

Transportation Information Update*

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AIR TRANSPORTATION

1. What We Heard: Summary Of Input Received On The Modernization Of Air Transportation Regulations

The Canadian Transportation Agency (CTA) report provides a summary of the submissions and advice received on the second phase of the Regulatory Modernization Initiative (RMI) consultations – which was focused on elements of the *Air Transportation Regulations (ATR)*– between December 2016 and October 2017. Fifteen formal written submissions were received and twelve bilateral meetings were held. The consultations indicate that: 1) There is wide support for simplifying and modernizing the ATR. 2) Amendments to the ATR should be responsive to the evolution of the business practices and avoid the imposition of onerous administrative burdens. 3) There is wide support for eliminating, modernizing and streamlining regulatory requirements related to charter provisions. 4) Some industry and consumer groups believe that the advance payment protection (APP) requirements found in the ATR should be eliminated, while others believe APP should be maintained. 5) Most stakeholders support distinguishing code-sharing and wet-leasing activities in the ATR, although one stakeholder was concerned that unduly rigid definitions could hinder flexibility. 6) For the most part, stakeholders support simplification of the approval requirements for code-sharing and wet-leasing. 7) Industry voiced concerns regarding increasing the minimum passenger and public liability insurance coverage minimums. 8) Industry also voiced concerns with moving to a passenger liability insurance coverage requirement that is calculated on a per passenger basis. 9) The majority of stakeholders were supportive of a change to the liability insurance exclusions. 10) There is wide support for modernizing the annual insurance filing requirement process. 11) Stakeholders were supportive of additions to the list of excluded services found in the ATR.

2. Transport Canada suspends Island Express Air's Air Operator Certificate

On February 28, 2018, Transport Canada suspended Island Express Air's Air Operator Certificate. The suspension prohibits the company from providing commercial air services. The department took this action in the interest of public safety due to the airline's February 23, 2018 accident in Abbotsford, BC and its contraventions of the *Canadian Aviation Regulations*. In light of these threats to public safety, Transport Canada will not allow Island Express Air to resume its commercial air service until it proves it can keep its operations consistently compliant with aviation safety regulations.

3, Air Canada Named One of Canada's Best Diversity Employers for Third Consecutive Year

Air Canada has been named one of Canada's Best Diversity employers for 2018, the third consecutive year the carrier has been awarded this

AIR

TRANSPORTATION Canada

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2. Transport Canada suspends Island Express Air's Air Operator Certificate, February 28, 2018, www.tc.gc.ca
3. Air Canada Named One of Canada's Best Diversity Employers for Third Consecutive Year, March 2, 2018, www.aircanada.ca
4. Delmar acquires Airtrades Freight Forwarders, March 6, 2018, www.ctl.ca
5. WestJet reports record January load factor of 82.6 per cent, March 8, 2018, www.westjet.ca
6. Air Canada to Launch Daily, Seasonal Calgary-Palm Springs and Edmonton-Las Vegas Flights Next Winter, March 7, 2018, www.aircanada.ca
7. Air Canada To Launch New Service to Kauai, Double Frequency of Western Canada Flights to Hawaii With New Boeing 737 MAX Fleet, March 7, 2018, www.aircanada.ca
8. January Passenger demand growth slows on temporary factors, March 7, 2018, www.iata.org
9. Air Cargo off to a robust start in 2018, March 7, 2018, www.iata.org
10. Aircraft movement statistics: Small airports, November 2017, March 8, 2018, www.statcan.gc.ca
11. Air Canada Salutes and Celebrates its Women Employees on International Women's Day With Two All- Female Intercontinental Flights, March 8, 2018, www.aircanada.ca
12. Gregg Saretsky retires from WestJet, March 8, 2018, www.westjet.ca
13. WestJet launches inaugural flight between Calgary and Denver, March 8, 2018, www.westjet.ca
14. Penticton Airport Terminal Building Construction Contract Awarded to Ledcor Construction Ltd., March 12, 2018, www.tc.gc.ca
15. Digitization, Trade facilitation, Safety and People Development top Agenda at WCS [World Cargo]

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

distinction. In naming Air Canada, Mediacorp Canada Inc. cited among other things the airline's success forming partnerships to reach diverse communities. The award is based on Mediacorp's Canada's Top 100 Employers project, which also included Air Canada for the fifth consecutive year for 2018.

4. Delmar acquires Airtrades Freight Forwarders

Delmar International Inc. announced the purchase of Montreal-based Airtrades Freight Forwarders. This acquisition provides Delmar with a new strategic position in both the domestic and international expedited airfreight business with the capability to provide same day and overnight domestic deliveries. These operations currently service niche markets, which include industries such as pharma, automotive, perishables, entertainment and aeronautics just to name a few. The deal also brings with it a warehouse on site at Pierre Elliott Trudeau International Airport in Dorval essential to support time sensitive cargo.

5. WestJet reports record January load factor of 82.6 per cent

WestJet on March 8, 2018 announced record January 2018 traffic results with a load factor of 82.6 per cent, an increase of 2.6 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 6.5 per cent year over year (i.e. to 2.2592 b. from 2.1222 b.), and capacity, measured in available seat miles (ASMs), grew 3.1 per cent over the same period (i.e. to 2.734 b. from 2.653 b.). The airline flew a record 2.0 million guests in January 2018, a year-over-year increase of 7.9 per cent or approximately 150,000 additional guests. "We are pleased to start the year off with a strong year-over-year increase in January's load factor, as we continue to grow traffic in a strengthening demand environment," said WestJet President and CEO, Gregg Saretsky. "As always, I thank the more than 13,000 WestJetters whose efforts power our airline. The safe, caring and friendly travel experience they offer our guests each day is greatly appreciated."

6. Air Canada to Launch Daily, Seasonal Calgary-Palm Springs and Edmonton-Las Vegas Flights Next Winter

Air Canada on March 8, 2018 announced it will launch daily, seasonal flights between Calgary and Palm Springs, and between Edmonton and Las Vegas starting October 28, 2018. All flights are now available for purchase via the Air Canada app, at aircanada.com and through travel agents.

7. Air Canada To Launch New Service to Kauai, Double Frequency of Western Canada Flights to Hawaii With New Boeing 737 MAX Fleet

Air Canada on March 8, 2018 announced it will be launching new service to Kauai with its new mainline Boeing 737 MAX-8 fleet this winter. The airline will also be doubling the frequency of its flights from Western Canada to Hawaii, and all flights from Western Canada to Honolulu, Maui and Kona, and other popular sun destinations will feature Air Canada's new 737 MAX aircraft. All 737 MAX flights are now available for purchase via the Air Canada app, at aircanada.com and through travel agents.

8. January Passenger demand growth slows on temporary factors

The International Air Transport Association (IATA) announced global passenger traffic results for January 2018 showing traffic (revenue passenger kilometers or RPKs) rose 4.6% compared to January 2017. This was the slowest year-over-year increase in nearly four years, but results were affected by temporary factors including the later timing of the Lunar New Year in 2018 as well as less favorable comparisons with the strong upward trend in traffic seen in late 2016-early 2017.

9. Air Cargo off to a robust start in 2018

Symposium], March 13, 2018, www.iata.org

16. WestJet launches inaugural flights to Mexico City from Calgary and Vancouver, March 14, 2018, www.westjet.ca

17. Transport Canada suspends Orca Airways' Air Operator Certificate, March 15, 2018, www.tc.gc.ca

18. 2017 Annual and December U.S. Airline Traffic Data, March 15, 2018, www.bts.gov

19. IATA launches digital dangerous goods handling solution, March 15, 2018, www.ctl.ca

20. Cargojet profits soar in 2017, March 16, 2018, www.americanshipper.com

21. January 2018 Passenger Airline Employment Data, March 19, 2018, www.bts.gov

22. Airline Confidence Stays High, March 19, 2018, www.inboundlogistics.com

23. IATA expands Montreal head office operations, March 21, 2018, www.iata.org

24. 2017 Traffic Data for U.S Airlines and Foreign Airlines U.S. Flights, March 22, 2018, www.dot.gov

25. Singapore consortium to aid Asian-Pacific airport development, March 27, 2018, www.transportweekly.com

26. Soaring Heathrow tonnage to gain from new China cargo links in 2018, March 28, 2018, www.transportweekly.com

27. Air fares, third quarter 2017, March 28, 2018, www.stacan.gc.ca

28. Aircraft movement statistics: Major airports, January 2018, March 28, 2018, www.stacan.gc.ca

29. Monthly civil aviation statistics, January 2018, March 28, 2018, www.stacan.gc.ca

Demand in global air markets measured in FTKs (freight tonne kilometres) rose 8% in January 2018 compared to the same month a year ago according to data released by IATA. This was also up 5.8% compared to December 2017. Freight capacity measured in available freight tonne kilometres (AFTKs) rose 4.2% in January 2018 compared to the same month a year ago.

10. Aircraft movement statistics: Small airports, November 2017

Take-offs and landings at 125 Canadian airports without air traffic control towers reached 48,142 movements in November 2017. Ten airports accounted for 48% of the month's activity: Moosonee, Ontario (3,570 movements); St. Theresa Point, Manitoba (2,931); Trois-Rivières, Quebec (2,870); Red Lake, Ontario (2,701); Drummondville, Quebec (2,250); Peterborough, Ontario (2,222); Island Lake, Manitoba (2,016); Goose Bay, Newfoundland and Labrador (1,838); Pickle Lake, Ontario (1,481); and Comox, British Columbia (1,241).

11. Air Canada Salutes and Celebrates its Women Employees on International Women's Day With Two All-Female Intercontinental Flights

Air Canada on March 8, 2018 marked International Women's Day 2018 by operating two intercontinental flights from its global Toronto hub across both the Atlantic and Pacific with all female pilots and flight attendants. The flights were additionally supported by female ground crews providing aircraft servicing, loading, dispatch, pushback functions, customer boarding and more.

12. Gregg Saretsky retires from WestJet

WestJet on March 8, 2018 announced that Gregg Saretsky, President and CEO, has advised the time has come for him to retire from the company. Having found his successor, he has agreed with the company that his retirement will be effective immediately.

13. WestJet launches inaugural flight between Calgary and Denver

With the departure of flight 1570 from Calgary International Airport (YYC), WestJet becomes the first Canadian airline flying nonstop to Denver International Airport (DEN) from Calgary. The new service operates daily year-round.

14. Penticton Airport Terminal Building Construction Contract Awarded to Ledcor Construction Ltd.

The Penticton Airport has experienced significant growth in air traffic over the past three years as more people make their homes and do business in the region. On March 12, 2018, Transport Canada awarded a \$6,447,000 contract to Ledcor Construction Ltd. to modernize and enhance key areas of the Penticton Airport Terminal Building to accommodate this increased traffic and improve safety, security and the overall passenger experience. The construction work is anticipated to begin in spring 2018 and will take two years to complete.

15. Digitization, Trade facilitation, Safety and People Development top Agenda at WCS [World Cargo Symposium]

The International Air Transport Association (IATA) highlighted four priorities for the future success of the air cargo industry: accelerating the digitization of the supply chain, enforcing regulations for lithium batteries, more efficient trade facilitation and developing the next generation of air cargo leaders.

16. WestJet launches inaugural flights to Mexico City from Calgary and Vancouver

WestJet's inaugural flight, WS2200 from Calgary International Airport (YYC) to Mexico City International Airport (Aeropuerto Internacional Benito Juárez, MEX) departed on March 14, 2018 marking the airline's newest flight to Mexico. Flights between Vancouver International Airport (YVR) and Mexico City start March 15, 2018 solidifying WestJet's position as the Canadian airline with the most flights to Mexico.

17. Transport Canada suspends Orca Airways' Air Operator Certificate

On March 15, 2018, Transport Canada suspended Orca Airways Air Operator Certificate, which prohibits the company from providing commercial air services. Transport Canada took this enforcement action in the interest of public safety due to Orca Airways' repeated non-compliance with aviation safety regulations. The department identified several areas where the company is not meeting regulatory requirements including maintenance, operational control, documentation, and quality assurance. Transport Canada will not allow Orca Airways to resume its commercial air service until it proves it can keep its operations consistently compliant with aviation safety regulations.

18. 2017 Annual and December U.S. Airline Traffic Data

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on March 15, 2018 that U.S. airlines carried an all-time high number of passengers during 2017 – 849.3 million systemwide, 741.6 million domestic and 107.7 million international – surpassing the previous high reached

in 2016. The airlines also set all-time annual highs for systemwide, domestic and international revenue passenger miles (RPMs) and available seat-miles

19. IATA launches digital dangerous goods handling solution

The International Air Transport Association (IATA) has launched an innovative new solution for the air cargo industry: Dangerous Goods AutoCheck (DG AutoCheck) that will enhance safety and improve efficiency in the transport of dangerous goods by air and support the industry's goal of a fully digitized supply chain.

20. Cargojet profits soar in 2017

Cargojet saw its earnings soar in 2017, posting a net profit of \$23.7 million Canadian (U.S. \$18.1 million) for the year compared with just C\$2.4 million in 2016, according to the company's most recent financial statements. The Mississauga, Canada-based all-cargo airline posted diluted earnings per share (EPS) of C\$1.93 in 2017 compared with C\$0.22 per share the previous year in 2016, as revenues rose 15.7 percent to C\$382.9.

21. January 2018 Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 3.2 percent more workers in January 2018 than in January 2017, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on March 19, 2018. January was the highest monthly full-time equivalent (FTE) employment total (431,308 FTEs) since December 2004 (436,909 FTE) and was the 51st consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year.

22. Airline Confidence Stays High

Airline management confidence remains high, despite concerns about higher fuel costs, and an expectation that profits will fall from 2017, according to the International Air Transport Association's (IATA) latest Airline Business Confidence Index.

23. IATA expands Montreal head office operations

The International Air Transport Association (IATA) announced it is increasing its Montreal headquarters operations with the expansion of its Financial and Distribution Services (FDS) division. The move is expected to grow IATA's employment in Montreal to more than 400 with the addition of 27 full-time jobs—some newly created, others relocated from Geneva, Switzerland.

24. 2017 Traffic Data for U.S Airlines and Foreign Airlines U.S. Flights

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported on March 22, 2018 that U.S. airlines and foreign airlines serving the United States carried an all-time high of 965.0 million systemwide (domestic and international) scheduled service passengers in 2017, 3.4 percent more than the previous record high of 933.1 million reached in 2016. The systemwide increase was the result of a 3.0 percent rise from 2016 in the number of passengers on domestic flights (741.6 million passengers in 2017) and 4.8 percent growth from 2016 in passengers on U.S. and foreign airlines' flights to and from the U.S.

25. Singapore consortium to aid Asian-Pacific airport development

Singapore Technologies Engineering (ST Engineering), Surbana Jurong and Changi Airport Planners and Engineers (CAPE) have signed an agreement to form a consortium to participate in overseas airport development. The consortium plans to develop a comprehensive export strategy in regard to airport development, with a particular focus on "Asia Pacific markets and cities with strong growth potential".

26. Soaring Heathrow tonnage to gain from new China cargo links in 2018

Heathrow Airport Limited hopes to benefit from new links to China this summer, including ways to increase cargo capacity, reports London's Cargo News. Hainan Airlines is to inaugurate a direct service from Heathrow to Changsha and Tianjin Airlines will fly from Heathrow to Xian - both thrice weekly - the first British connection to these cities. Meanwhile Beijing Capital Airlines will convert the current charter services it offers to Qingdao into a scheduled connection. Hainan Airlines will fly to Changsha from March 23, 2018 with Boeing 787-800 Dreamliner, before moving to a larger B787-900, offering eight tonnes of cargo space from September 1, 2018. Tianjin Airlines will fly to Xian in Tianjin from May 2018 with Airbus A330-200 equipment with eight tonnes of cargo space. Beijing Capital Airlines now flies a twice-weekly connection to Qingdao from March 26, 2018 using A330-200 aircraft with eight tonnes of cargo space. Taken together, these three services will offer an additional 6,700 tonnes of cargo space a year.

27. Air fares, third quarter 2017

Base air fares in Canada, domestic and international combined, averaged \$247.00 in the 2017 third quarter, up 1.1% from the same quarter of 2016 and the highest level since the third quarter of 2015. Base fares do

not include the goods and services tax, air transportation taxes or user fees, such as airport improvement fees or fuel surcharges. Average air fares are calculated for each flight stage, that is, when the passenger boards the aircraft at one airport and departs the aircraft at another airport. This marked the second straight quarter of growth of base air fares, following eight consecutive year-over-year quarterly declines. The average domestic fare was down 1.4% from the third quarter of 2016 to \$171.20, while the average international fare rose 2.0% to \$330.60, marking the second consecutive year-over-year quarterly gain.

28. Aircraft movement statistics: Major airports, January 2018

There were 356,096 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations in January 2018, compared with 368,525 movements in January 2017. In January 2018, a reduction in both local movements (flights that remain in the vicinity of the airport) and itinerant movements (flights from one airport to another) contributed to the year-over-year decrease. Local movements declined 8.5% to 87,969 and itinerant movements fell 1.5% to 268,127.

29. Monthly civil aviation statistics, January 2018

The six Canadian Level I air carriers flew 6.6 million passengers on scheduled and charter services in January 2018, up 5.6% from January 2017 and continuing the upward year-over-year monthly trend that began in April 2014. Traffic increased 7.9% year over year to 17.4 billion passenger-kilometres in January 2018. Capacity rose 7.2% to 21.2 billion available seat-kilometres. This resulted in a slightly higher passenger load factor in January (81.9%) compared with the same month a year earlier (81.3%), as the increase in demand for travel was stronger than the rise in capacity.

WATER TRANSPORTATION

1. Port of Prince Rupert: Monthly Traffic Statistics (TEUs), January 2018

The Port of Prince Rupert released its traffic results in terms of TEUs (twenty foot equivalent units) for the month of January 2018. Total traffic was 83,779.00, a 27% increase compared to the same month a year ago (i.e. 66,035.00). Total exports were 37,408.00, a 49% increase compared to the same month a year ago (i.e. 25,046.50). Total imports were 46,371.00, a 13% increase compared to the same month a year ago (i.e. 40,988.50).

2. Record year for overall cargo movement through the Port of Vancouver

The Vancouver Fraser Port Authority on March 1, 2018 released the 2017 year-end statistics for cargo through the Port of Vancouver. Overall cargo volume through the port reached a record high of 142.1 million tonnes, up five per cent from 2016. Sectors experiencing strong growth include containers and bulk grain, both of which hit new records in 2017. “The record year for cargo movement and healthy growth across the port reflects the strength of the Canadian economy in 2017, as well as the Port of Vancouver’s ability to accommodate the most diversified range of cargo of any port in North America,” said Robin Silvester, president and chief executive officer at the Vancouver Fraser Port Authority. Notably, overall container traffic (measured by TEUs or twenty-foot equivalent units) saw a significant increase of 11 per cent over 2016 to reach a record of 3.3 million TEUs, with loaded imports up by 11 per cent. Volumes were driven by a global upswing in economic activity, which boosted Canadian export sales and overall strength in the transpacific container market. “Year over year we continue to see an increase in the global demand for Canadian products shipped in containers and Canadian demand for consumer and manufacturing goods from Asia,” continued Silvester.

3. Port of Metro Vancouver: Monthly Traffic Statistics (TEUs), Year-to-date January to December 2017

WATER TRANSPORTATION Canada

1. Port of Prince Rupert: Monthly Traffic Statistics (TEUs), January 2018, February 28, 2018, www.rupertport.com
2. Record year for overall cargo movement through the Port of Vancouver, March 1, 2018, www.portmetrovancover.com
3. Port of Metro Vancouver: Monthly Traffic Statistics (TEUs), Year-to-date January to December 2017, March 1, 2018, www.portmetrovancover.ca
4. FMC collects civil penalties from six NVOCCs, March 1, 2018, www.americanshipper.com
5. Oceanex bid for judicial review of Marine Atlantic subsidies quashed, March 9, 2018, www.ctl.ca
6. Liner consolidation on the horizon for regional, niche carriers, March 8, 2018, www.americanshipper.com
7. Port of NY/NJ box growth continues in January, March 9, 2018, www.americanshipper.com
8. Minister Garneau announces a ports modernization review to help shape the future of Canada’s port system, March 12, 2018, www.tc.gc.ca
9. Port authority supports federal government’s Ports Modernization Review, March 12, 2018, www.portmetrovancover.com
10. Government of Canada funds the removal and disposal of abandoned boats through the Oceans Protection Plan, March 12, 2018, www.tc.gc.ca
11. Canadian ship and Seaway winter work: \$114 million economic boost, March 12, 2018, www.ctl.ca
12. Government of Canada announces new Oceans Protection Plan actions to protect

The Port of Metro Vancouver released its traffic results in terms of TEUs (twenty foot equivalent units) for 2017. Total traffic was 3,252,223, a 11% increase compared to the same month a year ago (i.e. 2,929,585). Total exports were 1,538,973, a 11.9% increase compared to the same month a year ago (i.e. 1,375,446). Total imports were 1,713,250, a 10.2% increase compared to the same month a year ago (i.e. 1,554,139).

4. FMC collects civil penalties from six NVOCCs

The U.S. Federal Maritime Commission (FMC) has collected a total of \$465,000 in civil penalties from six non-vessel-operating common carriers (NVOCCs) for violations of the *Shipping Act* or commission regulations. The penalties resulted from investigations conducted by the FMC's area representatives in Houston and Seattle, as well as its Washington headquarters. The parties settled and agreed to the penalties without admitting to the violations to the *Shipping Act* or commission regulations.

5. Oceanex bid for judicial review of Marine Atlantic subsidies quashed

The Federal Court of Canada has dismissed a claim for judicial review from Oceanex on Marine Atlantic subsidies. Since Oceanex and Marine Atlantic together bring in nearly all of the commercial freight in Newfoundland, the decision could have far-reaching effects. Oceanex had been arguing the terms of union between Newfoundland and Canada stipulate that the federal government must operate a ferry service between the island and Cape Breton, but it doesn't say Ottawa must subsidize the service. Meanwhile, the Canada Transportation Act states, "competition and market forces, both within and among the various modes of transportation, are the prime agents in providing viable and effective transportation services." Lawyers for Oceanex argued that the minister should have considered Oceanex's competitive position when setting freight rates. Regarding the judicial review decision of Marine Atlantic's 2016-17 rates: Captain Sid Hynes, executive chairman of Oceanex in a statement said "While we are disappointed with the decision, we want to thank the court for its time and consideration of our Judicial Review application..."

6. Liner consolidation on the horizon for regional, niche carriers

The container shipping industry is "near the end game for consolidation among major carriers," but perhaps as many as 30 percent of the 100 largest regional or niche carriers may disappear over the next five years as a result of mergers and acquisitions in the coming years, according to Lars Jensen, the chief executive officer of Seaintelligence Consulting.

7. Port of NY/NJ box growth continues in January

The Port of New York and New Jersey handled 585,864 TEUs in January 2018, surpassing the previous monthly record set in January 2017 by 13.2 percent, according to the most recent data from the Port Authority of New York and New Jersey (PANYNJ). The January 2018 cargo volumes were also the fifth highest of any month in port history, according to PANYNJ.

8. Minister Garneau announces a ports modernization review to help shape the future of Canada's port system

Since Canada Port Authorities were established 20 years ago many things have changed. To keep abreast of these changes, on March 12, 2018, the Honourable Marc Garneau, Minister of Transport, announced a review of Canada Port Authorities to optimize their role in the transportation system as strategic assets that support inclusive and sustainable growth and trade. Through a series of round tables and meetings, this review will include engagement activities with Indigenous peoples, Canada Port Authorities, provincial

Canada's coasts and waterways, March 13, 2018, www.tc.gc.ca

13. Prince Rupert To See Strong Cruise Season in 2018, March 13, 2018, www.rupertport.com

14. Southern California ports thrive in February, March 13, 2018, www.americanshipper.com

15. Haida Nation and Transport Canada identify new potential places of refuge for ships in Haida Gwaii, March 14, 2018, www.tc.gc.ca

16. Industry consortium tests blockchain solution for ocean shipping, March 15, 2018, www.ctl.ca

17. MOL forms new partnership with online trucking marketplace, March 16, 2018, www.americanshipper.com

18. Hutchison profits rise on increased container volumes in 2017, March 19, 2018, www.americanshipper.com

19. Port Launches \$250,000 Export Development Fund to Explore New Trade Opportunities, March 20, 2018, www.rupertport.com

20. Logistec announces 2017 year-end results, March 20, 2018, www.portofmontreal.ca

21. Container business may enter 'settling down' period, March 20, 2018, www.americanshipper.com

22. Federal government's new commitments to protect whales under the Oceans Protection Plan include support for port authority ECHO Program, March 22, 2018, www.metrovancouver.com

23. ZIM drops Halifax call in favor of feeder, March 22, 2018, www.americanshipper.com

24. Omnibus spending bill benefits ports, AAPA says, March 26, 2018, www.americanshipper.com

25. New report reviews pathways to zero-carbon shipping, March 27, 2018, www.ctl.ca

26. Long Beach Port Goes With the Flow, March 28, 2018, www.inboundlogistics.com

27. COSCO Ports nearly triples earnings in 2017, March 27, 2018, www.americanshipper.com

28. Commentary: Container rate decline just 'normal seasonality'?, March 28, 2018, www.americanshipper.com

governments, municipalities, broader domestic and international marine sector stakeholders, and Canadians.

9. Port authority supports federal government's Ports Modernization Review

The Vancouver Fraser Port Authority welcomes the federal government's review of Canada Port Authorities announced by Minister Garneau. Robin Silvester President and CEO of the port said "While we believe the current structure of Canada Port Authorities has worked very well to meet Canada's trade needs, the *Canada Marine Act* is now 20 years old. We look forward to working with and supporting the efforts of government, including any changes it may consider making to the authority's mandate or scope to ensure the Port of Vancouver remains economically and environmentally sustainable for the benefit of local communities and all Canadians."

10. Government of Canada funds the removal and disposal of abandoned boats through the Oceans Protection Plan

Abandoned boats are a growing problem across Canada, the Government of Canada, under the Oceans Protection Plan, is working diligently to deter this irresponsible practice. On March 12, 2018, the Minister of Transport, the Honourable Marc Garneau, announced the recipients of funding of more than \$1.3 million through two programs aiming to remove abandoned boats.

11. Canadian ship and Seaway winter work: \$114 million economic boost

The Seaway is steadily advancing its competitiveness as a key gateway for international trade, linking the heartland of North America to markets across the globe. To ensure it meets this objective, Canadian shipowners and the St. Lawrence Seaway Management Corporation have spent an estimated \$114 million on repair and infrastructure projects this winter, boosting the economic fortunes of communities throughout the Great Lakes, the St. Lawrence and east coast. For the 2017-2018 winter season the St. Lawrence Seaway Management Corporation (SLSMC) allocated \$35 million for infrastructure maintenance.

12. Government of Canada announces new Oceans Protection Plan actions to protect Canada's coasts and waterways

On March 13, 2018, during a speech at the British Columbia Chamber of Shipping's Annual General Meeting, the Honourable Marc Garneau, Minister of Transport, announced that under the Oceans Protection Plan, the Government of Canada is launching pilot projects for the Enhanced Maritime Situational Awareness initiative on British Columbia's North Coast and investing in measures to reduce the underwater noise impacting Southern Resident Killer Whales. As part of the Enhanced Maritime Situational Awareness initiative, the Haida Nation and the Gitga'at Nation will host pilot projects, beginning in fall 2018 and concluding in fall 2019. Minister Garneau also announced that, following an open, competitive process, Aqua-Guard Spill Response Inc., from North Vancouver, British Columbia, has been awarded a \$1.2M contract for new marine environment response equipment, specifically multi-cassette portable skimmer packages.

13. Prince Rupert To See Strong Cruise Season in 2018

The Port of Prince Rupert on March 13, 2018 released its 2018 cruise schedule in anticipation of another strong season for cruise tourism on British Columbia's north coast. A total of 25 vessels carrying approximately 12,600 passengers will dock at Prince Rupert's Northland Cruise Terminal in 2018, representing the city's second-biggest season since 2011. "After reviewing our Passenger Exit Surveys, we are happy to report that the feedback we collected was overwhelmingly positive with regards to overall impressions of our community," said Brian Friesen, Director of Trade Development and Communications for the Port of Prince Rupert. "The work that we've undertaken in recent years with Tourism Prince Rupert and local businesses to improve our reputation as a cruise destination is certainly coming to fruition."

14. Southern California ports thrive in February

The Ports of Los Angeles and Long Beach both increased container throughput in February 2018 from 12 months earlier, the Southern California ports each revealed on March 13, 2018. The sharp increase can be attributed to Chinese New Year, also referred to as Lunar New Year, falling later this year. The Chinese New Year began Feb. 16, 2018, compared to Jan. 28 last year.

15. Haida Nation and Transport Canada identify new potential places of refuge for ships in Haida Gwaii

The Haida Nation and Transport Canada have revised a regional plan to ensure that ships in need of assistance have a designated location to stabilize their condition and reduce the hazards to navigation, human life and the environment. The revised Places of Refuge Contingency Plan for the Pacific Region includes a new Annex that identifies potential places of refuge around Haida Gwaii. It also reflects improvements to the federal marine safety regime and lessons learned from real-life incidents. The Annex

contains direction for the management of places of refuge incidents that affect Haida Gwaii, including technical, logistical and resource information about specific sites that may be evaluated as potential places of refuge. It is one of several sub-regional plans that will provide site-specific information about the management of places of refuge incidents.

16. Industry consortium tests blockchain solution for ocean shipping

A consortium comprising AB InBev, Accenture, APL, Kuehne + Nagel and a European customs organization has successfully tested a blockchain solution that can eliminate the need for printed shipping documents and save the freight and logistics industry hundreds of millions of dollars annually. The consortium tested a solution where documents are no longer exchanged physically or digitally but instead, the relevant data is shared and distributed using blockchain technology under single ownership principles determined by the type of information. Through a detailed review of the current documentation processes, the group examined a re-allocation of information ownership, accountability and risk enabled by the trust and security blockchain technology offers.

17. MOL forms new partnership with online trucking marketplace

The logistics arm of Mitsui O.S.K. Lines (MOL) and NEXT Trucking said they have entered into a strategic partnership that will make it easier for overseas companies to ship cargo to final distribution destinations in the U.S. by providing what they said will be a “seamless integrated platform.” The two companies said they will offer overseas customers a one-stop solution for the drayage, warehousing and delivery of their goods in the U.S. through the NEXT Trucking E-commerce.

18. Hutchison profits rise on increased container volumes in 2017

Hong Kong-based C.K. Hutchison Holdings Co.'s ports and related services division reported higher volumes, revenues, and profits for 2017 when compared with 2016, according to the company's most recent financial statements. For the full year in 2017, the 287 port terminal berths operated by Hutchison handled 84.7 million TEUs of containerized cargo, 4 percent more than in 2016.

19. Port Launches \$250,000 Export Development Fund to Explore New Trade Opportunities

The Port of Prince Rupert has launched a new funding initiative to help communities and economic development agencies in Western Canada assess new export opportunities in the Asia-Pacific region. The \$250,000 Export Development Fund is a program to assist eligible organizations in developing new export opportunities across Canada's northwest trade corridor. Opportunities could be related to an existing industry entering new markets, new or expanded industries that would be viable for export, or existing export industries that are not currently using the Port of Prince Rupert.

20. Logistec announces 2017 year-end results

LOGISTEC Corporation, a marine and environmental services provider, on March 20, 2018 announced its financial results for the fourth quarter and the year ended December 31, 2017. Consolidated revenue reached a record \$475.7 million in 2017, an increase of \$132.4 million or 38.6% over 2016. The marine services segment posted revenue of \$205.3 million in 2017, representing higher sales compared with \$186.0 million in 2016. The increase was mostly due to bulk activity. The environmental services segment delivered a good performance in 2017, as revenue increased by \$113.2 million or 71.4% over 2016 to reach \$270.5 million. Revenue growth came primarily from the business acquisition of FER-PAL, and from increased activity in site remediation and Aqua-Pipe.

21. Container business may enter 'settling down' period

As Ocean Network Express (ONE) - the merged container business of NYK, MOL, and “K” Line - prepares to launch in April 2018, Jeremy Nixon, its chief executive officer, said there may be a period of “settling down” among the three major consortia that dominate the deep sea container trades. Speaking earlier this month at the TPM conference in Long Beach, Nixon said recent changes by the consortia appear to be “fine tuning,

22. Federal government's new commitments to protect whales under the Oceans Protection Plan include support for port authority ECHO Program

The Vancouver Fraser Port Authority applauds the Fisheries and Ocean Canada's recent announcement to invest more than \$12 million in new science funding and research projects to study the impacts of reduced prey availability and underwater noise on marine animals, including the southern resident killer whale, as part of the Oceans Protection Plan. An underwater listening station in the Strait of Georgia, part of the port authority-led Enhancing Cetacean Habitat and Observation (ECHO) Program, is one of four projects receiving this funding. The port authority was awarded \$200,000 to continue operating the underwater listening station in the Strait of Georgia for a third year. “A key focus of the ECHO Program is supporting the recovery of southern resident killer whales, and the listening station is critical to our understanding of

how underwater vessel noise might be affecting these and other at-risk species,” said Duncan Wilson, vice president, corporate social responsibility at the Vancouver Fraser Port Authority.

23. ZIM drops Halifax call in favour of feeder

Israeli ocean carrier ZIM will launch a new service, dubbed the Canada Florida Express (CFX), and adjust its ZIM Container Service Pacific (ZCP) loop, which connects Asia with the U.S. East Coast via the Panama Canal. These changes will take effect April 3, 2018 ZIM said. Operating as a fixed-day weekly service, the CFX will deploy two 1,300-TEU vessels and will have a rotation of Kingston, Miami, Halifax and Kingston.

24. Omnibus spending bill benefits ports, AAPA says

The American Association of Port Authorities (AAPA) said the omnibus spending legislation approved March 23, 2018 by Congress and signed by President Donald Trump contains funding for a number of the association’s top infrastructure and intermodal priorities, both on the landside and the waterside. The \$1.3 trillion omnibus spending package will fund the federal government through Sept. 30, 2018.

25. New report reviews pathways to zero-carbon shipping

Deployment of all currently known technologies could make it possible to almost completely decarbonize maritime shipping by 2035, according to a new report published by the International Transport Forum at the OECD. Four different decarbonization pathways examined for the study would reduce international shipping’s CO2 emissions between 82% and 95% below the level currently projected for 2035. This reduction equals the annual emissions of 185 coal-fired power plants.

26. Long Beach Port Goes With the Flow

As cargo volumes and the complexity of port operations continue to increase, the Port of Long Beach and GE Transportation are collaborating on a pilot project to improve cargo flow, increase visibility, and enhance real-time decision-making. After a successful pilot with the Port of Los Angeles that increased visibility of incoming cargo from two days to two weeks, GE Transportation, a division of the General Electric Company, will implement its Port Optimizer solution at two Long Beach marine terminals for a two- to three-month pilot.

27. COSCO Ports nearly triples earnings in 2017

COSCO Shipping Ports nearly tripled its earnings in 2017 thanks to increased handling volumes and a one-time benefit from the sale of certain terminal assets, according to the company’s most recent financial results. The port terminal operating arm of Chinese state-run conglomerate COSCO Shipping, formerly known as COSCO Pacific, reported a net profit of \$512.5 million for the full year in 2017, a 183.2 percent increase from the prior year.

28. Commentary: Container rate decline just ‘normal seasonality’?

Some analysts have posited that the current rate behavior, particularly in the eastbound transpacific trade, is indicative of a continued imbalance of supply and demand, while others have argued that it’s simply a matter of typical seasonal ebbs and flows in demand. The truth of the matter, however, is that both these arguments are actually accurate descriptions of the current state of the market.

RAIL TRANSPORTATION

1. CP’s specific share repurchase program terminated; normal course issuer bid remains in effect

Canadian Pacific Railway Limited (CP) announced on February 28, 2018 that the third-party seller under the specific share repurchase program announced on February 14, 2018 (“the Program”) has exercised its right to terminate the Program. CP purchased an aggregate of 20,000 common shares under the Program for an aggregate purchase price of \$4,471,960. All common shares acquired under the Program were cancelled upon purchase by CP.

2. Western grain farmers push for legislative fix to railway bottleneck

As planting season approaches, industry representatives were in Ottawa warning that a lack of action could plunge the country into a grain crisis as serious as in 2013-14, which they say cost the economy \$8 billion. An Ag Transport Coalition report released late last month found Canada’s largest railways supplied only 38 per cent

RAIL TRANSPORTATION

Canada

1. CP’s specific share repurchase program terminated; normal course issuer bid remains in effect, February 28, 2018, www.cpr.ca
2. Western grain farmers push for legislative fix to railway bottleneck, March 1, 2018, www.ctl.ca
3. CN recognized as one of Canada’s Best Diversity Employers, March 2, 2018, www.cn.ca
4. CEO Luc Jobin is leaving CN; Board appoints Jean-Jacques Ruest Interim CEO, March 5, 2018, March 5, 2018, www.cn.ca
5. New CEO: CN will immediately improve movement of Western Canadian grain, March 6, 2018, www.cn.ca

of the grain cars requested by producers on time over a week-long period in mid-February. Proposed legislation, Bill C-49, would give the government the tools to address the problem, but those measures are tied to separate provisions around a new air passenger bill of rights —which has raised concerns in the Senate, where the bill has stalled. Agricultural Minister Lawrence MacAulay says he and Transport Minister Marc Garneau are urging the Senate to pass the bill.

3. CN recognized as one of Canada’s Best Diversity Employers

CN announced on March 2, 2018 that it has been named one of Canada’s Best Diversity Employers for the second straight year by Canada’s Top 100 Employers. “We are very proud to be selected as one of Canada’s Best Diversity Employers,” said Kim Madigan, vice-president of human resources at CN. “The diversity of our employees is one of our greatest assets and Canada’s Top 100 Employers has recognized our commitment to promoting a diverse and inclusive work force...”

4. CEO Luc Jobin is leaving CN; Board appoints Jean-Jacques Ruest Interim CEO

The Board of Directors of CN announced on March 5, 2018 that Luc Jobin is leaving CN effective immediately. The Board has appointed Jean-Jacques Ruest Interim President and Chief Executive Officer until a permanent replacement is in place. Mr. Ruest has been with the company for twenty-two years, the last eight as Executive Vice-President and Chief Marketing Officer.

5. New CEO: CN will immediately improve movement of Western Canadian grain

CN Interim President and Chief Executive Officer JJ Ruest said the company will quickly improve the movement of Western Canadian grain and is directing additional people

and equipment to clear backlogs across its network. “We apologize for not meeting the expectations of our grain customers, nor our own high standards,” Ruest said. “The entire CN team has a sense of urgency and is fully focused on getting it right for farmers and our grain customers, regaining the confidence of Canadian businesses, and protecting Canada’s reputation as a stable trade partner in world markets. “Moving the Canadian economy is in our DNA. We can and we will do much better, and that starts today – no excuses,” Ruest continued. “CN has taken immediate steps to mobilize our proud and dedicated team of railroaders – the best in the business – in order to move more grain faster.” CN described the steps it is taking.

6. CP continues to deliver for North American economy, network improving daily after extreme winter conditions

Canadian Pacific Railway Limited (CP) continues to deliver overall for the grain supply chain with our year-to-date shipments, through Week 31, up 3 percent, or approximately 400,000 metric tonnes. While extreme weather took its toll on the entire supply chain through much of February 2018, CP's network is now starting to recover. Week 31 saw grain shipments increase by 16 percent week-over-week and each day CP's network is getting more fluid. CP also spotted nearly 50 percent more empties to the country in Week 31 compared to the week prior, a further sign of the incremental gains being made. CP's velocity is also improving, with train speeds up approximately 10 percent this past week versus mid-February.

7. CP expansion's goal is to grow international intermodal freight

CP CEO Keith Creel says the new ONE business in Vancouver and CP's expansion into the DC-rich Ohio Valley signal the Canadian railroad's intention to grow its international intermodal freight volume.

8. AAR: U.S. rail traffic picks up steam in February

6. CP continues to deliver for North American economy, network improving daily after extreme winter conditions, March 7, 2018, www.cpr.ca

7. CP expansion's goal is to grow international intermodal freight, February 8, 2018, www.joc.com

8. AAR: U.S. rail traffic picks up steam in February, March 9, 2018, www.americanshipper.com

9. CN Rail beginning to recover in March from weak start to year, says interim CEO, March 14, 2018, www.ctl.ca

10. Saskatchewan premier blasts ‘mind boggling’ rail backlog of grain shipments, March 16, 2018, www.ctl.ca

11. VIA Rail’s fleet to be replaced in the Quebec City-Windsor Corridor, March 19, 2018, www.tc.gc.ca

12. Crude by rail price increases expected to put pressure on western producers, March 20, 2018, www.ctl.ca

13. CN and TCRC reach tentative agreement on new labour contract for locomotive engineers in Canada. March 21, 2018, www.cn.ca

14. Tree Canada and CN invite Canadian communities to apply for \$25,000 greening grants, March 23, 2018, www.cn.ca

15. CN to hold its 2018 annual meeting of shareholders in Toronto on April 24, 2018, March 23, 2018, www.cn.ca

16. All-Day, Two-Way GO Train Service Coming to Communities Across GTHA, March 26, 2018, www.mto.gov.on.ca

17. Railway carloadings, January 2018, March 28, 2018, www.stacan.gc.ca

Total combined U.S. freight railroad traffic in February 2018 increased 3.3 percent to 2.13 million carloads and intermodal units compared with the same month a year ago, according to the latest data from the Association of American Railroads (AAR). U.S. railroads saw carload shipments slip 0.3 percent year-over-year to 1.03 carloads for the month, but the decline in carloads was more than offset by a 6.9 percent increase in intermodal traffic to 1.1 million containers and trailers.

9. CN Rail beginning to recover in March from weak start to year, says interim CEO

Canadian National Railway Co. is beginning to recover from a turbulent end to 2017 and deep winter freeze that curtailed its service, the railroad's interim CEO Jean-Jacques Ruest said on March 14, 2018. He told an investor conference that February 2018 was among the worst months in the company's history as volume decreased and costs rose. But train speeds have picked up and the railway is moving more freight which will help customer service and satisfaction, he said. March 2018 is slightly better but it will not be enough to cover the month of January and February 2018. However, he indicated that they were heading in that direction.

10. Saskatchewan premier blasts 'mind boggling' rail backlog of grain shipments

Saskatchewan Premier Scott Moe says it's mind-boggling that grain shipments have been delayed again by rail backlogs this year. Moe told the Saskatchewan Association of Rural Municipalities on March 16, 2018 that this is the second time in four years that grain shipments have been delayed. "Our reputation, Saskatchewan's reputation and Canada's reputation as a reliable supplier of commodities, as a trustworthy business partner is being damaged," Moe told delegates. The Ag Transport Coalition says Canadian National and Canadian Pacific combined provided 45 per cent of rail cars ordered the week of Feb. 25 — up from 38 per cent ordered by grain shippers during the week of Feb. 12. Grain producers harvested the third-largest crop in the province's history last fall, Moe said. "Now, many of them are struggling to pay their bills because their grain isn't moving."

11. VIA Rail's fleet to be replaced in the Quebec City-Windsor Corridor

To keep Canada's travel system competitive and efficient, the Honourable Marc Garneau, Minister of Transport on March 19, 2018 announced that the Government of Canada will provide funding for VIA Rail to replace its fleet in the Quebec City-Windsor Corridor. As it is reaching the end of its useful life, the fleet in this corridor must be replaced to help maintain passenger safety for the next 30 years. The new fleet will also: 1) reduce environmental impacts as engines with the latest technology will be more fuel-efficient resulting in air quality improvements; 2) improve travellers' experience and accessibility by including visual communication media for hearing-impaired passengers; purpose-built accessible washrooms; on-board wheelchair lift, and a minimum of three wheelchair tie-downs per train, with two in the same car, an increase from the current one tie-down per train; and 3) increase VIA Rail's operational flexibility and reliability by reducing the mechanical breakdowns that effect on-time-performance.

12. Crude by rail price increases expected to put pressure on western producers

Discounts for western Canadian oilsands crude will remain high as railroads crank up their crude-by-rail rates in return for adding locomotives and crews to the transport constrained sector, according to an energy analyst's report published March 20, 2018. Barclays Capital analyst Paul Cheng said he is increasing by US\$4.50 per barrel his forecast for the difference between Western Canadian Select oilsands blend and U.S. benchmark West Texas Intermediate from 2019 to 2022, when new pipelines are expected to come on stream to relieve transportation headaches.

13. CN and TCRC reach tentative agreement on new labour contract for locomotive engineers in Canada

CN and the Teamsters Canada Rail Conference announced on March 21, 2018 that the parties have reached a tentative agreement to renew the labour contract for approximately 1,700 CN locomotive engineers in Canada.

14. Tree Canada and CN invite Canadian communities to apply for \$25,000 greening grants

CN and Tree Canada are pleased to announce March 23, 2018 the launch of CN EcoConnexions *From the Ground Up*, an annual initiative that provides more than a half million dollars in funding for community greening projects across Canada.

15. CN to hold its 2018 annual meeting of shareholders in Toronto on April 24, 2018

CN will hold its 2018 annual general meeting of shareholders in Toronto on April 24, 2018. The meeting will be held at The Omni King Edward Hotel (in the Sovereign Ballroom), located at 37 King Street East, Toronto, at 10 a.m. (EDT). CN will provide an audio webcast of the meeting via the Investors' section of its website at: www.cn.ca/en/investors.

16. All-Day, Two-Way GO Train Service Coming to Communities Across GTHA

Ontario is taking a major step forward in bringing more all-day, two-way GO train service to families and commuters in the Greater Toronto and Hamilton Area (GTHA), with new stations and upgrades across the GO network. Transportation Minister Kathryn McGarry was at Union Station on March 26, 2018 to announce that Ontario is moving ahead with the next phase of work to build the province's GO Regional Express Rail (RER) system.

17. Railway carloadings, January 2018

The volume of rail freight carried in Canada totalled 30.1 million tonnes in January 2018, up 3.0% from January 2017. The gain was largely attributable to a 25.5% increase in traffic received from United States connections. Freight originating in Canada increased 0.7% from the same month last year to 26.7 million tonnes. Non-intermodal freight fell by 0.6% to 288,000 carloads in January 2018, while the amount of freight loaded into these cars rose 0.3% to 23.7 million tonnes. Intermodal freight loadings rose 3.3% from January 2017 to 197,000 units in January 2018. The gain stemmed from a 3.4% increase in containers-on-flat-cars, as the number of units for trailers-on-flat-cars fell by 6.5%. In terms of weight, intermodal traffic increased 3.8% to 3.0 million tonnes. Freight traffic received from the United States rose 25.5% to 3.4 million tonnes, as a result of increases in both non-intermodal (+26.1%) and intermodal (+18.0%) freight.

HIGHWAY TRANSPORTATION

1. North American freight market 'increasingly positive' in January

The North American freight market continued to show "increasingly positive" growth in January 2018, according to the latest Cass Freight Index Report. Shipment volumes and expenditures extended a run of year-over-year increases that began 16 and 13 months ago, respectively, with volumes up 12.5 percent and spending up 14.2 percent compared with January 2017.

2. Logistec acquires U.S. terminal operator

Logistec Corporation announced the expansion of its network of terminals through the strategic acquisition of Gulf Stream Marine. This transaction will allow Logistec to establish a stronghold in the U.S. Gulf, strengthen its position in a high-growth market in the United States, provide access to an experienced talent pool, facilitate knowledge transfer between the two organizations, and generate immediate positive benefits to shareholders.

3. Combined Savings: LCVs vs. platooning

Pulling two trailers with just a single power unit is an efficient way of moving freight. It's not quite two-for-the-price-of-one, but fuel and labor costs are lower on a per-trailer basis even if equipment acquisition and operating costs are similar. Greenhouse gas emissions are lower, too, and the overall safety record for long combination vehicles (LCVs) is stellar. Platoons, which would autonomously connect a series of tractor-trailers behind one controlled by a driver, appear to offer a future competitor, and one that may ultimately prove easier to facilitate. Fuel and labor costs are both significantly lower when running an LCV. Operational costs, platooning benefits and parking problems have also to be considered to determine ones' choice.

4. PRESTO Coming to Shoppers Drug Mart Locations Across the GTHA

Ontario is making it easier for commuters to use public transit by making PRESTO fare cards available to buy and top-up at Shoppers Drug Mart locations in municipalities across the Greater Toronto and Hamilton Area (GTHA) and Ottawa.

5. Uber's Self-Driving Trucks Now Hauling Freight

Uber Technologies announced that its autonomous commercial

HIGHWAY TRANSPORTATION Canada

1. North American freight market 'increasingly positive' in January, March 1, 2018, www.americanshipper.com
2. Logistec acquires U.S. terminal operator, March 2, 2018, www.ctl.ca
3. Combined Savings: LCVs vs. platooning, March 2, 2018, www.todaystrucking.com
4. PRESTO Coming to Shoppers Drug Mart Locations Across the GTHA, March 5, 2018, www.mto.gov.on.ca
5. Uber's Self-Driving Trucks Now Hauling Freight, March 5, 2018, www.ontruck.com
6. Market conditions will drive strong organic growth: Titanium, March 6, 2018, www.todaystrucking.com
7. Ontario Widening Highway 401 in Mississauga and Milton, March 7, 2018, www.mto-org.on.ca
8. Trucking Industry Stakeholders Call for Canadian Govts to Move Quickly on ELDs, February 8, 2018, www.ontruck.ca
9. Leading indicator of cross-border traveller volume, February 2018, March 12, 2018, www.statcan.gc.ca
10. U.S. Department of Transportation Announces Half A Billion Dollars in Infrastructure Investments to 41 Projects in 43 States, March 9, 2018, www.dot.gov
11. New safety powers granted to protect Canadians from vehicle defects, March 12, 2018, www.tc.gc.ca
12. U.S. transportation and logistics job growth accelerates in February, March 12, 2018, www.americanshipper.com
13. FedEx investing \$1 billion to modernize Tennessee hub, March 14, 2018, www.ctl.ca
14. NAFTA Trucking Freight Share Declined Last Year, March 19, 2018, www.ontruck.ca
15. DHL looks to seize on potential growth in U.S. e-commerce market, March 20, 2018, www.americanshipper.com
16. January 2018 Freight Transportation Services Index (TSI), March 21, 2018, www.bts.gov

trucks are now conducting regular freight hauls in Arizona through the Uber Freight network. Automated trucks operated by Uber's Advanced Technologies Group are moving loads across the state in both directions on Interstate 40 and exchanging trailers with conventional trucks in multistage shipments coordinated via the Uber Freight application, reports Transport Topics. Uber said its self-driving trucks are hauling consumer products in dry van trailers, but declined to name which shippers are using its services.

6. Market conditions will drive strong organic growth: Titanium
Titanium Transportation Group grew total revenues by 24% year-over year in the fourth quarter, to \$35.4 million. It also increased its EBITDA 14% to \$3.5 million, and completed its acquisition of Xpress Group in Windsor, Ont. It also reached a settlement with ProNorth Transportation, reducing the amount of the original acquisition cost by \$3.4 million. Now, says the company, it's well positioned to drive organic growth in 2018 thanks to stronger logistics performance and improving trucking industry conditions.

7. Ontario Widening Highway 401 in Mississauga and Milton

Ontario is widening 18km of Highway 401 in Mississauga and Milton, to improve traffic flow and keep people and goods moving. Kathryn McGarry, Minister of Transportation and Indira Naidoo-Harris, MPP for Halton, were in Mississauga to announce that the province has issued a request for proposals to design and build the highway.

8. Trucking Industry Stakeholders Call for Canadian Govts to Move Quickly on ELDs

Teamsters Canada, the Private Motor Truck of Canada and the Canadian Trucking Alliance are calling on governments to move quickly in the implementation of the electronic logging device (ELD) mandate. The major groups representing trucking interests across Canada are asking the federal and provincial governments to all commit to a process that would see a publication of the final rule by June 2018 and the ELD rule enforced in each province by December 2019. The three groups believe the safety benefits of ELDs cannot be delayed and that an 18-month transition will allow industry and governments to properly transition to the mandate.

9. Leading indicator of cross-border traveller volume, February 2018

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. The data provide counts of US residents 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.

10. U.S. Department of Transportation Announces Half A Billion Dollars in Infrastructure Investments to 41 Projects in 43 States

The U.S. Department of Transportation (US DOT) on March 9, 2018 announced the list of 41 recipients of nearly \$500 million in discretionary grant funding for road, transit, maritime and rail projects through the Transportation Investment Generating Economic Recovery (TIGER) program. "TIGER grants are targeted investments for our local communities that will increase safety, create jobs and modernize our country's infrastructure," said Secretary Elaine L. Chao.

11. New safety powers granted to protect Canadians from vehicle defects

The *Strengthening Motor Vehicle Safety for Canadians Act* (Bill S-2) received Royal Assent. It is a major step in improving road safety. This Act provides the Minister of Transport with new powers and the ability to: 1) Order a company to recall a vehicle to correct a defect; 2) Order a company to pay for the cost of repairs so consumers don't bear the cost; 3) Order a company to conduct tests on a vehicle and to provide the results back to the Minister; 4) Order a company to fix a new vehicle before it's sold; and 5) Negotiate a settlement with a company which is alleged to be in violation of the *Motor Vehicle Safety Act*. In addition, the *Act* gives Transport Canada the ability to: 1) Perform more in depth vehicle inspections in relation to

17. FedEx beats on earnings, revenues in Q3 FY2018, March 21, 2018, www.americanshipper.com

18. Driver shortage leads to Wiersma sale, March 21, 2018, www.todaystrucking.com

19. ATA: Truck tonnage snaps growth streak in February, March 22, 2018, www.americanshipper.com

20. Truckload pricing growth streak continues in February, March 23, 2018, www.americanshipper.com

21. North American freight market growth rolls on in February, March 26, 2018, www.americanshipper.com

22. Couriers and Messengers Services Price Index, February 2018, March 27, 2018, www.statcan.gc.ca

23. Own-account transportation represents about one-third of transportation services, March 27, 2018, www.statcan.gc.ca

24. Canadian shipping costs rose in January: CGFI, March 28, 2018, www.todaystrucking.com

25. ATA: Truck driver wages shift upward, March 28, 2018, www.americanshipper.com

safety concerns; and 2) Allow more flexibility to support innovative technologies, such as connected and automated vehicles. The *Act* also paves the way for Transport Canada to impose future administrative monetary penalties (i.e. fines) to manufacturers of up to \$200,000, per violation, for any contraventions of the *Motor Vehicle Safety Act*.

12. U.S. transportation and logistics job growth accelerates in February

U.S. transportation and logistics companies added another 15,400 jobs in February 2018, accelerating the growth seen in the previous two months, according to the latest preliminary data from the U.S. Department of Labor's Bureau of Labor Statistics (BLS). The February 2018 growth figures followed revised gains of 11,800 jobs in January and 8,700 positions in December 2017. Job gains in the sector during February were led by the truck transportation segment.

13. FedEx investing \$1 billion to modernize Tennessee hub

FedEx said on March 14, 2018 that it is investing more than \$1 billion to modernize and expand its Tennessee hub, in a move the shipping giant says will improve its efficiency and reliability as it delivers packages throughout the world.

14. NAFTA Trucking Freight Share Declined Last Year

The value of U.S.-Canada freight flows increased 7.1% to \$582.4 billion between 2016 and 2017, but the value of trucks' share (58%) decreased by 2.4 percentage points, according to the U.S. Dept of Transportation. The modal shares of rail and air also decreased, both down 0.1% percentage points. Pipeline's share rose by 2.2 percentage points while vessel rose 0.6 points, both due in part to an increase in the year-over-year price of crude oil in 2017. Trucks carried 50.1% of the \$300 billion of goods imported from Canada in 2017, followed by rail, 20.6%; pipeline, 17.2%; vessel, 5%; and air, 3.8%. Trucks carried 65.7% of the \$282.5 billion of goods exported to Canada, followed by rail, 11.5%; air, 5.6%; pipeline, 3.5%; and vessel, 2.8%. Michigan led all U.S.-Canada Border states serving as a gateway for 38.3% of freight carried between the U.S. and Canada in 2017, handling \$222.8 billion, an increase of 5.2%.

15. DHL looks to seize on potential growth in U.S. e-commerce market

DHL has begun to expand its U.S. market presence by offering a new delivery program that caters to urban e-commerce retailers and shoppers, the company said in a statement late last week. After about two years of pilot testing, the company's DHL eCommerce unit has launched DHL Parcel Metro to provide online retailers with same-day and next-day delivery for their customers.

16. January 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 0.4 percent in January 2018 from December 2017, falling after reaching an all-time high in December, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The January 2018 index level (132.3) was 39.7 percent above the April 2009 low during the most recent recession.

17. FedEx beats on earnings, revenues in Q3 FY2018

FedEx Corp. saw its earnings skyrocket 257 percent to \$2.07 billion in the third quarter of its fiscal 2018 year, which ended Feb. 28, 2018 according to the company's most recent financial statements. The Memphis-based parcel and express carrier posted diluted earnings per share (EPS) of \$7.59 for the quarter compared with \$2.07 per share in the same 2017 period, beating consensus analyst expectations by \$0.61 per share, according to a report from investment analyst

18. Driver shortage leads to Wiersma sale

Challenger Motor Freight is acquiring the assets of Ed Wiersma Trucking in a deal expected to close at the end of March 2018, expanding Challenger's Special Commodities Division. The 16-truck, family-run fleet specialized in flatbed truckload freight moving between southern Ontario and the U.S. But while it had up-to-date equipment and freight to haul, it was no longer able to attract the drivers it needed. "We struggled with the driver shortage for two years now," founder Ed Wiersma told *Today's Trucking*, noting that as older drivers retired, many of their younger replacements didn't adapt to the lifestyle of trucking. Last year, 30% of the trucks sat idle, he said. "It's no longer financially feasible." But the operation is a fit for Challenger.

19. ATA: Truck tonnage snaps growth streak in February

Domestic truck tonnage fell 2.6 percent in February 2018 compared with the previous month, according to the American Trucking Associations (ATA). Domestic truck tonnage snapped its sequential growth streak in February 2018, sliding 2.6 percent from the previous month, but rose 5.7 percent year-over-year, according to the American Trucking Associations' (ATA) advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index.

20. Truckload pricing growth streak continues in February

Domestic U.S. truckload (TL) rates continued their extended growth streak in February 2018, increasing 6.5 percent compared with the same month a year ago, according to the latest Cass Truckload Linehaul Index. The February growth to a reading of 131.3 represents the 11th consecutive month of year-over-year gains for the index, which rose 6.2 percent in December and 6.5 percent in January.

21. North American freight market growth rolls on in February

The North American freight market continued to show “increasingly positive” growth in February 2018, according to the latest Cass Freight Index Report. Shipment volumes and expenditures extended a run of year-over-year increases that began 17 and 14 months ago, respectively, with volumes up 11.4 percent and spending up 14.3 percent compared with February 2017.

22. Couriers and Messengers Services Price Index, February 2018

The Couriers and Messengers Services Price Index (CMSPI) increased 0.7% in February 2018 following a 1.6% gain in January 2018. The index has increased in each of the last five months. The couriers’ component was up 1.0% while the local messengers’ and local delivery component decreased 0.6%. Year over year, the CMSPI rose 6.4% in February 2018 compared with the same month a year earlier. Both the couriers component (+6.6%) and the local delivery component (+5.6%) increased.

23. Own-account transportation represents about one-third of transportation services

Output for total transportation activity, as defined by the Canadian Transportation Economic Account (CTEA), is estimated to have been \$127.6 billion in 2013. This represented 3.8% of the total Canadian output. Own-account transportation activity in air, rail, water and trucking collectively contributed \$41.4 billion to this estimate and constituted 32% of the overall transportation activity in the four modes of transportation. Trucking had the largest output of own-account transportation at \$39.2 billion (45% of the mode’s total transportation activity). In terms of value added, the shares were similar, with own-account transportation contributing over \$19.3 billion for the four modes. The CTEA provides a comprehensive measure of transportation services produced in the Canadian economy. In addition to for-hire transportation services, it provides a new explicit measure of own-account or in-house transportation services produced by non-transportation industries in the process of conducting their core business activities. Each own-account transportation mode (air, rail, water, and trucking) is presented as a separate industry and product in the account. The CTEA is fully integrated with Canada’s macroeconomic accounts.

24. Canadian shipping costs rose in January: CGFI

The cost of ground transportation for Canadian shippers rose 2.6% in January 2018, according to the latest Canadian General Freight Index (CGFI) by Nulogx. The base rate was up 1.7%, while fuel surcharges also rose, to 17.97% of the base rate in January 2018 compared to 17.26% in December 2017. “Total freight costs increased 2.6% in January,” said Doug Payne, president and COO, Nulogx. “December and January marked back-to-back increases of over 2%. Domestic truckload and domestic LTL led the increase, while cross-border LTL and truckload showed positive increases also.”

25. ATA: Truck driver wages shift upward

A recent study by the American Trucking Associations (ATA) indicates that truck driver pay is on the rise as carriers nationwide strive to recruit and retain qualified operators. The ATA surveyed more than 100,000 drivers for its recently released Drive Compensation Study. Bob Costello, ATA’s chief economist, said the study shows that fleets are reacting to an increasingly tight market for drivers by boosting pay, improving benefit packages and offering other incentives.

GENERAL TRANSPORTATION

Canada

1. U.S. Economy Going Strong and Steady

The U.S. economy continues to experience robust growth supported by real wage increases, lower unemployment, and easy access to credit, which all support stronger private consumption, according to the Atradius December Economic Update report. The report’s key takeaways for the U.S. economy include: World trade will see five-percent growth in 2017 and 3.5 percent in 2018 driven by intra-regional trade flows in Asia and strong import demand from North America.

Canada

1. U.S. Economy Going Strong and Steady, March 1, 2018, www.inbounlogistics.com
2. Oil Pipeline Transport Survey, 2016, March 5, 2018, www.statcan.ca
3. Government of Canada takes steps to ensure a clean environment and strong economy, February 8, 2018, www.canada.ca
4. Taking the Measure of Global Trade,

2. Oil Pipeline Transport Survey, 2016

Canadian oil pipeline companies reported total operating revenues of \$7.9 billion and total operating expenses of \$3.5 billion in 2016. As a result, net revenue from operations was \$4.4 billion, while net income after taxes totalled \$2.4 billion. In 2016, total assets reported in the Canadian oil pipeline sector were \$59.0 billion, which included fixed assets (\$43.7 billion), total investments (\$10.0 billion) and total current assets (\$3.5 billion). Canadian oil pipeline companies reported total liabilities of \$28.3 billion, which included total long-term debt (\$18.6 billion) and current liabilities (\$7.7 billion), followed by deferred credit and appropriations (\$2.0 billion). Total capital stock and surplus was \$30.7 billion in 2016. Canadian oil pipeline companies employed 4,917 people, whose salaries and wages totalled \$589.3 million in 2016. There were 48,485 kilometres (km) of oil pipelines operating in Canada in 2016. They consisted of gathering lines (27,585 km) and trunk lines (20,900 km). Almost 80% of the pipeline distances were located in Alberta and Saskatchewan.

March 18, 2018,

www.inboundlogistics.com

5. US to consider Pacific Trade re entry after other priorities, March 26, 2018, www.ctl.ca

3. Government of Canada takes steps to ensure a clean environment and strong economy

A clean environment and a strong economy go hand in hand – that’s why the Government of Canada is bringing forward better rules for the review of major projects. Better rules will protect our environment, fish and waterways, rebuild public trust, and create new jobs and economic opportunities for the middle class and those working hard to join it. The proposed changes include: 1. Restoring public trust; 2. Making transparent, science-based decisions; 3. Providing more comprehensive impact assessments; 4. Permitting one project, one review; 5. Making decisions timely; 6. Revising the project list; 7. Protecting water, fish and navigation; and 8. Increasing funding.

4. Taking the Measure of Global Trade

Cross-border trade of intermediate goods and early-cycle commodities point to a moderate increase in world trade through March 2018, according to the DHL Global Trade Barometer for January 2018. On its initial release, the index scored 64, which is slightly below the values calculated for previous months. That means that world trade is still considered to be in a growth mode, but that growth is losing momentum. The index attributes the decline to weakening prospects for Chinese and Japanese trade, which is only partially offset by improved prospects for India, South Korea, and Great Britain.

5. US to consider Pacific Trade re entry after other priorities

The United States will consider rejoining a sweeping free trade agreement of Pacific Rim countries after it deals with other priorities, U.S. Treasury Secretary Steven Mnuchin said on March 21, 2018. President Donald Trump withdrew the U.S. from the Trans-Pacific Partnership last year, but the remaining 11 members pressed ahead and recently signed a renegotiated pact in the Chilean capital. The deal aimed at streamlining trade and slashing tariffs was renamed the Comprehensive and Progressive Trans-Pacific Partnership, or CPTPP.