

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Air Canada Reports First Quarter 2018 Results

Air Canada on April 30, 2018 reported first quarter 2018 EBITDAR (earnings before interest, taxes, depreciation, amortization, impairment and aircraft rent) of \$397 million compared to first quarter 2017 EBITDAR of \$366 million. Air Canada reported an operating loss of \$14 million compared to an operating loss of \$30 million in the first quarter of 2017. The airline reported an adjusted pre-tax loss of \$72 million in the first quarter of 2018 compared to an adjusted pre-tax loss of \$63 million in the prior year's quarter. On a GAAP basis, in the first quarter of 2018, Air Canada reported a loss before income taxes of \$184 million, which included losses on foreign exchange of \$112 million, compared to a loss before income taxes of \$13 million, which included gains on foreign exchange of \$70 million, in the first quarter of 2017. In the first quarter of 2018, on capacity growth of 8.6 per cent, record system passenger revenues of \$3.489 billion increased \$369 million or 11.8 per cent from the first quarter of 2017. The increase in system passenger revenues was driven by traffic growth of 11.4 per cent and a yield improvement of 0.4 per cent. An increase in average stage length of 3.9 per cent had the effect of reducing system yield by 2.2 percentage points. On a stage-length adjusted basis, system yield increased 2.6 per cent year-over-year.

### 2. WestJet launches inaugural Halifax/Gatwick flight

WestJet on April 30, 2018 officially launched its route between Halifax and London (Gatwick). The departure of WS24 marks the start of daily, nonstop service between Halifax Stanfield International Airport and Gatwick Airport until October 26, 2018. This is the first time the airline has used its newest aircraft, the Boeing 737-8 MAX for transatlantic travel.

### 3. Air Canada expands its Rouge fleet in response to ultra-low-cost carrier competition

Air Canada will begin deploying its low-cost Rouge airplanes on routes to British Columbia this summer, part of a strategic response as it braces for competition from new ultra-low-cost carriers (ULCC). The airline said on April 30, 2018 that it will expand its Rouge narrow-body Airbus fleet in the second quarter, introducing new routes from Montreal to Victoria, B.C. and Toronto to Nanaimo and Kamloops, B.C. beginning in June 2018 — the same month that WestJet Airlines Ltd. plans on launching its new ultra-low-cost carrier Swoop.

### 4. Liberals reject Senate changes to air passenger rights, rail shipping bill

Canada's transport minister is rejecting a host of changes senators have made to legislation aimed at unclogging rail shipments and laying the foundation for a new air passenger bill of rights. The decision, laid out in a detailed motion soon to be voted on in the House of Commons, is prompting concerns the Liberal government's decision could harm air

## AIR

## TRANSPORTATION Canada

1. Air Canada Reports First Quarter 2018 Results, April 30, 2018, [www.aircanada.ca](http://www.aircanada.ca)
2. WestJet launches inaugural Halifax/Gatwick flight, April 30, 2018, [www.westjet.ca](http://www.westjet.ca)
3. Air Canada expands its Rouge fleet in response to ultra-low-cost carrier competition, April 30, 2018, [www.financialpost.ca](http://www.financialpost.ca)
4. Liberals reject Senate changes to air passenger rights, rail shipping bill, April 30, 2018, [www.ctl.ca](http://www.ctl.ca)
5. Air Canada Launches Daily Non-Stop Flights Linking Edmonton and San Francisco, May 12, 2018, [www.aircanada.ca](http://www.aircanada.ca)
6. Air Freight Growth Slows to 22-Month Low as Restocking Cycle Ends, May 2, 2018, [www.iata.org](http://www.iata.org)
7. American Airlines' Q1 cargo revenues rise 18.8pc, May 2, 2018, [www.transportweekly.com](http://www.transportweekly.com)
8. Air Canada Operates Biofuel Flight From Edmonton to San Francisco, May 2, 2018, [www.aircanada.ca](http://www.aircanada.ca)
9. Porter passengers eligible for TSA PreCheck® expedited airport screening, May 2, 2018, [www.flyporter.com](http://www.flyporter.com)
10. Passenger Demand Accelerates in March, Load Factor Sets Another Record, May 3, 2018, [www.iata.org](http://www.iata.org)
11. Air freight growth slows: IATA, May 2, 2018, [www.ctl.ca](http://www.ctl.ca)
12. Canadian Transportation Agency extends its inquiry into Sunwing flight incidents to include Montreal flights, May 2, 2018, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
13. Delivery of air cargo screening rules on horizon, May 3, 2018, [www.americanshipper.com](http://www.americanshipper.com)
14. Air Travel Consumer Report: February 2018 Numbers, April 26, 2018, [www.dot.gov](http://www.dot.gov)
15. Schiphol cargo slips 4.7pc in March with decreased services, May 3, 2018, [www.transportweekly.com](http://www.transportweekly.com)
16. Boeing acquires parts logistics provider KLX, May 6, 2018, [www.ctl.ca](http://www.ctl.ca)
17. WestJet reports first quarter net earnings of \$37.2 million, May 8, 2018, [www.westjet.ca](http://www.westjet.ca)

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

passengers and shippers, and calls on senators to take a stand if MPs side with Transport Minister Marc Garneau. The Liberals are asking the House to reject all but a few amendments the Senate made to the sweeping transport bill that would touch on *rules governing tarmac delays, who can file complaints about airline service and the use of video recorders in locomotives*. Garneau's motion says that while some issues raised by senators on the passenger rights work are addressed in the bill or through other legislation, language narrowing the use of locomotive recorders would "significantly impact the ability of railways to ensure the safety of railway operations." Those amendments that are set to survive are related to the shipping of agriculture products.

#### **5. Air Canada Launches Daily Non-Stop Flights Linking Edmonton and San Francisco**

Air Canada on May 1, 2018 inaugurated non-stop daily flights between Edmonton and San Francisco. "The tech, innovation and creative industries, together with legendary tourist and outdoor attractions in both Northern California and Northern Alberta make this a prime destination for business and vacation travellers alike, and we are pleased to launch the only non-stop flights linking Alberta's capital to the Bay Area." said Benjamin Smith, President, Passenger Airlines at Air Canada. "Our Edmonton-San Francisco route is the latest addition to our strategically expanding network, and is one of 25 new routes being inaugurated this summer."

#### **6. Air Freight Growth Slows to 22-Month Low as Restocking Cycle Ends**

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), rose 1.7% in March 2018, compared to the same period the year before. This was five percentage points lower than the February 2018 result and the slowest pace of growth in 22 months. The year-on-year increase in capacity, measured in available freight tonne kilometers (AFTK) fell to 4.4% compared to 6.3% in February 2018. This was the first time in 20 months, however, that annual capacity rose faster than demand. The sharp growth slowdown is principally due to the end of the restocking cycle, during which businesses rapidly increased their inventory to meet unexpectedly high demand. A softening of global trade is also evident.

#### **7. American Airlines' Q1 cargo revenues rise 18.8pc**

American Airlines saw total 2018 first quarter cargo revenues jump 18.8 per cent year on year to US\$227 million driven by a 10.9 per cent increase in traffic to 687 million cargo ton miles, while yields rose 7.1 per cent to 33.03 cents per cargo ton mile, according to *Shipping Gazette*. American's main US rivals also reported strong performance during the quarter, with Delta registering a 23.9 per cent improvement in revenues to \$202 million and United seeing takings increase 23.1 per cent to \$293 million. The industry outlook looks mixed, however, with freight rates softening last month and indicators show little likelihood of any significant increase this month.

#### **8. Air Canada Operates Biofuel Flight From Edmonton to San Francisco**

Air Canada announced its Edmonton-San Francisco flight on May 2, 2018 will operate with biofuel onboard a 146-seat Airbus A320-200 aircraft. The larger aircraft was scheduled for today's flight to accommodate the trade mission delegation led by the Government of Alberta, the City of Edmonton and Edmonton-area businesses to

18. 2017 Annual and 4th Quarter U.S. Airline Financial Data, May 7, 2018, [www.dot.gov](http://www.dot.gov)

19. United and Lufthansa announce joint cargo agreement, May 7, 2018, [www.ctl.ca](http://www.ctl.ca)

20. WestJet unveils its Dreamliner 'Spirit of Canada' to the world, May 8, 2018, [www.westjet.ca](http://www.westjet.ca)

21. ATAC and HAC Ask for Sector by Sector Regulations, May 8, 2018, [www.atac.ca](http://www.atac.ca)

22. Cargojet Q1 net profit soars 73pc, May 11, 2018, [www.transportweekly.com](http://www.transportweekly.com)

23. WestJet adding jets to fly fans from Winnipeg to Las Vegas, May 10, 2018, [www.westjet.ca](http://www.westjet.ca)

24. Air Canada Adds Capacity on Key Transcontinental Routes in Response to Strike Vote Mandate at WestJet, May 10, 2018, [www.aircanada.ca](http://www.aircanada.ca)

25. Aircraft movement statistics: Small airports, January 2018, May 10, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

26. February 2018 U.S. Airline Traffic Data, May 10, 2018, [www.bts.gov](http://www.bts.gov)

27. TIACA and ACI to promote efficiency in air cargo industry, May 11, 2018, [www.ctl.ca](http://www.ctl.ca)

28. American Airlines Cargo nabs Multimodal 2018 airfreight award, May 14, 2018, [www.transportweekly.com](http://www.transportweekly.com)

29. Hong Kong's cargo up 4.8pc in April, May 17, 2018, [www.transportweekly.com](http://www.transportweekly.com)

30. Aircraft movement statistics: Major airports – Annual report, 2017, May 17, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

31. March 2018 Passenger Airline Employment Data, May 17, 2018, [www.bts.gov](http://www.bts.gov)

32. Amsterdam Schiphol sees air freight traffic drop 2.1pc in Q1, May 18, 2018, [www.transportweekly.com](http://www.transportweekly.com)

33. IATA Automates Dangerous Goods Compliance Checks, May 22, 2018, [www.inboundlogistics.com](http://www.inboundlogistics.com)

34. Senators bow to will of elected government on transport modernization bill, May 23, 2018, [www.ctl.ca](http://www.ctl.ca)

35. Minister Garneau's statement on the *Transportation Modernization Act* receiving Royal Assent, May 23, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

36. Settlement process reached between WestJet Pilots and WestJet, May 25, 2018, [www.westjet.com](http://www.westjet.com)

37. Threat of WestJet pilot strike over as airline, union agree to settlement process, May 25, 2018, [www.thestar.com](http://www.thestar.com)

38. The Government of Canada invests in transportation infrastructure at the Charlottetown Airport in Prince Edward Island, May 25, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

39. Air passenger protection regulations – Have your say!, May 28, 2018, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

California.

### **9. Porter passengers eligible for TSA PreCheck® expedited airport screening**

Porter Airlines has joined the TSA PreCheck® program, enabling its passengers to enjoy the benefits of expedited airport security screening at designated checkpoints when travelling from the U.S. Expedited

screening may allow passengers to keep on shoes, belts, and light outerwear, as well as leave laptops and compliant liquids in carry-on baggage.

### **10. Passenger Demand Accelerates in March, Load Factor Sets Another Record**

The International Air Transport Association (IATA) announced global passenger traffic results for March 2018 showing that demand (measured in revenue passenger kilometers, or RPKs) rose 9.5%, compared to the same month a year ago, the fastest pace in 12 months. Capacity (available seat kilometers, or ASKs) grew 6.4% and load factor climbed 2.3 percentage points to 82.4%, which set a record for the month, following on the record set in February 2018. All regions except for the Middle East posted record load factors. "Demand for air travel remains strong, supported by the comparatively healthy economic backdrop and business confidence levels. But rising cost inputs—particularly fuel prices—suggest that any demand boosts from lower fares will moderate going into the second quarter," said Alexandre de Juniac, IATA's Director General and CEO.

### **11. Air freight growth slows: IATA**

The sharp growth slowdown is principally due to the end of the restocking cycle, during which businesses rapidly increased their inventory to meet unexpectedly high demand. A softening of global trade is also evident. "It's normal that growth slows at the end of a restocking cycle. That clearly has happened. Looking ahead we remain optimistic that air cargo demand will grow by 4-5% this year. But there are obviously some headwinds. Oil prices have risen strongly, and economic growth is patchy. The biggest damage could be political. The implementation of protectionist measures would be an own-goal for all involved—especially the US and China," said Alexandre de Juniac, IATA's Director General and CEO.

### **12. Canadian Transportation Agency extends its inquiry into Sunwing flight incidents to include Montreal flights**

The Canadian Transportation Agency (CTA) is extending an inquiry initiated last week to include all Sunwing international flights scheduled to fly to or from the Toronto Pearson International Airport or the Montréal Pierre Elliott Trudeau International Airport between April 14 and 18, 2018 for which complaints have been filed with the CTA. This inquiry's focus is on whether Sunwing treated its passengers in a manner consistent with its terms and conditions of carriage for international flights (tariff) and whether those terms and conditions are reasonable.

### **13. Delivery of air cargo screening rules on horizon**

U.S. Customs and Border Protection (CBP) is anticipated to release an interim final rule setting forth mandatory Air Cargo Advance Screening (ACAS) requirements within the next six months, said Dominique Tarpey, section chief for the Transportation Security Administration (TSA) Global Supply Chain and Canine Initiatives, during a trade conference on May 2, 2018. ACAS is jointly administered by CBP and TSA.

### **14. Air Travel Consumer Report: February 2018 Numbers**

The U.S. Department of Transportation (DOT) on April 26, 2018 released its April 2018 *Air Travel Consumer Report (ATCR)* on air carrier data compiled for the month of February 2018. The full consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>. Regarding On-Time-Performance, in February 2018, the reporting carriers posted an on-time arrival rate of 79.3 percent, down from both the 82.6 percent on-time rate in February 2017 and the 79.6 percent mark in January 2018.

### **15. Schiphol cargo slips 4.7pc in March with decreased services**

Amsterdam Schiphol's cargo volumes slipped 4.7 per cent in March 2018 to 146,249 tonnes as the number of full freighter services fell from 1,582 last year in the same month to 1,411 in 2018. Cargo volumes by region in March 2018 for the Netherlands hub, Europe's third largest by total throughputs, saw monthly declines in Europe (-13.1 per cent), North America (-6.6 per cent), the Middle East (-11.3 per cent) and Asia (-5.6 per cent), with increases in Africa (+1.5 per cent) and Latin America (+15.6 per cent), reports *London's Air Cargo News*. The Dutch airport has been hit by the defection of some freighter aircraft services to European competitor hubs after a limit on aircraft slots hit pure-cargo operations.

### **16. Boeing acquires parts logistics provider K LX**

40. Air Canada Renews Normal Course Issuer Bid and Automatic Share Purchase Plan, May 28, 2018, [www.aircanada.ca](http://www.aircanada.ca)

41. Air freight demand up 5.8 percent in April, May 30, 2018, [www.transportweekly.com](http://www.transportweekly.com)

Boeing announced it has entered a definitive agreement to acquire KLX Inc. to enhance its growing services business. The agreement comprises an all-cash transaction for \$63 per share and the assumption of approximately \$1.0 billion of net debt, totaling \$4.25 billion. Boeing's acquisition of KLX Inc. will include KLX Inc.'s Aerospace Solutions Group, and is conditional upon the successful divestment and separation of KLX Inc.'s Energy Services Group.

#### **17. WestJet reports first quarter net earnings of \$37.2 million**

WestJet on May 8, 2018 announced its first quarter results for 2018, with net earnings of \$37.2 million, or \$0.32 per fully diluted share. While remaining profitable in a challenging quarter, this result compares with net earnings of \$46.7 million, or \$0.40 per fully diluted share reported in the first quarter of 2017. WestJet achieved its 52nd consecutive quarter of profitability and flew an all-time quarterly record of 6.1 million guests. Based on the trailing twelve months, the airline achieved a return on invested capital of 9.5 per cent, down from 10.1 per cent in the first quarter of 2017. Total revenue, operating margin and load factor for the first quarter were \$1,191.7 million, 4.7% and 84.8% compared to \$1,114.7 million, 7.1% and 83.0%, representing changes of 6.9%, -2.4% and 1.8 points from the first quarter of 2017. Ed Sims, WestJet President and CEO said "Even though winter 2018 brought many operational challenges, we successfully achieved record load factors and increased revenue by 6.9 per cent on a capacity increase of 4.3 per cent." On May 7, 2018, WestJet's Board of Directors declared a cash dividend of \$0.14 per common voting share and variable voting share for the second quarter of 2018, to be paid on June 29, 2018, to shareholders of record on June 13, 2018.

#### **18. 2017 Annual and 4th Quarter U.S. Airline Financial Data**

U.S. scheduled passenger airlines reported an after-tax net profit of \$15.5 billion in 2017, up from \$14.0 billion in 2016. The 23 U.S. scheduled service passenger airlines reported an after-tax net profit as a group for the fifth consecutive year based on net income reports. The airlines also reported a \$21.4 billion pre-tax operating profit in 2017, down from \$25.4 billion in 2016. The airlines reported a pre-tax operating profit as a group for the ninth consecutive year.

#### **19. United and Lufthansa announce joint cargo agreement**

United Airlines and Lufthansa Cargo have signed a joint venture agreement for extensive cargo cooperation on routes between the U.S. and Europe. The cargo joint venture partners plan to provide a wide range of benefits to customers by cooperating on the availability of their capacity and aligning booking and handling processes.

#### **20. WestJet unveils its Dreamliner 'Spirit of Canada' to the world**

WestJet on May 8, 2018 unveiled its new Boeing 787-9 Dreamliner livery, logo and cabin interior including the airline's first-ever business class cabin. The unveiling is part of WestJet's lead-up to the arrival of its Boeing 787-9 Dreamliners in early 2019. "The introduction of Boeing's 787-9 Dreamliner, a state-of-the-art aircraft, is the dawn of a new era for WestJet and the next step in our transformation to a global network airline," said Ed Sims, WestJet President and CEO. "The updated livery is modern and dynamic while the interior is world-class, distinctly Canadian and uniquely WestJet. Both reflect WestJet's transition from a regional airline in 1996 to a new era of connecting Canada with the world and bringing the world to Canada."

#### **21. ATAC and HAC Ask for Sector by Sector Regulations**

The Air Transport Association of Canada (ATAC) and the Helicopter Association of Canada (HAC) are asking Minister Garneau to review his proposed changes in Flight and Duty Time regulations to consider aviation sector differences. "We are inviting the Minister to pause and sit with industry before implementing changes that would have disastrous consequences on commercial aviation in Canada", said John McKenna, ATAC President and CEO. He went on to say "None of industry's concerns voiced over the past eight years have yet to result in an iota of change in the proposed regulations. This is unacceptable and goes against the mandate given by the Prime Minister to engage in 'constructive dialogue with Canadians, ... stakeholders, including business... and identifying ways to find solutions and avoid escalating conflicts unnecessarily.'" Industry considers that the Minister has Gazetted the most important regulatory changes to occur in aviation for the past decade. ATAC and HAC say that these changes will cause prices to go up for all Canadians, put smaller carriers out of business, and will seriously threaten service to Indigenous, northern, and remote regions of Canada - hurting those who depend the most on aviation as a lifeline. This will inevitably lead to serious job losses in the regions.

#### **22. Cargojet Q1 net profit soars 73pc**

Canadian aircraft lessor Cargojet has posted a net profit of CAD4.5 million (US\$3.5 million) in the first quarter of 2018, an increase of 73.1 per cent compared to the same period last year, according to Shipping

Gazette. First-quarter total revenue increased by 13.9 per cent year on year, driven by its overnight and charter business, to CAD99.2 million. First quarter block hours increased by 1.5 per cent to 7,184 hours, reports *London's Air Cargo News*. "Cargojet is very pleased with the continued revenue growth and margin improvements achieved during the quarter," said Ajay Virmani, president and chief executive.

### **23. WestJet adding jets to fly fans from Winnipeg to Las Vegas**

WestJet is making a call to hockey fans across Manitoba to board its jets headed to Las Vegas, Nevada. The airline announced on May 10, 2018 that it's adding two special nonstop flights between Winnipeg and Las Vegas on May 17 and May 20. WestJet is the only airline featuring non-stop service from Winnipeg to the McCarran International Airport (LAS) in Las Vegas.

### **24. Air Canada Adds Capacity on Key Transcontinental Routes in Response to Strike Vote Mandate at WestJet**

In response to the strike vote mandate given by WestJet's pilots, Air Canada on May 10, 2018 announced it has now added capacity on key transcontinental routes by up-gauging aircraft on certain flights from its primary global hub in Toronto to Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Ottawa, Halifax, from Vancouver to Calgary, Edmonton, and from Calgary to Montreal.

### **25. Aircraft movement statistics: Small airports, January 2018**

Take-offs and landings at 128 Canadian airports without air traffic control towers reached a total of 33,772 movements in January 2018. Ten airports accounted for 39% of the month's activity: Peterborough, Ontario (2,587 movements); Goose Bay, Newfoundland and Labrador (1,886); Red Lake, Ontario (1,549); Pickle Lake, Ontario (1,505); Comox, British Columbia (1,241); Island Lake, Manitoba (1,111); Moosonee, Ontario (865); St. Theresa Point, Manitoba (826); Trois-Rivières, Quebec (794); and Dryden Regional, Ontario (734). Total aircraft movements for the 127 airports for which year-over-year comparisons were possible increased 3.8%, up from 32,411 in January 2017 to 33,658 in January 2018, as 75 airports reported more movements. The largest increases were recorded at the following airports: Peterborough (+510 movements), Pickle Lake (+423) and Island Lake (+301). Among those airports with decreases, the largest decline was reported at Yorkton Municipal, Saskatchewan (-188).

### **26. February 2018 U.S. Airline Traffic Data**

U.S. airlines' February 2018 systemwide (domestic and international) scheduled service passenger enplanements rose 1.4 percent from January 2018, rising to 72.8 million to reach a new all-time seasonally-adjusted high. February 2017 to February 2018, domestic enplanements rose 5.0 percent while international enplanements rose 4.0 percent for a 4.8 systemwide increase.

### **27. TIACA and ACI to promote efficiency in air cargo industry**

TIACA will work with Airports Council International (ACI) to help champion collaboration, efficiency, and to promote best practice across the global air cargo industry. The two associations will cooperate on a range of issues and will be backing each other's signature annual events, with TIACA first hosting a series of panel debates at the 28th ACI EUROPE/World Annual General Assembly, Conference and Exhibition in Brussels, Belgium.

### **28. American Airlines Cargo nabs Multimodal 2018 airfreight award**

American Airlines Cargo has been named the "Air Cargo Operator of the Year" by the Freight Transport Association (FTA) during the Multimodal Awards in Birmingham, United Kingdom in April 2018. The award, voted on by thousands of readers of the Multimodal newsletter and FTA members and exhibitors, recognizes "excellence in air, road, rail, maritime, and freight forwarding services."

### **29. Hong Kong's cargo up 4.8pc in April**

Hong Kong International Airport (HKIA) saw cargo traffic increased 4.8 per cent in April 2018 to reach 426,000 tonnes. The growth was attributed to a 17 per cent increase in transshipment volume with North American trade taking the lead. Over the first four months of the year, HKIA handled 1.6 million tonnes of cargo and mail for year-on-year increases of 3.4 per cent and 4.2 per cent respectively.

### **30. Aircraft movement statistics: Major airports – Annual report, 2017**

Aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations totalled 5.6 million movements in 2017, an increase of 1.7% compared with 2016. Toronto/Lester B. Pearson International, Ontario (467,103 movements), Vancouver International, British Columbia (333,861) and Montréal/Pierre Elliott Trudeau International, Quebec (235,099) were the most active airports in 2017. For the first time since 1989, aircraft movements at Montréal/Pierre Elliott Trudeau International exceeded those at Calgary International Airport, Alberta (233,017).

### **31. March 2018 Passenger Airline Employment Data**

U.S. scheduled passenger airlines employed 2.8 percent more workers in March 2018 than in March 2017:

The highest monthly full-time equivalent (FTE) employment total (434,243 FTEs) since December 2004 (436,909 FTEs). This was the 53rd consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year. For all **21** scheduled service passenger airlines the statistics were: 1) 434,243 FTEs; 2) 2.8 percent (11,965 FTEs) more than March 2017 (422,278 FTEs); 3) 13.2 percent (50,668 FTEs) more than March 2014 (383,575 FTEs). For **four network airlines** the statistics were: 1) 283,162 FTEs, 65.2 percent of total scheduled passenger airline FTEs; 2) 2.8 percent (7,659 FTEs) more than March 2017 (275,503 FTEs); 3) 10.5 percent (26,820 FTEs) more than March 2014 (256,342 FTEs). Network airlines operate a significant portion of their flights using at least one hub where connections are made for flights to down-line destinations or spoke cities. Note that beginning with January 2018 data, Virgin America's numbers are included with Alaska Airlines in the network category. For **five low-cost airlines** the statistics were: 1) 89,593 FTEs, 20.6 percent of total scheduled passenger airline FTEs; 2) 2.4 percent (2,061 FTEs) more than March 2017 (87,532 FTEs); 3) 27.3 percent (19,209 FTEs) more than March 2014 (70,384 FTEs). Low-cost airlines operate under a low-cost business model, with infrastructure and aircraft operating costs below the overall industry average.

### **32. Amsterdam Schiphol sees air freight traffic drop 2.1pc in Q1**

Amsterdam Airport Schiphol suffered a dip of 2.1 percent in cargo volume during the 2018 first quarter, compared to the same period in 2017, despite ongoing growth in both the Chinese and Latin American markets. European inbound traffic declined by eight per cent to 25,936 tonnes, while outbound dropped by two per cent to 28,146 tonnes. North America inbound cargo decreased by 12 per cent to 32,142 tonnes, while outbound was down five per cent to 36,791 tonnes.

### **33. IATA Automates Dangerous Goods Compliance Checks**

The International Air Transport Association (IATA) has launched an innovative new solution 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. Dangerous Goods DG AutoCheck is a digital solution that allows the air cargo supply chain to check the compliance of the Shipper's Declaration for Dangerous Goods (DGD) against all relevant rules and regulations contained in the IATA Dangerous Goods Regulations. The tool enables electronic consignment data to be received directly, supporting the digitization of the cargo supply chain.

### **34. Senators bow to will of elected government on transport modernization bill**

The Senate has bowed to the will of the Trudeau government on an omnibus transportation modernization bill. Senators voted 41-31 on May 22, 2018 to drop their insistence on amendments to Bill C-49 — which, among other things, is aimed at preventing rail shipments of grain from getting backlogged again. The bill had been bouncing back and forth between the two houses of Parliament for the past month, much to the frustration of grain farmers. It was passed by the House of Commons in November 2017 but the Senate last month sent it back to the elected chamber with 18 amendments. The government accepted two of those amendments and modified three others but rejected the rest. Rather than defer to the will of the elected chamber as is usually the case, Conservative senators joined forces with a handful of independent senators earlier this month to insist on two further amendments and send the bill back to the Commons for a second time — a rare move that was last employed in 2006. The Liberal majority in the Commons voted on May 22, 2018 to reject those additional amendments and sent the bill back to the Senate once again, where this time all but Conservative senators agreed to end the standoff.

### **35. Minister Garneau's statement on the *Transportation Modernization Act* receiving Royal Assent**

The Honourable Marc Garneau, Minister of Transport, on May 23, 2018 issued the following statement regarding the Royal Assent of the *Transportation Modernization Act*. “I am pleased that the *Transportation Modernization Act* has received Royal Assent today, which shows the Government of Canada's commitment to improving our transportation system. “The first major element of this Act is that air passengers should know their rights and are entitled to clear, consistent, transparent and enforceable compensation, as well as minimum standards of treatment when things do not go as planned. “The Act is part of the Government's strategic plan for the future of transportation in Canada, *Transportation 2030*. It includes amendments to the *Canada Transportation Act* and other related transportation acts to: 1) Provide a more transparent, fair, efficient and safer freight rail system that meets the long-term needs of users and facilitates trade and economic growth for years to come; 2) Mandate the Canadian Transportation Agency to develop regulations to strengthen air passenger rights, and establish clear standards of treatment and consistent compensation for air travellers under certain circumstances; 3) Provide travellers with more choice and lower prices through increased competition by: liberalizing international ownership restrictions for Canadian air carriers, and creating a more predictable approach to the consideration of air carrier joint

ventures; and 4) Increase safety by requiring railways to install voice and video recorders in locomotives to better understand events leading to an accident as well as help prevent future accidents.

### **36. Settlement process reached between WestJet Pilots and WestJet**

WestJet and the Air Line Pilots Association (ALPA) agreed today to a settlement process through the Federal Mediation and Conciliation Service. The parties have agreed to mediation, and if required, final and binding arbitration.

### **37. Threat of WestJet pilot strike over as airline, union agree to settlement process**

The president and CEO of WestJet says the threat of a strike by its pilots is over. Ed Sims said the Calgary-based airline and the union that represents the pilots have agreed to a settlement process that will involve a federal mediator. If necessary, WestJet and the Air Line Pilots Association (ALPA) have agreed to use final and binding arbitration. "We are pleased with the removal of the threat of strike action, we are grateful for the role played by the government, both with their mediation services and with the offer of support with arbitration," Sims said Friday at Calgary International Airport. "The message I can give all Canadians is that they can continue to book in 100 per cent confidence that no strike action will threaten their travel plans."

### **38. The Government of Canada invests in transportation infrastructure at the Charlottetown Airport in Prince Edward Island**

The quality of Canada's transportation infrastructure and the efficiency of the country's trade corridors are key to the success of Canadian firms in the global marketplace. The Government of Canada supports infrastructure projects that create quality middle-class jobs and boost economic growth. On May 25, 2018, the Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food and Member of Parliament for Cardigan, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$8.1 million for a project that will improve airport infrastructure and help businesses compete by moving local goods to market. The project consists of the rehabilitation of Charlottetown Airport's main Runway 03-21 and connecting taxiways.

### **39. Air passenger protection regulations – Have your say!**

Scott Streiner, Chair & CEO of the Canadian Transportation Agency (CTA), on May 28, 2018 [announced the launch of public consultations on air passenger protection regulations](#). New provisions of the *Canada Transportation Act*, which were added by the recently-passed, *Transportation Modernization Act*, mandate the CTA to develop regulations setting out airlines' obligations with respect to flight delays and cancellations, denied boarding (bumping), tarmac delays, damaged or lost baggage, seating of children with parents or guardians, the transportation of musical instruments, and communication with passengers. For most of these categories, the law states that the regulations should prescribe minimum standards of treatment. For several (flight delays or cancellations within the airline's control, denied boarding within the airline's control, and lost or damaged baggage), the law also provides for minimum levels of compensation. Canadians can give their input on these regulations to the CTA.

### **40. Air Canada Renews Normal Course Issuer Bid and Automatic Share Purchase Plan**

Air Canada on May 28, 2018 announced that it has renewed its normal course issuer bid for its Class A variable voting shares and Class B voting shares (collectively the "Shares"), authorizing, between May 31, 2018 and May 30, 2019, the purchase of up to 24,040,243 Shares, representing 10 per cent of the public float of 240,402,432 Shares as at May 17, 2018 (the "Issuer Bid"). Air Canada received approval from the Toronto Stock Exchange ("TSX") for the renewal of its Issuer Bid.

### **41. Air freight demand up 5.8 percent in April**

The Asia Pacific air cargo market has recorded 5.8 per cent year-on-year increase in freight demand in April 2018, according to the traffic figures released by the Association of Asia Pacific Airlines (AAPA). Improvement in client demand within the region, on the back of stronger domestic conditions, aided growth in air cargo markets. After accounting for a 6.6 per cent expansion in offered freight capacity, the average international freight load factor was 0.5 percentage points lower at 64.1 per cent for the month.

## WATER TRANSPORTATION

### 1. Port of Trois-Rivières officially opens breakbulk terminal

The Port of Trois-Rivières welcomed a host of dignitaries as it officially opened its new Breakbulk Terminal. Construction of Dock 9 was completed in December 2017, thereby finalizing the new Breakbulk Terminal. This new dock was part of the development project which included outdoor storage areas 9, 10 and 11, the construction of warehouse 9 and the upgrading of road and rail access completed during Phase I of the On Course for 2020 modernization plan. “The Port of Trois-Rivières is one of Canada’s strategic ports,” said Marc Garneau, Minister of Transport. “The Government of Canada is pleased to have contributed to improvements to the Port’s infrastructure to benefit our export industry.”

### 2. The Government of Canada ensuring that polluters pay for causing hazardous and noxious substances spills

On April 23, 2018, the Government announced its ratification of the 2010 Hazardous and Noxious Substances Protocol, a global regime that ensures compensation for those affected by a hazardous and noxious substances spill. Though these types of spills are rare, they can have severe consequences on coastal communities, tourism activities, fishing industries, and can incur significant clean-up costs. The Government has long recognized the marine risk associated with the transportation of hazardous and dangerous goods along our coasts. By ratifying the Protocol, Canada agrees to apply the “polluter pay principle” – making ship owners liable for hazardous and noxious substances spills. Once the Protocol comes into force, a new global compensation fund to compensate affected individuals and communities will be established through contributions from industry.

### 3. Port of NY/NJ container volumes up 9.6 percent

The Port of New York and New Jersey, the busiest cargo gateway on the U.S. East Coast and third largest in the country, continues to see its container volumes rise in the early part of 2018. The port handled 572,576 TEUs in March and 1.68 million TEUs during the first quarter, year-over-year increases of 12.7 percent and 9.6 percent, respectively, according to the most recent data from the Port Authority of New York and New Jersey (PANYNJ).

### 4. Amendments to Port Information Guide formalize safety best practices in Fraser River

The Vancouver Fraser Port Authority has made amendments to the procedures outlined in its Port Information Guide to introduce the term Traffic Control Zone (TCZ) to replace Movement Restriction Area (MRA) and formalize existing best practices for traffic control and safety in the Fraser River.

### 5. High cruise passenger numbers expected at Canada Place terminal at the Port of Vancouver on May 6, 9, 12 and 13

Cruise season is in full swing! With a high volume of cruise passengers expected at and around Canada Place cruise ship terminal on May 6, 9, 12 and 13, 2018 travelers and locals should plan ahead to prepare for crowds and increased traffic in surrounding areas. On each day, a large number of embarking and disembarking cruise passengers is expected between 7:00 a.m. and 5:00 p.m. at Canada Place. As a result, higher than normal traffic volumes are anticipated

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1. Port of Trois-Rivières officially opens breakbulk terminal, April 30, 2018, [www.ctl.ca](http://www.ctl.ca)
2. The Government of Canada ensuring that polluters pay for causing hazardous and noxious substances spills, May 1, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)
3. Port of NY/NJ container volumes up 9.6 percent, May 1, 2018, [www.americanshipper.com](http://www.americanshipper.com)
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5. High cruise passenger numbers expected at Canada Place terminal at the Port of Vancouver on May 6, 9, 12 and 13, May 3, 2018, [www.portmetrovancoover.com](http://www.portmetrovancoover.com)
6. B.C. container truck drivers see boost in enforcement and rates, May 7, 2018, [www.ctl.ca](http://www.ctl.ca)
7. Invoicing, payment inefficiencies cost \$34.4 billion, May 7, 2018, [www.americanshipper.com](http://www.americanshipper.com)
8. Great Lakes, St. Lawrence iron ore shipments dip, May 8, 2018, [www.americanshipper.com](http://www.americanshipper.com)
9. Feds launch roundtable series for Ports Modernization Review, May 9, 2018, [www.ctl.ca](http://www.ctl.ca)
10. Georgia Ports: Crane and Able, May 8, 2018, [www.inboundlogistics.com](http://www.inboundlogistics.com)
11. Major Ports register positive growth of 1.78% in April 2018, May 10, 2018, [www.transportweekly.com](http://www.transportweekly.com)
12. Ocean Transport: Consolidation knock-ons, May 9, 2018, [www.americanshipper.com](http://www.americanshipper.com)
13. L.A. port’s box numbers slip, May 11, 2018, [www.americanshipper.com](http://www.americanshipper.com)
14. Port of Montréal gets funding to improve road infrastructure, May 14, 2018, [www.ctl.ca](http://www.ctl.ca)
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16. A day full of great news for the competitiveness of greater Montreal’s logistics chain: investment in port and intermodal infrastructures and the port of Montreal’s vision of the future, May 15, 2018, [www.portofmontreal.ca](http://www.portofmontreal.ca)
17. Squamish Terminals acquired by Western Stevedoring, May 15, 2018, [www.ctl.ca](http://www.ctl.ca)
18. EC will review shipping regulation of shipping, May 15, 2018, [www.americanshipper.com](http://www.americanshipper.com)
19. Port of Oakland sets box import record in April, May 15, 2018, [www.americanshipper.com](http://www.americanshipper.com)
20. CMA CGM orders biggest ships ever with dual-fuel engines, May 16, 2018, [www.transportweekly.com](http://www.transportweekly.com)



in the downtown core, along with increased demand for taxis and public transportation. In preparation for the busy cruise ship days, the Vancouver Fraser Port Authority and Canada Place Operations are offering the tips to cruise passengers to prepare for their visit to Canada Place.

#### **6. B.C. container truck drivers see boost in enforcement and rates**

The B.C. government has committed to beef up enforcement and increase trip rates and hourly wages for container truck drivers. “Our government has heard clearly from the container truck industry that more needs to be done, urgently, to help make things better for truck drivers, and we’re taking action,” said Claire Trevena, Minister of Transportation and Infrastructure. “We’re putting more money in the pockets of drivers by increasing trip rates and hourly wages, and empowering the commissioner to look at the overall rate structure. These are the first of many steps we are starting immediately to make sure Canada’s busiest port runs as efficiently as possible while ensuring the sector’s long-term stability and competitiveness.” The rate increase is the first container truck drivers have seen in four years. Effective June 1, 2018 trip rates and hourly wages will be raised 2.6% for licensed container truck drivers serving the Port of Vancouver. The minimum daily call-out rate will also increase to \$300 from \$200.

#### **7. Invoicing, payment inefficiencies cost \$34.4 billion**

The shipping consultants Drewry claim in a new white paper that there are massive inefficiencies in current invoicing and payment processes in the container shipping business. Drewry said it compared current invoicing and payment processes to what it says would be “ideal global container liner shipping industry with frictionless invoice reconciliation, settlement and immediate payments.” “We estimate that the cost of today’s process inefficiencies and lack of trust represent \$34.4 billion annually,” the London-based consultants said in a study that was sponsored by Mastercard.

#### **8. Great Lakes, St. Lawrence iron ore shipments dip**

Shipments of iron ore on the Great Lakes and St. Lawrence Seaway totaled 5.5 million tons in April 2018, a decrease of 6.3 percent compared to a year ago. However, shipments topped the five-year average for April 2018 by nearly 15 percent, according to Lake Carriers’ Association.

#### **9. Feds launch roundtable series for Ports Modernization Review**

On May 8, 2018, Marc Garneau, Minister of Transport, chaired a first roundtable in Ottawa with Canada Port Authorities to discuss the port authority system and what Transport Canada can do to ensure this country is well positioned to innovate and compete for years to come.

#### **10. Georgia Ports: Crane and Able**

The first of Georgia Ports Authority’s (GPA) four new Neo-Panamax cranes have come online, bringing its operating fleet to 27. The super-sized crane is tall enough to lift containers 152 feet above the dock. Konecranes of Finland designed these massive cranes, which can work the largest ships now calling the U.S. East Coast, reaching across vessels up to 22 containers wide. Garden City Terminal—the largest single container terminal in the Western Hemisphere—will receive another six cranes by 2020, growing the fleet to 36. This will allow the GPA to move nearly 1,300 containers per hour over a single dock. With integral generators, the cranes are able to capture enough energy while lowering boxes to power themselves for 18 minutes of every working hour. The additional cranes, along with the Savannah Harbor deepening, will help accommodate the industry’s move toward larger vessels.

21. Recent near-miss incident in Burrard Inlet underscores need for better safe boating awareness, May 16, 2018, [www.portmetrovancover.com](http://www.portmetrovancover.com)
22. Hong Kong’s April volume falls 9.3pc, May 18, 2018, [www.transportweekly.com](http://www.transportweekly.com)
23. Federal funding contributes to critical infrastructure projects to support trade through the Port of Vancouver, May 18, 2018, [www.portmetrovancover.com](http://www.portmetrovancover.com)
24. Container rates recede again after brief rebound, May 21, 2018, [www.americanshipper.com](http://www.americanshipper.com)
25. Government of Canada releases the final report of the *Pilotage Act* Review undertaken as part of the Oceans Protection Plan, May 22, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)
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27. New approach to safety of small passenger ships, May 23, 2018, [www.europa.eu](http://www.europa.eu)
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34. Emergency surcharges: an unwelcome legacy of the cartel era, says GSF, May 29, 2018, [www.ctl.ca](http://www.ctl.ca)
35. Vancouver-based program aimed at better understanding and managing the impact of shipping activities on at-risk whales wins Lloyd’s List Environmental Award, May 29, 2018, [www.portmetrovancover.com](http://www.portmetrovancover.com)

### **11. Major Ports register positive growth of 1.78% in April 2018**

The major ports in India have recorded a growth of 1.78% and together handled 56.81 million tonnes of cargo during the period April 2018 as against 55.82 million tonnes handled during the corresponding period of previous year. The Nine Ports Kolkata (including Haldia), Paradip, Visakhapatnam, Kamarajar, Chennai, Cochin, New Mangalore, JNPT and Deendayal have registered positive growth in traffic.

### **12. Ocean Transport: Consolidation knock-ons**

As the majority of consolidation among global ocean carriers and the alliances is nearing an end and the dust is starting to settle, it's becoming increasingly clear that simply joining forces may not be enough to keep the industry financially fit. Container carriers by and large returned to profitability last year after a dismal 2016 that triggered an unprecedented wave of mergers and acquisitions and the largest bankruptcy in industry history. The primary culprits for the carnage? Persistent overcapacity and an insatiable appetite for market share that pushed carriers into a race to the bottom on freight rates. The thinking behind consolidation was that fewer players would be better able to manage supply and less likely to engage in margin-destroying rate wars. But with some carriers once again succumbing to temptation when it comes to injecting new capacity into the market and rates on the decline in early 2018, it's fair to wonder if the return to profitability seen in 2017 was merely a short-term bump.

### **13. L.A. port's box numbers slip**

The Port of Los Angeles handled 705,536 TEUs in April 2018, a drop of 1.3 percent compared to last April's record of 714,755 TEUs. The port's April 2018 imports fell 2.9 percent to 361,108 TEUs compared to last April, while exports rose 4.5 percent to 164,703 TEUs. Empty containers handled by the Port of Los Angeles dropped 2.9 percent to 179,724 TEUs.

### **14. Port of Montréal gets funding to improve road infrastructure**

The Government of Canada announced major funding of \$45.8 million for road infrastructure in the City of Montréal adjacent to the Port of Montréal. The investment will improve the fluidity and efficiency of the road network and will help local businesses and the port compete by transporting their local goods to market and by improving road infrastructure.

### **15. Port of Québec gears up for upgrades**

The Port of Québec is receiving \$15.5 million Canadian (U.S. \$12.1 million) in financial support from the National Trade Corridors Fund (NTCF) for infrastructure restoration. Situated on the St. Lawrence Seaway, the port provides the shortest route by sea between Europe and the Great Lakes. The funds the port is receiving will be used for infrastructure upgrades at the Anse au Foulon, Estuaire and Beauport port sectors.

### **16. A day full of great news for the competitiveness of greater Montreal's logistics chain: investment in port and intermodal infrastructures and the port of Montreal's vision of the future**

The Honourable Marc Garneau, Canada's Minister of Transport, on May 14, 2018 announced \$45.8 million in funding to improve municipal road infrastructure adjacent to the Port of Montreal. In a statement released by Transport Canada: "The project provides a direct link between the Port of Montreal and highway to reduce congestion on Notre-Dame Street and ensure containers continually move from the terminals. The work will involve extending De l'Assomption Boulevard between Notre-Dame and Pierre-de-Coubertin streets, making it possible to connect a new road at the port exit to the future extension of Souigny Avenue." "Our government is investing in Canada's economy by making improvements to our trade and transportation corridors. We are supporting projects that will efficiently move commercial goods to market and people to their destinations, stimulate economic growth, create quality middle-class jobs, and ensure that Canada's transportation networks remain competitive and efficient," said the Honourable Marc Garneau, Minister of Transport.

### **17. Squamish Terminals acquired by Western Stevedoring**

Western Stevedoring Company Limited and Grieg Star AS are pleased to announce that Western Stevedoring has purchased 100 per cent of Squamish Terminals Ltd. from Grieg Star effective May 10, 2018. Squamish Terminals is a major break-bulk terminal situated at the north end of Howe Sound in the District of Squamish, British Columbia providing cargo handling services to markets globally.

### **18. EC will review shipping regulation of shipping.**

The European Commission will review the regulation that allows cooperation among liner shipping companies to see if it is still "relevant and delivering on its objectives" in light of the mergers and consolidation that have occurred in the industry in recent years. In an "evaluation roadmap" the EC's Directorate-General for Competition explained that the Treaty on the Functioning of the European Union generally prohibits agreements between businesses that restrict competition. In 2008, the EC prohibited

carriers from participating in shipping conferences, but under a provision in the treaty, it has allowed liner companies to continue to participate in consortia through block exemption regulation that was first adopted in 1995 and has been extended and amended four times. The most recent extension expires April 25, 2020.

#### **19. Port of Oakland sets box import record in April**

The Port of Oakland saw its container cargo volumes rise 3.3 percent to 204,016 TEUs in April 2018, according to the most recent data from the port. During the month, the Northern California port handled a record 75,369 TEUs of loaded imports, surpassing the previous high-water mark of 75,243 TEUs set in April 2006.

#### **20. CMA CGM orders biggest ships ever with dual-fuel engines**

French shipping giant CMA CGM's containerships will be powered by the most powerful dual-fuel engines ever built, reports London's LNG World Shipping journal. The containership segment is the smallest, in terms of the number of ships in service and on order with dual-fuel capacity, said the report. But it has recently been the focus of some dramatic news as regards the use of LNG as marine fuel. In November 2017, CMA CGM specified dual-fuel engines for nine new 22,000-TEUers. They will be not only the largest vessels of this type ever ordered, but also the largest ships that are not LNG carriers to be powered by LNG, said the report.

#### **21. Recent near-miss incident in Burrard Inlet underscores need for better safe boating awareness**

A recent near-miss incident between a recreational power boat and a SeaBus in Burrard Inlet highlights the need for increased safe boating awareness. With a spike in recreational boating activity expected over the long weekend and in recognition of National Safe Boating Awareness week May 19 to 25, 2018 the Vancouver Fraser Port Authority is reminding recreational boaters and paddlers to keep clear of port operations and commercial activity areas to stay safe on the water. This includes activities in waterways around English Bay, First Narrows, Second Narrows, the Vancouver inner harbour, and the Fraser River.

#### **22. Hong Kong's April volume falls 9.3pc**

Hong Kong port saw the decline in throughput accelerate in April 2018, with overall volume down 9.3 per cent year on year to 1.6 million TEU, pulled down by a sharp drop in volumes among the mid-stream operators after non-Kwai Tsing throughput dived 16.7 per cent to 350,000 TEU. The main Kwai Tsing terminals registered a seven per cent decrease in container traffic to 1.3 million TEU, according to the Hong Kong Marine Department. In the first four months of the year, overall cumulative throughput was down 2.8 per cent to 6.5 million TEU compared to the corresponding period in 2017. Volumes moving through the mid-stream operators declined by 1.6% to 1.4 million TEU in the first four months of the year.

#### **23. Federal funding contributes to critical infrastructure projects to support trade through the Port of Vancouver**

Port authority applauds federal government's investment in projects that will enable stronger, more efficient transportation corridors, create jobs and boost economic growth. The Vancouver Fraser Port Authority received federal funding for projects that will improve the flow of goods to and from the Port of Vancouver. Through the collaborative efforts of the port authority, Transport Canada, B.C.'s Ministry of Transportation and Infrastructure, TransLink and the Greater Vancouver Gateway Council, an infrastructure program called the Greater Vancouver Gateway 2030 strategy was created to ensure the roads and railways that lead to the Port of Vancouver are ready to manage Canada's growing trade. After extensive study, nearly 40 priority infrastructure projects were identified for the Lower Mainland region.

#### **24. Container rates recede again after brief rebound**

Container freight rates declined again in the second week of May 2018 following a brief rebound, according to two of the primary indices tracking spot market rates. The Shanghai Shipping Exchange's composite Shanghai Containerized Freight Index, which measures spot rates on 13 different outbound trades from Shanghai, fell 3.2 percent last week, while the World Container Index, produced by London-based maritime shipping consultant Drewry, slipped 1.1 percent.

#### **25. Government of Canada releases the final report of the *Pilotage Act* Review undertaken as part of the Oceans Protection Plan**

Marine pilotage makes an important contribution to marine shipping, and ensures the safe transit of vessels. The *Pilotage Act* Review was launched on May 31, 2017 to modernize the *Pilotage Act* while keeping the elements that support Canada's excellent pilotage safety record. The Review was concluded on April 30, 2018 after extensive engagement across the country. The final report recommends strengthening five key components of the legislation: its purpose and principles, governance model, labour structure, safety framework, and tariff setting process. The Honourable Marc Garneau, Minister of Transport will engage with key stakeholders and Indigenous peoples on the findings of the Review's final report. Potential

changes will be aligned with the existing and future realities of the marine transportation system. This Review supports the delivery of safe, efficient and environmentally responsible marine pilotage services into the future.

#### **26. Maersk line expands presence in Canada and Europe with exclusive transatlantic service**

Maersk Line, the world's largest shipping company, on May 23, 2018 announced the expansion of its product portfolio between Europe's Mediterranean region and Canada to cater for the growing demands of importers and exporters on both sides of the Atlantic. The exclusive, fully Maersk Line-operated weekly service will be a five-vessel rotation stopping in Salerno and La Spezia (Italy), Fos-sur-Mer (France), Algeciras (Spain), Montreal and Halifax (Canada), and Valencia (Spain). Other Mediterranean markets will also be conveniently connected to the new service thanks to our integrated transshipment services in Algeciras and Valencia, with consistent products to/from the Middle East, Africa, and Asia. The exclusive Maersk-operated service, the **Mediterranean-Montreal Express**, will have its first sailing on July 2nd, departing from Salerno, Italy, and arriving in Montreal on July 19th. Jack Mahoney, President of Maersk Line Canada adds: "with one agreement in effect to fuel Canadian imports and exports in the Atlantic and another one in the works for the Pacific, this represents only favourable wind behind the expansion of our services in Canada and enable our customers to reach new markets in Europe and Asia."

#### **27. New approach to safety of small passenger ships**

The European Commission on May 23, 2018 adopted a proposal to coordinate safety rules for small passenger ships (length below 24 meters). It is the first time a common safety framework for all small passenger ships is presented at the EU level. The proposal recommends Member States to follow common safety goals and functional requirements for small passenger ships - such as for ship design, fire hazards and emergency situations. These requirements, if endorsed and further developed by Member States, will provide a common level of safety for passengers sailing domestically and facilitate access for manufacturers and operators to the wider EU market.

#### **28. Montreal congestion, turn times decline with extended gate hours**

Shippers that view Montreal as a quick and direct way to move cargo in and out of Canada, and perhaps connect to the US, can rest easier regarding their assessment: a pilot program that extended gates by 4.5 hours appears to have diminished congestion inside the port.

#### **29. Analysis: Eastern Canada ports battle for mega-ship calls**

The Canadian East Coast's very stable market has recently changed significantly: it's in a state of turmoil with many container port projects being considered — Quebec City (Beauport); Dartmouth, Halifax; Montreal (Contrecoeur); Melford, Nova Scotia; and Sydney, Nova Scotia (Novaport). This should increase Eastern Canada ports battle for mega-ship calls.

#### **30. Port of Vancouver makes history with the arrival of the 25 millionth**

On May 23, 2018, the Vancouver Fraser Port Authority is celebrating an exciting milestone with the arrival of the 25 millionth cruise passenger through the Port of Vancouver. To mark this significant occasion, the port authority hosted a celebration at Canada Place to honour the lucky passenger and to recognize the collaborative efforts by industry and tourism that make Vancouver's cruise business so successful.

#### **31. Vancouver changes designed to prevent congestion, drayage-related delays**

Shippers and other Vancouver trade stakeholders hope precautionary actions by the transportation ministry and terminal operator Global Container Terminals Canada, to increase driver pay rates and shift from a congestion-based appointment charge to a flat fee effective June 1, 2018 will prevent driver strikes and congestion that have substantially delayed cargo in the past.

#### **32. Port of NY/NJ has record volume with import decline**

Cargo volumes at the Port of New York and New Jersey, the busiest cargo gateway on the U.S. East Coast and third largest in the country, continued to rise in April 2018 despite a slight decline in imports. The port handled 551,117 TEUs of containerized cargo during the month, a 0.8 percent year-over-year increase and the fourth consecutive monthly high, according to the most recent data from the Port Authority of New York and New Jersey.

#### **33. Hamburg named Best Global Seaport as Shanghai gala**

After receiving two awards as Best Seaport in Europe in 2015 and in 2016 the Port of Hamburg has been acclaimed as the Best Global Seaport at a recent Shanghai gala sponsored by Asia Cargo News. On the short-list, the Port of Hamburg held sway against the ports of Hong Kong, Shanghai and Singapore. The magazine's readers submitted their nominations to Asia Cargo News.

#### **34. Emergency surcharges: an unwelcome legacy of the cartel era, says GSF**

In recent weeks, the world's leading liner shipping companies have announced the introduction of

“emergency” bunker surcharges in response to rising fuel costs, almost in unison. In most cases, these emergency surcharges are imposed on top of existing bunker surcharges. Chris Welsh, Secretary General of the Global Shippers’ Forum (GSF) believes this move is an indictment on the liner shipping industry that, a decade since the abolition of the liner conference system in October 2008, the container industry is still using conference-style pricing methods to impose surcharges on its customers. GSF is adamant that few transport operators in other transport sectors would risk imposing such short-notice emergency surcharges because of the likely strong reaction from customers, including the loss of business.

### **35. Vancouver-based program aimed at better understanding and managing the impact of shipping activities on at-risk whales wins Lloyd’s List Environmental Award**

The Vancouver Fraser Port Authority-led Enhancing Cetacean Habitat and Observation (ECHO) Program received top honour in the environment category at this year’s Lloyd’s List Americas Awards gala. The award recognizes the institution, company or individual that has done the most to reduce the pollution of the marine environment in the Americas from maritime sources. “We are extremely proud to receive the Lloyd’s List Environment Award for the important work being done through the ECHO Program to support the recovery of southern resident killer whales,” said Duncan Wilson, vice president corporate social responsibility at the Vancouver Fraser Port Authority. “We’d like to thank our industry, government, academic, First Nation, conservation and environmental group partners who have worked with us to deliver this world-leading environmental program”

## **RAIL TRANSPORTATION**

### **1. Feds response to Bill C-49 amendments ‘disappointing’: FMA**

The Freight Management Association of Canada (FMA) says it is disappointed that the Minister of Transport is not accepting several important amendments made by the Senate to Bill C-49, *the Transportation Modernization Act*. On April 27, Marc Garneau announced the government’s response to the 10 amendments enacted by the Senate. The government accepted partial amendments of only three of the Senate’s 10 amendments. Only one of the three pertains to the rail shipper provisions. This was Senate recommendation 7(a) that would provide additional flexibility for shippers to access the proposed “Long Haul Interswitching” (LHI) provision that may give shippers access to a competing railway where they are captive to one railway. The Senate listened and responded to the concerns of shippers on two major points: the need to permit the Canadian Transportation Agency to undertake rail investigations on its “own motion” and the need for railway operational and costing data to be made available to shippers when accessing the “Final Offer Arbitration” (FOA) process to resolve rate disputes. In response to the Senate amendment on “own motion” investigations, the government is insisting on maintaining oversight by the Transport Minister in such instances. Regarding FOA, shipper access to appropriate railway information including calculation of a railway’s variable costs, as recommended by the Senate, would serve to maintain the FOA process as a viable tool for shippers and remain useful in rebalancing the bargaining power between the buyers and sellers in the rail-freight market. Shippers do not have access to information. “The government’s response to these two well-researched amendments put forward by the Senate to improve Bill C-49 is very disappointing to shippers” said FMA President, Bob Ballantyne.

### **2. CIRB sets dates for TCRC-Train & Engine and IBEW ratification vote**

Canadian Pacific Railway Limited (CP) has been advised by the

## **RAIL TRANSPORTATION Canada**

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7. IANA: Intermodal picks up steam in Q1, May 8, 2018, [www.americanshipper.com](http://www.americanshipper.com)
8. C.H. Robinson launches China-Europe rail service, May 8, 2018, [www.ctl.ca](http://www.ctl.ca)
9. BNSF Q1 earnings climb 37 percent, May 9, 2018, [www.americanshipper.com](http://www.americanshipper.com)
10. Farmers urge resolution to Commons Senate standoff over transport bill, May 10, 2018, [www.ctl.ca](http://www.ctl.ca)
11. CP increases dividend by 15.5% and completes normal course issuer bid, May 10, 2018, [www.cpr.ca](http://www.cpr.ca)
12. Canadian Pacific announces US\$500 million debt offering, May 14, 2018, [www.cpr.ca](http://www.cpr.ca)
13. CN Rail eyes smaller deals, but doubts big mergers are near, May 15, 2018, [www.globeandmail.ca](http://www.globeandmail.ca)
14. Feds invest \$9.2M in Ashcroft Terminal, May 16, 2018, [www.ctl.ca](http://www.ctl.ca)
15. CIRB sets new dates for TCRC-Train & Engine and IBEW ratification vote, May 16, 2018, [www.cpr.ca](http://www.cpr.ca)
16. CN Rail to pay more than \$1 million for violating Environmental Protection Act, May

Canada Industrial Relations Board (CIRB) that voting on CP's final proposals – for both the Teamsters Canada Rail Conference – Train & Engine (TCRC) and the International Brotherhood of Electrical Workers (IBEW) – will begin on Monday, May 14 at 9 am Eastern and close Wednesday, May 23 at noon Eastern. In the event that final offers are accepted, the potential for a work stoppage will have been averted. If the final offers are not accepted, following the announcement of the vote results, a minimum of 72 hours' notice will be needed to be provided before any work stoppage, including a strike or potential company lockout, could occur.

### **3. CN to purchase 350 lumber cars to meet growing demand in forest products business**

CN Railway on May 1, 2018 announced it will buy 350 centrebeam cars to serve growing demand from lumber producing customers across its North American network. “We are investing to move the economy as we put the rolling stock, infrastructure and people in place to serve the growing needs of our valued customers,” said JJ Ruest, interim president and chief executive officer of CN. “These additional centrebeams, combined with our recently-announced acquisition of 350 additional box cars, give us the tools to put more capacity at the disposal of business partners such as West Fraser. CN needs to and will do better moving lumber to market.”

### **4. CN current to grain car order demand in Western Canada**

CN Railway said on May 2, 2018 that it has met all grain orders in Western Canada for the third straight week, is up to date with demand and is seeking additional export orders from grain companies. “The decisive action we took in March to deploy more crews and locomotives has led to dramatic improvements in the movement of Western Canadian grain,” said Doug MacDonald, vice president of bulk at CN. “We’ve met all of our car orders for the last three weeks and spotted more than 5,500 cars every week since early March. Sustained sequential improvement across our network in the last two months is enabling us to solicit more orders from grain companies.”

### **5. AAR: U.S. rail volume growth continues**

Total combined U.S. freight railroad traffic in April 2018 increased 5.1 percent to 2.15 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 climb 3.3 percent year-over-year to 1.05 million carloads for the month, while intermodal traffic rose 6.8 percent to just under 1.1 million containers and trailers.

### **6. VIA rail reports strong growth in 2017**

Continuing the upward trajectory seen over the past four years, VIA Rail Canada (VIA Rail) again posted strong results for 2017. With a vision of being a smarter way to move people, the Corporation provided 4.4 million travellers with a unique, safe and comfortable means of transportation across the country. This is an increase of 10.5% over 2016 — the greatest year-over-year growth seen in the last decade. Revenues have reached \$365.7 million, a 12.8% increase over 2016. On three important routes it reported the following: 1. Quebec City-Windsor Corridor - 4.1 million passengers, a 11.1% increase over 2016 with revenues up 14.0% over 2016; 2. The Ocean-Montreal-Halifax - 78,763 passengers, a 1.5% increase over 2016 with revenues up 5.2% over 2016; and 3. The Canadian-Toronto-Vancouver - 104,960 passengers, a 12.6% increase over 2016 with revenues up 16.8% over 2016.

### **7. IANA: Intermodal picks up steam in Q1**

Growth in North American intermodal volumes accelerated in the first quarter of 2018 after showing healthy gains the previous year, according to the latest Intermodal Market Trends and Statistics report from the Intermodal Association of North America (IANA). Shipments for the quarter jumped 7.2 percent compared with the same three-month period a year ago, up from a 5.4 percent growth rate for the full year in 2017 and the fastest pace since the second quarter of 2014.

### **8. C.H. Robinson launches China-Europe rail service**

C.H. Robinson announced the launch of its trans-Eurasian rail freight service between China and Europe. The new service offering connects nine origin terminals in China with eight destination cities in Europe. “The new rail line complements our air and ocean offerings, giving customers the ultimate in flexibility. It

17, 2018, [www.ctl.ca](http://www.ctl.ca)

17. Northern Ontario short line to cease operations, May 22, 2018, [www.ctl.ca](http://www.ctl.ca)

18. CN locomotive engineers in Canada ratify new contract, May 23, 2018, [www.cn.ca](http://www.cn.ca)

19. CN to purchase hundreds of grain cars as transportation bill becomes law, May 24, 2018, [www.ctl.ca](http://www.ctl.ca)

20. May long weekend: VIA Rail's ridership continues to grow, May 24, 2018, [www.viarail.ca](http://www.viarail.ca)

21. TCRC-Train & Engine and IBEW vote down CPs final offers in CIRB-administered ratification vote, May 25, 2018, [www.cpr.ca](http://www.cpr.ca)

22. TCRC-Train & Engine and IBEW issue strike notice, May 25, 2018, [www.cpr.ca](http://www.cpr.ca)

23. Unions representing CP Rail workers issue notice of strike action, May 28, 2018, [www.ctl.ca](http://www.ctl.ca)

24. CP and the IBEW reach a tentative three-year agreement, May 29, 2018, [www.cpr.ca](http://www.cpr.ca)

25. CP Rail train crews go on strike as contract negotiations fail, talks continue, May 29, 2018, [www.globeandmail.ca](http://www.globeandmail.ca)

is for freight that requires faster transit times than ocean, at twice the speed, with substantial savings over air,” said Mike Short, president, Global Forwarding at C.H. Robinson. He notes the new service is a convenient direct link to and from China’s booming economic cities to multiple countries and destinations in Europe. “C.H. Robinson’s strategic development of gateways in China gives customers more choice, along with exceptional service and competitive pricing.”

#### **9. BNSF Q1 earnings climb 37 percent**

BNSF, the seventh North American Class I railway posted its 2018 first-quarter earnings results. It posted a net income of \$1.1 billion for the quarter, up 37 percent year-over-year. Revenues totaled \$5.6 billion, rising 8 percent from last year’s first quarter, thanks to a 5 percent boost in unit volumes.

#### **10. Farmers urge resolution to Commons Senate standoff over transport bill**

Frustrated farmers are calling for a swift end to a rare standoff between the Senate and House of Commons over a bill that would help ensure rail shipments of grain don’t get backlogged again. They’re putting pressure on both MPs and senators to find a quick resolution that will allow Bill C-49, which has been bouncing back and forth between the two parliamentary chambers, to finally become law. The bill was passed by the House of Commons in November 2017 but the Senate in April 2018 sent it back to the elected chamber with 18 amendments. The Trudeau government accepted two of those amendments and modified three others, but rejected the rest. Rather than defer to the will of the elected chamber as is usually the case, senators voted 43-39 on May 9, 2018 to insist on two further amendments. They sent the bill back to the Commons a day later for a second time —a rare move that was last employed in 2006, according to the library of Parliament. The government is now set to move a motion on May 11, 2018 morning to send C-49 back to the Senate with a message rejecting the two additional amendments. Senators will have to decide at that point whether they will continue to insist on the changes or acquiesce to the will of the Commons.

#### **11. CP increases dividend by 15.5% and completes normal course issuer bid**

Canadian Pacific Railway Limited (CP) on May 10, 2018 announced that the board declared a quarterly dividend of \$0.65 per share, an increase of 15.5 percent to the previous dividend of \$0.5625 per share. The dividend is payable on July 30, 2018 to holders of record at the close of business on June 29, 2018, and is an "eligible" dividend for purposes of the Income Tax Act (Canada) and any similar provincial/territorial legislation. The company also announced that it has completed its normal course issuer bid announced on May 10, 2017. CP purchased 4,384,062 common shares at a weighted average price of \$214.31. In total, CP has repurchased 35.32 million of its common shares since 2014. This represents approximately 25 percent of its public float, as at March 31, 2018.

#### **12. Canadian Pacific announces US\$500 million debt offering**

Canadian Pacific Railway Limited (CP) announces that its wholly-owned subsidiary, Canadian Pacific Railway Company, is issuing US\$500 million of 4.000% Notes due 2028. The transaction is expected to close on May 16, 2018, subject to the satisfaction of customary closing conditions. The net proceeds from this offering will be used primarily for the reduction and refinancing of outstanding indebtedness and for general corporate purposes. Until utilized for such purposes, the net proceeds may be invested in short term investment grade securities or bank deposits.

#### **13. CN Rail eyes smaller deals, but doubts big mergers are near**

Canadian National Railway Co. is eyeing smaller takeover targets to improve its network, but does not believe U.S. regulators would be open to large mergers in the North American rail industry. Major freight haulers in Canada and the United States are in the process of restoring service levels after a winter marked by rail congestion, shipper complaints and scoldings from governments. Ghislain Houle, chief financial officer of CN, said it would be hard for railways to overcome shipper objections and make the case any merger meets the requirement of the U.S. Surface Transportation Board (STB) that a takeover must enhance competition among the railways.

#### **14. Feds invest \$9.2M in Ashcroft Terminal**

Federal Transport Minister Marc Garneau announced that B.C.’s Ashcroft Terminal will receive \$9.2 million for infrastructure improvements. “Our government is investing in Canada’s economy by making improvements to our trade and transportation corridors,” said Garneau during a visit to the site on May 16, 2018. “We are supporting projects that will efficiently move commercial goods to market and people to their destinations, stimulate economic growth, create quality middle-class jobs, and ensure that Canada’s transportation networks remain competitive and efficient.”

#### **15. CIRB sets new dates for TCRC-Train & Engine and IBEW ratification vote**

Canadian Pacific Railway Limited (CP) has been advised that the Canada Industrial Relations Board

(CIRB) has changed the dates for voting on CP's final proposals – for both the Teamsters Canada Rail Conference – Train & Engine (TCRC) and the International Brotherhood of Electrical Workers (IBEW) – voting will now begin on Friday, May 18 at 9 am Eastern and close Friday, May 25 at noon Eastern. In the event that final offers are accepted, the potential for a work stoppage will have been averted. If the final offers are not accepted, following the announcement of the vote results, a minimum of 72 hours' notice will be needed to be provided before any work stoppage, including a strike or potential company lockout, could occur.

**16. CN Rail to pay more than \$1 million for violating Environmental Protection Act**

Canadian National Railway has been fined more than \$1 million for violating the *Canadian Environmental Protection Act*. Environment and Climate Change Canada says the Montreal-based railway pleaded guilty on May 14, 2018 to importing a fuel that does not meet the requirements of renewable fuels regulations. CN Rail was fined \$25,000 and ordered by the court to pay \$1.1 million to promote the protection of the environment. An investigation found that between July, 2011 and December, 2012, CN imported more than 224 million litres of diesel fuel. However, it didn't meet the requirement that at least two per cent of the company's imported volumes be renewable fuel, unless renewable fuel compliance units were acquired. The threshold is five per cent for gasoline.

**17. Northern Ontario short line to cease operations**

The Northern Ontario short line runs 283 km from Sault Ste. Marie to Sudbury under a 1997 lease agreement with Canadian Pacific Railway and serves major employers in the region, including Domtar, Algoma Steel and Eacom, which together ship approximately 13,000 annual carloads of freight. HCRY has 44 employees and supports approximately 7,000 indirect jobs in Northern Ontario. Genesee & Wyoming Canada Inc. recently announced that given the lack of necessary provincial funding to maintain its Huron Central Railway (HCRY) and following the recent refusal of support from Transport Canada's National Trade Corridors Fund, its HCRY subsidiary intends to discontinue operations by the end of 2018.

**18. CN locomotive engineers in Canada ratify new contract**

CN announced on May 23, 2018 that the company's 1,800 locomotive engineers in Canada have successfully ratified a new collective agreement. The five-year contract with the Teamsters Canada Rail Conference (TCRC), which runs through Dec. 31, 2022, provides wage and benefit improvements in each year of the agreement, in line with similar contracts in the industry, and modifies work rules that were of concern to both CN and engineers.

**19. CN to purchase hundreds of grain cars as transportation bill becomes law**

Canadian National Railway is preparing to purchase hundreds of new grain hopper cars to get shipments moving after a bill that encourages railways to make investments to avert service disruptions became law on May 23, 2018. CN Rail expects to buy new grain cars to replace some 200 to 300 that are replaced annually, its chief financial officer told an investor conference on May 23, 2018 morning, before the bill that imposes financial penalties on railway companies received royal assent. Ghislaine Houle explained that the company was waiting on the passage of the omnibus bill to go out and buy the cars.

**20. May long weekend: VIA Rail's ridership continues to grow**

For the period of May 17 2018 to May 22, 2018, ridership on VIA Rail continued to increase. The statistics for the Victoria long weekend on VIA Rail cross-Canada routes were: 1) 79,700 passengers up 8.4% from 2017; 2) 28.6 million kilometres travelled up 4.9% from 2017; 3) Passenger revenue up 9.7% from 2017; 4) Busiest day: Friday, May 18, 2018; and 5) Most popular destinations: Toronto, Montréal and Ottawa

**21. TCRC-Train & Engine and IBEW vote down CP's final offers in CIRB-administered ratification vote**

Canadian Pacific Railway Limited (CP) has been advised by the Canada Industrial Relations Board (CIRB) that members of both unions - the Teamsters Canada Rail Conference – Train & Engine (TCRC) and the International Brotherhood of Electrical Workers (IBEW) – have voted down CP's final contract offers in the CIRB-administered vote, which ran from May 18 to noon Eastern today, May 25.

**22. TCRC-Train & Engine and IBEW issue strike notice**

On May 25, 2018, the Teamsters Canada Rail Conference-Train & Engine (TCRC) and the International Brotherhood of Electrical Workers (IBEW) issued notice to Canadian Pacific Railway Limited (CP) advising of their respective plans to strike at 2200 eastern time on Tuesday, May 29, 2018. In both cases, the parties have given more than the required 72-hour notice. CP will continue its discussion with the unions to reach an agreement.

**23. Unions representing CP Rail workers issue notice of strike action**



The unions representing train operators and signalling workers at Canadian Pacific Railway Ltd. have served the company with notice of a strike action. The Teamsters Canada Rail Conference and the International Brotherhood of Electrical Workers have told CP Rail they will be in a position to strike as of 10 p.m. ET Tuesday, May 29, 2018.

#### **24. CP and the IBEW reach a tentative three-year agreement**

Canadian Pacific Railway Limited (CP) and System Council No. 11 of the International Brotherhood of Electrical Workers (IBEW) announced that they have reached a tentative three-year deal. CP President and CEO Keith Creel thanked the IBEW bargaining committee for their hard work and their creativity. "We have come through a number of challenging years to become an operational leader," Creel said. "I look forward to working with this union to become the employer of choice."

#### **25. CP Rail train crews go on strike as contract negotiations fail, talks continue**

More than 3,000 workers are on strike at Canadian Pacific Railway Ltd., halting freight trains on Canada's second-largest rail network. The walkout at 10 p.m. ET on May 29, 2018 followed months of failed contract talks between Calgary-based CP and its largest union, Teamsters Canada Rail Conference. Christopher Monette, a Teamsters spokesman, said mediated talks are continuing but workers have walked off the job. Meanwhile, CP and the union representing 360 signal workers have reached a tentative three-year agreement.

### **HIGHWAY TRANSPORTATION**

#### **1. CTA Applauds Western Provinces' Movement on Mandatory Entry Level Training**

The Canadian Trucking Alliance (CTA) and its member associations continue to work with governments across Canada to raise the bar for truck driver training by introducing mandatory entry level training (MELT) for truck drivers. As the Humboldt tragedy brought nationwide attention to the issue of commercial driver training, the governments in Western Canada have now joined Ontario in taking leadership along with their partner provincial trucking associations. "The Canadian Trucking Alliance (CTA) would like to commend the provinces of Alberta, Saskatchewan, and Manitoba for their recent acknowledgement of the importance of introducing mandatory entry level training for our sector," said Scott Smith, chair of the Canadian Trucking Alliance. "As an industry, we have confidence our government partners in all provinces currently without mandatory entry level training will continue to work with CTA member provincial trucking associations to introduce similar requirements that raises the bar as it relates to commercial truck driver training."

#### **2. Couriers and Messengers Services Price Index, March 2018**

The Couriers and Messengers Services Price Index (CMSPI) increased 0.3% in March 2018 following a 0.7% gain in February 2018. The index has increased in each of the last six months. On a year to year basis the CMSPI rose 4.5% in March 2018 compared with the same month last year. Both the couriers' component (+4.2%) and the local delivery component (+6.2%) increased.

#### **3. Monthly Passenger Bus and Urban Transit, February 2018**

Total operating revenues (excluding subsidies) for urban transit companies were \$323.7 million in February 2018, up 2.9% from February 2017. Ridership was 146.6 million passenger trips over the same period.

#### **4. Mosaic Logistics acquires IQ Freight Management Services**

Mosaic Logistics announced that it has acquired IQ Freight Management Services. IQF is a third party logistics (3PL) company specializing in domestic LTL through its customized LTL management technology. Along with the purchase of IQF, Mosaic

### **HIGHWAY TRANSPORTATION Canada**

1. CTA Applauds Western Provinces' Movement on Mandatory Entry Level Training, April 27, 2018, [www.cantruck.ca](http://www.cantruck.ca)
2. Couriers and Messengers Services Price Index, March 2018, April 30, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Monthly Passenger Bus and Urban Transit, February 2018, April 30, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Mosaic Logistics acquires IQ Freight Management Services, May 3, 2018, [www.ctl.ca](http://www.ctl.ca)
5. Next Phase of Ottawa LRT Gets Major Boost from the Province, May 3, 2018, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
6. ATRI: Perception, Legal Hurdles Among Barriers to Autonomous Trucks, May 4, 2018, [www.cantruck.ca](http://www.cantruck.ca)
7. Trucking Challenges Impact SCM, May 7, 2018, [www.inboundlogistics.com](http://www.inboundlogistics.com)
8. US sees 49,200 new transportation and logistics jobs during Jan-Apr, May 14, 2018, [www.transportweekly.com](http://www.transportweekly.com)
9. UPS to deploy new electric vehicles in Europe, May 16, 2018, [www.ctl.ca](http://www.ctl.ca)
10. FedEx Express named Best Logistics Service Provider – Road, May 22, 2018, [www.transportweekly.com](http://www.transportweekly.com)
11. March 2018 North American Freight Numbers, May 22, 2018, [www.bts.gov](http://www.bts.gov)
12. FTR: NAFTA Among Factors Making 2019 Freight Market 'Murky', May 22, 2018, [www.ontruck.ca](http://www.ontruck.ca)
13. Truck tonnage surges 9.5% compared to April 2017, May 22, 2018, [www.todaystrucking.com](http://www.todaystrucking.com)
14. ATA: Truck tonnage rebounds in April, May 24, 2018, [www.americanshipper.com](http://www.americanshipper.com)
15. The Government of Canada and Province of Quebec invest \$13.9 million in road work on Pink Road and De La Vérendrye Boulevard,

acquired exclusive rights to their LTL management technology. Mosaic focuses on cross border LTL, TL and flatbed, Jacquie Meyers, owner of Mosaic said “And now this gives us the expertise in domestic LTL alongside proprietary software for our customers.”

#### **5. Next Phase of Ottawa LRT Gets Major Boost from the Province**

Ontario is increasing its investment in the next phase of Ottawa's Light Rail Transit (LRT) project, extending the line further to help manage congestion, reduce emissions, and increase transportation options for commuters and families in the capital region. Bob Chiarelli, Minister of Infrastructure, was in Ottawa on May 3, 2018 to announce that Ontario will contribute up to \$50 million to the construction of a 3.4 km extension of the Trillium line to a new terminus station near Limebank Road in Ottawa's Riverside South community. This new funding is in addition to the more than \$1 billion Ontario has already invested in the Stage 2 LRT project-the single largest investment any provincial government has made to support Ottawa public transit.

#### **6. ATRI: Perception, Legal Hurdles Among Barriers to Autonomous Trucks**

The vice president of the American Transportation Research Institute spoke about autonomous trucks, HOS, e-commerce and other issues at the recent National Private Truck Council conference. While suggesting that Level 5 autonomous commercial trucks running regular routes probably won't happen in his lifetime, Dan Murray, noted several level of concerns as well as some of the benefits of the technology, reports FreightWaves.com. “There may be, probably not in my lifetime, a [purpose] for Level 5 automation, maybe hub and spoke [operations],” he said, before offering a few thoughts on how autonomous vehicles could radically change freight movement. Murray noted that autonomous vehicles that rarely have to stop would eliminate the current parking problem, and insurance will have to change, particularly around liability concerns. Most issues, he said, are not technology related, though. “Public perception is going to be a challenge for us,” he said. “It's going to be a slow learning curve and with that slow learning curve, legislators are going to be [reluctant to offer approvals], so the Teamsters don't have anything to worry about.”

#### **7. Trucking Challenges Impact SCM**

It is no secret that the current state of the U.S. trucking industry has had several negative impacts on logistics and supply chain management. The shortage of drivers and ripple effect from the ELD mandate have caused trucking delays and pricing increases across the country, and are now affecting global supply chains. Indianapolis-based logistics solutions provider TOC Logistics has been monitoring these industry changes closely.

#### **8. US sees 49,200 new transportation and logistics jobs during Jan-Apr**

US transportation and logistics companies added another 400 jobs in April 2018, according to data from the US Department of Labour's Bureau of Labour Statistics (BLS). The April 2018 growth figures followed revised gains of 15,700 jobs in March, 17,800 positions in February and 15,300 jobs in January. Employment gains in the sector during the month were led by the courier and messengers and warehousing and storage segments, which added 6,300 and 6,000 positions, respectively, compared with the previous month, reported *American Shipper*.

#### **9. UPS to deploy new electric vehicles in Europe**

UPS announced that it is working with U.K.-based technology firm ARRIVAL to develop a state-of-the-art pilot fleet of 35 electric delivery vehicles (EVs) to be trialed in London and Paris.

#### **10. FedEx Express named Best Logistics Service Provider – Road**

FedEx Express (FedEx), a leading express delivery company, has been awarded the Best Logistics Service Provider - Road, at the 2018 Asian Freight, Logistics & Supply Chain (AFLAS) Awards ceremony in Shanghai. FedEx Express has consistently been recognised at the AFLAS Awards (previously known as AFSCA) every year since 2002. "At FedEx, we are committed to providing the best solutions and service excellence to customers in the region," said FedEx Express Asia Pacific chief Karen Reddington. "This recognition clearly demonstrates our customers' confidence in our operational capabilities and best-in-class service offerings," she said.

#### **11. March 2018 North American Freight Numbers**

May 24, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

16. TecDay Parking: Innovative parking solutions, May 29, 2018, [www.transportweekly.com](http://www.transportweekly.com)

Total NAFTA trade (Canada and Mexico) for the month of March 2018 was \$105.8 billion. Trade between US-Canada was \$50.4 billion. By various modes trade was: Truck - \$31.1 billion; Rail - \$9.2 billion; Pipeline - \$5.4 billion; Air - \$2.7 billion; and Vessel - \$2.0 billion. Almost all (99.4 percent) of pipeline freight between the U.S. and Canada were mineral fuels, primarily oil and gas. Most of these freight flows were on pipelines linking Canada and the American Midwest. Trade between US-Mexico was \$50.3 billion. By various modes trade was: Truck - \$35.5 billion; Rail - \$6.9 billion; Pipeline - \$0.4 billion; Air - \$1.5 billion; and Vessel - \$6.0 billion. Of the freight by vessel, \$3.4 billion, or 57.0 percent were mineral fuels, primarily oil and gas shipments between Gulf of Mexico ports in the U.S. and Mexico – with over half of those shipments going through Texas ports.

#### **12. FTR: NAFTA Among Factors Making 2019 Freight Market ‘Murky’**

While the North American Freight market will remain strong for the rest of 2018, uncertainty in domestic and global areas could make the outlook for 2019 murky, says FTR chairman and CEO Eric Starks. Chief among them is the increasing likelihood the Trump administration will scrap and attempt to redesign the current North American Free Trade Agreement (NAFTA), Starks said during a business symposium at a Volvo Trucks event.

#### **13. Truck tonnage surges 9.5% compared to April 2017**

American Trucking Associations’ (ATA) truck tonnage index was up 9.5% in April 2018 compared to the same time last year, the largest ever year-over-year increase since October 2017. Compared to March 2018, the seasonally-adjusted For-Hire Truck Tonnage Index is up 2.2% following a 1% increase last month. Year-to-date tonnage was also up 8% compared to the same four months last year, outpacing the annual gain of 3.8% in 2017.

#### **14. ATA: Truck tonnage rebounds in April**

Domestic truck tonnage rebounded in April 2018 after two months of sequential declines, according to the latest reading of the American Trucking Associations’ (ATA) advanced seasonally adjusted For-Hire Truck Tonnage Index. The index equaled 112.5 for the month, up 2.2 percent from a reading of 110.1 in March 2018 and 9.5 percent compared with April 2017, the largest year-over-year increase since October 2017.

#### **15. The Government of Canada and Province of Quebec invest \$13.9 million in road work on Pink Road and De La Vérendrye Boulevard**

On May 24, 2018, representatives from Government of Canada joined representatives from the Province of Quebec to announce a total contribution of \$13.9 M to the City of Gatineau. This funding, which is being provided under the Outaouais Road Agreement, will support the expansion of Pink Road, as well as the expansion and extension of De La Vérendrye Boulevard. This will help reduce traffic jams. The Pink Road expansion project is divided into two phases.

#### **16. TecDay Parking: Innovative parking solutions**

Each year car drivers in European and North American cities spend an average of 55 hours searching for parking spaces. Yet there is no shortage of free parking spaces – one challenge is to find them. And the other is to manoeuvre the car into and out of the space undamaged: 65 percent of customers would like a car that parks and un parks itself. For both challenges, Mercedes-Benz is able to ease the burden on drivers with modern assistance systems, intelligent networking of vehicles and the infrastructure plus well-conceived services related to parking. Apart from the drivers themselves, this also benefits the environment and urban surroundings thanks to less traffic seeking parking spaces and the more efficient use of available parking facilities. Coming services include e.g. the Mercedes me Car Sharing App, which allows efficient use of the car during parking periods. In the pilot project CHARK.me (Change the way you park), on driver request, service providers can deposit packages, food or clean laundry in the vehicle's boot. And the likewise new service smart "ready to spot" helps drivers to find their parked car with further functions that help them when returning to it. "The innovative parking solutions from Mercedes-Benz offer our customers numerous benefits: they save time and frustration, increase convenience and reduce the risk of parking damage," says Sajjad Khan, Vice President Digital Vehicle & Mobility at Daimler. "Our aim is to turn the vehicle into a mobile assistant able to take on tedious routine tasks such as parking."

## GENERAL TRANSPORTATION

### Canada

#### 1. U.K. eyes post-Brexit freight transport

The U.K. Parliamentary Transport Committee has requested industry input for its review of potential effects on freight transport operations and infrastructure as the country splits from the European Union. The investigation will consider the freight transportation industry's suggestions for specific infrastructure investments to support the needs of cargo movement post-Brexit.

#### 2. Competing With E-Commerce Giants

Despite the highly competitive environment, it is possible for small and mid-sized companies to compete with the e-commerce giants. It just takes creativity, a strong, optimized supply chain and, of course, exemplary customer service. Paul D'Arrigo, vice president of information technology for Spend Management Experts, offers this advice.

#### 3. National Transit Map Version 3

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) on April 30, 2018 released version three of the National Transit Map; a geospatial database containing information from hundreds of transit agencies that provide data about their stops, routes, and schedules.

#### 4. EU Budget for the Future: Connecting Europe Facility

The Commission on May 2, 2018 is proposing a pragmatic, modern, long-term budget for the 2021-2027 period. Regarding transport investments, the Connecting Europe Facility (CEF) has been recognised as delivering European added value and the EU continues to invest in connectivity and in connecting Europe. The future programme will deliver connected, smart, sustainable, inclusive, safe and secure mobility. The proposed budget for transport is €30.6 billion including a general envelope of €12.8 billion, and a cohesion fund allocation of €11.3 billion. In addition, the Commission proposes that the Union enhance its strategic transport infrastructures to make them fit for military mobility. A dedicated budget of €6.5 billion is foreseen through the Connecting Europe Facility.

#### 5. 2017 crucial year for HK's logistics industry

Chairman of the Hongkong Association of Freight Forwarding and Logistics Limited (HAFFA), Brian Wu, said the last 12 months have been amongst the "most crucial" in the history of the Hong Kong logistics industry. Speaking at the association's annual general meeting, Mr Wu of BEL International Logistics Limited, explained that during the past year "a number of key changes to global industry operations have tested the agility and adaptability of Hong Kong freight forwarders and logistics operators. "With the support and input of its members, HAFFA has been able to rise to these challenges with timely, considered and vigorous responses. There is much more to be achieved in the year ahead, and I am grateful for the continuity the two-year Executive Committee term brings, enabling us to build upon all we have accomplished on behalf the industry so far together," he added.

#### 6. Travel between Canada and other countries, February 2018

Canadian residents made 3.8 million trips to the United States in February 2018, up 1.3% from January 2018. Overnight trips by plane to the United States rose 1.0% from January 2018 to 733,000 in February 2018. Canadian residents took 2.0 million same-day car trips (+2.6%) and 948,000 overnight car trips (-1.0%). Just under 1.1 million Canadian residents returned from overseas countries in February 2018, a 4.7% increase from January 2018. US residents made 2.0 million trips to Canada in February 2018, up 0.4% from January 2018. Growth was led by an increase in trips by plane. After accounting for normal seasonal variation, the number of overnight trips to Canada by plane taken by US residents rose 2.0% from January 2018 to 428,000 in February 2018. Same-day car trips to Canada by US residents declined 0.6% to 658,000, while overnight car trips increased 1.3% to 673,000. Canada saw 599,000 residents from overseas countries (countries other than the United States) in February 2018, up 2.9% from January 2018.

### Canada

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2. Competing With E-Commerce Giants, April 30, 2018, [www.inboundlogistics.com](http://www.inboundlogistics.com)
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4. EU Budget for the Future: Connecting Europe Facility, May 2, 2018, [www.europa.eu](http://www.europa.eu)
5. 2017 crucial year for HK's logistics industry, May 2, 2018, [www.transportweekly.com](http://www.transportweekly.com)
6. Travel between Canada and other countries, February 2018, May 4, 2018, [www.staacan.gc.ca](http://www.staacan.gc.ca)
7. Policy Options to Decarbonise Urban Passenger Transport: Results of expert opinion survey, Guineng Chen, International Transport Forum, May 9, 2018, [www.itf-oecd.org](http://www.itf-oecd.org)
8. Ottawa to assess impact of climate change on Nova Scotia's land link to Canada, May 14, 2018, [www.ctl.ca](http://www.ctl.ca)
9. The International Transport Forum publication, May 17, 2018, [www.itf-oecd.org](http://www.itf-oecd.org)
10. Travel between Canada and other countries, March 2018, May 23, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)
11. Transportation, warehousing profits up in Q1, May 24, 2018, [www.todaystrucking.com](http://www.todaystrucking.com)
12. Invest in Logistics IT in a Grow Economy, May 28, 2018, [www.inboundlogistics.com](http://www.inboundlogistics.com)
13. Characteristics of international overnight travellers, fourth quarter 2017, May 28, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

### **7. Policy Options to Decarbonise Urban Passenger Transport: Results of expert opinion survey**

A new publication was released by the International Transport Forum, entitled: *Policy Options to Decarbonise Urban Passenger Transport: Results of expert opinion survey*. The publication indicates the results of a survey on policy options to decarbonise urban passenger transport.

### **8. Ottawa to assess impact of climate change on Nova Scotia's land link to Canada**

Ottawa is spending \$350,000 to study a critical transportation link connecting New Brunswick and Nova Scotia that could be washed away by rising sea levels and storm surges. Nova Scotia MP Bill Casey said the study will look at the effect of climate change on centuries-old dikes and key infrastructure in the Chignecto Isthmus Trade Corridor, including the Trans-Canada Highway, the Canadian National rail line and electricity transmission lines.

### **9. The International Transport Forum publication**

The ITF-OECD released the following publication *Blockchain and Beyond: Encoding 21st Century Transport*, Phillipe Crist, May 17, 2018.

### **10. Travel between Canada and other countries, March 2018**

*US residents* made 2.1 million trips to Canada in March 2018, up 2.7% from February 2018 and 7.4% higher compared with March 2017. *Residents of overseas countries* (countries other than the United States) made 586,000 trips to Canada in March 2018, down 1.9% from February 2018 but up 2.1% from March 2017. *Canadian residents* took 3.8 million trips to the United States in March 2018, up 0.8% compared with February 2018 and 11.1% higher compared with March 2017. About 1.1 million Canadian residents came home from overseas countries in March 2018, up 0.3% from February 2018, and up 6.2% over March 2017. The number of Canadian residents returning from overseas travel in March reached a record high for the month.

### **11. Transportation, warehousing profits up in Q1**

Canada's transportation and warehousing sector saw operating profits increased \$99 million in the first quarter of 2018, Statistics Canada reports. That compares to a \$938 million gain in the manufacturing sector.

### **12. Invest in Logistics IT in a Grow Economy**

Now is the time for all supply chain management professionals to come to the financial aid of their logistics IT. In the Information Age and the Internet of Things (IoT) era, the need for speed and flexibility in sharing accurate information both internally within your business units and externally with your customers, vendors, and suppliers, is paramount. As the U.S. economy heats up, companies should review their sales growth potential and develop not just a "this year" but an ongoing investment strategy in their supply chain technology. This should be an annual budget item in any corporate CPI (continuous process improvement) program.

### **13. Characteristics of international overnight travellers, fourth quarter 2017**

Canadian residents made 7.3 million overnight trips abroad in the fourth quarter of 2017, spending \$9.3 billion. Of these trips, 4.5 million were to the United States, accounting for \$4.0 billion in spending. US residents made 2.8 million overnight trips to Canada in the fourth quarter, spending \$1.8 billion during their trips, while overseas residents made 1.2 million overnight trips to Canada, spending \$1.9 billion.