act*, after ten trucking companies sued the provincial government in an effort to avoid back pay and keep industry wages down. "Container truck drivers work hard and deserve fair compensation," said Jerry Dias, Unifor National President. "Unifor fought hard to get higher pay rates and retroactivity included in the *Act*. We're pleased that the court recognized the greed exhibited by these trucking companies for what it was." The June 30, 2017 BC Supreme Court decision ruled against the trucking companies challenge of the *Act*, made in an attempt to avoid paying over \$1 million in back pay that was owed at the time to hard working drivers.

7. FMCSA Announces Electronic Logging Device Implementation National Tour

The U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) on July 10, 2017 announced its **electronic logging device (ELD) Implementation National Tour** – a public education and outreach campaign geared towards helping commercial motor vehicle (CMV) drivers transition to ELDs. In several cities across the country, FMCSA subject matter experts will lead driver-focused presentations and panel discussions on ELD implementation.

8. Uber Unveils Latest Autonomous Truck Design

Uber's Advanced Technologies Group has released a video of its latest autonomous heavy-duty truck design, shown operating on the streets of San Francisco. The truck features new sensors and upgraded components, including a new spinning 64-channel lidar design, according to a [report by TechCrunch](#). The new lidar (light detection and ranging) sensor design appears to be an off-the-shelf part and not designed in-house. The 64-channel lidar design is a more advanced design than what was previously shown in demos and should provide better sensor data to the self-driving software.

9. Ontario Seeking Feedback on Draft Northern Transportation Strategy

Ontario has released a draft strategy to guide transportation policy in Northern Ontario for the next 25 years and is seeking feedback from the community. A first of its kind in Ontario, the strategy outlines the province's vision and goals for Northern Ontario's transportation system, and actions to address the unique challenges faced by the region across all modes of transportation--air, rail, road and marine.

10. NACFE Updates 6x2 Confidence Report

A report by Heavy Duty Trucking's Jim Park highlights the latest Confidence Report from the North American Council for Freight Efficiency, showing 6x2 drivetrains are still viable options for fleets looking for fuel and weight savings. This latest report shows 6x2 technology is evolving as product refinements emerge and fleets continue to work around some of the configuration's perceived challenge. Uptake on the technology, meanwhile is lower than what was predicted.

12. Jardine Transport acquires R.E.M., July 13, 2017, [www.todaystrucking.com](#)

13. June Caps Off Hot Stretch for Spot TL Freight, July 14, 2017, [www.inboundlogistics.com](#)

14. Transport Canada's International Harmonization Update for Dangerous Goods Regulations, July 14, 2017, [www.ontruck.ca](#)

15. June Caps Off Hot Stretch for Spot TL Freight, July 14, 2017, [www.inboundlogistics.com](#)

16. ATRI Updates Online Guide to Sustainable Freight Practices, July 17, 2017, [www.ontrfcuk.ca](#)

17. Clean Diesel Trucks Make up 30% of U.S. Fleet, July 18, 2017, [www.cantruck.ca](#)

18. Rising Volumes could lead to capacity crunches: ATA, July 17, 2017, [www.today'strucking.com](#)

19. Rising volumes could lead to capacity crunches: ATA, July 24, 2017, [www.cantruck.ca](#)

20. Making it Easier for Electric Vehicle Owners to Charge Up in Brampton, July 25, 2017, [www.mto.gov.on.ca](#)

21. ATA: Truck tonnage index falls 4.3% in June, July 26, 2017, [www.americanshipper.com](#)

22. May 2017 North American Freight Numbers, July 27, 2017, [www.bts.gov](#)

23. ATA Calls to Stay the Course on ELDs, July 27, 2017, [www.cantruck.ca](#)

24. Revenue from online shopping deliveries boosts UPS profit, July 27, 2017, [www.ctl.ca](#)

11. May 2017 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 2.2 percent in May 2017 from April 2017, rising after a two-month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The May 2017 index level (126.8) was 33.9 percent above the April 2009 low during the most recent recession.

12. Jardine Transport acquires R.E.M.

Jardine Transport Ltd. has purchased Saint Stephen,-N.B.-based R.E.M Transport Ltd. R.E.M. was established in 1973 and currently operates a fleet of more than 50 power units and 60 trailers throughout most of Canada and the United States. The company has approximately 70 employees. "This is a strategically important transaction for Jardine. The acquisition adds scale to our existing operations and increases network density, which will result in improved overall efficiency" said Dean Cull, chairman of Jardine Transport.

13. June Caps Off Hot Stretch for Spot TL Freight

Spot truckload freight activity in June 2017 rallied to record highs for the number of available loads while rates rose to their highest points in nearly two years, according to the DAT North American Freight Index. The June 2017 Freight Index increased 24 percent compared to May 2017 and was up 57 percent year over year, capping a robust first half of the year. Van freight activity jumped 35 percent compared to May 2017 and 68 percent year over year. Refrigerated (reefer) freight made similar gains, up 23 percent compared to May 2017 and 66 percent year over year.

14. Transport Canada's International Harmonization Update for Dangerous Goods Regulations

The *Regulations Amending the Transportation of Dangerous Goods Regulations (International Harmonization Update, 2016)* published in Part II of the *Canada Gazette* on July 12, 2017 go into effect six months from date of publication. Highlights of the amendments are: 1. New safety marks Class 9, Lithium Batteries to harmonize with the UN standards; 2. New Canadian labeling requirements for dangerous goods that are toxic by inhalation to align them more closely with the requirements in the U.S. 49 CFR. Instead of the words "toxic by inhalation" or "toxic — inhalation hazard", the regulations now require the words "inhalation hazard" to be displayed on the means of containment as is required in the United States. The location of the markings on the means of containment and minimum size requirements for the letters are also aligned with those in the United States; 3. Introduction of ambulatory referencing of CSA technical standards that are incorporated in the TDG Regulations, allowing for the most recent versions of these documents to be used; 4. Updated standards for certain intermediate bulk containers and a time limit on the use of others.

15. June Caps Off Hot Stretch for Spot TL Freight

Spot truckload freight activity in June 2017 rallied to record highs for the number of available loads while rates rose to their highest points in nearly two years, according to the DAT North American Freight Index. The June 2017 Freight Index increased 24 percent compared to May 2017 and was up 57 percent year over year, capping a robust first half of the year. Van freight activity jumped 35 percent compared to May 2017 and 68 percent year over year. Refrigerated (reefer) freight made similar gains, up 23 percent compared to May 2017 and 66 percent year over year.

16. ATRI Updates Online Guide to Sustainable Freight Practices

The American Transportation Research Institute has updated the compendium of sustainable freight practices on its website. The compendium identifies a number of sustainable practices being used by the trucking industry, ranging from driver training, idle reduction, and speed management, to vehicle aerodynamics, tires, and engine systems. The compendium also provides research findings on the costs and benefits associated with the practices. The update adds some of the latest research on practices being used by trucking companies to save fuel and reduce emissions.

17. Clean Diesel Trucks Make up 30% of U.S. Fleet

Clean Diesel Truck engines and emissions control systems now make up on average 30% of all heavy-duty commercial vehicles in operation in the U.S. as a result of adoption by fleets over the past five years, according to a recent report commissioned by the Diesel Technology Forum. Nearly 3 million heavy-duty diesel commercial vehicles introduced from 2011-2016 in the U.S. are being powered by the latest clean diesel engines. Diesel Technology Forum executive director Allen Schaeffer said that in that five-year period, clean diesel engines have saved 4.2 billion gallons of diesel fuel and reduced 43 million tons of carbon dioxide, 21 million tons of NOx and 1.2 million tons of particulate matter.

18. Rising Volumes could lead to capacity crunches: ATA

The American Trucking Associations (ATA) is projecting U.S. freight volumes to grow 2.8% in 2017, followed by 3.4% annual growth through 2023 – a trend that could lead to potential capacity shortages. The findings, released July 17, 2017 through *ATA Freight Transportation Forecast 2017*, also project a modest 2.3% annual growth rate beyond 2023. About 15.18 billion tons of freight are expected to be moved by all transportation modes this year, rising to 20.73 billion tons in 2028. Related revenue is expected to jump 89.1% during the same time period.

19. Rising volumes could lead to capacity crunches: ATA

American Trucking Associations (ATA) is projecting U.S. freight volumes to grow 2.8% in 2017, followed by 3.4% annual growth through 2023 – a trend that could lead to potential capacity shortages. The findings, released on July 24, 2017 through *ATA Freight Transportation Forecast 2017*, also project a modest 2.3% annual growth rate beyond 2023. About 15.18 billion tons of freight are expected to be moved by all transportation modes this year, rising to 20.73 billion tons in 2028. Related revenue is expected to jump 89.1% during the same time period. In 2016, trucks accounted for 70.6% of freight tonnage and US \$676 billion in related revenue, or 79.8% of the available money. Trucks will account for 70.7% of freight volumes overall in 2017, according to the report, but dip to 67.1% by 2028. Truckload carriers are expected to handle 34.8% this year, with 1% handed to LTL carriers, and 35% moved by private carriers.

20. Making it Easier for Electric Vehicle Owners to Charge Up in Brampton

Ontario is supporting Electric Vehicle (EV) drivers in their daily and long distance travels with the installation of four new solar-powered EV charging stations in the City of Brampton -- part of an unprecedented network of public EV charging stations being installed across Ontario. The four new level 2 EV charging stations with a solar carport are now in service at the Brampton Soccer Centre. Brampton is the first municipality in the Greater Toronto and Hamilton Area to offer a solar-powered EV charging station.

21. ATA: Truck tonnage index falls 4.3% in June

Domestic truck tonnage in June 2017 fell 4.3 percent from the previous month, following a revised 6.9 percent monthly gain in May 2017, according to the American Trucking Associations' (ATA) advanced seasonally adjusted For-Hire Truck Tonnage Index. The seasonally adjusted index equalled 138.5 in June 2017, down from 144.7 in May 2017. Compared to June 2016, the seasonally adjusted index inched up 1.3 percent. The not seasonally adjusted index, which represents the change in tonnage hauled by fleets prior to any seasonal adjustment, equalled 144.3 in June 2017, down 1 percent from 145.8 for May 2017.

22. May 2017 North American Freight Numbers

U.S.-NAFTA freight totaled \$98.2 billion as all five major transportation modes carried more freight by value with North American Free Trade Agreement (NAFTA) partners Canada and Mexico in May 2017 compared to May 2016, according to the TransBorder Freight Data released on July 27, 2017 by the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). The 9.4 percent rise from May 2016 is the seventh consecutive month in which the year-over-year value in current dollars of U.S.-NAFTA freight increased from the same month of the previous year. From May 2016 to May 2017, the value of **U.S.-Canada** freight flows increased by 11.4 percent to \$51.2 billion as the value of freight on all five major modes increased from a year earlier. The value of freight carried on pipeline increased by 66.0 percent, vessel by 26.0 percent, rail by 9.8 percent, air by 9.7 percent, and truck by 5.4 percent. The percent change in commodities moved by pipeline and vessel reflects an increase in the volume of mineral fuels moved year-over-year and only a modest (3.8 percent) increase in the price of those commodities. Trucks carried 57.8 percent of the value of the freight to and from Canada.

23. ATA Calls to Stay the Course on ELDs

The American Trucking Associations (ATA) is calling on the Federal Motor Carrier Safety Administration (FMCSA) to stay on track toward a December 2017 rollout of mandated Electronic Logging Devices. U.S. Representative Brian Babin has introduced legislation to delay the mandate by two years.

24. Revenue from online shopping deliveries boosts UPS profit

Online retailing in the U.S. propelled higher 2017 second-quarter profit at UPS above Wall Street expectations. As the peak December shipping season approaches, UPS is standing by its forecast for full-year earnings. Shares fell 54 cents to \$111.75 shortly before the opening bell on July 2, 2017. Second-quarter net income rose to \$1.38 billion, or \$1.58 per share. That beat the consensus forecast of \$1.46 per share from analysts surveyed by Zacks Investment Research. Revenue rose nearly 8 per cent to \$15.75 billion, topping the analysts' forecast of \$15.48 billion.

GENERAL TRANSPORTATION

Canada

1. The Canadian Transportation Agency releases its 2016-2017 Annual Report and At the Heart of Transportation: A Moving History

First, the Annual Report summarizes activities related to the Agency's three core mandates: 1. To help ensure that the national transportation system runs efficiently and smoothly; 2. To protect the human right of persons with disabilities to an accessible transportation network. 3. To provide consumer protection for air passengers. Second, the Agency documents its highlights: 1. Launching its [Regulatory Modernization Initiative \(RMI\)](#); 2. Implementing a public awareness campaign to inform travellers about their rights and responsibilities; and 3. Establishing its 2017-2020 Strategic Priorities.

2. Minister Garneau announces the \$2.1B Trade and Transportation Corridors Initiative to support Canadian business and spur job creation

In celebrating its 150th anniversary this year, Canada is marking a long history of trade and recognizing the major role that transportation has played in growing our economy and supporting Canada's middle-class. The Honourable Marc Garneau, Minister of Transport, on July 4, 2017 announced \$2.1 billion for the Trade and Transportation Corridors Initiative (TTCI) to build stronger, more efficient transportation corridors to international markets. The TTCI investments will support the creation of good jobs now, and by transporting goods more efficiently to market, Canadian businesses will be able to better compete, grow and create even more jobs well into the future.

3. Trade and Transportation Corridors Initiative (TTCI)

As announced in November 2016 and detailed in [Budget 2017](#), the Government of Canada will invest \$10.1 billion over the next 11 years in trade and transportation projects to build stronger, more efficient transportation corridors to international markets and help Canadian businesses compete, grow and create more jobs for Canada's middle class. From this funding, \$2.1 billion has been allocated to the Trade and Transportation Corridor Initiative. The TTCI includes: 1) \$2 billion over 11 years for the National Trade Corridors Fund, a merit-based program to strengthen the efficiency and reliability of national trade corridors; 2) \$50 million over 5 years to stimulate innovation and foster the adoption of unmanned aerial vehicles (UAVs) as well as connected vehicles and automated vehicles (CV/AVs) – by updating regulations and standards and working with key partners; and 3) \$50 million over 11 years to launch a Trade and Transportation Information System (TTIS), implemented by a new Canadian Centre on Transportation Data (CCTD).

4. 3 Ways to Reduce Food Waste in the Supply Chain

The UN Food and Agriculture organization estimates 30-40% of food production is lost before it reaches the market. While a great deal of this is lost in agriculture, there is a significant amount of food waste in the supply chain. In 2012, food waste costs in the EU alone were estimated at 143 billion euros. A few ways of reducing food waste in the supply chain are: 1. Increasing hubs and decision points; 2. Using intelligent containers; and 3. Improving the location of production

5. Supply Chain Management Insight: Study Reveals Top Supply Chain Priorities

The top three priorities, according to a recent APQC survey of 86 SCM professionals in 19 industries, is a mix of the old and the new namely: 1. Quality; 2. Performance Management; and 3. Data and analytics.

6. Trudeau gets assured by Trump VP: New NAFTA will be 'win, win, win'

The Canadian government has gotten what it wanted during U.S. meetings this week: clear, public assurances from powerful Republican politicians that the North American Free Trade Agreement will be

Canada

1. The Canadian Transportation Agency releases its 2016-2017 Annual Report and At the Heart of Transportation: A Moving History, June 29, 2017, www.cta-otc.gc.ca

2. Minister Garneau announces the \$2.1B Trade and Transportation Corridors Initiative to support Canadian business and spur job creation, July 4, 2017, www.tc.gc.ca

2. Minister Garneau announces the \$2.1B Trade and Transportation Corridors Initiative to support Canadian business and spur job creation, July 4, 2017, www.tc.gc.ca

3. Trade and Transportation Corridors Initiative (TTCI), July 4, 2017, www.tc.gc.ca

4. 3 Ways to Reduce Food Waste in the Supply Chain, July 10, 2017, www.inboundlogistics.com

5. Supply Chain Management Insight: Study Reveals Top Supply Chain Priorities, July 12, 2017, www.inboundlogistics.com

6. Trudeau gets assured by Trump VP: New NAFTA will be 'win, win, win', July 14, 2017, www.ctl.ca

7. Travel between Canada and other countries, May 2017, July 20, 2017, www.statcan.gc.ca

8. Minister Goodale Responds to CTA Coalition Letter, July 25, 2017, www.ontruck.ca

9. Report: Supply chain staff shortages may reach crisis by 2020, July 27, 2017, www.ctl.ca

preserved. Those soothing messages came just days before the U.S. government is set to release its positions for NAFTA negotiations, which are scheduled to begin next month under the shadow of intermittent threats by President Donald Trump to rip up the three-country deal.

7. Travel between Canada and other countries, May 2017

From January 2017 through to the end of May 2017, the number of **US travellers to Canada** in 2017 remained steady (-0.3%) compared with the same five months of 2016. This followed two calendar years in which the number of US travellers grew by 8.4% (2015) and 8.3% (2016). **Canadians travellers to the United States** made 3.2 million trips in May 2017, down 7.7% from April 2017 and 5.5% lower than May 2016. The declines were led by fewer car trips to the United States. **Overseas residents** (i.e. non-US residents) made 544,000 trips to Canada in May 2017, down 5.7% from April 2017 but up 9.7% from May 2016. **Canadian residents** made 1.1 million trips to overseas countries in May 2017, up 3.0% from April 2017. This was 6.2% higher than May 2016 and was a new high for the month of May 2017.

8. Minister Goodale Responds to CTA Coalition Letter

The Minister of Public Safety and Emergency Preparedness, Ralph Goodale, recently responded to a CTA-led coalition letter outlining concerns with Canada Border Services Agency (CBSA) IT systems and the lack of resources being dedicated to staffing at the border. The Minister's response details actions taken by the Agency over the last several months to deal with these issues, including the recruitment of new staff, increased monitoring of border wait times and improvements CBSA has made to IT systems and border procedures to combat system outages. The Minister also acknowledged CBSA has "a number of older systems" and these issues have negatively impacted the supply chain. He added, however, the government has made major investments in modernizing its infrastructure and applications over the years and CBSA has placed the movement of commercial conveyances as a top priority.

9. Report: Supply chain staff shortages may reach crisis by 2020

A survey conducted by DHL found that the supply chain talent pool is not keeping up with the changing requirements as technology reshapes the industry. According the survey, more than a third of companies have failed to take steps to create their future talent pipeline or develop their workforce. The survey also reported that the common impression of supply chain careers as lacking in excitement continues to have a significant impact in finding, attracting and retaining talent.