

Transportation Information Update*

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Editor: Joseph Monteiro*

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Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air fares, fourth quarter 2017

Base air fares in Canada, domestic and international combined, averaged \$227.10 in the 2017 fourth quarter, up 2.9% from the same quarter of 2016. This marked the third straight quarter of growth of base air fares, following eight consecutive year-over-year quarterly declines. The average domestic fare was up 3.4% year over year to \$169.30 in the 2017 fourth quarter, while the average international fare rose 1.9% to \$287.90, marking the third consecutive year-over-year quarterly gain. Of the 10 selected cities where the passenger boarded the plane (enplanement), Ottawa (+12.6%) recorded the largest increase in average domestic air fare. Regina (-1.9%) and Winnipeg (-3.6%) were the only cities to post declines.

2. Heathrow management welcomes UK Parliament's vote to build 3rd runway

Heathrow Airport Ltd has commented on the yes vote in the UK Parliament for the airport's expansion plans that include construction of a third runway at the London gateway. Heathrow chief executive John Holland-Kaye said: "Parliament has ended 50 years of debate by deciding that Heathrow expansion will go ahead. This vote will see us deliver more jobs, create a lasting legacy of skills for future generations and guarantee expansion is delivered responsibly. "We are grateful that MPs have made the right choice for Britain and today we start work to create the best connected hub airport in the world."

3. Government of Canada takes action to protect Canadians from laser attacks on aircraft

On June 28, 2018, the Honourable Marc Garneau, Minister of Transport, announced a new measure which prohibits the possession of battery-operated hand-held laser over 1 milliwatt (mW) outside of a private dwelling without a legitimate purpose, such as for work, school, or education purposes. This Interim Order takes effect immediately and applies to: 1) municipalities within the greater Montréal, Toronto, and Vancouver regions; and 2) a 10-kilometre radius around any airport or certified heliport across Canada. The new measure allows Transport Canada and delegated law enforcement to issue fines on the spot to anyone who possesses a hand-held laser within a prohibited zone without a legitimate reason. The maximum fines are \$5,000 for an individual and \$25,000 for a corporation. In addition to the Interim Order, Transport Canada is also designating laser attacks on aircraft as offences subject to immediate fines under the *Canadian Aviation Regulations*.

4. Minister Garneau introduces new safety measures to protect Canadians from laser attacks on aircraft

ATAC applauds Minister Garneau and Transport Canada on their act-

AIR

TRANSPORTATION Canada

1. Air fares, fourth quarter 2017, June 27, 2018, www.statcan.gc.ca
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3. Government of Canada takes action to protect Canadians from laser attacks on aircraft, June 28, 2018, www.tc.gc.ca
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7. Air Canada Rouge Celebrates its Fifth Birthday, June 29, 2018, www.aircanada.ca
8. Air New Zealand fined US\$11m after global cartel investigation, June 29, 2018, www.transportweekly.com
9. Air Canada Completes Inauguration of 25 New Non-Stop International, Transborder and Domestic Routes This Summer, July 2, 2018, www.aircanada.ca
10. Passenger Demand Continues Strong Growth in May, July 5, 2018, www.iata.org
11. Air freight volumes continue to grow: IATA, July 4, 2018, www.ctl.ca
12. ATAC Applauds First Air & Canadian North Merger, July 6, 2018, www.atac.ca
13. Air cargo industry must learn to operate like the global defence sector: "Dragon", July 9, 2018, www.ctl.ca
14. Government of Canada investing in safety at Chisasibi Airport, July 10, 2018, www.tc.gc.ca
15. WestJet statement regarding the application for certification of its cabin crew members, July 10, 2018, www.westjet.ca

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

ions to prohibit laser attacks on aircraft. This latest announcement of the prohibition and the associated fines regarding lasers for those ignoring the Interim Order are strongly supported by ATAC and its members in the imperative need to protect aviation passengers and crew.

5. Aircraft movement statistics: Major airports, April 2018

Aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 2.9% in April 2018 to 465,864 movements, compared with 452,788 movements in April 2017. In April 2018, an increase in both itinerant movements (flights from one airport to another) and local movements (flights that remain in the vicinity of the airport) contributed to the year-over-year gain. Itinerant movements rose 1.2% to 317,659 and local movements were up 6.7% to 148,205.

6. Monthly civil aviation statistics, April 2018

The six Canadian Level I air carriers flew 6.7 million passengers on scheduled and charter services in April 2018, up 2.2% from April 2017 and continuing the upward year-over-year monthly trend that began in April 2014. Traffic increased 4.0% year over year to 17.1 billion passenger-kilometres in April 2018. Capacity rose 4.7% to 20.5 billion available seat-kilometres. This resulted in a slightly lower passenger load factor in April 2018 (83.8%) compared with the same month a year earlier (84.4%), as capacity growth outpaced traffic growth. Total operating revenue increased 6.3% from the same month a year earlier to \$1.8 billion in April 2018.

7. Air Canada Rouge Celebrates its Fifth Birthday

Air Canada Rouge is celebrating its birthday, marking five years of providing customers with memorable beginnings and endings to their holidays. From its first flight on Canada Day 2013, Air Canada's leisure carrier has grown to more than 50 aircraft from four, expanded to over 100 routes on five continents from an initial 14 routes, flown more than 25 million customers, and directly created 2,000 high-quality jobs for Canadians.

8. Air New Zealand fined US\$11m after global cartel investigation

The Australian Federal Court has ordered Air New Zealand (Air NZ) to pay AUD15 million (US\$11 million) for its role in a global air cargo cartel as part of an ongoing case by the Australian Consumer and Competition Commission (ACCC) involving 15 of the world's leading airlines. The latest case involved an illegal agreement by Air NZ with other airlines to fix the price of fuel and insurance surcharges on air freight services from Hong Kong, and insurance and security charges from Singapore, to various locations, including Australian airports, between 2002 and 2007. The Federal Court ordered Air NZ pay an AUD11.5 million penalty for price fixing fuel surcharges, plus AUD3.5 million for price fixing insurance and security surcharges. Air NZ has also agreed to pay AUD2 million towards the ACCC's legal costs. "We have worked closely with the ACCC over the past year to reach this position, which is in line with previous settlements reached with other international airlines," the carrier said.

9. Air Canada Completes Inauguration of 25 New Non-Stop International, Transborder and Domestic Routes This Summer

Air Canada on July 2, 2018 inaugurates five new non-stop regional services from Montreal to Windsor, Montreal to London ON, Edmonton to Kelowna, Edmonton and Victoria, Calgary and Comox, completing the successful launch of 25 new year-round and seasonal routes this summer.

10. Passenger Demand Continues Strong Growth in May

16. Minister Garneau will attend the Farnborough International Airshow and hold meetings with transportation stakeholders in London, July, 16, 2018, www.tc.gc.ca

17. Air Canada President and Chief Executive Calin Rovinescu Wins for Executive Leadership at the 2018 Airline Strategy Awards, July 16, 2018, www.aircanada.ca

18. ATAC and AIRINC announces Memorandum of Understanding to provide Flight Data Monitoring services to ATAC members, July 16, 2018, www.atac.ca

19. April 2018 U.S. Airline Traffic Data, April 13, 2018, www.dot.gov

20. European Aviation: No more delays, the time for action is now!, July 18, 2018, www.europa.eu

21. What you should know if you were affected by the cancelled Montreal LEVEL flights, July 17, 2018, www.cta-otc.gc.ca

22. WestJet recognized as North America's Best Low-Cost Airline by Skytrax, July 17, 2018, www.westjet.ca

23. WestJet and JetBlue founder commits to order 60 A220s for new U.S. startup airline, July 17, 2018, www.financialpost.ca

24. Air Canada named Best Airline in North America at the Skytrax World Airline Awards 2018, July 17, 2018, www.aircanada.ca

25. Porter Airlines introduces new entry-level fare category, expanding customer options, July 11, 2018, www.flyporter.com

26. 1st-Quarter 2018 Air Fare Data, July 17, 2018, www.bts.gov

27. European Air Traffic Control Delays Loom over Summer Air Travel, July 18, 2018, www.iata.org

28. ATAC and AIRINC announces Memorandum of Understanding to provide Flight Data Monitoring services to ATAC members, July 16, 2018, www.atac.ca

29. Delta and WestJet to Create New Transborder Joint Venture, April 19, 2018, www.westjet.ca

30. Government of Canada investing in safety at R. Elmer Ruddick Nakina Airport, July 19, 2018, www.transportcanada.ca

31. May 2018 U.S. Passenger Airline Employment Data, July 19, 2018, www.bts.gov

32. Cathay Pacific becomes only airline to offer HK-Seattle direct link, July 23, 2018, www.transportweekly.com

33. Government of Canada investing in safety at three Alberta airports, July 23, 2018, www.tc.gc.ca

34. Government of Canada investing in safety at two Manitoba airports, July 23, 2018, www.tc.gc.ca

The International Air Transport Association (IATA) announced global passenger traffic results for May 2018 showing that demand (measured in revenue passenger kilometers, or RPKs) rose 6.1% compared to the same month in 2017, which was a slight pickup from 6.0% year-over-year growth for April 2018. Capacity climbed 5.9% and load factor rose 0.1 percentage point to 80.1%. "May was another solid month in terms of demand growth. As had been expected, we saw some moderation, as rising airline costs are reducing the stimulus from lower airfares. In particular, jet fuel prices are expected to be up nearly 26% this year compared to 2017. Nevertheless, the record load factor for the month signifies that demand for air connectivity is strong," said Alexandre de Juniac, IATA's Director General and CEO. The Asia-Pacific market saw the strongest growth.

11. Air freight volumes continue to grow: IATA

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), rose 4.2% in May 2018, compared to the same period the year before. This was slightly down from the 5.2% (revised from 4.1%) growth in annual demand recorded in April 2018. Freight capacity, measured in available freight tonne kilometers (AFTKs), grew by 6.2% year-on-year in May 2018. This was the fourth month in a row that capacity growth outstripped demand growth. After a weak start to 2018, demand for global air freight has now resumed a modest trend upwards. However, the rapid growth seen in 2017 is now over, with demand growing at a significantly slower pace in 2018. In IATA's mid-year industry outlook, 2018 freight growth was revised downwards to 4.0% (from the previously forecasted 4.5% in December 2017).

12. ATAC Applauds First Air & Canadian North Merger

Makivik Corporation (Makivik) and the Inuvialuit Corporate Group (ICG) on July 6, 2018 announced they have signed an agreement in principle to merge First Air and Canadian North in order to provide the best possible essential air services across the Arctic. Makivik took this initiative to begin the discussion under the new direction of Charlie Watt, Sr. Following execution of definitive agreements and the receipt of applicable regulatory approvals needed to establish a strong new entity, the proposed Pan-Arctic airline will operate under the name "Canadian North" and aircraft will feature new First Air livery, including its Inukshuk logo. Headquarters for the proposed airline will be located in Ottawa. Both Makivik and IDC recognize the value and potential in the North and in the Alberta market and remain committed to supporting and growing the Alberta presence. The parties expect to complete the merger by the end of 2018.

13. Air cargo industry must learn to operate like the global defence sector: "Dragon"

Air freight must revolutionize the way it runs itself, modelled more on the USD1.7 trillion global defence sector, if it is to thrive in the modern age, according to OMX Founder and "Dragon" Nicole Verkindt. Strong collaboration and visibility, as well as the embracing of digitisation, are all concepts the military has long learned to master, and airfreight could easily apply many of those lessons due to the similar nature between the two industries. Verkindt, who appears on the Canadian series 'Next Gen Den Dragons', was speaking ahead of her taking part in a panel exploring digital transformation, at TIACA's 2018 Air Cargo Forum in Toronto, Canada from 16th to 18th October.

14. Government of Canada investing in safety at Chisasibi Airport

The Honourable Marc Garneau, Minister of Transport, on July 10, 2018 announced a \$4,209,725 investment for the rehabilitation of the taxiways and apron at the Chisasibi Airport. The funding comes from Transport Canada's Airports Capital Assistance Program (ACAP). Since the Program's launch in 1995, the Government of Canada has invested more than \$829.4 million for 927 projects at 185 airports across the country.

15. WestJet statement regarding the application for certification of its cabin crew members

35. Air Canada Vacations Introduces New Sun Collection, July 24, 2018, www.aircanada.ca
36. Airline competition finally taking off in Canada, but barriers keep passengers' options limited, July 25, 2018, www.nationalpost.ca
37. European Commission adopts new rules on mental fitness of aircrew, July 25, 2018, www.europa.eu
38. Lufthansa automates cargo bookings with help from Freightos, July 24, 2018, www.ctl.ca
39. Proposal by Air Canada, TD, CIBC and Visa to Acquire Aimia's Aeroplan Loyalty Business, July 25, 2018, www.aircanada.ca
40. Air Canada unveils hostile bid to buy back Aeroplan, July 25, 2018, www.globeandmail.ca
41. The Government of Canada invests in transportation infrastructure at the London International Airport, July 25, 2018, www.tc.gc.ca
42. Air Travel Consumer Report: May 2018 Numbers, July 25, 2018, www.dot.gov
43. Aircraft movement statistics: Major airports, May 2018, July 26, 2018, www.statcan.gc.ca
44. Aviation Industry to Launch UK Awareness Campaign on Consequences of Irresponsible Drinking when Travelling, July 27, 2018, www.iata.org
45. Air Canada Reports Second Quarter 2018 Results, July 27, 2018, www.aircanada.ca
46. Canada expands air transport agreements with Egypt and the United Arab Emirates, July 27, 2018, www.tc.gc.ca
47. Airlines and Airports have their Eyes Open to Human Trafficking, July 30, 2018, www.iata.org
48. FedEx tops IATA list of cargo airlines, July 27, 2018, www.ctl.ca

WestJet on July 10, 2018 issued the following statement from President and CEO Ed Sims regarding the application for certification of its cabin crew members. WestJet received formal notice from Canada's Industrial Relations Board on July 10, 2018 at 11:49 a.m. ET. "We respect the rights of our employees to choose their representation. Although we prefer to work directly with our employee groups as we have since 1996, we are dedicated to moving forward and will concentrate on the continued success of the organization for guests, employees and shareholders."

16. Minister Garneau will attend the Farnborough International Airshow and hold meetings with transportation stakeholders in London

On July 16, 2018, the Honourable Marc Garneau, Minister of Transport, attended the Farnborough International Airshow where he participated in the opening of the Canada Pavilion and met a series of important Canadian aerospace stakeholders.

17. Air Canada President and Chief Executive Calin Rovinescu Wins for Executive Leadership at the 2018 Airline Strategy Awards

Air Canada President and Chief Executive Officer Calin Rovinescu has won the Executive Leadership Award at the 2018 Airline Strategy Awards. The award, for the airline president/chief executive who has demonstrated outstanding strategic thinking and leadership, was presented in London. The Airline Strategy Awards are run by established air transport industry news and analysis provider, Flight Airline Business.

18. ATAC and AIRINC announces Memorandum of Understanding to provide Flight Data Monitoring services to ATAC members

The Air Transport Association of Canada (ATAC) and Applied Informatics and Research Inc. (AIRINC) announced on July 16, 2018 that they have agreed to a Memorandum of Understanding to provide Flight Data Monitoring (FDM/FDA/FOQA) services to ATAC members and provide FDM support throughout the year but with an added focus during the Annual ATAC Conferences, this year taking place in Vancouver on November 13-15.

19. April 2018 U.S. Airline Traffic Data

U.S. airlines carried a new seasonally-adjusted high of 73.8 million systemwide (domestic and international) scheduled service passengers in April 2018, up 0.9 percent from March 2018 for the third consecutive monthly increase. Systemwide load factor (83.8 percent) was down 1.0 points from the all-time seasonally-adjusted high (84.8 percent) reached in October 2015. Domestic and international load factor both declined.

20. European Aviation: No more delays, the time for action is now!

Joint statement by Violeta Bulc, EU Commissioner for Transport and Karima Delli, Chair of the European Parliament's Committee on Transport and Tourism: "2018 is expected to be the busiest year so far in terms of air traffic, with 11 million flights forecast. On top of that the summer holiday season is upon us, which is the busiest period for air travel. The bleak reality is that around 50,000 passengers will face delays – every day – of up to 2 hours in airports across Europe, leading to missed connections and unforeseen costs. 1 Our current air traffic system is struggling to cope with the ever increasing volume of traffic, and other disruptions which contribute to these delays. The system needs an urgent upgrade. Now is the moment to be bold – we need a more genuine cooperation between national air navigation service providers, and we need to work with Eurocontrol to create a more effective management of the European network. This will improve the efficiency and capacity of our network, which will in turn reduce delays and congestion in our airports, and also help to mitigate the serious environmental impact of aviation.

21. What you should know if you were affected by the cancelled Montreal LEVEL flights

The CTA is aware of LEVEL flight cancellations this past weekend, which affect passengers attempting to depart Montréal Pierre Elliott Trudeau International Airport for Europe. The CTA is currently looking into the matter and will update its website with any new developments. In the meantime, if passengers are unable to reach LEVEL or cannot resolve the matter with them, passengers can file a [complaint](#) with the CTA. Affected passengers should know that airline policies related to flight irregularities, including cancellations, are listed in their tariffs (conditions of transport).

22. WestJet recognized as North America's Best Low-Cost Airline by Skytrax

WestJet on July 17, 2018 has been named North America's Best Low-Cost Airline at Skytrax's World Airline Awards for 2018. "We're proud to be named the Best Low-Cost Airline in North America as voted on by 20 million global travellers," said Ed Sims, WestJet President and CEO. "More than 13,000 WestJetters and their dedication and commitment to providing exceptional service are the true winners of this award. We look forward to providing our guests with more products, services and destinations, along

with our caring guest experience as we transition to a global airline." Globally, WestJet also ranked sixth in the Best Low-Cost Airlines category for 2018.

23. WestJet and JetBlue founder commits to order 60 A220s for new U.S. startup airline

One of the founders of WestJet Airlines Ltd. has agreed to purchase 60 Airbus A220 aircraft for a new U.S. venture, marking the second order announcement since Airbus took control of the former CSeries jet program from Bombardier Inc. this month. David Neeleman, representing a group of investors, signed a memorandum of understanding at the Farnborough Air Show in the United Kingdom on July 17, 2018, committing to purchasing 60 aircraft for the new airline he is planning to launch in the United States.

24. Air Canada named Best Airline in North America at the Skytrax World Airline Awards 2018

Air Canada was named Best Airline in North America for the second consecutive year at the 2018 Skytrax World Airline Awards ceremony held on July 17, 2018 in London. It is the seventh time in the past nine years the carrier was selected as the best in North America by the World Airline Awards, which are based on passenger satisfaction surveys of approximately 20 million global travellers.

25. Porter Airlines introduces new entry-level fare category, expanding customer options

Porter Airlines is introducing a new entry-level fare class to meet increasing demand from travellers wanting to choose from a range of prices and service options they most value. The new Basic fare is an entry-level product designed to provide essential services for passengers with definite travel plans. It delivers the lowest available price on select flights booked at least 21 days prior to departure. Key features of the Basic fare are: 1) Lowest price; 2) Itinerary changes and cancellations are not permitted; no refunds or credits are issued; 3) Online check-in is permitted; boarding passes must be retrieved at the airport check-in counter; 4) One personal item, such as a small purse or briefcase, is permitted onboard; all other bags must be checked for a fee; and 5) All service options, such as checked luggage and advance seat selection, are available for additional fees.

26. 1st-Quarter 2018 Air Fare Data

First quarter 2018 average US domestic itinerary air fare was \$346. 1. The fare was down 3.7 percent from 1Q 2017 (\$360); and 2. The fare was down 1.1 percent from 4Q 2017 (\$350). The averages were adjusted for inflation.

27. European Air Traffic Control Delays Loom over Summer Air Travel

The International Air Transport Association (IATA) called on the governments and air navigation service providers of Europe to address the region's airspace bottlenecks, as new data revealed that delays so far this year have more than doubled compared to 2017. "We are in the summer season in Europe. Travelers want to get to their holidays on time. And too many will be disappointed because of air traffic delays. We should be making progress, but delays are double those of last year. There is no quick fix for this year. But the needed solutions are well-known. With the correct investment and planning by governments and ANSPs we can, and must, make next year better," said Alexandre de Juniac, IATA's Director General and CEO.

28. ATAC and AIRINC announces Memorandum of Understanding to provide Flight Data Monitoring services to ATAC members

The Air Transport Association of Canada (ATAC) and Applied Informatics and Research Inc. (AIRINC) announced on July 16, 2018 that they have agreed to a Memorandum of Understanding to provide Flight Data Monitoring (FDM/FDA/FOQA) services to ATAC members and provide FDM support throughout the year but with an added focus during the Annual ATAC Conferences, this year taking place in Vancouver on November 13-15.

29. Delta and WestJet to Create New Transborder Joint Venture

Delta Air Lines (DAL) and WestJet (WJA) have signed a definitive agreement to create a comprehensive transborder joint venture (JV) arrangement that will offer customers an extensive route network within the U.S. and Canada. Ed Bastian, Delta's CEO said "Delta's future is global and together with WestJet, we can augment the two airlines' capabilities and bring together our strengths in this important trans-border market." "Combined, we will be able to offer more destinations to customers with an integrated network, superior airline products, improved airport connections and significantly enhanced frequent flyer benefits. The JV will provide an unmatched passenger experience for customers travelling between the U.S. and Canada." Ed Sims, WestJet President and CEO said "WestJet continues its drive toward becoming a global airline, and the signing of this agreement marks a major milestone in that journey." The agreement deepens the existing codeshare partnership between the carriers and follows the signing of a memorandum of understanding in December 2017 announcing the intention to form a joint venture. The joint venture will provide substantial reach into Canada and the U.S. with transborder service to more than 30 cities covering over 95 per cent of U.S.-Canada demand, providing customers of both airlines with more travel choices

than ever before. The new JV will also enable Delta and WestJet to compete more effectively against other carriers.

30. Government of Canada investing in safety at R. Elmer Ruddick Nakina Airport

The Honourable Patty Hajdu, Minister of Employment, Workforce Development and Labour, and Member of Parliament for Thunder Bay — Superior North, on behalf of the Honourable Marc Garneau, Minister of Transport, on July 19, 2018 announced a \$412,755 investment for the purchase of a loader and loader-mounted snowblower for the R. Elmer Ruddick Nakina Airport. The funding comes from Transport Canada's Airports Capital Assistance Program (ACAP).

31. May 2018 U.S. Passenger Airline Employment Data

U.S. **scheduled** passenger airlines employed 3.0 percent more workers in May 2018 than in May 2017: 1. May's 438,215 full-time equivalents (FTE) was the highest monthly employment total since November 2004 (439,776 FTEs). 2. May was the 55th consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year. For all 21 scheduled service passenger airlines: 1. May's FTE's were 438,215. 2. May's FTE's were up 3.0 percent (12,559 FTEs) over May 2017 (425,656 FTEs); and 3. May's FTE's were up 13.6 percent (52,596 FTEs) over May 2014 (385,619 FTEs). For four **network airlines**: 1. May's 285,804 FTEs were 65.2 percent of total scheduled passenger airline FTEs. 2. May's FTE's were up 3.1 percent (8,669 FTEs) over May 2017 (277,135 FTEs). 3. May's FTE's were up 11.0 percent (28,226 FTEs) over May 2014 (257,578 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.

32. Cathay Pacific becomes only airline to offer HK-Seattle direct link

Hong Kong flag carrier Cathay Pacific is to launch a new non-stop service to Seattle, dubbed 'The Emerald City' from March 31, 2018 becoming the only airline that will directly link Hong Kong with the fastest-growing city on the west coast of the United States, according to *Shipping Gazette*. Cathay CEO Rupert Hogg said the Seattle route, which will be operated by the airline's state-of-the-art Airbus A350-900 aircraft, underscores the airline's expansion strategy to connect new destinations not otherwise served from Hong Kong. "There are strong business, trade and cultural ties between Hong Kong and the city and we believe there will be considerable demand for both business and leisure travel on this new route," said Mr Hogg.

33. Government of Canada investing in safety at three Alberta airports

The Honourable Amarjeet Sohi, Minister of Natural Resources and Member of Parliament for Edmonton Mill Woods, on behalf of the Honourable Marc Garneau, Minister of Transport, on July 23, 2018 announced Government of Canada investments for safety improvements at three Alberta airports: 1) High Level Airport - \$5,714,821 for the rehabilitation of Runway 13-31 and Taxiways A and B; 2) Lethbridge Airport - \$98,000 to purchase a de-icer which is used in combination with other snow removal equipment to apply sand to runways, taxiways and aprons to clear snow, and melt ice; and 3) Red Deer Airport - \$271,450 to replace a wheeled loader which is used for pulling snow removal or de-icing equipment. Funding comes from Transport Canada's Airports Capital Assistance Program (ACAP).

34. Government of Canada investing in safety at two Manitoba airports

The Honourable Jim Carr, Minister of International Trade Diversification and Member of Parliament for Winnipeg South Centre, on behalf of the Honourable Marc Garneau, Minister of Transport, on July 23, 2018 announced Government of Canada investments for safety improvements at two Manitoba airports: 1) The Bloodvein River Airport is receiving \$201,000 to purchase a small snowblower; and 2) The Gillam Airport is receiving \$418,000 to replace a medium snowblower. Funding comes from Transport Canada's Airports Capital Assistance Program (ACAP).

35. Air Canada Vacations Introduces New Sun Collection

Air Canada Vacations announced on July 24, 2018 the launch of its 2018/2019 Sun Collection. Inspiring you to soak in the sun, sea and sand in Mexico, the Caribbean, Hawaii, California, Florida and Las Vegas, the Collection is Making Your Dreams Travel™, one trip at a time. The new Sun Collection boasts over 700 hotels, most of them offering all-inclusive packages. It also includes 13 resorts exclusive to Air Canada Vacations, 35 semi-exclusive resorts and more than 100 cruises. Featuring options for short and long stays, additional guided excursions, and new destinations of St. Vincent and the Grenadines and Belize, it offers tailored vacation packages to customers, no matter their travel style.

36. Airline competition finally taking off in Canada, but barriers keep passengers' options limited

For the first time in years, competition in the Canadian airline industry is heating up. In June 2018, WestJet Airlines Ltd. launched its ultra low-cost carrier (ULCC) Swoop, offering cheaper flights for the more price-

sensitive traveller. Flair Airlines Ltd., another discount carrier, is already in the air, and two additional ULCCs — Enerjet's FlyToo and Canada Jetlines Ltd. — are eagerly eyeing entries into the market. International carriers are also looking to fly to and from Canada. Norwegian Air Shuttle ASA, one of the world's fastest-growing low-cost carriers, in June 2018 announced it will begin flying daily between Hamilton and Dublin, as well as offer service between Montreal and Guadeloupe and Martinique. But even though competition may be increasing in what has largely been a two-player market, some experts say the airline industry is still one of the most protected in the country, limiting consumer options particularly when it comes to domestic travel. Two types of restrictions that could increase competition are foreign ownership of domestic airlines (limited to 49 percent); and limitations imposed in blue skies agreements. The last type of restriction is cabotage (i.e. allowing foreign carriers to operate in domestic markets) and most countries continue to impose this restriction.

37. European Commission adopts new rules on mental fitness of aircrew

In the final week of July 2018, the European Union adopted new safety rules to sharpen the mental fitness rules for pilots and cabin crew. The new rules follow the lessons learned from the Germanwings flight 9525 accident in 2015 and introduce the following requirements: 1. Give all pilots access to a support programme in case of psychological problems; 2. Oblige airlines to perform a psychological assessment of pilots before commencing flying; 3. Introduce systematic testing for psychoactive substances of flight and cabin crew upon employment and unannounced testing after rehabilitation and return to work; 4. Make random alcohol testing of pilots and cabin crew mandatory for all European and foreign airlines in the European Union.

38. Lufthansa automates cargo bookings with help from Freightos

Lufthansa Cargo and Freightos have ushered in eBooking digitization for cargo. While ecommerce sales drove a nine per cent growth in air freight demand in 2017, manual air freight management and sales continued to cost the industry billions annually in changing fees, untapped capacity, and manual labor. This contributes to the average air cargo transit time of six days, while the flight itself is just hours. That's now changing, with digital connectivity introduced by Freightos WebCargo and Lufthansa Cargo's application programming interface (API) services, enabling forwarders to instantly look up contracted rates, assess capacity, and book cargo on specific flights in real-time, via the world's leading air cargo platform for forwarders.

39. Proposal by Air Canada, TD, CIBC and Visa to Acquire Aimia's Aeroplan Loyalty Business

Air Canada, The Toronto-Dominion Bank ("TD"), Canadian Imperial Bank of Commerce ("CIBC"), and Visa Canada Corporation ("Visa"), on behalf of a corporation to be formed, have made a proposal to Aimia Inc. ("Aimia") to acquire its Aeroplan loyalty business (including approximately \$2 billion of Aeroplan points liability at March 31, 2018) for \$250 million in cash (the "Proposed Transaction"), representing a total purchase price of approximately \$2.25 billion. The proposed transaction if it goes through is expected to benefit both Aeroplan members and Aimia shareholders as it: 1) allows for smooth transition of Aeroplan members' points to Air Canada's new loyalty program launching in 2020; 2) provides value to all Aimia stakeholders and a viable solution to Aimia's current business and financial challenges; 3) represents a total purchase price of \$2.25 billion, including \$250 million in cash and the assumption of approximately \$2 billion of Aeroplan points liability; and 4) implies approximate value of \$3.64 per Aimia Inc. common share, a 52.3% 30-day VWAP premium and a 45.6% premium to spot closing price as of July 24, 2018, when added to value of Aimia's other assets.

40. Air Canada unveils hostile bid to buy back Aeroplan

A year after announcing plans to sever ties with Aeroplan, Air Canada is teaming up with three financial institutions to buy back the loyalty rewards program at a heavily discounted price. On July 25, 2018, Air Canada unveiled a hostile bid to acquire the rewards program from its parent company Aimia Inc., alongside partners Toronto-Dominion Bank, Canadian Imperial Bank of Commerce and Visa Canada Corp. The cash component of the purchase price amounts to \$250-million. The bidders will also jointly assume a \$2-billion outstanding liability on Aimia's books for loyalty points that have not yet been redeemed, although the breakdown between the partners is unclear. Aimia currently has \$300-million in cash reserved to cover these liabilities. Aimia's stock surged in early trading on the Toronto Stock Exchange, settling around 40 per cent higher by lunch time.

41. The Government of Canada invests in transportation infrastructure at the London International Airport

On July 25, 2018, the Honourable Mary Ng, Minister of Small Business and Export Promotion, on behalf of the Honourable Marc Garneau, Minister of Transport, announced an investment of \$3.3 million for a

project that will help local businesses compete by strengthening the safety and sustainability of airport infrastructure at the Greater London International Airport. The Airport Authority is contributing \$3.3 million to the project.

42. Air Travel Consumer Report: May 2018 Numbers

The U.S. Department of Transportation (DOT) on July 25, 2018 released its May 2018 Air Travel Consumer Report (ATCR) on air carrier data compiled for the month of May 2018. The full consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>. The report contains information such as on time performance, cancellation, tarmac delays, mishandled baggage, bumping, etc.

43. Aircraft movement statistics: Major airports, May 2018

Aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 8.9% to 570,697 movements in May 2018, compared with 524,165 movements in May 2017. In May 2018, an increase in both itinerant movements (flights from one airport to another) and local movements (flights that remain in the vicinity of the airport) contributed to the year-over-year increase. Itinerant movements grew 7.4% to 391,737 and local movements were up 12.2% to 178,960.

44. Aviation Industry to Launch UK Awareness Campaign on Consequences of Irresponsible Drinking when Travelling

Travel retailers, airports and airlines have joined forces to unveil a summer passenger awareness campaign to encourage people to fly responsibly. The 'One Too Many' campaign was launched on July 27, 2018 by the Aviation Minister, Baroness Sugg. It reminds passengers of the costs of drinking to excess when travelling by air. These include the risks of being denied boarding, having a plane diverted and the associated costs which include heavy fines, up to two years' prison, an airline ban and a diversion fee up to £80,000 for the most serious in-flight incidents.

45. Air Canada Reports Second Quarter 2018 Results

Air Canada on July 27, 2018 reported second quarter 2018 EBITDAR (earnings before interest, taxes, depreciation, amortization, impairment and aircraft rent) of \$646 million compared to second quarter 2017 EBITDAR of \$681 million. Air Canada reported operating income of \$226 million compared to operating income of \$292 million in the second quarter of 2017. The airline reported adjusted pre-tax income of \$163 million in the second quarter of 2018 compared to adjusted pre-tax income of \$229 million in the prior year's quarter. On a GAAP basis, in the second quarter of 2018, Air Canada reported a loss before income taxes of \$71 million, compared to income before income taxes of \$314 million in the second quarter of 2017. The second quarter of 2018 included a loss on disposal of assets of \$186 million and losses on foreign exchange of \$25 million while the second quarter of 2017 included gains on foreign exchange of \$68 million and a gain on sale and leaseback of assets of \$26 million. "I am pleased to report another solid quarter of revenue growth, cost containment and unrestricted liquidity, in the face of significantly higher fuel prices. Our record revenues this quarter demonstrate the appeal of Air Canada's brand and underscore the continuing strong demand for air travel in all of our main markets. I thank our 30,000 employees for their hard work and dedication in taking care of our customers, which was recognized this month when Air Canada was named the Best Airline in North America for the second consecutive year at the Skytrax World Airline Awards celebrated in the U.K. Winning the award for the seventh time in nine years is a testament to the sustained progress we have made, something which all our employees should be very proud of, as I am," said Calin Rovinescu, President and Chief Executive Officer of Air Canada.

46. Canada expands air transport agreements with Egypt and the United Arab Emirates

The Honourable Marc Garneau, Minister of Transport, on July 27, 2018 announced the successful conclusion of expanded air transport agreements with Egypt and the United Arab Emirates. The Canada-Egypt air transport agreement has been expanded to allow designated airlines to operate up to seven passenger flights per week, up from four. In addition, designated airlines now can serve any city in the other country's territory. The expanded Canada-United Arab Emirates air transport agreement allows each government to allocate 68 per cent more capacity among its designated air carriers (i.e. the number of seats that carriers can sell). This agreement also now contains four dedicated frequencies for all-cargo flights for the first time. The new rights under the expanded agreements are available for use by airlines immediately.

47. Airlines and Airports have their Eyes Open to Human Trafficking

In support of the United Nations World Day Against Trafficking in Persons, Airports Council International (ACI) World and the International Air Transport Association (IATA) emphasized their joint commitment

and work to help combat human trafficking. Aviation connects the world, carrying more than four billion passengers a year, but this global network is also used nefariously by traffickers to transport people against their will.

48. FedEx tops IATA list of cargo airlines

According to the IATA's latest World Air Transport Statistics (WATS) report the vast majority of carriers in the top 25 list recorded an increase in cargo traffic last year as the sector enjoyed a boom in demand. Overall, the top 25 carriers saw cargo traffic increase by 7.2% year on year to 166.5 billion scheduled freight tonne kilometres (FTK). FedEx was again the busiest cargo carrier as it recorded a 7.2% year-on-year increase in cargo traffic to 16.8 billion FTKs. The second busiest airline, and topping the list of cargo carriers, was Emirates, which recorded a 3.6% year-on-year increase in demand to 12.7 billion FTK. Another express operator occupied the third step on the podium as UPS registered a 6% increase in traffic to 11.9 billion FTK.

WATER TRANSPORTATION

1. The Government of Canada's Oceans Protection Plan supports the removal and disposal of abandoned boats in Bridgewater

Abandoned boats are a growing problem across Canada. The Government of Canada, through the Oceans Protection Plan, is working diligently to deter this irresponsible practice. Bernadette Jordan, Member of Parliament for South Shore – St. Margaret's, on June 27, 2018, was in Bridgewater on behalf of the Honourable Marc Garneau, Minister of Transport to announce funding recipients through Canada's Abandoned Boats Program. This \$6.85 million program provides funding to support the assessment, removal and disposal of abandoned boats from communities across Canada.

2. Government of Canada announces start of work to ensure safety of La Romaine residents and safe transportation of goods at La Romaine wharf

Transport Canada has announced that repairs began on the Romaine wharf on June 22, 2018 and are progressing well. Container traffic on the wharf has resumed. The wharf will remain operational throughout the work, but access will be restricted to ensure the safety of workers, who will carry out repairs under the wharf. Passengers will have access to the wharf when the Bella Desgagnés arrives.

3. New York and New Jersey volume swell continues

The Port of New York and New Jersey saw its containerized cargo volumes continue to rise in May 2018, boosted by increases in both loaded import and export volumes. The busiest cargo gateway on the U.S. East Coast and third largest in the country handled 593,625 TEUs during the month, a 5.1 percent increase from May 2017 and the fifth consecutive monthly record, according to the most recent data from the Port Authority of New York and New Jersey (PANYNJ).

4. With cost cuts, container lines must create value to escape cycle

Like the US airline industry, the global container shipping industry has reached a point where cost cutting and mergers will yield little if any additional value. This is the view of a longtime carrier executive, a Maritime Hall of Fame inductee who argues creating value for customers will characterize the current era, with customer service the first, visible change area.

5. South Korean shipbuilders face challenge

South Korea's three major shipbuilders are facing an uphill battle to reach their new order targets for this year, according to Seoul's

WATER TRANSPORTATION Canada

1. The Government of Canada's Oceans Protection Plan supports the removal and disposal of abandoned boats in Bridgewater, June 27, 2018, www.tc.gc.ca
2. Government of Canada announces start of work to ensure safety of La Romaine residents and safe transportation of goods at La Romaine wharf, June 27, 2018, www.tc.gc.ca
3. New York and New Jersey volume swell continues, June 27, 2018, www.americanshipper.com
4. With cost cuts, container lines must create value to escape cycle, July 1, 2018, www.joc.com
5. South Korean shipbuilders face challenge, July 2, 2018, www.transportweekly.com
6. Canadian Eastern port development challenged by lack of coastal strategy, July 3, 2018, www.transportweekly.com
7. CMA CGM deploys container tracking technology, July 3, 2018, www.ctl.ca
8. The Government of Canada invests in transportation infrastructure at the Port of Thunder Bay, July 3, 2018, www.tc.gc.ca
9. Evergreen renews investment refrigerated containers, July 3, 2018, www.ctl.ca
10. \$7.5M for Port of Thunder Bay, July 4, 2018, www.ctl.ca
11. NY-NJ exports rebound amid tariff pressures, July 5, 2018, www.joc.com
12. Ports Too Busy to Worry About Trade Tensions, July 8, 2018, www.inboundlogistics.com
13. Blockchains for logistics: from hype to relevance?, July 9, 2018, www.porteconomics.cpm
14. Port automation: a paradox for the shipping industry, July 9, 2018, www.porteconomics.com
15. Container volume growth continues in May, July 9, 2018, www.americanshipper.com
16. Spot container rates down from last year, July 9, 2018, www.americanshipper.com
17. A new shipping service connecting Montreal to Europe, July 10, 2018, www.americanshipper.com
18. Hapag-Lloyd does not see major mergers ahead, July 10, 2018, www.americanshipper.com

Business Korea. Hyundai Heavy Industries (HHI), together with its two sister companies, Hyundai Mipo Dockyard and Hyundai Samho Heavy Industries, have received US\$5.6 billion worth of new orders so far in 2018, about 38 per cent of its target for 2018, which is set at \$14.8 billion. Daewoo Shipbuilding & Marine Engineering (DSME) posted \$3.2 billion in new order receipts as of June 26, 2018 attaining 44 per cent of its annual target of \$7.3 billion. Samsung Heavy Industries (SHI) has won new orders totalling \$2.3 billion thus far, which amounted to 28 per cent of its annual order target. DSME also leads its two rivals in terms of the ratio of the orders received to the annual goal. The gaps between DSME and the remaining two companies will widen further when Hyundai Merchant Marine (HMM) sign contracts with the three for vessels ordered earlier this month. The three Korean shipbuilders are keen to win offshore plant orders in the second half of this year.

6. Canadian Eastern port development challenged by lack of coastal strategy

The lack of a central strategy could thwart the drive to create a thriving national cargo gateway on Canada's East Coast. There is a growing concern that without a central strategy - like the one that helped Western ports embark on a slew of key transformative projects - the modest funds available to the numerous Eastern Canadian port projects will fail to achieve the target of establishing a major national cargo gateway on Canada's East Coast. The coast is already under pressure from an average annual container volume growth of 6 per cent - double the growth on the Canadian West Coast - and the need to adapt to escalating vessel sizes. Development proposals put forward to handle expected future volume growth into East Canada include one to expand the Port of Montreal by creating a new terminal at Contrecoeur, and one to create a new terminal in Halifax.

7. CMA CGM deploys container tracking technology

The CMA CGM Group announced that the CMA CGM *Bougainville* is the first container ship in the world to be equipped with TRAXENS technology, which transforms containers into smart connected objects. The CMA CGM *Bougainville*, the group's new 18,000 TEU flagship vessel, has become the first ship in the world using TRAXENS technology. This technology transforms standard containers into smart, connected, objects and introduces the multimodal transportation system into the Big Data era.

8. The Government of Canada invests in transportation infrastructure at the Port of Thunder Bay

On July 3, 2018, the Honourable Marc Garneau, Minister of Transport, and the Honourable Patty Hajdu, Minister of Employment, Workforce Development and Labour, announced a major investment of \$7.5 million for a project that will help businesses compete by moving goods to market and by making improvements to port infrastructure at the Port of Thunder Bay. The project involves adding tracks and laydown areas for cargo staging and transshipment to respond to increased demand and building a 4,645 square metre multi-purpose heated facility to suit requirements of terminal users.

9. Evergreen renews investment refrigerated containers

Evergreen Line announced it is enhancing its operations with 3,000 containers refrigerated by Carrier Transicold PrimeLINE units. "With its digital scroll compressor, the PrimeLINE unit has a reputation for energy efficiency and a value proposition that includes rapid pull-down, tight temperature control, high air-flow performance and excellent cost of ownership," said Andrew See, general manager, Global Container Refrigeration, Greater China, Carrier Transicold. "Evergreen's PrimeLINE units feature our LED control-display option, which the shipping line considers advantageous for ship crew members visually monitoring stacked containers onboard a vessel." The majority of Evergreen Line's PrimeLINE units are being

19. The Government of Canada announces that emergency repairs to La Romaine wharf have been completed, July, 13, 2018, www.tc.gc.ca
20. Port Celebrates Rushbrook Trail Grand Opening, July 14, 2018, www.rupertport.com
21. Imports peak at Port of Oakland in June, July 13, 2018, www.americanshipper.com
22. Containership charter rates may have peaked, July 16, 2018, www.americanshipper.com
23. Port of Long Beach has best month ever, July 18, 2018, www.transportweekly.com
24. Antwerp volumes surge on record container cargoes, July 17, 2018, www.americanshipper.com
25. Port of Vancouver - Accumulated Container Statistics: January to June 2018, July 18, 2018, www.portmetrovancover.com
26. NY-NJ port's \$100 million plan targets rail, barge to mitigate truck traffic, July 18, 2018, www.joc.com
27. Trade war and protectionism compound bad news for Maersk, July 19, 2018, www.transportweekly.com
28. Hong Kong June container volume declines 4.5pc, July 20, 2018, www.transportweekly.com
29. Long Beach gains on LA as laden box volumes grow in first half, July 20, 2018, www.transportweekly.com
30. Port of Antwerp H1 box throughput surges 8.3pc, July 26, 2018, www.transportweekly.com
31. DP World global container volumes spike 5pc to 36m TEU, July 26, 2018, www.transportweekly.com
32. June sees jump in construction materials on Seaway, July 26, 2018, www.ctl.ca
33. Port of Halifax receives top-rated cruise destination award, July 25, 2018, www.portofhalifax.ca
34. Port of New York and New Jersey has record high, July 27, 2018, www.americanshipper.com

installed on 40-foot high-cube containers with the balance mounted on 20-foot containers, all acquired for replacement.

10. \$7.5M for Port of Thunder Bay

The Port of Thunder Bay will receive an investment of \$7.5 million from the federal government to make improvements to port infrastructure. The announcement was made on July 3, 2018 by Transportation Minister Marc Garneau at the Thunder Bay Port Authority office, along with local representatives Don Rusnak and Patty Hajdu. The project involves adding tracks and laydown areas for cargo staging and transshipment to respond to increased demand, and building a 4,645 square metre multi-purpose heated facility to suit requirements of terminal users.

11. NY-NJ exports rebound amid tariff pressures

The port is attracting new business — aided by two infrastructure improvements and stronger international demand. But the situation, like so many trade sectors, is fluid: a trade war would likely affect the bullish trend.

12. Ports Too Busy to Worry About Trade Tensions

Despite trade tensions, port business in the United States and Asia is booming, reports the latest Global Kuehne + Nagel Indicators (gKNi). U.S. ports are experiencing increased container volumes, with heavy traffic in Los Angeles, Long Beach, and New York/New Jersey, according to real-time data collected by LogIndex, part of the Kuehne + Nagel Group. Notably, inbound loaded container volumes jumped, while the quantity of outbound loaded TEUs tended to decrease. To illustrate the strong import trend, the metric for inbound TEUs in Long Beach—a gateway for trans-Pacific trade—is up 11 percent compared to the same period in 2017 (April: 8.4 percent YoY), according to LogIndex May estimates. Four months into 2018, the Port of Long Beach has moved 2.5 million TEUs, 17 percent higher than last year's record pace.

13. Blockchains for logistics: from hype to relevance?

While presenting at recent transportation trade conferences Jean-Paul Rodrigue expressed rather skeptical views about the potential of Blockchains for logistics (a blockchain is a continuously growing list of records, called *blocks*, which are linked and secured using cryptography), which raised a few eyebrows and critiques. The industry is currently drinking its own cool-aid and caught in the standard hype cycle where the benefits of a new technology are exaggerated while the complexity and costs of its implementation are discounted. Many do not understand well what it entails from a technological, managerial and operational standpoint, but are ready to endorse the hype that Blockchains are going to revolutionize supply chains because they are supposed to revolutionize supply chains. This is the classic circular logic flaw. Even worst, many who claim about the merits of the technology have limited experience or particular knowledge on the issue and are simply repeating marketing statements put forward by their corporation or organization, further promoting cognitive dissonance. The discourse does not yet match the reality.

14. Port automation: a paradox for the shipping industry

Automation is bringing a series of paradoxes to the shipping industry. Since maritime shipping is in the derived demand business, it is misleading to assume that automation does not affect the demand for shipping as well. Although automation is mostly considered by the industry at the port terminal level, it also takes place across entire supply chains, a process associated with the fourth industrial revolution (manufacturing 4.0/4IR). The impacts of automation may thus be more significant on the activities that drive port volumes, such as manufacturing, than on port operations. This represents a paradox since automation can directly be a benefit for port terminals, but indirectly it could be a curse. Stakeholders such as terminal operators usually optimize the systems they can control and benefit from, but a common mistake is not to consider the wider contexts of the technologies they are using, both upstream and downstream of their value chains.

15. Container volume growth continues in May

Global transport volumes of containerized cargo grew 1.3 percent to 14.47 million TEUs in May 2018 compared with the same month a year ago, as strong growth in imports and exports to and from Europe and exports from North America was offset in part by a decline in Asian volumes, according to the latest data from industry analyst Container Trade Statistics (CTS).

16. Spot container rates down from last year

The Shanghai Shipping Exchange's Shanghai Containerized Freight Index, which estimates spot container rates from Shanghai to 13 regions around the world, slipped 0.5 percent on July 6, 2018 from the prior week's overall reading of 821.18 to a reading of 817.40.

17. A new shipping service connecting Montreal to Europe

The Montreal Port Authority (MPA) announced a new service connecting the Port of Montreal to the Mediterranean market by Germany's Hamburg Süd Group. Launched to meet the growing demand of importers and exporters on both sides of the Atlantic, this new service will connect the Port of Montreal to the ports of Algeciras and Valencia in Spain, Fos-sur-Mer in France, and La Spezia and Salerno in Italy. The first ships departed July 2, 2018 headed west and ship departures headed east will start July 19, 2018.

18. Hapag-Lloyd does not see major mergers ahead

The world's third-largest container carrier, France's CMA CGM, has approached shareholders of Germany's Hapag-Lloyd about a possible merger, according to a Reuters report, but has been rebuffed. Hapag-Lloyd's CEO says there are no current talks with CMA CGM

19. The Government of Canada announces that emergency repairs to La Romaine wharf have been completed

Transport Canada has announced that emergency repairs to La Romaine wharf were completed on July 7, 2018 and that container traffic has resumed. The three mooring bollards are back in service and the gap underneath the concrete slab had been filled. Wharf users must continue to comply with the operational restrictions that were put in place prior to June 6, 2018. Those restrictions include a load limitation of 7.5 kilopascals across the whole of the port infrastructure.

20. Port Celebrates Rushbrook Trail Grand Opening

One of Prince Rupert's legacy waterfront walkways was reopened on July 14, 2018, the result of a \$1.1 million rehabilitation project enabled through the Port of Prince Rupert's Community Investment Fund. The Rotary Club of Prince Rupert, the Port of Prince Rupert, and other corporate contributors celebrated the completion of the Rushbrook Trail Revitalization project at a ribbon-cutting ceremony that saw hundreds of enthusiastic residents rediscover the northeast section of the Prince Rupert harbour.

21. Imports peak at Port of Oakland in June

The Port of Oakland said containerized inbound volume reached an all-time high of 87,207 TEUs in June 2018. That beat the previous monthly record of 84,835 containers set last July. The 8.7 percent increase over June 2017 might be due to either a strong peak season or importers may have ordered aggressively in June ahead of tariffs imposed this month by the United States and China. "Retailers have been forecasting a good peak season for containerized imports, so June's numbers weren't surprising," said Port of Oakland Maritime Director John Driscoll. "But there's uncertainty over the international trade picture, so we're taking a wait-and-see approach."

22. Containership charter rates may have peaked

A rapid rise in the cost of chartering containerships is "probably over" but is expected "to remain close to their current levels over the remainder of the year," according to the London-based consulting firm Drewry.

23. Port of Long Beach has best month ever

Long Beach container volumes reached record highs in June 2018, surging past those of June 2017, the port's previous best month ever, reports the *American Journal of Transportation*. Trade increased 14.2 per cent in June 2018, compared to the same month in 2017. The port's terminals moved 752,188 TEU, 4.4 per cent higher than the "best month ever". Through June 2018, the port has handled nearly four million TEU, a 14.5 per cent year-on-year increase. June 2018 also topped the port's best second quarter with 2.1 million TEU, a 10 per cent increase year on year.

24. Antwerp volumes surge on record container cargoes

The Port of Antwerp handled 118.6 million metric tons of cargo during the first half of 2018, an increase of 6.5 percent from the same six-month period last year and a new record for the port, according to the latest data from the Antwerp Port Authority.

25. Port of Vancouver – Accumulated Container Statistics: January to June 2018

The Port of Vancouver reported its year to date statistics for container traffic (twenty foot equivalent units i.e. TEUs). Total traffic for this period (January to June 2018) was 1,637,440 TEUs an increase of 5.1% compared to the same period a year earlier (1,558,532 TEUs). Imports for this period were 854,943 TEUs an increase of 3.7% compared to the same period a year earlier (824,410 TEUs). Exports for this period were 782,497 TEUs an increase of 6.6% compared to the same period a year earlier (734,123 TEUs).

26. NY-NJ port's \$100 million plan targets rail, barge to mitigate truck traffic

New York City and the Port of New York and New Jersey are preparing for a future of strong growth and more demanding supply chains. To accommodate this increase the NY-NJ port plans to invest \$100 million.

27. Trade war and protectionism compound bad news for Maersk

Maersk may again struggle to retain profitability this year given the exigencies of the current Sino-US trade war and rising oil prices that stand to damage the fortunes of the Danish shipping giant, reports Bloomberg. Maersk has already lost almost a third of its market value this year as investors gird for more bad news, said Bloomberg. Protectionism means less demand, and history suggests the shipping industry will struggle to make the necessary supply cuts. What's more, Maersk is now more exposed to the vagaries of shipping as it divests itself of energy interests, thus depriving itself of any benefit from a thriving oil market. Per Hansen, an investment economist at Nordnet in Copenhagen, says Maersk is currently "in the eye of the hurricane" when it comes to the damage that will be inflicted by a trade war. He estimates the company's shares could drop at least 10 per cent.

28. Hong Kong June container volume declines 4.5pc

Hong Kong container volume continued its decline in June 2018, falling 4.5 per cent year on year to 1.67 million TEU, according to the Marine Department. But throughput at main Kwai Tsing terminals increased 0.7 per cent year on year to 1.33 million TEU for the first time since January 2018. Elsewhere in the Port of Hong Kong throughput plunged 20.5 per cent to 340,000 TEU. The big January increase offset double digit declines since resulting in a more modest first half drop of 3.7 per cent to 2.13 million TEU.

29. Long Beach gains on LA as laden box volumes grow in first half

Adjacent ports of Los Angeles and Long Beach both grew in laden containers in the first half of 2018, with Long Beach up 14.5 per cent year on year to 3.95 million TEU while LA slipped because of a lack of empties by 3.9 per cent to 4.31 million TEU, according to *Shipping Gazette*. LA had a 2.9 per cent uptick in laden import boxes and a 1.4 per cent increase in laden exports. But this was undercut by a 9.7 per cent drop in empties, leaving LA totals down 1.1 per cent for the month at 723,141 TEU. Together the ports handled 8.26 million TEU in the first half, a 4.1 per cent year-on-year increase from the same six-month period in 2017, a year in which both set records for cargo throughput.

30. Port of Antwerp H1 box throughput surges 8.3pc

A record container throughput of more than 1 million TEU in May 2018 helped the Port of Antwerp to gain on a record first quarter to post a 6.5 per cent increase in total throughput to 118.6 million tonnes of freight in the first half of 2018. The main driver continues to be container freight which kept up the growth rate to rise 8.3 per cent to 5.6 million TEU compared with the first six months of 2017, the port said in a press release. It added that growth was seen on all trade routes despite geopolitical tensions, and there was strong growth in consumer goods, wheeled vehicles and chemicals.

31. DP World global container volumes spike 5pc to 36m TEU

The continued upswing in global trade saw Dubai's DP World reporting 4.8 per cent growth in gross container volumes to 35.6 million TEU across its global portfolio of container terminals in the first half of 2018. All three of the global container terminal operating group's main regions delivered growth, led by terminals in Europe and Australia, DP World said in a press release.

32. June sees jump in construction materials on Seaway

The increase in construction materials and grain exports are up in the St. Lawrence Seaway tonnage latest results. Overall cargo shipments on the St. Lawrence Seaway between March 29 and June 30 totaled 12.1 million metric tons, down by 2 per cent compared to the same period in 2017. The slight decrease is due to the later and slower start of the season and a decline in salt shipments. Year-to-date grain shipments via the Seaway (including U.S. and Canadian grain) totaled 3.1 million metric tons, up 7.5 per cent compared to the same period in 2017. Liquid bulk shipments, which include petroleum and asphalt products among others, totaled 1.8 million metric tons – up 28 per cent. Increases in petroleum shipments are mainly due to the rebalancing of stocks following scheduled maintenance shutdowns of some refineries in the region. Stone shipments were up 32 per cent and cement shipments were up 24 per cent.

33. Port of Halifax receives top-rated cruise destination award

The Port of Halifax has been recognized as a top rated Canada-US cruise destination by Cruise Critic. The 2018 Cruisers' Choice Destination Awards announced by Cruise Critic lists the Port of Halifax as a Top-Rated US & Canada Cruise Destination. The awards are based entirely on ratings submitted with reviews published on CruiseCritic.com. A link to the announcement can be found here: [Top 5 US & Canada Cruise Destinations](#). "This is an incredible recognition for all the operators and tourism partners who work tirelessly to build and promote Nova Scotia as a tourism destination," said Catherine McGrail, Associate Vice-President, Cruise/Operations and Public Affairs, Halifax Port Authority. "We are fortunate to have strong partners delivering an excellent product that our cruise guests enjoy."

34. Port of New York and New Jersey has record high

Cargo volumes at the Port of New York and New Jersey set a new record for the first half of 2018, with container volumes up 6.8 percent over the same period in 2017. The Port Authority of New York and New Jersey said, “A primary factor driving the cargo increase is last June’s completion of the \$1.6 billion Bayonne Bridge Navigational Clearance Project, which raised the clearance capacity under the bridge from 151 feet to 215 feet, allowing ships as large as 18,000 TEUs to pass underneath it. Previously, the maximum vessel size was 9,800 TEUs.” The port said currently 9.1 percent of the port’s cargo is carried on vessels that are 13,000 TEUs or larger.

RAIL TRANSPORTATION

1. Railway carloadings, April 2018

The volume of rail freight carried in Canada totalled 30.5 million tonnes in April 2018, down 2.6% from April 2017. Freight originating in Canada decreased 4.3% from the same month last year to 27.1 million tonnes. Non-intermodal freight decreased by 0.8% to 301,000 carloads in April 2018. The amount of freight loaded into these cars fell 4.8% from April 2017 to 24.1 million tonnes. This decrease was mainly due to a labour dispute at an iron ore mine that resulted in a 27.8% decline in shipments of iron ores and concentrates (-1 291 000 tonnes) compared with April 2017. Intermodal freight loadings rose 1.1% year over year to 198,000 units in April 2018. The gain stemmed from a 1.5% increase in containers-on-flat-cars. In terms of weight, intermodal traffic increased 0.5% to 3.0 million tonnes. Freight traffic received from the United States rose 12.5% to 3.5 million tonnes as a result of increases in both non-intermodal (+12.0%) and intermodal (+20.0%) freight.

2. Eight CN Rail freight cars derail in Metro Vancouver, closing busy rail bridge

Eight cars from a Canadian National Railway freight train have jumped the tracks in Metro Vancouver. CN spokeswoman Kate Fenske says in an email that the empty grain cars derailed just after midnight on June 27, 2018 on the Fraser River Bridge at an overpass in New Westminster. No one was hurt, no dangerous goods are involved and Fenske says crews are at the scene, trying to “re-rail” the affected cars and determine what caused the derailment.

3. Canadian hyperloop company says governments need to support innovation

A Canadian hyperloop company is threatening to relocate its headquarters to Europe unless it gets political support at home for the implementation of its technology that would transport goods and passengers through tubes at airplane speeds. Transpod CEO and co-founder Sebastien Gendron says politicians need to step up if they are serious about supporting innovation in Canada. The company’s proposed elevated network of pods travelling through low-pressure tubes at 1,000 kilometres per hour would cut transit time between Montreal and Toronto to less than an hour and relieve highway and airport congestion, he says. A second line could connect Calgary and Edmonton in about half that time, he added.

4. European Commission sets up a new EU Rail Passenger Security Platform

Following its announcement of an action plan to improve the security of rail passengers in the EU, on June 29, 2018 the Commission adopted the decision to launch an EU Rail Passenger Security Platform. The Platform will support the collection of information on rail security, the optimisation of security of cross-

RAIL TRANSPORTATION

Canada

1. Railway carloadings, April 2018, June 27, 2018, www.statcan.gc.ca
2. Eight CN Rail freight cars derail in Metro Vancouver, closing busy rail bridge, June 27, 2018, www.ctl.ca
3. Canadian hyperloop company says governments need to support innovation, June 28, 2018, www.ctl.ca
4. European Commission sets up a new EU Rail Passenger Security Platform, June 29, 2018, www.europa.eu
5. Europe rail to truckers: Work with us, not against us, June 28, 2018, www.joc.com
6. System council no. 11 of the IBEW ratify three-year agreement with CP, July 29, 2018, www.portofmontreal.ca
7. Canadian crude by rail exports rise to record high in April, NEB reports, July 5, 2018, www.ctl.ca
8. VIA rail train 693 derails near Hudson Bay, Sask. all passengers and crew members are safe, July 5, 2018, www.viarail.ca
9. U.S. rail volumes up 3.7 percent in first half of 2018, July 5, 2018, www.americanshipper.com
10. Statement by Minister Garneau in commemoration of the fifth anniversary of the Lac-Mégantic rail tragedy, July 6, 2018, www.tc.gc.ca
11. U.S. rail volumes up 3.7 percent in first half of 2018, July 5, 2018, www.americanshipper.com
12. VIA rail reports its 4th consecutive ridership and revenue increase for Canada Day long weekend, July 9, 2018, www.viarail.ca
13. Only land link to Churchill, Man., may be sold and revived: rail company, July 10, 2018, www.ctl.ca
14. VIA rail supports the Canada-China year of tourism, July 16, 2018, www.viarail.com
15. CP reports second quarter revenue growth of 7 percent; poised for strong back half of 2018, July 18, 2018, www.cpr.ca
16. Intermodal rate increase highest since 2011, July 18, 2018, www.americanshipper.com
17. CPRail second quarter profits hurt by disruptions related to labour strife, July 19, 2018, www.ctl.ca
18. Union Pacific picks up speed in Q2, July 19, 2018, www.americanshipper.com
19. TCRC-T&E ratify four-year agreement with CP, July 20, 2018, www.cpr.ca
20. KCS remains positive on cross-border trade, July 20, 2018, www.americanshipper.com

border rail services and the definition of a coordination mechanism to avoid unilateral decisions at the national level. It will play a key role in the effective exchange of vital information at the EU level. It will also help Member States and railway stakeholders to put in place a mechanism to quickly assess new threats and security incidents, and to undertake an appropriate coordinated response. The action plan delivers on President Juncker's political priority of creating a Europe that protects, empowers and defends.

5. Europe rail to truckers: Work with us, not against us

Europe's rail and truck transport systems are at a pivotal moment. The two could complement each other and help meet the likely 30 percent increase in European cargo expected by 2030. However, turf protecting could still rule the day, especially if rail views truck platooning as a threat.

6. System council no. 11 of the IBEW ratify three-year agreement with CP

Canadian Pacific Railway Limited and System Council No. 11 of the International Brotherhood of Electrical Workers (IBEW) on June 29, 2018 announced they have ratified a new three-year agreement. "We are grateful for the collaborative effort with union leadership that led to a successful agreement during this bargaining process," said Keith Creel, CP President and Chief Executive Officer. "This agreement reflects CP's commitment to our IBEW-represented employees, ensures stability for the broader 12,000-strong CP family and provides certainty for our customers and the broader economy."

7. Canadian crude by rail exports rise to record high in April, NEB reports

The National Energy Board says crude-by-rail exports from Canada grew to a record 193,500 barrels per day in April 2018, up 13 per cent from the previous month, as full pipelines forced more producers to use trains to get their products to market. The oil shipping tally beat the previous record of nearly 179,000 bpd in September 2014 and was well ahead of the 150,000 bpd moved in April 2017. Andrew Botterill, a partner with accounting firm Deloitte, says he expects rail shipments will continue to grow this year.

8. VIA rail train 693 derails near Hudson Bay, Sask. all passengers and crew members are safe

Train 693 that runs between Winnipeg and The Pas has derailed, approximately 37 km north of the town of Hudson Bay, in Saskatchewan, at 3:05 am central time on July 5, 2018. The train was on its way to The Pas, Manitoba. The train consisted of 8 cars. 2 locomotives and one baggage car derailed on their side. All passengers' cars remained upright. 16 passengers and 5 crew members were on the train at the time of the derailment. Passengers and crew were taken to the Hudson Bay Health Care Facility to be assessed and treated as needed and all have now been discharged. VIA Rail is ensuring all passengers and crew members are safely transported to Winnipeg where accommodation will be provided until they get to their final destination.

9. U.S. rail volumes up 3.7 percent in first half of 2018

Total combined U.S. freight railroad traffic in June 2018 grew 4.2 percent to 2.24 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 2 percent year-over-year to 1.08 million carloads for the month, while intermodal traffic rose 6.3 percent to 1.16 million containers and trailers. Fourteen of the 20 carload commodity categories tracked by AAR each month saw gains in June 2018, including petroleum and petroleum products, up 7,411 carloads (19.7 percent); crushed stone, sand and gravel, up 7,276 carloads (7.1 percent); and chemicals, up 4,608 carloads (3.7 percent).

10. Statement by Minister Garneau in commemoration of the fifth anniversary of the Lac-Mégantic rail tragedy

The Honourable Marc Garneau, Minister of Transport, issued the following statement on July 6, 2018 in commemoration of the fifth anniversary of the tragedy that devastated downtown Lac-Mégantic: "Five years ago, the people of Lac-Mégantic and the neighbouring communities experienced an unimaginable tragedy that sent shock waves through the entire nation. Canadians remain profoundly affected by this tragedy, but also by the extraordinary strength, courage and resilience displayed by the people of Lac-Mégantic since the accident. The disaster that occurred on July 6, 2013, will remain forever etched in our

21. Union Pacific quarterly profit up 25pc as sales rise 8pc, July 24, 2018, www.transportweekly.com

22. Challenges and opportunities: Climate change, rail talks bring both to Churchill, July 23, 2018, www.ctf.ca

23. CN Board appoints Jean-Jacques Ruest President and CEO, July 24, 2018, www.cn.ca

24. CN reports Q2-2018 financial results, July 24, 2018, www.cn.ca

25. CN declares third-quarter 2018 dividend, July 24, 2018, www.cn.ca

26. Government of Canada provides research grants to reduce air emissions from rail transportation, July 24, 2018, www.tc.gc.ca

27. Clean Rail Academic Grant Program (Round 5), July 24, 2018, www.tc.gc.ca

28. Railway carloadings, May 2018, July 25, 2018, www.statcan.gc.ca

29. Government of Canada provides research grants to reduce air emissions from rail transportation, July 26, 2018, www.tc.gc.ca

30. Government of Canada provides research grants to reduce air emissions from rail transportation, July 26, 2018, www.tc.gc.ca

31. State aid: Commission approves €500 million in German public funding to promote energy efficiency in rail transport, July 27, 2018, www.europa.eu

32. CN announces C\$800-million debt offering, July 27, 2018, www.cn.ca

collective memory. The hearts of all Canadians go out to the residents of the region on this particularly difficult day. We continue to remember the 47 people who lost their lives, and our thoughts are with their families and loved ones. Rest assured that railway safety remains my absolute priority and I will do everything possible to continue to improve it. The railway bypass announced by Prime Minister Trudeau and Premier Couillard last May provides an opportunity now to look to the future. This bypass is much more than a railway infrastructure project; it is a way to support the rebuilding of the community by ensuring the well-being of its residents and enabling them to move forward.”

11. U.S. rail volumes up 3.7 percent in first half of 2018

Total combined U.S. freight railroad traffic in June 2018 grew 4.2 percent to 2.24 million carloads and intermodal units compared with the same month a year ago, according to the latest data from the Association of American Railroads.

12. VIA rail reports its 4th consecutive ridership and revenue increase for Canada Day long weekend

Between June 28, 2018 and July 4, 2018 VIA Rail Canada (VIA Rail) transported 98,000 passengers during the Canada Day long weekend, a 5% increase compared to 2017. The Quebec City – Windsor corridor welcomed 91,000 travellers while the Canadian, the Ocean and regional services welcomed 7,000 travellers. This is VIA Rail’s fourth consecutive report of ridership and revenue increase for the Canada Day long weekend. Over seven days, passengers travelled a total of 36 million kilometers, the equivalent of more than 1,400 trips around the earth. Friday, June 29, was the most popular day of travel, with Ottawa, Montreal and Toronto remaining top travel destinations.

13. Only land link to Churchill, Man., may be sold and revived: rail company

The company that owns a broken rail line to Churchill in northern Manitoba says talks to sell the line and restore it are back on. Hudson Bay Railway says negotiations with a consortium of northern communities resumed on July 9, 2018 — almost one week after talks broke down.

14. VIA rail supports the Canada-China year of tourism

VIA Rail Canada (VIA Rail) is delighted to promote the Canada-China Year of Tourism (CCYT) by displaying the CCYT logo on some of its trains until September 2018. VIA Rail is seizing this opportunity to present Chinese tourists a unique experience and the chance to discover by train some of the 400 communities it serves. The Honourable Bardish Chagger, Leader of the Government in the House of Commons and Minister of Small Business and Tourism, along with Yves Desjardins-Siciliano, President and Chief Executive Officer of VIA Rail, held the unveiling on July 14, 2018 at Toronto Union Station.

15. CP reports second quarter revenue growth of 7 percent; poised for strong back half of 2018

Canadian Pacific Railway Limited (CP) on July 18, 2018 announced second quarter revenues of \$1.75 billion, an increase of 7 percent from the same quarter last year, and reported diluted earnings per share (EPS) of \$3.04, or \$3.16 on an adjusted diluted EPS basis. "Overall, it was a good quarter that sets the franchise up well for the remainder of 2018 and beyond," said Keith Creel, CP President and Chief Executive Officer. "Our quarterly performance was impacted by service interruptions related to labour negotiations and strike notices. However, we were able to reach tentative long-term agreements with both the Teamsters Canada Rail Conference and the International Brotherhood of Electrical Workers which will serve the CP family, customers, shareholders and the North American economy well for years to come." The highlights of the second quarter were: 1) The volumes as measured by revenue ton-miles increased 4 percent and carloads increased 2 percent; 2) The revenue increased by 7 percent to \$1.75 billion from \$1.64 billion; 3) The reported diluted EPS was \$3.04, down 7 percent from \$3.27, and adjusted diluted EPS was \$3.16, a 14 percent increase from \$2.77 last year; and 4) The operating ratio was 64.2 percent, an increase of 140 basis points compared to last year's restated operating ratio of 62.8 percent.

16. Intermodal rate increase highest since 2011

Intermodal rates climbed another 10.9 percent in June 2018 compared with the same 2017 period, the largest year-over-year increase since August 2011, according to the latest Cass Intermodal Price Index, which measures all-in per-mile costs.

17. CP Rail second quarter profits hurt by disruptions related to labour strife

Canadian Pacific Railway Ltd. says service interruptions related to labour negotiations and strike notices caused its net income to decrease 10 per cent in the second quarter despite higher revenues. The rail service experienced two labour disruptions during its second-quarter that created some inconvenience, additional cost and slowed momentum, said CP Rail CEO Keith Creel during a conference call with analysts on July 18, 2018. The labour issues also curtailed revenue, he said.

18. Union Pacific picks up speed in Q2

Union Pacific's net income in the second quarter of 2018 increased 29.2 percent year-over-year to \$1.51 billion as the company benefited from higher revenues and volumes amid a lower effective tax rate. The Class I railway's earnings and revenues surpassed analyst expectations for the quarter, with basic and diluted earnings per share totaling \$1.98 and revenues rising 8 percent year-over-year to \$5.67 billion. On average, analysts polled by Thomson Reuters expected Union Pacific to post earnings of \$1.95 per share and revenues of \$5.65 billion.

19. TCRC-T&E ratify four-year agreement with CP

Canadian Pacific Railway Limited (CP) and the Teamsters Canada Rail Conference-Train & Engine (TCRC) have ratified a new four-year agreement. A five-year agreement was also ratified with CP's Kootenay Valley Railway conductors and locomotive engineers.

20. KCS remains positive on cross-border trade

Kansas City Southern's (one of the five Class I rail carrier's in the US) second-quarter 2018 net income rose 10.4 percent year-over-year to \$148.7 million amid higher revenues and volumes in five of six commodity groups and flourishing cross-border trade growth between the United States and Mexico.

21. Union Pacific quarterly profit up 25pc as sales rise 8pc

America's biggest railway, the Union Pacific, posted a 25 per cent year-on-year increase in 2018 second quarter net profit to US\$1.5 billion, drawn on revenues of \$5.7 billion, up eight per cent, reported *Shipping Gazette*. "Overall, I am pleased with the effort put forth by the entire Union Pacific team; however, I recognise the results could have been better," said Union Pacific chairman, president and CEO Lance Fritz. "Network performance improved significantly coming out of the first quarter, but a tunnel outage and train-crew shortages created a headwind in June. I am confident we have the right plans in place to drive improvement in our operations and a better service experience for our customers," he said. Second quarter carloads increased four per cent compared to 2017. Volume increases in industrial and premium more than offset declines in agricultural products and energy. Quarterly freight revenue improved eight per cent year on year as volume growth, increased fuel surcharge revenue, and core pricing gains were partially offset by negative mix of traffic.

22. Challenges and opportunities: Climate change, rail talks bring both to Churchill

A northern Manitoba community on the shore of Hudson Bay is having an identity crisis. The port of Churchill was once bustling with ships laden with grain bound for markets. Now, the ships docked at the port are bringing essential supplies in rather than transporting anything out. Last year, severe spring flooding washed out parts of the only rail line — and lifeline — to what's known as the polar bear capital of the world. Propane is being brought to Churchill by marine vessel for the first time. Supplies for businesses are also coming in on ships or by air, at an exorbitant price. The Canadian government sold the port — the community's top employer at the time — and the Hudson Bay rail line to Denver-based Omnitrax in 1997. Citing the elimination of the Canadian Wheat Board in 2012, which dried up grain shipments through the north, the U.S. company shuttered the port in 2016. The survival of Churchill may now hinge on a deal involving a consortium of First Nations, which has been working with Toronto-based investment company Fairfax and federal negotiators to buy the assets. While climate change is threatening the polar bear population that brings in tourists from around the world, it could also open shipping routes which could create a stable economy in the future. One of the things that people need to realize is changes in the Arctic are bringing both challenges and opportunities.

23. CN Board appoints Jean-Jacques Ruest President and CEO

The Board of Directors of CN on July 24, 2018 announced the appointment of Jean-Jacques Ruest as President and Chief Executive Officer of CN effective immediately. Ruest has also been appointed to CN's Board of Directors. "In JJ, we have the best. He brings vision, energy, and speed to the role. JJ brought the team together to tackle the immediate operational and customer service challenges the Company was facing since the fall of 2017," said Board Chairman Robert Pace. Ruest, 63, has been with the Company for 22 years, the last eight as Executive Vice-President and Chief Marketing Officer.

24. CN reports Q2-2018 financial results

CN on July 24, 2018 reported its financial and operating results for the second quarter ended June 30, 2018. The highlights for the second quarter were: 1) Net income increased by 27 per cent to C\$1,310 million. 2) Diluted earnings per share (EPS) increased by 30 per cent to C\$1.77. 3) Adjusted net income increased by 11 per cent to C\$1,120 million. 4) Adjusted diluted EPS increased by 13 per cent to C\$1.51. 5) Operating income increased by seven per cent to C\$1,519 million. 6) Revenues increased by nine per cent to C\$3,631 million. 7) Revenue ton-miles (RTMs) increased by seven per cent and carloadings increased by six per cent. 8) Operating expenses increased by 10 per cent to C\$2,112 million. 9) Operating ratio of 58.2 per

cent, increased 0.7 points over the second-quarter 2017 (and an improvement of 9.6 points over the first-quarter 2018). Free cash flow for the first half of 2018 was C\$1,296 million, compared with C\$1,659 million for the year-earlier period. “Our entire team pulled together quickly to turn around our operational performance following a challenging winter, delivering a best-in-class operating ratio of 58.2 per cent in the quarter,” said JJ Ruest, president and chief executive officer of CN. Record capital investments in new equipment and expanded infrastructure are on schedule, as the company advances important projects that will give them the capacity and resiliency to serve the market at the industry-leading standard their customers expect.

25. CN declares third-quarter 2018 dividend

CN announced on July 24, 2018 that its Board of Directors has approved a third-quarter 2018 dividend on the Company’s common shares outstanding. A quarterly dividend of forty-five-and-a-half cents (C\$0.4550) per common share will be paid on Sept. 28, 2018, to shareholders of record at the close of business on Sept. 7, 2018.

26. Government of Canada provides research grants to reduce air emissions from rail transportation

Clean growth is essential for Canada’s transportation system. To achieve this, Transport Canada established the Clean Rail Academic Grant Program. The program provides funding to support academic research programs that are developing technologies and practices to reduce air emissions from the rail sector. The Honourable Amarjeet Sohi, Minister of Natural Resources, on behalf of the Honourable Marc Garneau, Minister of Transport, on July 24, 2018 announced an investment of \$25,000 for a University of Alberta project called “A genetic algorithm approach towards optimizing container placement in intermodal trains for reduced aerodynamic drag” The project will help develop a computerized method to optimize the loading of trains in order to reduce wind drag. Canadian National Railway estimates that each aerodynamic gap greater than 10 feet between containers can increase the train’s fuel consumption by up to 1%.

27. Clean Rail Academic Grant Program (Round 5)

The Clean Rail Academic Grant Program is part of the Government of Canada’s efforts to reduce emissions from the rail sector, and to support research into new and emerging clean rail technologies. The program provides grants to support academic researchers that are developing emission-reduction technologies and practices. Under Round 5 of the Program, 10 projects will receive a grant of up to \$25,000.

28. Railway carloadings, May 2018

The volume of rail freight carried in Canada totalled 31.7 million tonnes in May 2018, up 2.4% from May 2017. Freight originating in Canada increased 0.8% from the same month last year to 28.0 million tonnes. Non-intermodal freight rose 2.8% to 307,000 carloads in May 2018. The amount of freight loaded into these cars was up 0.9% from May 2017 to 24.8 million tonnes. Intermodal freight loadings rose 1.9% year over year to 214,000 units in May 2018. The gain stemmed from a 2.6% increase in containers-on-flat-cars. In terms of weight, intermodal traffic decreased 0.2% to 3.2 million tonnes. Freight traffic received from the United States rose 16.5% to 3.7 million tonnes as a result of increases in both non-intermodal (+16.2%) and intermodal (+20.4%) freight.

29. Government of Canada provides research grants to reduce air emissions from rail transportation

Transport Canada has established the Clean Rail Academic Grant Program. The program provides funding to support academic research programs that are developing technologies and practices to reduce air emissions from the rail sector. The Honourable Chrystia Freeland, Minister of Foreign Affairs, on behalf of the Honourable Marc Garneau, Minister of Transport, on July 26, 2018 announced an investment of \$25,000 for a University of Toronto project called *Hydrail for Clean Rail Transport*. The project aims to support the production of clean, zero emissions hydrogen fuel for use in rail transport.

30. Government of Canada provides research grants to reduce air emissions from rail transportation

The Honourable Bardish Chagger, Leader of the Government in the House of Commons and Member of Parliament for Waterloo, on behalf of the Honourable Marc Garneau, Minister of Transport, on July 26, 2018 announced an investment of \$25,000 for a University of Waterloo project called “*Hydrogen hybrid locomotive and refueling design for Ontario*.” The project will study costs, benefits and new designs for clean rail technologies, including hybrid batteries and fuel cell technologies. She also announced an investment of \$50,000 for the University of Ontario Institute of Technology to undertake two projects. The first project is called “Feasibility studies on novel combined gas turbine and fuel cell systems for clean rail applications.” The project will evaluate the potential of new power-train technologies for rail applications, including fuel cell and gas turbine systems. The second project, called “Active levitation and propulsion system for hyperloop transport”, will investigate an electrified system to propel and levitate a hyperloop pod – eliminating any frictional losses and related emissions.

31. State aid: Commission approves €500 million in German public funding to promote energy efficiency in rail transport

The European Commission has approved under EU State aid rules a German scheme to support railway companies that invest in energy efficiency technologies. The measure will promote the shift of freight traffic from road to rail and contribute to a reduction of CO2 emissions. Commissioner Margrethe Vestager in charge of competition policy, said: "Electrically powered rail transport is one of the most environmentally friendly transport options. By promoting a shift from road to rail, the German scheme will contribute to meeting the EU's environmental and transport objectives, without distorting competition".

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

CN on July 27, 2018 announced a public two-tranche debt offering of C\$800 million, comprised of C\$350 million 3.20% Notes due 2028, and C\$450 million 3.60% Notes due 2048. CN expects to close the offering on July 31, 2018, subject to customary closing conditions. CN plans to use the net proceeds from the offering for general corporate purposes, including the redemption and refinancing of outstanding indebtedness, and share repurchases. The debt offering is being made in Canada under CN's base shelf prospectus dated Feb. 13, 2018.

HIGHWAY TRANSPORTATION

1. The Government of Canada invests in transportation infrastructure in the Northwest Territories

On June 27, 2018, the Honourable Carolyn Bennett, Minister of Crown-Indigenous Relations and Northern Affairs, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$102.5 million for a project that will reduce the cost of essential goods and help local businesses compete by moving goods to market. This funding supports several key phases of the longer-term, Mackenzie Valley Highway project:

2. US firms record 6.2pc higher logistics costs in 2017

Businesses based in the US saw their logistics costs in 2017 rise by 6.2 per cent compared to the previous year, a report published by the Council of Supply Chain Management Professionals (CSCMP) has revealed. "The demand-supply balance shifted much more dramatically this year when compared to last year," explained management consulting firm A T Kearney partner Sean Monahan and co-author of the report. "In 2015 it was a dark story if you were a carrier. There was a lot of excess capacity in the marketplace. We saw that starting to turn around in 2016 and continued to accelerate into 2017." The report said it sees a "steep grade ahead. Carriers are in control as demand outstrips supply, while shippers try to 'create capacity' by improving efficiency wherever possible.

3. For-hire Motor Carrier Freight Services Price Index, first quarter 2018

The For-hire Motor Carrier Freight Services Price Index increased 3.1% in the 2018 first quarter, following a 2.8% increase in the fourth quarter of 2017. This was the seventh consecutive quarterly gain. Both the general freight trucking (+3.4%) and the specialized freight trucking (+2.4%) components increased. Year-over-year the index was up 7.5% in the first quarter compared with the same quarter in 2017. Both the general freight trucking (+8.4%) and the specialized freight trucking (+5.5%) components rose.

4. Transportation costs continue to rise

The cost of ground transportation for Canadian shippers rose for the sixth straight month in April 2018, according to the latest Canadian General Freight Index. Costs rose 1.3% in April compared to March. The base rate rose 1.7%, with fuel accounting for 17.98% of the rate.

HIGHWAY TRANSPORTATION Canada

1. The Government of Canada invests in transportation infrastructure in the Northwest Territories, June 27, 2018, www.tc.gc.ca
2. US firms record 6.2pc higher logistics costs in 2017, June 28, 2018, www.transportweekly.com
3. For-hire Motor Carrier Freight Services Price Index, first quarter 2018, June 29, 2018, www.statcan.gc.ca
4. Transportation costs continue to rise, June 28, 2018, www.todaystrucking.com
5. UPS reaches tentative agreement with Teamsters union over wage rises, June 29, 2018, www.transportweekly.com
6. For-hire Motor Carrier Freight Services Price Index, first quarter 2018, June 29, 2018, www.statcan.gc.ca
7. Couriers and Messengers Services Price Index, May 2018, June 29, 2018, www.statcan.gc.ca
8. IoT, Robotics, Machine Learning to Transform the Supply Chain, July 5, 2018, www.inboundlogistics.com
9. What Drives Supply Chain Investment?, July 4, 2018, www.inboundlogistics.com
10. Bridging North America consortium named bidder for Gordie Howe bridge, July 5, 2018, www.ctl.ca
11. The Government of Canada invests in transportation infrastructure on Highways 6 and 39 in Saskatchewan, July 5, 2018, www.tc.gc.ca
12. J.G. Drapeau to acquire Ontario LTL division of Mainliner Freightways, July 6, 2018, www.ctl.ca
13. Big Freight merges with Kelsey Trail Trucking, July 5, 2018, www.todaystrucking.com
14. Twenty-nine charges laid on truck driver involved in Humboldt Broncos bus collision, July 5, 2018, www.todaystrucking.com
15. Premier Doug Ford Announces the End of the Cap-and-Trade Carbon Tax Era in Ontario, July 6, 2018, www.mto.gov.on.ca

“Total freight costs increased by another 1.3% in April. This is the sixth straight month of total freight costs increasing. Both domestic and cross-border LTL actually declined however domestic and truckload increased. All sectors continue to track well above last year’s level,” said Doug Payne, president and chief operating officer of Nulogx.

5. UPS reaches tentative agreement with Teamsters union over wage rises

US parcels and logistics giant UPS has agreed to a settlement in principle with negotiators for the International Brotherhood of Teamsters, the union that represents the company's ground staff and delivery drivers. The new contract that comes after months of collective bargaining provides hourly wage increases totalling US\$4.15 spread out over five years and raises the starting wage for part-time workers to \$13 an hour, starting from August 1, 2018. A Teamsters union statement said: "The National Negotiating Committee has agreed to a settlement in principle on the National Master Agreement (NMA), subject to the resolution of supplemental agreements and approval by UPS local unions. The term of the national agreement is set at five years, expiring on July 31, 2023."

6. For-hire Motor Carrier Freight Services Price Index, first quarter 2018

The For-hire Motor Carrier Freight Services Price Index increased 3.1% in the first quarter of 2018, following a 2.8% increase in the fourth quarter of 2017. This was the seventh consecutive quarterly gain. Both the general freight trucking (+3.4%) and the specialized freight trucking (+2.4%) components increased. Year-over-year the index was up 7.5% in the first quarter compared with the same quarter in 2017. Both the general freight trucking (+8.4%) and the specialized freight trucking (+5.5%) components rose.

7. Couriers and Messengers Services Price Index, May 2018

The Couriers and Messengers Services Price Index (CMSPI) increased 0.4% in May 2018, after posting no change in April 2018. The couriers component was up 0.3%, while the local messengers and local delivery component increased 0.6%. Year-over-year the CMSPI rose 4.8% in May 2018 compared with the same month last year. Both the couriers component (+4.6%) and the local delivery component (+5.4%) increased.

8. IoT, Robotics, Machine Learning to Transform the Supply Chain

Transport and logistics businesses are investing in Internet of Things (IoT)-based smart technologies to help them take advantage of the wealth of opportunities the Fourth Industrial Revolution offers. The sector is prioritizing IoT, machine learning, and robotics to increase efficiencies across the supply chain, according to research data collected by Inmarsat, a provider of global mobile satellite communications.

9. What Drives Supply Chain Investment?

Trying to keep up with customer expectations is driving retailer investment, while agility and innovation are driving manufacturers' investment in their supply chains, according to a joint survey of supply chain executives from JDA Software and KPMG LLP. The 2018 Digital Supply Chain Executive Survey conducted by Incisiv finds one force remains constant across manufacturers and retailers alike: More than half identify the need for real-time product visibility as the leading driver in digital supply chain investment.

10. Bridging North America consortium named bidder for Gordie Howe bridge

The Windsor-Detroit Bridge Authority has announced the Bridging North America consortium as the preferred proponent to build and operate the Gordie Howe International Bridge. Construction of the bridge is expected to begin later in 2018. The bridge consortium, which includes ACS Infrastructure Canada Inc., Dragados Canada Inc., Fluor Canada Ltd. and others, beat out two other groups. Bridging North America’s plan for the bridge calls for a six-lane, 2.5-kilometre cable-stayed design.

11. The Government of Canada invests in transportation infrastructure on Highways 6 and 39 in Saskatchewan

On July 5, 2018, the Honourable Ralph Goodale, Minister of Public Safety and Emergency Preparedness, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$53.3 million to help Canadian businesses compete globally by improving highway infrastructure to ensure that

16. Greyhound cancels most of its routes in Western Canada, July 10, 2018, www.globeandmail.ca

17. Alberta company acquires Three Star Trucking, www.todaystrucking.com

18. Greyhound's exit from Western Canada gives package delivery firms a chance to fill the gap, July 12, 2018, www.financialpost.ca

19. Passenger bus and urban transit, 2016, July 19, 2018, www.statcan.gc.ca

20. Travel Survey of Residents of Canada, 2017 (final), July 18, 2018, www.statcan.gc.ca

21. NDP wants transport minister to spell out plan to replace Greyhound service, July 20, 2018, www.ctl.ca

22. U.S. freight market throttles back in June, July 23, 2018, www.americanshipper.com

23. May 2018 North American Freight Numbers, July 25, 2015, www.bts.gov

24. Mullen reports record trucking/logistics revenue, July 26, 2018, www.todaystrucking.com

25. FedEx leads the pack, July 26, 2018, www.transportweekly.com

26. Canadian shipping costs rose in May: CGFI, July 26, 2018, www.ctl.ca

goods move efficiently to market. The project consists of building 16 sets of passing lanes in the highest traffic volume areas on Highways 6 and 39 between Regina and Estevan, Saskatchewan, near the United States border. It also includes twinning of short segments of the corridor south of Regina, north of Milestone, and south of Weyburn as well as the rehabilitation of approximately 51 kilometres of pavement, improving intersections and highway entrances and exits along the corridor. This is expected to have significant economic and employment benefits by creating good quality jobs during construction.

12. J.G. Drapeau to acquire Ontario LTL division of Mainliner Freightways

Polaris Transportation Group announced that J.G. Drapeau has entered into an agreement to acquire the Ontario LTL division of Mainliner Freightways and transition into the 150,000 square foot cross-dock and warehousing facility in Etobicoke, Ont.

13. Big Freight merges with Kelsey Trail Trucking

Big Freight Systems has announced it will merge with Kelsey Trail Trucking, combining to operate nearly 750 tractors and trailers. Kelsey Trail will operate as a division of Big Freight, and will keep its operations intact, the companies announced. Kelsey Trail operates locations in Saskatoon, Sask., and Innisfil, Ont.

14. Twenty-nine charges laid on truck driver involved in Humboldt Broncos bus collision

Jaskirat Sidhu, the truck driver who collided with the Humboldt Broncos bus on April 6, 2018 was arrested this morning and faces 29 charges. The 29-year-old male from Calgary who worked for Adesh Deol Trucking was charged with 16 counts of dangerous operation of a motor vehicle causing death and 13 counts of dangerous operation of a motor vehicle causing bodily injury.

15. Premier Doug Ford Announces the End of the Cap-and-Trade Carbon Tax Era in Ontario

Ontario Premier Doug Ford on July 6, 2018 confirmed that, as the first order of business of Ontario's Government for the People, his cabinet revoked the regulation that punishes Ontario residents at the gas pump through a wasteful cap-and-trade carbon tax regime; this measure comes into effect July 3, 2018. In order to fulfill this election commitment, the Government of Ontario will immediately begin an orderly wind-down of all programs funded out of cap-and-trade carbon tax revenues.

16. Greyhound cancels most of its routes in Western Canada

Greyhound will stop running buses in almost all of Western Canada this fall, leaving routes in Ontario and Quebec as the last vestiges of a national bus line that has connected small communities across Canada since 1929. The cuts to the service, which has been whittled down over the years because of sharp declines in ridership, are expected to be a blow for people in isolated rural areas. Greyhound Canada said on July 9, 2018 that, effective Oct. 31, it will pull out entirely from Manitoba, Saskatchewan and Alberta. Service in British Columbia will be reduced to its U.S. counterpart's Vancouver to Seattle route. And it will stop running buses in Northwestern Ontario, ending service beyond Sudbury. Routes in the rest of Ontario and in Quebec will continue.

17. Alberta company acquires Three Star Trucking

Vertex Resources Group has acquired Three Star Trucking, an environmental services company that provides fluid hauling, pressure truck, hot oilers, and combo vac services in Western Canada. The purchase adds more than 270 pieces of equipment to Vertex's fleet, including high-pressure fluid hauling trailers, which enable the company to offer propane, butane, and NGL fluid hauling services.

18. Greyhound's exit from Western Canada gives package delivery firms a chance to fill the gap

Package delivery firms say they are prepared to fill the gap when Greyhound Canada closes most of its Western Canada operations this fall. The company says its Greyhound Package Express service will no longer be available in most parts of B.C., northern Ontario and all of Alberta, Saskatchewan and Manitoba after it ends passenger service at the end of October 2018. "It might create some opportunities for us on our small package delivery side of things," said Dennis Steele, owner of Steele's Transfer in Calgary. Transport companies like his compete with Greyhound's lower prices by offering services tailored to customer needs, he said.

19. Passenger bus and urban transit, 2016

Total operating revenue for the Canadian passenger bus and urban transit industry declined slightly to \$12.0 billion (-1.4%) in 2016, while total operating expenses increased to \$13.8 billion (+6.7%). Human resources accounted for 58.0% of total operating expenses in 2016, with drivers representing just over two-thirds (68.3%) of full-time equivalent employees. These employees operated over 76,000 vehicles, including around 67,000 motor coaches, school buses and transit buses. The industry consumed 990.1 million litres of diesel fuel and 842.9 million kilowatts of electricity to fuel this equipment. Vehicle energy expenses accounted for 7.6% of total operating expenses in 2016. Urban transit

was the largest component. The 96 urban transit operators in Canada generated 68.6% (\$8.2 billion) of total operating revenue in the passenger bus and urban transit industry in 2016.

20. Travel Survey of Residents of Canada, 2017 (final)

The number of domestic trips rose 2.1% from 2016 to 328.5 million in 2017. Total expenditures for those trips increased 2.9% to \$51.1 billion.

21. NDP wants transport minister to spell out plan to replace Greyhound service

The opposition New Democrats are calling on the Trudeau government to lay out its plan to help communities that will be affected by the shutdown of Greyhound bus services in western Canada. The NDP has requested an emergency meeting of the House of Commons standing committee on transport, infrastructure and communities, hoping that Transport Minister Marc Garneau will spell out the options he's looking at to ensure people in those communities who rely on bus services are still able to travel. The call comes a week after NDP Leader Jagmeet Singh urged the prime minister to develop a funding plan to prevent Greyhound from shutting down crucial routes, calling it a public safety issue. The bus company announced earlier this month that it's cutting passenger and delivery services in the Prairies, northwestern Ontario and all but one cross-border route in British Columbia. The shutdown is just the latest in a string of service reductions by Greyhound as it deals with declining ridership.

22. U.S. freight market throttles back in June

Growth in the North American freight market continued in June 2018, but at a slower rate than in recent months, according to the latest *Cass Freight Index Report*. Shipment volumes increased 7.2 percent year-over-year for the month after a 11.9 percent bump in May 2018, while expenditures grew 15.9 percent following a 17.3 percent increase. Both volumes and spending extended their runs of year-over-year increases that began 21 and 18 months ago, respectively. On a sequential basis, shipment volumes declined 4.6 percent, while freight spending was relatively steady, rising 0.7 percent compared with the previous month.

23. May 2018 North American Freight Numbers

Freight between the U.S. and other North American countries (Canada and Mexico) in May 2018 totaled \$107.3 billion of freight by all modes of transportation, up 9.2 percent from May 2017. Truck moved \$67.9 billion of freight, up 8.9 percent compared to May 2017; rail moved \$15.3 billion of freight, up 0.7 percent compared to May 2017; vessel moved 8.1%; pipeline moved 6.4%; and Air moved 4%. U.S.-Canada (both directions) trade in May 2018 was: \$30.9 billion by truck; \$8.8 billion by rail; \$6 billion by pipeline; \$3.2 billion by vessel; and \$2.5 billion by air. Almost all (99.5 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.

24. Mullen reports record trucking/logistics revenue

Mullen Group reported record revenue for its trucking/logistics segment in the second quarter of 2018, up 19.8% year-over-year to \$219.4 million. Its total revenue was \$295.7 million, an increase of 8.1%, but its oilfield services revenue was down \$14.1 million. Net income was \$13.9 million. Murray Mullen, chairman and chief executive officer, said the company's 15 trucking business units were able to capitalize on a tightening supply chain and that he feels a turnaround is occurring in the oil and gas industry.

25. FedEx leads the pack

America's FedEx strengthened its standing as the world's top express delivery service last year, according to IATA's ranking, with Emirates still holding its lead in the pure cargo segment, though Qatar Airways rapidly closed the gap. Hong Kong's Cathay Pacific came in fifth as it saw traffic increase 7.8 per cent to 10.7 billion freight tonne kilometres (FTK) nevertheless dropped down the list due to the rapid expansion of Qatar Airways. By far most air carriers in the top 25 posted increases in volumes last year - up 7.2 per cent year on year to 166.5 billion scheduled FTK as the sector enjoyed a boom in demand, according to *IATA's World Air Transport Statistics*. FedEx's full year results included a boost in overall performance because of the US\$4.9 billion acquisition of TNT Express in 2016, adding to the 7.2 per cent increase in cargo traffic to 16.8 billion FTKs.

26. Canadian shipping costs rose in May: CGFI

The cost of ground transportation for Canadian shippers increased 0.5% in May 2018, according to the latest Canadian General Freight Index (CGFI) from Nulogx. The base rate was up 1.2% compared to April 2018, with fuel surcharges accounting for 18.05% of the rate. "Total freight costs increased by another 0.5% in May," said Doug Payne, president and COO, Nulogx.

GENERAL TRANSPORTATION

Canada

1. Trump's tariffs will be more painful for Canada than U.S.: economist

The Trump administration's tariff threats have the potential to drive companies currently operating in Canada out of the country, the president of a Canadian automotive association said on June 26, 2018. The United States has already imposed tariffs on the steel and aluminum industries and has threatened to impose a 25 per cent levy on Canadian-made autos. The tariffs could make Canadian-made products uncompetitive and add \$6,000, \$10,000 or more to the cost of a vehicle, said David Adams, president of Global Automakers of Canada, at an event sponsored by the Economics Club of Canada. He said a non-automotive company he knows has decided it can't expand in the United States from Ottawa, because of the uncertainty, so it's opening a U.S. office and the same could happen to automotive companies. "The uncertainty effectively does the job of . . . driving more investment into the United States as the safe harbour," Adams said.

2. Trade barriers: EU removes record number in response to surge in protectionism

The EU report *Trade and Investment Barriers* shows that 67 new barriers were recorded in 2017, taking the total tally of existing obstacles to a stark 396 between 57 different trading partners around the world. This confirms the worrying protectionist trend identified in previous years. China displayed the largest increase in new barriers in 2017, followed by Russia, South Africa, India and Turkey. The Mediterranean region also showed a notable rise in barriers for EU companies. The nine countries with the highest number of trade barriers still in place are all G20 economies. Commenting on the report, Trade Commissioner Cecilia Malmström said: "As the world's largest and most accessible market, the EU is determined to ensure that foreign markets remain equally open to our firms and products. Given the recent rise in protectionism in many parts of the world, our daily work to remove trade barriers has become even more important. Ensuring that our companies have access to foreign markets is at the heart of our trade policy. Today's report also underlines that effective solutions can be found within the international rulebook. As protectionism grows, EU enforcement of the rules must follow suit."

3. US China tariffs: What's behind them, who stands to be hurt?

President Donald Trump has boldly declared that trade wars are easy to win. He's about to find out. Barring a last-minute breakthrough, the Trump administration on June 29, 2018 will start imposing tariffs on \$34 billion on Chinese imports. And China will promptly strike back with tariffs on an equal amount of U.S. exports. And just like that, a high-risk trade war between the world's two biggest economies will begin — one that could quickly escalate. "I see us running into a full collision course in a few days," said Ashley Craig, a trade lawyer at Venable LLP. "It seems as if both sides are fairly dug in."

4. Canada seeks intensive NAFTA talks, even if Trump's in no rush to sign

The federal Liberal government is determined to rekindle intensive talks on a new continental trade pact this summer — even though

GENERAL TRANSPORTATION

Canada

1. Trump's tariffs will be more painful for Canada than U.S.: economist, June 27, 2018, www.ctl.ca
2. Trade barriers: EU removes record number in response to surge in protectionism, June 26, 2018, www.europa.eu
3. US China tariffs: What's behind them, who stands to be hurt?, July 3, 2018, www.ctl.ca
4. Canada seeks intensive NAFTA talks, even if Trump's in no rush to sign, July 4, 2018, www.ctl.ca
5. CTA Working on Improving Border Programs Amid NAFTA, Tariff Issues, July 4, 2018, www.ctl.ca
6. Tariffs, taxes may cut US farm exports, increasing China food costs, July 4, 2018, www.transportweekly.com
7. Information related to recent Canada–US tariff changes, July 4, 2018, www.statcan.gc.ca
8. World trade to grow in 3rd quarter, July 4, 2018, www.transportweekly.com
9. Trump triggers tariffs, China retaliates as trade war escalates from threats to reality, July 6, 2018, www.globeandmail.ca
10. Retaliate or not? Canada's tough decision in the event of U.S. tariffs on autos, July 6, 2018, www.ctl.ca
11. US tariffs unlikely to mean big changes in supply chains, July 6, 2018, www.transporweekly.com
12. SMEs Reveal Global Trade Obstacles, July 9, 2018, www.inboundlogistics.com
13. Bombardier and Canadian canola stand to benefit from Chinese tariffs on U.S., July 9, 2018, www.ctl.ca
14. EU-China Summit: deepening the strategic global partnership for transport, July 16, 2018, www.europa.eu
15. BlackRock CEO Larry Fink warns tariff war could trigger 15% market rout, July 16, 2018, www.financialpost.ca
16. USTR taking input on \$200 billion in China tariffs, July 17, 2018, www.americanshipper.com
17. US sanctions on Iran's crude oil exports is likely to push up prices, July 19, 2018, www.transportweekly.com
18. Auto industry cries foul as Trump moves toward car tariffs, July 19, 2018, www.ctl.ca
19. Canadian government threatens to retaliate if Trump imposes auto tariffs, July 20, 2018, www.ctl.ca
20. National Transportation Atlas Database Summer 2018 Update, July 20, 2018, www.bts.gov
21. US tariffs of US\$200 billion to hit containerised exports from China, July 24, 2018, www.transportweekly.com
22. Characteristics of international overnight travellers, 2017 (preliminary), July 24, 2018, www.statcan.gc.ca
23. State of Available Funds, July 24, 2018, www.dot.gov
24. Carmakers surge after Trump agrees to put auto tariffs on hold, July 25, 2018, www.nationalpost.ca

President Donald Trump says he won't sign a renegotiated NAFTA until after the U.S. midterm elections this fall. Now that Mexico's presidential election is done, Ottawa wants negotiations on the North America Free Trade Agreement to restart as soon as possible, one government official familiar with the plan said on condition of anonymity. "Our priority has always been to conclude a mutually beneficial agreement as quickly as possible and that, I think, remains our goal," said the official, who was not authorized to discuss the matter publicly. "That's what we're going to stay focused on. We'll see where it goes."

25. Cabinet ministers meet with Mexican president elect in shadow of trade spat, July 25, 2018, www.ctl.ca
26. U.S., EU agree to reduce trade barriers, July 26, 2018, www.americanshippers.com
27. US and EU strike deal to work towards reducing trade barriers, July 30, 2018, www.transportweekly.com

5. CTA Working on Improving Border Programs Amid NAFTA, Tariff Issues

High politics have taken centre stage as trade discussions between NAFTA parties take dramatic turns and tariff impositions cast a shadow on the short-term growth of all North American economies. In this time of uncertainty, CTA continues to be part of the Canadian negotiating team while also working to improve the functionality of the border so that trucks will move across the border more efficiently when trade issues are resolved. "As the sector that moves the bulk of US-Canadian trade, the trucking industry shares the Canadian trade community's concern over NAFTA discussions and tariffs. When our customers suffer so do we," said CTA president Stephen Laskowski.

6. Tariffs, taxes may cut US farm exports, increasing China food costs

Tariffs may cut American farm exports' value to China 40 per cent, according to the Chinese Academy of Agricultural Sciences, reports Bloomberg. Separately, China has also cracked down on livestock pollution with a new tax increase on pork, poultry and dairy production. US soybean, cotton, beef and cereal exports to China may drop 50 per cent, said the academy report published on its official WeChat account. The price of imported soybeans may rise 5.9 per cent and imported cotton prices may increase 7.5 per cent, with minor impacts predicted for other farm goods, it said. China is the world's top importer of soybeans and rice, third-biggest cotton buyer and biggest wheat producer.

7. Information related to recent Canada-US tariff changes

On June 1, 2018, the United States implemented additional tariffs on selected Canadian steel and aluminum products exported to the United States. The additional tariff rates are 25% and 10% respectively. According to Statistics Canada's international merchandise trade customs-based data, in 2017, the export value of aluminum products that are subject to the 10% rate was \$9.2 billion; and the export value of steel products that are subject to the 25% rate was \$7.2 billion. In response, on July 1, 2018, Canada imposed tariffs on the imports of certain products from the United States. These tariff rates are also at the 25% and 10% levels. The tariffs cover a diverse range of products and primarily fall under the categories of aluminum products; articles of iron and steel; prepared foodstuffs; paper products; machinery and electrical equipment; and other miscellaneous manufactured items. In 2017, the import value of US goods that may be subject to the proposed tariffs was \$16.6 billion.

8. World trade to grow in 3rd quarter

The latest DHL Global Trade Barometer index for the third quarter was up 67 points in June 2018, compared with 66 points in March 2018. Any index value over 50 points indicates that respondents to the DHL survey are expecting trade to grow, reports London's Air Cargo News. The increase was driven by an increase in ocean freight, at 64 points while air cargo was unchanged at 70 points. Improvement was mainly driven by a more optimistic outlook for China and South Korea. The US improved slightly. The positive impact by these three countries was partially offset by reduced outlooks for India, Japan and the UK.

9. Trump triggers tariffs, China retaliates as trade war escalates from threats to reality

The United States and China slapped tit-for-tat duties on \$34-billion worth of the other's imports on July 6, 2018, with Beijing accusing Washington of triggering the "largest-scale trade war" ever in a sharp escalation of their months-long conflict. Hours before Washington's deadline for the tariffs to take effect, U.S. President Donald Trump upped the ante, warning that the United States may ultimately target over \$500-billion worth of Chinese goods, or roughly the total amount of U.S. imports from China last year. China's commerce ministry, in a statement shortly after the U.S. deadline passed at 0401 GMT on July 6, 2018, said that it was forced to retaliate, meaning \$34-billion worth of imported U.S. goods including autos and agricultural products also faced 25 per cent tariffs.

10. Retaliate or not? Canada's tough decision in the event of U.S. tariffs on autos

Industry leaders say the federal Liberal government will face a complex decision — with deep economic consequences — if the U.S. makes good on its threat to slap 25-per-cent tariffs on Canadian-made cars and trucks. Ottawa recently retaliated against U.S. President Donald Trump's levies on Canadian steel and aluminum with reciprocal duties on American sales of the metals, as well as dozens of U.S.-made consumer products. However, if Canada's auto sector does indeed become a Trump target, many fear any Canadian countermeasures would have a far greater impact on jobs and the economy in this country than the fallout from the steel and aluminum tariffs. The chief economist of the Canadian Automobile Dealers Association is urging the federal government to resist retaliatory tariffs on autos, saying matching reprisals would put up to 30,000 jobs at risk in Canada's retail sector.

11. US tariffs unlikely to mean big changes in supply chains

Threatened US tariffs on the China trade are unlikely to mean big changes in American supply chains, say experts attending the recent Connections 2018 shipping conference in White Sulphur Springs, West Virginia. "It may have a little impact, but I don't think it will have a big impact," Jon Slangerup, chairman and CEO of American Global Logistics, told delegates, reports IHS Media. If the US implements tariffs on China, various groups have suggested dire consequences, but supply chain experts did not share these fears.

12. SMEs Reveal Global Trade Obstacles

Small and mid-size enterprises (SMEs) face numerous international trade obstacles, finds a Ships Freight study. Forty-two percent of respondents say the costs of shipping abroad are too high, or they lack an accurate picture of costs, while 40 percent find it difficult to understand documentation requirements. A significant minority say their cargo has been held up in customs (39 percent) or lost in transit (27 percent). SMEs based in emerging markets find export regulations onerous: 67 percent identify export regulations as difficult, compared with 44 percent of SMEs based in mature European markets. Exporters from India, China, and Indonesia (79 percent) say it's challenging to penetrate markets in Europe.

13. Bombardier and Canadian canola stand to benefit from Chinese tariffs on U.S

Bombardier Inc. stands to gain from Chinese retaliatory duties against U.S. small aircraft, but the outlook is mixed for Canada's agricultural sector. A 25 per cent tariff on aircraft weighing between 15 and 45 tonnes could prompt Chinese buyers to switch to Bombardier Global business jets from planes made by U.S. producer Gulfstream, said Richard Aboulafia of the Teal Group. "One thing that's pretty clear is that Gulfstream is a high priority target...that definitely helps Bombardier a lot," he said in an interview. The result could be Bombardier gaining a bigger piece of the Chinese market, which accounts for about five per cent of global business jet sales. China says it imposed retaliatory tariffs after Washington imposed 25 per cent duties on US\$34 billion of imports from China on July 6, 2018.

14. EU-China Summit: deepening the strategic global partnership for transport

At the third meeting of the EU-China **Connectivity Platform**, held in the margins of the **Summit** and chaired for the EU by Commissioner Violeta **Bulc**, the two parties reaffirmed their commitment to transport connectivity on the basis of respective policy priorities, sustainability, market rules and international coordination. The exchanges focused on: 1. the policy cooperation based on the Trans-European Transport Network (TEN-T) framework and the Belt and Road initiative, involving relevant third countries between EU and China; 2. the cooperation on transport decarbonisation and digitalisation, including in international fora such as the International Civil Aviation Organisation (ICAO) and the International Maritime Organisation (IMO); and 3. the cooperation on investment projects based on sustainability criteria, transparency and level-playing field to foster investment in transport between EU and China.

15. BlackRock CEO Larry Fink warns tariff war could trigger 15% market rout

BlackRock Inc. Chief Executive Officer Larry Fink said that intensifying global trade tensions may spur a broad market downturn and a slowdown in the U.S. economy. Stocks could drop 10 per cent to 15 per cent and U.S. gross domestic product would start slowing in 2019 if the Trump administration goes with its threat to levy tariffs on an additional US\$200 billion of Chinese imports, Fink said, adding that would elevate the current tensions to a full-blown trade war.

16. USTR taking input on \$200 billion in China tariffs

The Office of the U.S. Trade Representative on July 17, 2018 officially opened the comment period for planned 10 percent additional tariffs on \$200 billion worth of goods from China in 2017 import value, pursuant to that agency's investigation concluded in March under Section 301 of the *Trade Act of 1974*, which found that China engages in unfair commercial practices including forced technology transfer.

17. US sanctions on Iran's crude oil exports is likely to push up prices

Most analysts anticipate that US sanctions will lead to a gradual and limited reduction in Iranian crude oil exports, according to Poten & Partners, the authors of this report published by *London's Tanker Operator*.

It was thought the reduction could eventually reach 500-600,000 barrels of crude oil per day from an average of 2.6 million barrels per day in 2018 year to date. However, an alternative scenario has been gaining traction, one in which Iranian exports will be reduced even more than during the previous sanctions period. Reports from the US State Department suggest that the Trump administration is not only looking for reductions in exports but also aims to bring Iranian exports down to zero.

18. Auto industry cries foul as Trump moves toward car tariffs

Having started a trade war with China and enraged U.S. allies with steel tariffs, President Donald Trump is primed for his next fight. He is targeting a product at the heart of the American experience: cars. Trump's latest plan is to consider slapping tariffs on imported autos and auto parts — a move he says would aid American workers but that could inflate car prices, make U.S. manufacturers less competitive and draw retaliation from other nations. The action has also begun to provoke a backlash among members of Congress, who have so far been reluctant to challenge Trump policies that are upending decades of U.S. policies.

19. Canadian government threatens to retaliate if Trump imposes auto tariffs

The federal government has sent a blunt warning to the Trump administration — if it slaps Canada with auto tariffs, Canada will hit back. Canada's deputy ambassador to the U.S. delivered the message on July 19, 2018 in Washington during testimony at U.S. Commerce Department hearings. The department is investigating whether duties should be applied based on the premise auto imports pose a national security risk to the U.S. Putting levies on the highly integrated, economically critical North American auto industry and its supply chains would lead to large-scale layoffs on both sides of the border, numerous experts have argued. The talk of auto tariffs comes at a time when the next-door neighbours are already engaged in an unprecedented trade dispute. In June 2018, the Trump administration imposed tariffs on steel and aluminum imports. The move prompted Canada to retaliate with reciprocal duties of its own on imports of the metals from the U.S., as well as dozens of other consumer products.

20. National Transportation Atlas Database Summer 2018 Update

The Summer 2018 update to the US National Transportation Atlas Database (NTAD) was released on July 20, 2018 with 13 revised datasets. Some of these datasets are: Intermodal Passenger Connectivity Database (IPCD) layer; Bikeshare layer; Rail data; Airport data; Congressional District data; and National Park Boundaries.

21. US tariffs of US\$200 billion to hit containerised exports from China

The Trump administration's proposal to impose US\$200 billion of tariffs on Chinese imports would affect 37.3 per cent, or four million TEU, of US imports from China. The move would mark a sharp escalation compared to the 5.3 per cent of US containerised imports from China exposed to the tariffs that went into effect on July 6, reported IHS Media. Along with the \$34 billion that went into force on July 6, 2018 and the \$16 billion still pending, the new tariffs bring the potential volume of US imports from China impacted by tariffs to 47.5 per cent or 5.1 million TEU, according to PIERS IHS Market data. "Now is the time to get back to the negotiating table with China while working through a global coalition that shares our concerns," said the National Retail Federation (NRF) in a statement.

22. Characteristics of international overnight travellers, 2017 (preliminary)

Canadian residents made 33.1 million overnight trips abroad in 2017, spending \$42.9 billion. Just over 6 in 10 of these trips or 20.2 million were to the United States, accounting for \$19.6 billion in spending. US residents made 14.3 million overnight trips to Canada in 2017, spending \$9.5 billion during their trips. Overseas residents made 6.3 million overnight trips to Canada, spending \$10.7 billion.

23. State of Available Funds

In the recently passed Omnibus funding bill, Congress provided historic levels of funding for infrastructure investments across America. As the Department releases these funds, the Department is committed to a responsible, expeditious, and transparent process that prioritizes safety.

24. Carmakers surge after Trump agrees to put auto tariffs on hold

European carmakers climbed after President Donald Trump backed off his threat to levy tariffs on cars imported to the U.S. during a meeting with European Commission President Jean-Claude Juncker, averting for the time being an escalating trade war. Shares of BMW AG, Volkswagen AG, Fiat Chrysler Automobiles NV and Daimler AG jumped on July 26, 2018 following a pledge from the two leaders to "hold off on other tariffs" while they negotiate a deal to expand European imports of U.S. liquefied natural gas and soybeans and lower industrial levies. Germany's VDA auto industry association called the meeting "a big step forward" and "good news for industry and consumers on both sides of the Atlantic." The two

met on June 25, 2018 at the White House with Trump warning that he would move forward with 25 per cent tariffs on auto imports if the meeting with Juncker didn't go well, prompting the EU to respond that such a move would bring significant retaliatory measures on U.S. goods. The breakthrough came after about three hours of talks, leading to their impromptu announcement in the Rose Garden.

25. Cabinet ministers meet with Mexican president elect in shadow of trade spat

Canada's foreign affairs minister says a meeting with Mexico's president-elect has cleared the haze about diving back into free trade talks between Canada, the United States and Mexico. The meeting between Foreign Affairs Minister Chrystia Freeland, Finance Minister Bill Morneau and International Trade Minister Jim Carr with Andres Manuel Lopez Obrador came one day before his representatives' travel to the U.S. to talk to American trade negotiators and in the shadow of a simmering trade war with the Trump administration.

26. U.S., EU agree to reduce trade barriers

Amid trade tensions, the leaders of the U.S. and European Commission on July 25, 2018 agreed to work toward no tariffs on non-automotive industrial goods, seek to resolve current global steel and aluminum tariffs, and hold off on imposing any new tariffs as long as their countries remain in negotiations, among other things.

27. US and EU strike deal to work towards reducing trade barriers

Against the backdrop of trade tensions, the leaders of the United States and European Commission have agreed to work toward no tariffs in non-automotive industrial goods, seek to resolve current global steel and aluminum tariffs, and hold off on imposing any new tariffs as long as their countries remain in negotiations. Speaking outside the White House after reaching a deal with the Trump administration, European Commission President Jean-Claude Juncker said the US and EU have agreed to "reassess".