

Transportation Information Update*

"This attached Transportation Information Update was prepared by Joseph Monteiro and Gerald Robertson for the Canadian Transportation Research Forum and distributed to CILTNA's members with permission"

Editor: Joseph Monteiro*

October 2018, No. 170

Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air fares, first quarter 2018

Base air fares in Canada, domestic and international combined, averaged \$232.40 in the first quarter, up 3.6% from the same quarter of 2017 and continuing the upward trend that began in the second quarter of 2017. Base fares do not include the goods and services tax, air transportation taxes or user fees, such as airport improvement fees or fuel surcharges. Average air fares are calculated for each flight stage, that is, when the passenger boards the aircraft at one airport and departs the aircraft at another airport. The average domestic fare was unchanged at \$163.50 in the first quarter compared with the same quarter in 2017, while the average international fare rose 3.2% to \$287.70.

2. Minister Garneau announces certification of the Bombardier Global 7500 business aircraft

The Honourable Marc Garneau, Minister of Transport, on September 28, 2018 announced that Transport Canada has certified the newest Bombardier business aircraft, the Global 7500 jet. This certification represents the approval of the design, airworthiness limitations, and operating conditions of the aircraft designed and manufactured by Bombardier in Canada. Bombardier can now take important steps to deliver the Global 7500 to customers worldwide. This project was a significant undertaking and saw strong collaboration between Transport Canada and Bombardier officials. This is another example of a continued commitment of the department to work with the aerospace industry to foster growth and innovation.

3. Record Load Factor Highlights Strong August Passenger Demand

The International Air Transport Association (IATA) announced global passenger traffic data for August 2018 showing that demand (measured in total revenue passenger kilometers or RPKs) climbed 6.4% compared to the year-ago period. This was slightly above the 6.1% annual increase for July 2018. August 2018 capacity (available seat kilometers or ASKs) increased by 5.5%, and load factor climbed 0.7% percentage point to 85.3%, which was the highest for any month since at least 1990. "The industry experienced continued strong traffic growth in August, putting the cap on a very good peak travel season. The all-time record load factor reflects that airlines are maximizing the efficiency of their assets at a time of rising fuel prices and other costs that are limiting the opportunities for low fare stimulation," said Alexandre de Juniac, IATA's Director General and CEO. August 2018 international passenger demand rose 5.6% compared to August 2017, in line with 5.5% year-over-year growth achieved in July 2018. All regions recorded increases, led by airlines in the Asia-Pacific region. Capacity climbed 5.1%, and load factor edged up 0.4 percentage point to 85.0%.

4. Freight Volumes Continue to Trend Upward in August, Up 2.3%

The International Air Transport Association (IATA) released data for

AIR

TRANSPORTATION

Canada

1. Air fares, first quarter 2018, September 28, 2018, www.statcan.gc.ca
2. Minister Garneau announces certification of the Bombardier Global 7500 business aircraft, September 28, 2018, www.tc.gc.ca
3. Record Load Factor Highlights Strong August Passenger Demand, October 1, 2018, www.iata.org
4. Freight Volumes Continue to Trend Upward in August, Up 2.3%, October 1, 2018, www.iata.org
5. Ontario International cargo shipments rose 17% in August while Airport passenger volume up 18%, October 1, 2018, www.ajot.com
6. Agreement reached to merge First Air and Canadian North, October 1, 2018, www.ctl.ca
7. Slowdown in global air freight growth reported, October 1, 2018, www.americanshipper.com
8. Air transport supports 65.5 million jobs and \$2.7 trillion in economic activity, October 2, 2018, www.iata.org
9. Taste The Fine Wine Of The Bordeaux Region With Air Canada's New Seasonal Service From Montreal, October 3, 2018, www.aircanada.com
10. Take A Waltz From Toronto to Vienna With Air Canada's New Service To Austria's Capital, October 3, 2018, www.aircanada.com
11. Passengers Want More Information, Automation, Control & Privacy but Human Touch Still Important, October 2, 2018, www.iata.org
12. Knock Down Barriers Limiting Aviation's Benefits, October 4, 2018, www.iata.org
13. Primera ticket holders – Important information about cessation of air operations, October 3, 2018, www.cta-otc.gc.ca
14. Commission receives recommendations on improving air traffic in Europe, October 4, 2018, www.europa.eu
15. Global air freight growth drops 2.3pc, October 5, 2018, www.transportweekly.com

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

global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), rose 2.3% in August 2018, compared to the same period the year before. This pace of growth was unchanged from the previous month but was less than half the five-year average growth rate of 5.1%. Freight capacity, measured in available freight tonne kilometers (AFTKs), grew by 4.5% year-on-year in August 2018. This was the sixth month in a row that capacity growth outstripped demand growth. Yields, however, appear to be holding up.

5. Ontario International cargo shipments rose 17% in August while Airport passenger volume up 18%

Passenger volume at Ontario International Airport (ONT) grew by more than 18% in August 2018, reflecting the steadily increasing satisfaction among air travelers for service at Southern California's fastest growing aviation gateway. The number of arriving and departing passengers totaled 458,029 last month, an increase of 18.2% over August 2017 when ONT welcomed 387,351 travelers. The August 2018 figure included 435,690 domestic passengers, up 16.2% from 375,109 a year ago, and 22,339 international travelers, 82.5% more than the 12,242 in August 2017.

6. Agreement reached to merge First Air and Canadian North

Makivik Corporation and the Inuvialuit Corporate Group (ICG) on October 1, 2018 announced they have signed a definitive agreement to merge First Air and Canadian North in order to provide the best possible air services across the Arctic. Following the receipt of government regulatory approvals, Makivik and ICG will proceed to complete the merger. The parties expect to complete the transaction by the end of 2018.

7. Slowdown in global air freight growth reported

Airports Council International (ACI) World reported global air freight volumes slowed to just a 2.3 percent increase on a year-over-year basis in June 2018, bringing the year-to-date growth figure to 4.8 percent. The month's year-to-date was more than three percentage points lower than the same period in 2017, and monthly growth rates have been trending downward since January, ACI World said. ACI World said the two main regional markets for air freight — Asia-Pacific for its international segment and North America for its domestic segment — may be headed toward slower growth given the ongoing trade war between their two largest economies, the United States and China.

8. Air transport supports 65.5 million jobs and \$2.7 trillion in economic activity

The global air transport sector supports 65.5 million jobs and \$2.7 trillion in global economic activity, according to new research released on October 2, 2018 by the Air Transport Action Group (ATAG). The report, *Aviation: Benefits Beyond Borders*, explores the fundamental role civil aviation plays for today's society and addresses the economic, social and environmental impacts of this global industry.

9. Taste The Fine Wine Of The Bordeaux Region With Air Canada's New Seasonal Service From Montreal

Air Canada announced on October 3, 2018, the introduction of new seasonal Montreal and Bordeaux service between June 15 and September 15, 2019. Flights will operate four days a week with Boeing 737 MAX 8 and are timed to optimize connectivity to Air Canada's extensive North American network, including major cities along the US east coast including New York, Boston, Philadelphia, also allowing easy connections from Los Angeles, San Francisco and Dallas.

10. Take A Waltz From Toronto to Vienna With Air Canada's New

16. Allegiant Air Fined for Violating Tarmac Delay Rule, October 5, 2018, www.dot.gov

17. WestJet reports September load factor of 79.2 per cent, October 9, 2018, www.westjet.ca

18. WestJet unveils global future, new brand image, October 10, 2018, www.westjet.ca

19. WestJet announces Calgary as home to initial Dreamliner hub, October 10, 2018, www.westjet.ca

20. Air Canada to Increase YVR-Delhi Flights to Daily, Year-round; Expands Dreamliner Service From YVR to Several International Destinations in Summer 2019, October 11, 2018, www.aircanada.ca

21. UK to vet BA-American air pact in new Brexit antitrust role, October 11, 2018, www.ajot.com

22. Ground and Cargo Handling Services Market - Global Outlook and Forecast 2018-2023, October 11, 2018, www.marketwatch.com

23. CTA releases What We Heard Report summarizing its air passenger protection consultations, October 16, 2018, www.cta-otc.gc.ca

24. Second-Quarter 2018 Air Fare Data, October 16, 2018, www.bts.gov

25. Boeing forecasts air cargo traffic will double in 20 years, October 17, 2018, www.transportweekly.com

26. Canadian asset manager Brookfield to buy HNA's Swissport, October 17, 2018, www.transportweekly.com

27. August 2018 U.S. Passenger Airline Employment Data, October 18, 2018, www.bts.gov

28. Airports Welcome Study on Flight Training, October 18, 2018, www.cacairports.ca

29. TACF18: Boeing forecasts air cargo traffic will double in 20 years, October 19, 2018, www.ctf.ca

30. Keeping drones safe, secure and green: Commission launches the European Network of U-space Canada's Demonstrators, October 19, 2018, www.europa.eu

31. Government of Canada investing in safety at British Columbia airports, October 22, 2018, www.tc.gc.ca

32. Get out of the snow and into the sun with Porter Airline's flights to Orlando-Melbourne, Florida, October 15, 2018, www.flyporter.com

33. Porter flights to arrive in Mont Tremblant as snow falls for winter, October 9, 2018, www.flyporter.com

34. Porter Airlines turns 12, October 23, 2018, www.flyporter.com

35. The Government of Canada invests in transportation infrastructure at the Prince George Airport in British Columbia, October 23, 2018, www.tc.gc.ca

36. Air Canada Welcomes the Launch

Service To Austria's Capital

Air Canada announced on October 3, 2018, the introduction of new year-round services between Toronto and Vienna starting April 29, 2019. The daily flights will operate with Air Canada's flagship aircraft, the Boeing 787-9 Dreamliner featuring Signature Class, Premium Economy and Economy cabins. During the winter season, from November until March, flights will operate five days a week. This service is offered in partnership with Star Alliance joint venture partner Austrian Airlines complementing their Montreal-Vienna flights also beginning in April 2019.

11. Passengers Want More Information, Automation, Control & Privacy but Human Touch Still Important

The International Air Transport Association (IATA) announced the results of its 2018 Global Passenger Survey (GPS), which showed that passengers are looking to new technology to give them more control, information and improve efficiency when they travel.

12. Knock Down Barriers Limiting Aviation's Benefits

The International Air Transport Association (IATA) called for European transport leaders to eliminate the barriers which limit the contribution of the aviation industry to Europe's competitiveness. "Two centuries ago, the Congress of Vienna agreed the borders of a new Europe. Today I call on Europe's leaders, meeting in Vienna, to knock down barriers that limit the economic and social benefits that Europe's aviation sector can generate," said Alexandre de Juniac, IATA's Director General and CEO, in an address to the European Aviation Summit in Vienna. A. de Juniac proposed four key areas where the Austrian EU Presidency could improve the Continent's competitiveness by shoring up the aviation sector: 1) Improving air traffic management (ATM) performance; 2) Maximizing the potential of current airport infrastructure; 3) Enhancing competitiveness by reducing regulatory and cost burdens; 4) Ensuring that borders are open to people and trade.

13. Primera ticket holders – Important information about cessation of air operations

The Canadian Transportation Agency (CTA) is providing the following advice to passengers affected by the cessation of Primera Air's operations on October 2, 2018: 1) If you have purchased a ticket but have not yet travelled, or you are still in transit, you should contact your travel agent or other transportation providers as soon as possible to make alternate arrangements. 2) If you have purchased travel insurance, you should contact the insurance company to see if you are covered. 3) If you purchased a ticket and want to be reimbursed or rebooked on another flight, you may be eligible for a refund from your credit card company or certain provincial government authorities responsible for travel. Passengers whose travel agents are registered in Ontario, Quebec or British Columbia may contact the following provincial authorities for advice on claims for reimbursement shown on www.cta-otc.gc.ca

14. Commission receives recommendations on improving air traffic in Europe

On October 4, 2018, the group of high-level aviation specialists advising the Commission on the performance of the Single European Sky – also known as the Performance Review Body (PRB) -published its recommendation for Union-wide performance targets in air navigation services for 2020-2024. The targets will determine the level of ambition to increase the punctuality of flights, encourage more efficient flight paths to reduce the environmental impact of air traffic and the cost of service provision to the benefit of airlines and passengers, while ensuring the highest safety standards.

15. Global air freight growth drops 2.3pc

The global air cargo traffic growth rate slowed to 2.3 per cent year on year in June 2018, resulting in year-to-date growth of 4.8 per cent, according to data published by Montreal's Airports Council International (ACI). The month's year-to-date traffic was three percentage points lower than the same period last year and monthly growth rates have been deteriorating since January 2018, said ACI World, reported *American Shipper*. ACI World said the two main regional markets for air freight - Asia Pacific for its international segment and North America for its domestic segment - may be headed towards slower growth on account of the worsening trade row between the United States and China.

by the City of Montreal of The Cabinet Créatif de Montréal in Support of Small Business Development Programs, October 25, 2018, www.aircanada.ca

37. IATA Forecast Predicts 8.2 billion Air Travelers in 2037, October 24, 2018, www.iata.org

38. IATA Outlines Urgent Priorities to Minimize Brexit Impacts, October 24, 2018, www.iata.org

39. Air Canada breaks ground on new cargo facility at EIA, October 25, 2018, www.ctl.ca

40. WestJet celebrates 15 years in Nova Scotia, October 26, 2018, www.westjet.ca

41. Cargo results among world airports, airlines mixed in September, October 26, 2018, www.transportweekly.com

42. Supreme Court refuses to hear appeal in price fixing lawsuit against Air Canada, October 28, 2018, www.ctl.ca

43. Air Canada Inaugurates Two New Transborder Routes From Alberta, October 28, 2018, www.aircanada.ca

44. WestJet reports third quarter net earnings of \$45.9 million, October 30, 2018, www.westjet.ca

45. WestJet warms up winter for St. John's, October 30, 2018, www.westjet.ca

46. Air Travel Consumer Report: August 2018 Numbers, October 29, 2018, www.dot.gov

16. Allegiant Air Fined for Violating Tarmac Delay Rule

The U.S. Department of Transportation (DOT) on October 5, 2018 fined Allegiant Air \$225,000 for violating federal law and the Department's airline consumer protections rules concerning tarmac delays and ordered it to cease and desist from future similar violations.

17. WestJet reports September load factor of 79.2 per cent

On October 9, 2018, WestJet announced September 2018 traffic results with a load factor of 79.2 per cent, a decrease of 1.2 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 9.7 per cent year over year to 2.192 billion, while capacity, measured in available seat miles (ASMs), grew 11.3 per cent over the same period to 2.769 billion. WestJet welcomed an additional 137,000 guests in September 2018, a year-over-year increase of 7.1 per cent. Year-to-date traffic growth continues to outpace capacity additions. "We are pleased with our strong year-over-year traffic growth as we flew close to 7 million guests and attained our second highest ever load factor for the quarter. During the month of September, we also achieved the best operational completion rate in North America on our WestJet mainline business," said Ed Sims, WestJet President and CEO. "As we transition through our shoulder period into the busy winter season, I want to thank every individual WestJetter for continuing to provide our guests with an award-winning service experience." For the third quarter of 2018, load factor, RPM and ASM changed by -1.1 points, 8.6% and 9.9% to 84.6%, 7.517 billion and 8.888 billion from 85.7%, 6.922 billion and 8.077 billion.

18. WestJet unveils global future, new brand image

WestJet on October 10, 2018 unveiled its refreshed brand including a national advertising campaign, its first three international Boeing 787-9 Dreamliner routes and a new Platinum WestJet Rewards tier at an event in downtown Calgary. Ed Sims, WestJet President and CEO, was joined for the announcement by Canadian community and business leaders. The refreshed brand image outlines WestJet's global ambitions and heralds new products aimed at international and Premium travellers. Called, *Love Where You're Going*, the new WestJet commercial can be viewed at its website. "Today's announcement marks a pivotal time for WestJet," said Ed Sims, WestJet President and CEO. "Love where you're going embodies both the thrill of travel and the sheer ambition we at WestJet have for our airline. Our 13,000 WestJetters are unique assets, and what we deliver for our 24 million guests is something that cannot be replicated."

19. WestJet announces Calgary as home to initial Dreamliner hub

WestJet on October 10, 2018 announced that it's connecting Alberta to the world as it launches its first three Boeing 787-9 Dreamliner international destinations from Calgary. WestJet becomes the first Canadian airline to base its Dreamliner aircraft out of YYC Calgary International Airport. WestJet is launching non-stop service on board its Dreamliners from Calgary to London (Gatwick), Paris and Dublin on April 28, May 17 and June 1, 2019, respectively. Fares to all three cities will be available on westjet.com after 10 a.m. MT on October 10, 2018.

20. Air Canada to Increase YVR-Delhi Flights to Daily, Year-round; Expands Dreamliner Service From YVR to Several International Destinations in Summer 2019

Air Canada announced on October 11, 2018 enhancements to four international routes from Vancouver, including increasing service to Delhi with daily flights on a year-round basis starting June 2, 2019. In addition, Air Canada is increasing its non-stop Melbourne service to four times weekly year-round, and summer seasonal service to Zurich will increase to five flights a week. YVR-Osaka (Kansai) flights will be five times weekly from June to October next summer. All flights will be operated with Air Canada's flagship Boeing 787 Dreamliner aircraft.

21. UK to vet BA-American air pact in new Brexit antitrust role

The U.K.'s antitrust regulator will reassess an alliance that lets British Airways and American Airlines operate as a single business on North Atlantic routes as the body prepares to expand its role following Brexit. The Competition and Markets Authority has begun an investigation into the 2008 agreement that features revenue sharing, price coordination and joint scheduling and also includes Finnair Oyj and BA's Spanish sister company Iberia, the regulator said in a statement. The probe will examine whether commitments expiring in 2020 that address competition concerns on routes from London to New York, Chicago, Boston, Miami and Dallas and from Madrid to Miami should be extended. The deal, brokered by the European Commission, includes the surrender of operating slots to rivals at London's Heathrow and Gatwick hubs.

22. Ground and Cargo Handling Services Market - Global Outlook and Forecast 2018-2023

The global ground and cargo handling services market is projected to reach revenues of \$32 billion by 2023, growing at a CAGR of approximately 6% during 2017-2023. China is among the fastest growing

regions with the rise in outbound air passengers, a strong economy, the opening of new routes, and the growing middle-class population in the global market. The increasing popularity of tourism and leisure activities across countries such as Myanmar, Vietnam, and South Korea will have a positive impact on the development of the ground handling services market over the next few years.

23. CTA releases What We Heard Report summarizing its air passenger protection consultations

The Canadian transportation Agency (CTA) on October 16, 2018 released its *What We Heard Report*, summarizing the input it received from Canadians over the course of its national consultations on new air passenger protection regulations. **A. Common points made by the public include:** 1) Clear, concise, accurate, and regular communication from airlines is important so that passengers know their rights, particularly during flight disruptions; 2) Compensation for flight delays and cancellations within an airline's control should be fair, reflect losses and inconvenience, and discourage overbooking; 3) During tarmac delays, airlines should provide necessities such as food, water, and working lavatories and should be required to let passengers leave the plane after 3 hours (the earliest this obligation could kick in by law); and 4) The regulations should be developed taking into account the accessibility-related needs of persons with disabilities. **B. Consumer advocates generally agree that:** 1) Communication of passenger rights must be done in simple, concise and clear language; 2) Compensation for delays and cancellations within the control of the airline should reflect how late the passenger arrives at their destination, with cash as the primary payment form; and 3) Non-compliance with the regulations must be addressed through timely, fair, and effective complaint and enforcement mechanisms. **C. Key themes raised by the air industry include:** 1) There are many players and factors impacting flights, and the regulations should not penalize airlines for flight disruptions caused by others; 2) The regulations should not create duplicative regimes for flights from jurisdictions that already have passenger protection rules and should align with the Montreal Convention; and 3) The rules should not be punitive and should not hinder the ability of airlines to innovate and distinguish themselves in the marketplace.

24. Second-Quarter 2018 Air Fare Data

The second quarter 2018 average US domestic itinerary air fare of \$349 was the lowest second-quarter fare since the *Bureau of Transportation Statistics* began collecting such records in 1995 and the second lowest of any quarter. Adjusted for inflation, the 2Q2018 air fare was: down 4.5 percent from 2Q 2017 (\$366); and down 0.3 percent from 1Q 2018 (\$350).

25. Boeing forecasts air cargo traffic will double in 20 years

Boeing projects air cargo operators will need more than 2,600 freighters over the next two decades to keep up with increasing global freight traffic, which is expected to double with 4.2 percent growth annually. The 980 new medium and large freighters and 1,670 converted freighters will go toward replacing older airplanes and growing the global fleet to meet demand, according to the new *World Air Cargo Forecast*, released by Boeing on October 25, 2018 at The International Air Cargo Association's Air Cargo Forum and Exhibition. "The air cargo market continues to be a major element of commercial aviation's growth story," said Darren Hulst, managing director of Market Analysis & Sales Support at Boeing Commercial Airplanes. "Our new forecast indicates strong long-term air cargo trends, which coincide with the market recovery that we have seen over the last few years across Europe, North America, and Asia."

26. Canadian asset manager Brookfield to buy HNA's Swissport

Debt-laden Chinese conglomerate HNA Group Co is in advanced talks to sell its Swiss airport-cargo handler to a Canadian asset manager, according to people familiar with the matter, who said Swissport could fetch US\$3 billion, reported Bloomberg. Toronto-based Brookfield Asset Management Inc has emerged as the preferred bidder for Swissport International, the people said, refraining to be identified given the private nature of the discussions. The potential sale comes as HNA is facing pressure to cut the unsustainable debt levels accumulated in recent years, when it was at the forefront of the country's global buying spree.

27. August 2018 U.S. Passenger Airline Employment Data

U.S. scheduled passenger airlines employed 2.6 percent more workers in August 2018 than in August 2017. August's 439,615 full-time equivalents (FTE), was the second highest monthly employment total since November 2004 (439,776 FTEs), down 0.9 percent from the highest monthly total in July 2018 (443,475). August 2018 was the 58th consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year.

28. Canada's Airports Welcome Study on Flight Training

The Canadian Airports Council on October 18, 2018 welcomed a motion tabled in the House of Commons recently to initiate parliamentary study of flight training in Canada, as a result of concerns by communities and their airports on the impact of a worldwide pilot shortage on regional air routes. "Canada's airports support the motion your colleague, Stephen Fuhr of Kelowna-Lake Country, tabled on flight training earlier

this week,” said CAC President Daniel-Robert Gooch, in remarks to the House of Commons Standing Committee on Transport. “The pilot shortage is an industry concern already being felt in regional air service and a study by you on this would be welcome.” Canada faces a shortfall of about 3,000 pilots over the next seven years but some regional air carriers are finding it a challenge to attract and retain qualified pilots. As a result, there has been an increase in the cancellation of regional flights in some parts of Canada due to crew shortages – a tremendous reliability concern for travellers and communities that rely on these services.

29. TACF18: Boeing forecasts air cargo traffic will double in 20 years

At The International Air Cargo Association’s Air Cargo Forum, Boeing projected air cargo operators will need more than 2,600 freighters over the next two decades to keep up with increasing global freight traffic, which is expected to double with 4.2 per cent growth annually. The 980 new medium and large freighters and 1,670 converted freighters will go toward replacing older airplanes and growing the global fleet to meet demand, according to the new World Air Cargo Forecast, released by Boeing. “The air cargo market continues to be a major element of commercial aviation’s growth story,” said Darren Hulst, managing director of Market Analysis & Sales Support at Boeing Commercial Airplanes.

30. Keeping drones safe, secure and green: Commission launches the European Network of U-space Demonstrators

On October 19, 2018, EU Transport Commissioner Violeta Bulc launched the European network for drone demonstration projects. The network will become a forum to share knowledge on how to keep drone operations safe, secure and green. It will focus on the so-called U-space: a system that connects all drones flying in the air and that makes all drones visible for authorities and citizens.

31. Government of Canada investing in safety at British Columbia airports

Terry Beech, Parliamentary Secretary to the Minister of Transport and Member of Parliament for Burnaby North-Seymour, on October 22, 2018 visited the Nanaimo Airport to tour the recently completed shelter for an aircraft rescue and firefighting (ARFF) vehicle. He also took the opportunity to announce Government of Canada investments for safety improvements at four other British Columbia airports. 1) The Masset Municipal Airport is receiving \$157,241 to purchase a friction tester, upgrade airside lighting and install wildlife fencing. A friction tester is a piece of equipment that reads runway conditions and automatically advises pilots of what they can expect. 2) The Northwest Regional Airport in Terrace-Kitimat is receiving \$3,651,200 for the rehabilitation of the pavement on Runway 15-33. 3) The Tofino-Long Beach Airport is receiving a \$5,429,640 for the rehabilitation of the taxiways and apron. 4) The West Kootenay Regional Airport in Castlegar is receiving \$271,803 for the purchase of a loader and attachments. The loader is used in conjunction with other equipment such as a snow blower and sweeper to remove snow and ice from the runways, taxiways and apron, in order to maintain safe airport operations. Funding comes from Transport Canada’s Airports Capital Assistance Program (ACAP).

32. Get out of the snow and into the sun with Porter Airline’s flights to Orlando-Melbourne, Florida

Plan your escape this winter season to sunny Florida with Porter’s non-stop service to Orlando-Melbourne International Airport. Flights from Toronto, Ottawa and Windsor begin the week of December 19, 2018. The service operates until April 13, 2019, with flights twice weekly from Toronto, and once per week from Ottawa and Windsor, during peak periods. All three cities will have additional round trip flights during March Break. Connecting flights are available via Billy Bishop Toronto City Airport from numerous Porter destinations. For complete schedule and booking details, visit www.flyporter.com or contact your travel agent.

33. Porter flights to arrive in Mont Tremblant as snow falls for winter.

Porter Airlines is reintroducing its annual winter service between Billy Bishop Toronto City Airport and Mont Tremblant, Que. Flights operate from December 7, 2018, to April 1, 2019. The early December start date allows visitors to attend the popular 24 Hours of Tremblant season kickoff charitable event and enjoy pre-Christmas time in the village. The standard schedule includes four weekly flights throughout the season, with adjustments for increased frequencies during peak periods, such as Christmas, Family Day and March Break.

34. Porter Airlines turns 12

It has been a dozen years since Porter Airlines introduced a distinct aviation concept to travellers. Emphasizing refined service offerings, including complimentary in-flight amenities, and developing its main base at the uniquely-located Billy Bishop Toronto City Airport, Porter has created a sophisticated brand appealing to a range of business and leisure flyers. In the last year, the airline invested in people and infrastructure aimed at supporting its ongoing mission to provide competitive and affordable travel options.

35. The Government of Canada invests in transportation infrastructure at the Prince George Airport in British Columbia

On October 23, 2018, Terry Beech, Parliamentary Secretary to the Minister of Transport and Member of Parliament for Burnaby North–Seymour, on behalf of the Honourable Marc Garneau, Minister of Transport, announced an investment of \$2.3 million for the rehabilitation of the Prince George Airport, located in a strategic corridor linking North America and Asia. The project involves repairing the degraded Runway 01-19 and two aprons to maximize the use of the existing airport capacity, which is important work since the runway services commercial aircraft and air tankers. This project is expected to have significant economic and employment benefits by creating an estimated 40 jobs during construction.

36. Air Canada Welcomes the Launch by the City of Montreal of The Cabinet Créatif de Montréal in Support of Small Business Development Programs

Air Canada partnered with the City of Montreal to launch The Cabinet Créatif de Montréal, a dedicated initiative to support the growth of small and medium enterprises (SMEs). The project will focus on providing coaching and training related to core business competencies including planning successful business trips to stimulate national and international expansion.

37. IATA Forecast Predicts 8.2 billion Air Travelers in 2037

The International Air Transport Association (IATA) revealed that present trends in air transport suggest passenger numbers could double to 8.2 billion in 2037. The latest update to IATA's 20-Year Air Passenger Forecast, shows that an increasing shift Eastwards in the center of gravity of the industry is behind the continued strong growth. Over the next two decades, the forecast anticipates a 3.5% compound annual growth rate (CAGR), leading to a doubling in passenger numbers from today's levels. The Association warned, however, that growth prospects for air transport, and the economic benefits driven by aviation, could be curtailed if protectionist measures are implemented by governments.

38. IATA Outlines Urgent Priorities to Minimize Brexit Impacts

The International Air Transport Association (IATA) has called for urgent action by the UK and the European Union to put in place contingency planning for the continuation of air services in the event of a 'no-deal Brexit', and to move much faster to bring certainty to three critical air transport issues: 1) The uninterrupted continuation of air connectivity; 2) The framework for regulating safety and security, and 3) The policies and processes needed for efficient border management. "These are the most critical areas because there are no fallback agreements such as the WTO framework available in a 'no-deal' Brexit scenario. Without any contingency planning being made transparent to the industry, the risks of not addressing these issues could mean chaos for travelers and interrupted supply chains. With less than six months to go, we have little more certainty than we did in June 2016," said Alexandre de Juniac, IATA's Director General and CEO.

39. Air Canada breaks ground on new cargo facility at EIA

Air Canada broke ground for a new facility that will house its ground support equipment service and cargo teams at Edmonton International Airport (YEG), allowing the airline to further enhance its operational capabilities and reinforcing the airline's commitment to Alberta's capital city. The 50,000 square foot (4,645 square metres) building will be constructed by Terracap Group. Air Canada has signed a 15-year lease for the multi-tenant facility, representing an investment of \$19 million by the airline over the term of the lease.

40. WestJet celebrates 15 years in Nova Scotia

Nova Scotia Premier Stephen McNeil joined WestJet President and CEO Ed Sims at WestJet's Calgary campus on October 26, 2018 to celebrate 15 years of investment in the province, creating jobs, driving economic growth and furthering the region's strategic business and tourism objectives. "WestJet's presence in Nova Scotia has made a significant, positive impact regionally, nationally and internationally," said Premier McNeil. "That commitment to our province enhances trade, investment and business growth while helping attract more students, immigrants, and visitors. We congratulate the WestJet team for the past 15 years of growth and look forward to even more success in the years ahead."

41. Cargo results among world airports, airlines mixed in September

The world's leading airlines and airports across posted mixed results in September, despite an expected pick up with the approach of the peak season.

42. Supreme Court refuses to hear appeal in price fixing lawsuit against Air Canada

The Supreme Court of Canada has cleared the way for a broader class-action lawsuit against Air Canada and British Airways by refusing to hear an appeal requested by Canada's largest airline in a decade-long

price-fixing case. Air Canada had sought to overturn a 2017 Ontario Court of Appeal ruling that provincial courts could hear a class-action case that includes foreign claimants that purchased Air Canada's air freight services, rather than limiting it to mainly Canadian companies. Launched in 2008, the lawsuit from three companies alleges price fixing on international cargo shipments by major airlines between 2000 and 2006. Linda Visser, a lawyer for the plaintiffs, says they have reached settlements totalling more than \$29 million with all 14 defendants except Air Canada and British Airways. The case confirms that the Ontario courts are a place where foreign claimants from around the world can come and start class actions," said Ranjan Agarwal, a class-action defence lawyer at Bennett Jones. In 2012, Air Canada paid \$8 million in a U.S. class-action settlement agreement following allegations of anti-competitive air freight pricing, though the company did not admit liability. In March 2017, the European Commission fined Air Canada \$30 million — 11 airlines were fined about \$1.2 billion in total — for allegedly running a price-fixing cartel on cargo fuel and security surcharges between 1999 and 2006.

43. Air Canada Inaugurates Two New Transborder Routes From Alberta

Air Canada on October 28, 2018 launched two new daily, seasonal transborder routes. Celebrations were held prior to the departure of the inaugural flights from Edmonton to Las Vegas and from Calgary to Palm Springs.

44. WestJet reports third quarter net earnings of \$45.9 million

WestJet on October 30, 2018 announced its third quarter results for 2018, with net earnings of \$45.9 million, or \$0.40 per fully diluted share. This result compares with net earnings of \$135.9 million, or \$1.15 per fully diluted share reported in the third quarter of 2017, a fall of 66.3% or 65.2%. WestJet's revenue and operating expenses were: \$ 1,260.9 million \$ 1,182 million, respectively, representing a change of 3.8% and 16.39%, for the 2018 third quarter compared to the same quarter in 2017.

45. WestJet warms up winter for St. John's

WestJet on October 30, 2018 announced the addition of non-stop service from St. John's to Fort Lauderdale this winter. Service is available on a limited basis and starts March 11, 2019 through May 13, 2019.

46. Air Travel Consumer Report: August 2018 Numbers

The U.S. Department of Transportation (DOT) on October 29, 2018 released its October 2018 Air Travel Consumer Report (ATCR) on marketing and reporting air carrier data compiled for the month of August 2018. Regarding, *On-Time Performance*, marketing carriers posted an on-time arrival rate of 75.2 percent, down from the 76.0 percent on-time rate in July 2018. On-time numbers for marketing carriers were not reported in previous years. Regarding, *Tarmac Delays*, airlines reported 42 tarmac delays of more than three hours on domestic flights, compared to 29 such tarmac delays reported in July 2018 and nine tarmac delays reported in August 2017. Regarding *Mishandled Baggage*, the reporting carriers posted a mishandled baggage rate of 3.08 reports per 1,000 passengers, down slightly from the July 2018 rate of 3.11, but up from August 2017's rate of 2.45. Regarding *Complaints About Airline Service*, DOT received 1,725 complaints about airline service from consumers, down 9.6 percent from the total of 1,908 filed in August 2017, but up 3.6 percent from the 1,665 received in July 2018.

WATER TRANSPORTATION

1. Neptune bulk terminals joins WESTAC

Neptune Bulk Terminals (Canada) Ltd., one of North America's largest multi-product bulk terminals, has joined the Western Transportation Advisory Council (WESTAC). The Board of Directors is pleased to welcome Neptune Bulk Terminals (Canada) Ltd. to the Council. The Neptune's Official Representative will be Claus Thornberg, President. The Alternate will be Rob Booker, Senior Vice President, Operations & Maintenance.

2. Port authority extends voluntary 15-knot slowdown period for tier 2 vessels in First Narrows Traffic Control Zone

The Vancouver Fraser Port Authority is extending the voluntary 15-knot speed reduction through the First Narrows that was introduced in July 2018 in an effort to ensure the safety of all boaters operating in port waters. The voluntary slowdown applies to all tier 2 vessels,

WATER TRANSPORTATION Canada

1. Neptune bulk terminals joins WESTAC, September 28, 2018, www.westac.com
2. Port authority extends voluntary 15-knot slowdown period for tier 2 vessels in First Narrows Traffic Control Zone, October 2, 2018, www.portmetrovanancouver.com
3. US ports brace for less cargo, revenue, October 4, 2018, www.transportweekly.com
4. U.N. agency sees 4 percent growth in maritime trade, October 3, 2018, www.americanshipper.com
5. Expansion order of the day at Canada's thriving top four box ports, October 10, 2018, www.transportweekly.com
6. Trade war threatens outlook for global

which includes any vessel not under pilotage. Recreational power boats, fishing boats, and sailboats fall into this category, in addition to tugs, ferries, and whale watching boats, among others. Deep-sea vessels already follow a speed restriction of 10 knots through the First Narrows Traffic Control Zone.

3. US ports brace for less cargo, revenue

The tit-for-tat tariffs between the US and China is sending shivers down the spines of America's port authorities that fear the intensifying trade row will crimp shipments and lower port revenues. American Association of Port Authorities head Kurt Nagle described the state of play "concerning", following the latest back-and-forth remarks last week between the US and China, reported AFP. "The total amount of tariffs and international retaliation affect 10 per cent of the total trade in American ports," equivalent to US\$160 billion in revenues, Mr Nagle said.

4. U.N. agency sees 4 percent growth in maritime trade

The United Nations Conference on Trade and Development (UNCTAD) said global seaborne trade is doing well and supported the 2017 upswing in the world economy, but also expressed concern about "increased inward-looking policies and the rise in trade protectionism," especially trade tensions between the United States and China, Canada, Mexico and the European Union. Those remarks are contained in UNCTAD's annual Review of Maritime Transport, released on October 3, 2018. The report said total maritime trade volumes reached 10.7 billion tons in 2017, an increase of 411 million tons or 4 percent, half of which was dry bulk commodities. It expected a similar 4 percent growth this year. Global containerized trade increased by 6.4 percent in 2017. While the liner shipping industry saw further consolidation through mergers and acquisitions and global alliance restructuring, UNCTAD said it "observed growth in the average number of companies providing services increase" since it started monitoring capacity deployment in 2004.

5. Expansion order of the day at Canada's thriving top four box ports

There has been a flurry of capacity expansion projects to cope with rising demand at Canada's four leading container ports, including the Vancouver Fraser port where record high volumes have underscored the need for additional capacity. In the first half of the year, the port authority recorded growth of 5.1 per cent with container traffic reaching 1.6 million TEU, reported UK's Port Strategy, Fareham, Hampshire. "Containerised growth can be attributed to growing demand for imports from key Asia markets, as well as containerised exports of Canadian goods destined for Asia," the port authority said. In April 2018, the port authority approved the permit application for the Centerm expansion project and south shore access project. If the plans are approved, it will increase the footprint of the DP World container terminal by 15 per cent and capacity by two-thirds. Work has been ongoing to upgrade Deltaport Terminal. Last year the intermodal yard was reconfigured, and the eventual aim is to add a further 600,000 TEU of capacity through additional rail sidings and road improvements, which include a heavy goods vehicle (HGV) staging area.

6. Trade war threatens outlook for global shipping, warns new United Nations Report

Seaborne trade expanded by a healthy 4% in 2017, the fastest growth in five years, while UNCTAD forecasts similar growth this year,

shipping, warns new United Nations Report, October 4, 2018, www.ctl.ca

7. Trilateral free trade deal extends hiring spree at the Montreal port, October 9, 2018, www.ctl.ca

8. Port moves 8 million TEUs in fiscal year, October 10, 2018, www.transportweekly.com

9. New York port development agency join to expand local barge service, October 10, 2018, www.transportweekly.com

10. Port of Oakland shatters record for peak season cargo volume, October 10, 2018, www.ajot.com

11. Port of Montreal: Cumulative Container Statistics January to September (Year-to-date) 2018, October 12, 2018, www.portofmontreal.ca

12. Panama Canal weighs in with record fiscal year, October 11, 2018, www.americanshipper.com

13. Government of Canada delivers marine safety training and barges to Northern communities through the Estimated September 2018 U.S. Airline Traffic Data, October 12, 2018, www.bts.gov

14. Oceans Protection Plan, October 13, 2018, www.tc.gc.ca

15. Work to Remove the Kathryn Spirit is completed, October 12, 2018, www.tc.gc.ca

16. Port of Corpus Christi Moves Record Tonnage in First Nine Months of 2018, October 15, 2018, www.ajot.com

17. For third consecutive month, Port of Los Angeles moves more than 800,000 TEUs, October 15, 2018, www.ajot.com

18. Port of Metro Vancouver: Cumulative Container Statistics January to September (Year-to-date) 2018, October 16, 2018, www.portmetrovancover.com

19. Port of Prince Rupert: Cumulative Container Statistics January to September (Year-to-date) 2018, October 16, 2018, www.portmetrovancover.com

20. The Port of Halifax: Cumulative Container Statistics January to September (Year-to-date) 2018, October 18, 2018, www.portofhalifax.ca

21. A successful 2018 cruise season wraps up at Canada Place tomorrow, October 18, 2018, www.portmetrovancover.com

22. Marine shipping industry urges government to move ahead with new pilotage legislation, October 18, 2018, www.ctl.ca

23. St. Lawrence Seaway enters peak season with shipments up 4%, October 18, 2018, www.ctl.ca

24. The Port of Halifax: Cruise Statistics January to September (Year-to-date) 2018, October 18, 2018, www.portofhalifax.ca

25. Antwerp volume up 6.8pc, October 22, 2018, www.transportteekly.com

26. Government of Canada is taking steps to support recovery of the Southern Resident Killer Whales in the Salish Sea, October 22, 2018, www.tc.gc.ca

27. Quebec marine terminal project clears first hurdle, October 23, 2018, www.ctl.ca

28. Canada's ports policy needs to move into the 21st century, October 25, 2018, www.ctl.ca

29. The Port of Montreal joins Maersk

according to its Review of Maritime Transport 2018. Volumes across all segments are set to grow in 2018, with containerized and dry bulk commodities expected to record the fastest growth at the expense of tanker volumes. The 2018 edition of the UNCTAD Review of Maritime Transport, marking its 50th year of publication, was launched at the Global Maritime Forum's Annual Summit taking place in Hong Kong on 3–4 October 2018.

IBM TradeLens Platform, October 25, 2018, www.portofmontreal.ca
30. Vancouver Fraser Port Authority recognized for best practices in sustainability governance, October 29, 2018, www.portmetrovancover.ca

7. Trilateral free trade deal extends hiring spree at the Montreal port

Montreal port employers are taking on 50 new workers by 2019 in a move prompted by the proposed United States-Mexico-Canada trade deal, according to the association representing port companies. The trilateral accord — unveiled on October 1, 2018 and set to replace the North American Free Trade Agreement — “provides predictability” and clears the decks for greater container traffic and a bigger terminal crew, said Stephane Morency, president of the Maritime Employers Association. The new positions come on top of 65 jobs that were announced last month following increased trade with the European Union one year into its free trade deal with Canada.

8. Port moves 8 million TEUs in fiscal year

The Port of Long Beach closed out the 2018 fiscal year having handled 8,000,929 twenty-foot equivalent units (TEUs) during the previous 12 months, the most ever, representing a 10.7 percent increase over fiscal year 2017. “We are poised to break our calendar year record at the end of December,” said Port of Long Beach Executive Director Mario Cordero. “Despite the tariffs imposed by Washington and Beijing, international trade is showing resilience, and at our Port we are providing a conduit for commerce that’s efficient for our customers and getting their cargo to destinations faster, saving them money.”

9. New York port development agency join to expand local barge service

The Port Authority of New York and New Jersey (PANYNJ) and New York City Economic Development Corporation (NYCEDC) have joined to make greater use of barges and take trucks off the road. To this end, they have created the North Atlantic Marine Highway Alliance, which will foster the use of barges to supplement road and rail haulage, reports American Shipper. The group will serve in an advisory capacity on research, analysis and relationship building to support the realisation of a financially viable, regional barge network, according to an announcement from the port authority.

10. Port of Oakland shatters record for peak season cargo volume

A record-breaking peak season continues at the Port of Oakland. The Port said on October 10, 2018 that last month was the busiest September for import cargo in its 91-year history. That followed another all-time record in August. The Port said it has handled the equivalent of 168,289 20-foot loaded import containers in the past two months. That breaks the previous August-September record of 158,320 20-foot loaded import containers set back in 2006. One more month of import growth could give Oakland its busiest peak season in Port history. “We’re encouraged by this outcome and guardedly optimistic that the trend will continue throughout peak season,” said Port of Oakland Maritime Director John Driscoll. “Economic indicators lead us to believe that import volumes should remain healthy.”

11. Port of Montreal: Cumulative Container Statistics January to September (Year-to-date) 2018

The Port of Montreal released its container cargo statistics for the period January to September 2018. Total container statistics in TEUs for this period increased 8.7% to 1,248,126 TEUs from 1,148,439 TEUs compared to the same period a year ago. Outbound traffic increased 5.8% to 623,362 TEUs from 588,956 TEUs and inbound traffic increased 11.7% to 624,764 TEUs from 559,483 TEUs compared to the same period a year ago.

12. Panama Canal weighs in with record fiscal year

The Panama Canal closed its 2018 fiscal year with a record tonnage of 442.1 million Panama Canal tons (PC/UMS), a 9.5 percent increase from the previous year. The canal surpassed the cargo projections of 429.4 million PC/UMS tons for FY 2018, as well as the 403.8 million PC/UMS tons registered in FY 2017. Jorge L. Quijano, the Panama Canal administrator, said the record tonnage reinforces “the importance of the waterway’s expansion and its impact on global maritime trade.”

13. Estimated September 2018 U.S. Airline Traffic Data

U.S. airlines carried an estimated 75.8 million systemwide (domestic and international) scheduled service passengers, seasonally-adjusted, in September 2018, up 0.3 percent from the August 2018 estimate, according to a Bureau of Transportation Statistics’ (BTS) first estimate. The September air traffic estimate released is a statistical estimate based on U.S. airlines reported data through July 2018. Domestic

enplanement for September 2018 rose 11.8 percent while international enplanements rose 9.2 percent for a 11.5 percent systemwide increase compared to a year ago.

14. Government of Canada delivers marine safety training and barges to Northern communities through the Oceans Protection Plan

On October 13, 2018, Michael McLeod, Member of Parliament for Northwest Territories, announced an investment of \$19.5 million, under the Oceans Protection Plan, to construct four double-hulled barges that will deliver fuel safely to Northern communities and opened the Hay River Training Facility, which will provide marine safety training to Northern communities. This \$19.5 million investment is part of the \$94.3 million Safety Equipment and Basic Marine Infrastructure in the Northern Communities initiative under the Oceans Protection Plan. The initiative helps to make Arctic resupply operations more efficient and safer for communities, workers, and the environment through investments in marine safety equipment and infrastructure.

15. Work to Remove the Kathryn Spirit is completed

The Honourable Marc Garneau, Minister of Transport, on October 12, 2018 announced that the Government of Canada has delivered on its commitment to permanently remove the abandoned and derelict vessel *Kathryn Spirit* from the shores of Beauharnois, Quebec. The Government of Canada recognizes the risks abandoned, derelict and wrecked vessels pose to safe navigation, the marine environment, public health and local economies. Removal of this vessel was necessary to protect the coast of Lac St-Louis and the quality of the water, and this in the interest of the community and all Canadians for use and for future generations.

16. Port of Corpus Christi Moves Record Tonnage in First Nine Months of 2018

In the first nine months of 2018, the Port of Corpus Christi reached a new milestone, setting a new tonnage record of 79.3 million tons. This surpasses the previous record of 77.9 million tons set in the first nine months of 2015, while also eclipsing the same period in 2017 by 4 million tons, an increase of 5% year-over-year. The Port's impressive volume growth in 2018 was driven by increases of crude oil (+11%), other petroleum products (+8%) and breakbulk shipments (+3%).

17. For third consecutive month, Port of Los Angeles moves more than 800,000 TEUs

The Port of Los Angeles processed 801,264 Twenty-Foot Equivalent Units (TEUs) in September 2018, a 4.9 percent increase compared to September 2017. It was the strongest September in the Port's 111-year history. "Volumes remain strong with shippers importing holiday season inventories and manufacturers bringing supplies and materials in advance of additional cost impacts from tariffs," said Port of Los Angeles Executive Director Gene Seroka. September 2018 imports increased 6.6 percent to 414,281 TEUs compared to the previous year. Exports increased 14.5 percent to 147,000 TEUs, while empty containers fell 2.7 percent to 239,983 TEUs. Combined, September overall volumes were 801,264 TEUs. Nine months into 2018, overall volumes have decreased 1.75 percent to 6.8 million TEUs compared to 2017 when the Port set an all-time cargo record.

18. Port of Metro Vancouver: Cumulative Container Statistics January to September (Year-to-date) 2018

The Port of Metro Vancouver released its container cargo statistics for the period January to September 2018. Total container statistics in TEUs for this period increased 4.5% to 2,523,403 TEUs from 2,414,902 TEUs compared to the same period a year ago. Outbound traffic increased 5.2% to 1,194,305 TEUs from 1,135,482 TEUs and inbound traffic increased 3.9% to 1,329,098 TEUs from 1,279,420 TEUs compared to the same period a year ago.

19. Port of Prince Rupert: Cumulative Container Statistics January to September (Year-to-date) 2018

The Port of Prince Rupert released its container cargo statistics for the period January to September 2018. Total container statistics in TEUs for this period increased 15% to 771,217 TEUs from 671,944.50 TEUs compared to the same period a year ago. Outbound traffic increased 23% to 351,835.75 TEUs from 286,721.75 TEUs and inbound traffic increased 9% to 419,381.25 TEUs from 385,222.75 TEUs compared to the same period a year ago.

20. The Port of Halifax: Cumulative Container Statistics January to September (Year-to-date) 2018

The Port of Halifax released its container cargo statistics for the period January to September 2018 on October 18, 2018. Total container statistics in TEUs for this period decreased 0.4% to 417,245 TEUs from 418,943 TEUs compared to the same period a year ago. Outbound traffic decreased 3.8% to 202,011 TEUs from 209,909 TEUs and inbound traffic increased 3.0% to 215,234 TEUs from 209,034 TEUs compared to the same period a year ago. For the third quarter of 2018, total traffic decreased 2.19% to 141,340 TEUs

from 144,325 TEUs, outbound traffic decreased 3.7% to 68,691 TEUs from 71,321 TEUs and inbound traffic decreased 0.5% to 72,649 TEUs from 73,004 TEUs compared to the same quarter a year ago.

21. A successful 2018 cruise season wraps up at Canada Place tomorrow

The final cruise ship set to sail during the 2018 season will depart from Vancouver on October 19, 2018, marking the end of the 32nd consecutive cruise season at Canada Place terminal at the Port of Vancouver. The Star Princess was the first ship to kick off the 2018 season and her sister ship, the Emerald Princess, will be the last to depart Canada Place this year at 4:30 p.m. on October 19, 2018, heading down the Pacific Coast to Los Angeles, before embarking on a 28-day round trip to Hawaii. "This year was an especially exciting season for the cruise industry in Vancouver," said Peter Xotta, vice president of planning and operations at the Vancouver Fraser Port Authority. "Working alongside our destination, cruise line and industry partners, we made history with the arrival of the 25-millionth cruise passenger through the Port of Vancouver, saw the highest number of cruise passengers since 2010, and hosted the largest cruise ship ever to visit Vancouver." In 2018, Vancouver welcomed more than 900,000 cruise passengers on 243 ship visits, reflecting a seven per cent increase in passenger volumes over 2017. Cruise is a key economic driver for the region as each cruise ship adds about \$3 million to the local economy.

22. Marine shipping industry urges government to move ahead with new pilotage legislation

Marine shipping executives on October 17, 2018 urged the swift introduction of new legislation to modernize mandatory pilotage services when they met with Canadian federal government officials during Marine Day on Parliament Hill in Ottawa, organized by the Chamber of Marine Commerce. This year's Marine Day emphasized the Great Lakes-St. Lawrence River Waterway – Our national trade and transportation corridor.

23. St. Lawrence Seaway enters peak season with shipments up 4%

The upward trend of the 2018 St. Lawrence Seaway shipping season continues, driven by Canadian grain exports and improving salt shipments. Overall tonnage for the period March 29, 2018 to September 30, 2018 totaled 25.7 million tonnes, up 4.1 per cent when compared to 2017. Canadian grain shipments topped 5.1 million tonnes for the period, up 11.6 per cent. Salt shipments totaled 1.9 million tonnes, significantly improving after the strike at the Compass Minerals Goderich mine ended in July 2018. "Exports of grain from last year's harvest continue to drive increases in Seaway tonnage, and we expect to have a strong finish to the year as the new harvest is added to the mix," says Terence Bowles, President and CEO of The St. Lawrence Seaway Management Corporation.

24. The Port of Halifax: Cruise Statistics January to September (Year-to-date) 2018

The Port of Halifax released its cruise statistics for the period January to September 2018 on October 18, 2018. For this period, the number of cruise passengers increased 13.5% to 207,699 from 183,055 for the same period a year ago. The number of vessel calls increased 24.3% to 133 from 107. For the 2018 third quarter, the number of cruise passengers increased 8.6% to 165,720 from 152,612 for the same quarter in 2017. The number of vessel calls increased 16.19% to 101 from 87.

25. Antwerp volume up 6.8pc

The Port of Antwerp achieved year-on-year throughput growth of six per cent in the first nine months of the year with total cargo volume reaching 177,026,550 tonnes, putting the port on track for the sixth consecutive record year, according to *Shipping Gazette*. Container traffic rose by 6.8 per cent compared to the first nine months of 2017, to 8,333,523 TEU. Antwerp Port Authority CEO Jacques Vandermeiren said "2018 is already a peak year for our port. Not only because of the record figure that we can present yet again but also because of the wave of investments in recent months."

26. Government of Canada is taking steps to support recovery of the Southern Resident Killer Whales in the Salish Sea

In June 2018, the Government of Canada announced the \$167.4 million Whales Initiative that increases Transport Canada's research and monitoring of underwater noise and vessel movement. Building on this, on October 22, 2018, Terry Beech, Parliamentary Secretary to the Minister of Transport announced measures to support the recovery of endangered whale populations. Transport Canada will be working with multiple partners on the Vancouver Fraser Port Authority's Enhancing Cetacean Habitat and Observation (ECHO) program which is looking at ways to reduce underwater noise in key areas where there are Southern Resident Killer Whales. These \$1.6 million measures will include the deployment of an underwater hydrophone at Boundary Pass in the Salish Sea. Over the coming months, the hydrophone will collect individual vessel and mammal noise profiles and the information will be used to develop measures to further support the recovery of the Southern Resident Killer Whales. In addition, with support from the

National Research Council of Canada, Transport Canada will carry out a four-year project to better predict propeller noise and hull vibration of a vessel.

27. Quebec marine terminal project clears first hurdle

The marine terminal project on the North Shore of the Saguenay River has just taken a step that is essential to its completion following the approval of the project by the Honourable Catherine McKenna, Canada's Minister of Environment and Climate Change. The Minister's approval of the projects implementation came after several public consultations, as well as a thorough and rigorous environmental impact assessment conducted by the Canadian Environmental Assessment Agency (CEAA).

28. Canada's ports policy needs to move into the 21st century

In the review of Canada's port policy the author indicates that Canada needs to revisit its port policy and remove CPAs that no longer serve a national strategic purpose yet remain eligible to draw on government funding. Canada's CPA ports need a better governance framework; their governance needs modernization, not their operations. Not only should CPAs meet the best governance practice reporting standards of publicly traded companies, but, as federal agencies, they must be transparent given that they're responsible to the citizens of Canada and the communities where they're located. The current Port Modernization Review wants not just efficient trade gateways, but also ports that are socially and environmentally responsible to their local communities. Currently, Canada's CPA ports are inconsistent in their financial, social and environmental performance reporting. This implies that a public-private relationship is needed, not a private one focused only on shareholder value. The Port Modernization Review should lead to greater clarity of port purpose, less political control through board appointments, and better reporting standards for the citizens of Canada.

29. The Port of Montreal joins Maersk IBM TradeLens Platform

Continuing its development strategy geared to innovation and the use of advanced technology, the Port of Montreal, IBM and A.P. Moller—Maersk are proud to announce on October 25, 2018 that the Port is joining the TradeLens solution, jointly developed by Maersk and IBM to promote more efficient and secure global trade. Underpinned by blockchain technology, TradeLens aims to bring the shipping industry into the digital age through a secure interface exclusively dedicated to freight transport. The Port of Montreal joins TradeLens alongside Canada Border and Services Agency (CBSA) as the two newest Canadian members of the global, blockchain-enabled shipping solution.

30. Vancouver Fraser Port Authority recognized for best practices in sustainability governance

The Vancouver Fraser Port Authority announced on October 29, 2018 that the organization was awarded a 2018 Governance Professionals of Canada Excellence in Governance award for its sustainability governance practices during the 2018 Excellence in Governance Awards on October 25, 2018.

RAIL TRANSPORTATION

1. First Hyperloop Passenger Capsule Unveiled

Hyperloop Transportation Technologies Inc. unveiled its first full-scale passenger capsule, offering the world a peek at the future of travel. The capsule, 105 feet (32 meters) long and weighing 5 tons, was shown in Spain and will be moved to Toulouse, France, for additional assembly before it's used on one of the first commercial tracks, the California-based startup, known as HyperloopTT, said in a statement. Named the Quintero One, the product is made almost entirely out of composite material.

2. CP reports preliminary Q3 results, raises 2018 guidance and outlines strategy for driving sustainable, profitable growth at the Company's Investor Day

As part of its 2018 Investor Day, Canadian Pacific Railway Limited (CP) on October 3, 2018 reported preliminary third-quarter results, updated its 2018 guidance and unveiled the next phase of its long-term strategy, focused on driving sustainable, profitable growth. CP reports preliminary third-quarter results: 1) Revenues are estimated to grow by 19 percent to an all-time record high of approximately \$1.9 billion; 2) Operating ratio is expected to be sub-58.5 percent; 3)

RAIL TRANSPORTATION Canada

1. First Hyperloop Passenger Capsule Unveiled, October 2, 2018, www.ajot.com
2. CP reports preliminary Q3 results, raises 2018 guidance and outlines strategy for driving sustainable, profitable growth at the Company's Investor Day, October 4, 2018, www.cpr.ca
3. Conference to focus on modernization of Canada's transportation system, October 3, 2018, www.ctf.ca
4. Success story in the Far East: ten years of service to China, October 5, 2018, www.transportweekly.com
5. Washouts fixed on tracks to Churchill, Man., but service may wait until spring, October 8, 2018, www.ctf.ca
6. Rail GD of New Richmond (QC) to renovate VIA rail dining cars, October 10, 2018, www.viarail.ca
7. Thanksgiving: VIA rail reaches the 100,000- passengers mark on a long

Diluted earnings per share (EPS) is expected to be approximately \$4.35 and 4) Adjusted diluted EPS is expected to be approximately \$4.10, the highest in the Company's history. Due to a record-setting third quarter and a strong outlook for the remainder of the year, CP is also raising its 2018 full-year guidance. Financial targets expected for 2018-2020: 1) Volume compound annual growth rate (CAGR) of mid-single digits, measured in Revenue Ton-Miles (RTMs); 2) Double-digit CAGR in adjusted diluted EPS; 3) Continued margin improvement through cost control and operating leverage and 4) Capital expenditures of approximately \$1.6 billion per year. Mr. Creel said CP's growth strategy is built on its foundations, people and network strengths.

3. Conference to focus on modernization of Canada's transportation system

Over two days the Van Horne Institute's 2018 Rail to Ports Conference: Fluidity & Capacity Investment in Trade Challenged Times focussed on Canada's resource trade supply chains in terms of the "transportation modernization" initiatives currently underway to improve the fluidity and capacity of Canada's rail to seaport corridors, the expansion of inland ports and the implementation of urban goods movement strategies.

4. Success story in the Far East: ten years of service to China

From one to over 3,600 trains in ten years: train service to China has grown rapidly in the decade since it began, and it continues to grow. The number of containers transported between Europe and Asia has seen a consistent rise. Deutsche Bahn is making great strides toward its goal of transporting 100,000 standard containers a year by 2020. It expects to reach the 90,000 mark in 2018. DB has established a new unit, DB Cargo Eurasia, to shift more traffic between Europe and Asia to rail over the long term. The new unit will operate service to and from China and will handle all of the related activities at the Group. A dedicated office opened in Shanghai in August 2018 for this purpose.

5. Washouts fixed on tracks to Churchill, Man., but service may wait until spring

The new owner of the railway to Churchill, Man., says washouts that have kept the line closed since spring 2017 have now been repaired, allowing some vehicles to travel along the link. But the Arctic Gateway Group, which bought the railway from the previous owner at the end of August 2018, warns in a series of Facebook posts that culvert and rail repairs still need to be done, as well as safety testing. It says the work could mean regular rail service might not resume until spring.

6. Rail GD of New Richmond (QC) to renovate VIA rail dining cars

VIA Rail Canada (VIA Rail) has awarded a contract valued at \$16.4 million to Rail GD to completely refurbish and transform four dining cars intended for use on the long-haul train, the Canadian. Built in the 1950s, these cars will be modernize to continue to deliver the best customer experience.

7, Thanksgiving: VIA rail reaches the 100,000- passengers mark on a long weekend

New records were set by VIA Rail Canada (VIA Rail) over the 2018 Thanksgiving weekend. From October 4 to 9, 2018, 100,200 passengers travelled by train: a 3.1% increase over the same period in 2017. This spectacular number was reflected in revenues which rose 8.8% over 2017. In the Québec City-Windsor Corridor only, 96,400 people travelled, a 4.2% increase over 2017. As well, with 21,600 people travelling onboard VIA Rail trains on Friday, October 5, 2018 a new record for revenue generated over a

weekend, October 11, 2018, www.viarail.ca

8. CP announces intention to launch new share repurchase program, October 17, 2018, www.cpr.ca

9. Rail Traffic for the Week Ending October 13, 2018, October 17, 2018, www.ajot.com

10. CP reports record quarter on strength of industry-leading team and foundations of Precision Scheduled Railroading model, October 18, 2018, www.cpr.ca

11. CP Rail CEO downplays impact of U.S.-China trade war, October 18, 2018, www.globeandmail.ca

12. CP announces TSX acceptance of previously announced share repurchase program, October 19, 2018, www.cpr.ca

13. CP bullish after 19.8pc quarterly profit hike to US\$489.9 million, October 22, 2018, www.transportweekly.com

14. Alberta's Notley proposes Ottawa get into the crude by rail business, October 22, 2018, www.ctl.ca

15. Canadian National Railway CEO 'bullish' despite U.S. China trade tensions, October 24, 2018, www.ctl.ca

16. CN reports Q3-2018 financial results, October 23, 2018, www.cn.ca

17. Norfolk Southern reports third-quarter 2018 results, October 24, 2018, www.nscorp.com

18. Speech from Elizabeth C. Barker, Vice-Chair of the Canadian Transportation Agency, at the Van Horne Institute, October 12, 2018

19. North American rail freight up 3.5pc, October 25, 2018, www.transportweekly.com

20. Union Pacific Reports Record Third Quarter Results, October 25, 2018, www.up.com

21. Ontario Partners with Business to Build New Etobicoke GO Station, October 25, 2018, www.mto.gov.on.ca

22. Railway carloadings, August 2018, October 29, 2018, www.statcan.gc.ca

23. Canadian National Railway CEO 'bullish' despite Sino-American trade war, October 26, 2018, www.transportweekly.com

24. CN expands its North American intermodal supply chain services with the acquisition of TransX, October 30, 2018, www.cn.ca

25. The Canadian Transportation Agency announces redetermined 2018-2019 Volume-Related Composite Price Indices for CN and CP, 31. October 25, 2018, www.cta-otc.gc.ca

single day was set with sales totalling \$1.9 million. Passengers covered a total distance of over 35 million kilometers on the 373 trains that crossed the country.

8. CP announces intention to launch new share repurchase program

CP on October 17, 2018 announced that it intends to seek Toronto Stock Exchange (TSX) acceptance of a new normal course issuer bid. Subject to TSX acceptance, CP's Board of Directors has authorized the repurchase of up to approximately 5.68 million of its common shares, for cancellation, representing approximately 4 percent of CP's "public float" of common shares as at October 11, 2018.

9. Rail Traffic for the Week Ending October 13, 2018

For the week ending October 13, 2018, total U.S. weekly rail traffic was 549,757 carloads and intermodal units, up 1.7 percent compared with the same week last year. Total carloads for the week ending October 13 were 263,787 carloads, up 0.4 percent compared with the same week in 2017, while U.S. weekly intermodal volume was 285,970 containers and trailers, up 3 percent compared to 2017. Seven of the 10 carload commodity groups posted an increase compared with the same week in 2017. For the first 41 weeks of 2018, U.S. railroads reported cumulative volume of 10,781,980 carloads, up 1.9 percent from the same point last year.

10. CP reports record quarter on strength of industry-leading team and foundations of Precision Scheduled Railroading model

Canadian Pacific Railway Limited (CP) on October 18, 2018 announced third-quarter revenues. The highlights for the third quarter of 2018 were: 1) Revenues increased by 19 percent to a record \$1.9 billion, from \$1.6 billion in Q3 2017, as CP saw revenue growth across all major segments of its book of business; 2) Reported diluted EPS was \$4.35, up 24 percent from \$3.50, and adjusted diluted EPS was a record \$4.12, a 42 percent increase from \$2.90; 3) Operating ratio was a record-low 58.3 percent, a 270 basis point improvement from 61.0 percent; and 4) Operating income was \$790 million, a 27 percent increase from \$622 million. Keith Creel, CP President and Chief Executive Officer said "This quarter really showed what our operating model and our 13,000-strong family of CP railroaders can do. It was a record by almost every measure and sets us up well for the remainder of the year and beyond. Our continued success comes from a commitment at every level of the organization to deliver on the principles of precision scheduled railroading for our customers, our shareholders and the broader North American economy."

11. CP Rail CEO downplays impact of U.S.-China trade war

Canadian Pacific Railway Ltd. is downplaying the potential negative impact on its operations from a trade war between the United States and China. China accounts for 12 per cent of North American revenues, with direct business between the world's two largest economies coming in at less than five per cent, analysts were told during a conference call on October 18, 2018 about its third-quarter results. "We're just a business that's getting tossed around a bit with this China connection being overemphasized in the marketplace," said chief executive Keith Creel.

12. CP announces TSX acceptance of previously announced share repurchase program

CP rail announced that the Toronto Stock Exchange ("TSX") has accepted its notice to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 5,682,940 common shares or approximately 4 percent of CP's common shares issued and outstanding as at October 11, 2018. The NCIB is scheduled to commence on October 24, 2018 and is due to terminate on October 23, 2019.

13. CP bullish after 19.8pc quarterly profit hike to US\$489.9 million

The Canadian Pacific Railway has posted third quarter 19.8 per cent year-on-year profit increase of CAD641 million (US\$489.9 million), drawn on revenues of CAD1.89 billion, up 18.9 per cent. But this gain was not enough to escape a marginal profit loss of 1.05 per cent to CAD1.406 billion over the first nine months drawn on revenues of CAD5.31 billion, which increased 9.6 per cent. Given the quarterly gains, CP announced that it was raising its 2018 full-year guidance. The company now expects adjusted diluted earnings per share for 2018 to grow more than 20 per cent.

14. Alberta's Notley proposes Ottawa get into the crude by rail business

Alberta Premier Rachel Notley is proposing Ottawa get into the crude-by-rail business. She says Alberta heavy oil producers have been dealing with a punishing price gap between their product and U.S. light oil. She says that amounts to money being taken out of the Canadian economy and sucked into American bank accounts. The differential is about US\$40 a barrel and has been as high as \$52 in recent weeks. Notley says new coastal pipelines to get access to international markets are necessary in the long term to get Alberta producers a better price. In the meantime, she says, Ottawa should look to invest in moving oil to market on rail cars.

15. Canadian National Railway CEO 'bullish' despite U.S. China trade tensions

The head of Canada's largest railway dismissed concerns about a looming trade war between China and the United States, stressing flexibility as he pointed to producers that have moved operations out of China to

other Pacific countries. On an earnings call with investors, Canadian National Railway Co. chief executive Jean-Jacques Ruest acknowledged trade tensions and the imposition of hefty import tariffs triggered “a pull forward” for some of its business this year, but said he remains “very confident.” “Overall, we’re very bullish about trade from Asia, especially trade from Asia to North America in 2019, but it might be coming from different countries or different ports of origin,” Ruest said, pointing to new factory locations.

16. CN reports Q3-2018 financial results

CN on October 23, 2018 reported its financial and operating results for the third quarter ended Sept. 30, 2018. The third quarter 2018 highlights compared to the 2017 third quarter results were: 1) Net income increased by 18 per cent to C\$1,134 million. 2) Diluted earnings per share (EPS) increased by 21 per cent to C\$1.54. 3) Adjusted net income increased by 11 per cent to C\$1,102 million. 4) Adjusted diluted EPS increased by 15 per cent to C\$1.50. 5) Operating income increased by eight per cent to C\$1,492 million. 6) Revenues increased by 14 per cent to C\$3,688 million. 7) Revenue ton-miles (RTMs) increased by four per cent and carloadings increased by three per cent. 8) Operating expenses increased by 19 per cent to C\$2,196 million. 9) Operating ratio was 59.5 per cent, an increase of 2.3 points over the third-quarter 2017. 10) Free cash flow for the first nine months of 2018 was C\$1,881 million, compared with C\$2,321 million for the year-earlier period. 11) 22 of 27 capacity expansion projects were completed this year. JJ Ruest, president and chief executive officer of CN said “Our dedicated engineering team delivered, putting more than 80 per cent of our infrastructure expansion projects fully in service at a time when the network was under heavy traffic. Our 2018 resource investments are substantially advanced, giving our railroaders the tools they need to provide industry-leading service to all of our customers now and for the long haul...”

17. Norfolk Southern reports third-quarter 2018 results

Norfolk Southern Corporation on October 24, 2018 reported record 2018 third-quarter financial results. Net income was \$702 million, up 39 percent year-over-year, a result of a 14 percent increase in income from railway operations and a lower effective income tax rate. Diluted earnings per share were \$2.52, up 44 percent year-over-year and a third-quarter record. The railway operating ratio, or operating expenses as a percentage of revenues, was 65.4 percent, also a third-quarter record. “Norfolk Southern continues to deliver record financial results that reflect our careful and determined pursuit of a balanced and flexible strategy,” said James A. Squires, Norfolk Southern chairman, president and CEO.

18. Speech from Elizabeth C. Barker, Vice-Chair of the Canadian Transportation Agency, at the Van Horne Institute, October 12, 2018

The presentation of E.C. Barker outlined the role and mission of the CTA. She described who they are, what they do, and touched on two initiatives that impact the rail sector: First, the recent legislative amendments to the Canada Transportation Act that were introduced by the Transportation Modernization Act (formerly known as Bill C-49); and second, the work that is being done within the CTA to modernize the regulatory framework. On the first, she spoke about the new revised interswitching provisions, the final offer arbitration provisions and service level arbitrations. On the second, she spoke on the Regulatory Modernization Initiative (RMI). The work on this began as early as May 2016. Phase one of RMI began with a review of our accessible transportation regulations and guidelines; phase two dealt with technical air transportation issues, including licensing of air carriers and approvals for air charters; phase three is dedicated to consumer protection for air passengers; and phase four relates to rail regulations. .

19. North American rail freight up 3.5pc

North American rail freight volume for the first 41 weeks of 2018 on 12 American, Canadian and Mexican railways increased 3.5 per cent to 29,926,588 carloads and intermodal units, according to the American Association of Railroads (AAR). Rail freight volume for the week ending October 13, 2018 on 12 American, Canadian and Mexican railways totalled 369,268 carloads, up 1.4 per cent year on year. This collective result included movement of 375,315 intermodal units, up 1.5 per cent compared with last year. Total combined weekly rail traffic in North America was 744,583 carloads and intermodal units, an increase of 1.5 per cent. Meanwhile, total US weekly rail traffic was 549,757 carloads and intermodal units, up 1.7 per cent compared with the same week last year.

20. Union Pacific Reports Record Third Quarter Results

Union Pacific Corporation on October 25, 2015 reported 2018 third quarter net income of \$1.6 billion, or a third quarter record \$2.15 per diluted share. This compares to \$1.2 billion, or \$1.50 per diluted share, in the third quarter 2017. "While we reported solid financial results, we did not make the service and productivity gains that we expected during the quarter. However, we are making progress implementing our new Unified Plan 2020 and we are well positioned to drive improvement going forward," said Lance Fritz, Union Pacific chairman, president and chief executive officer. "I am confident we have the right people and

plans in place to improve our operations, provide more reliable service for our customers, and achieve industry-leading financial performance." Operating revenue of \$5.9 billion was up 10 percent in the third quarter 2018 compared to the third quarter 2017. Third quarter carloads increased 6 percent compared to 2017. Volume increases in industrial, premium, and agricultural products more than offset declines in energy. In addition: 1) Quarterly freight revenue improved 10 percent compared to the third quarter 2017, as volume growth, higher fuel surcharge revenue, and core pricing gains were partially offset by negative mix of traffic. 2) Union Pacific's 61.7 percent operating ratio was flat compared to the third quarter 2017. 3) The \$2.38 per gallon average quarterly diesel fuel price in the third quarter 2018 was 34 percent higher than the third quarter 2017. 4) Quarterly train speed, as reported to the Association of American Railroads, was 24.0 mph, 6 percent slower than the third quarter 2017. 5) Union Pacific's year-to-date reportable personal injury rate of 0.77 per 200,000 employee hours improved 1 percent compared to the year-to-date rate achieved in 2017. 6) The Company repurchased 2.2 million shares in the third quarter 2018.

21. Ontario Partners with Business to Build New Etobicoke GO Station

Ontario's Government for the People is keeping its promise to build transit and make Ontario open for business by working with the private sector to build commuters a new, modern station at Mimico GO. This station is the product of a new kind of partnership. This project will optimize the use of government-owned land and increase transit ridership by building a new development along an existing transit line. We are improving the transit experience and making life easier for Ontarians.

22. Railway carloadings, August 2018

The volume of rail freight carried in Canada totalled 33.1 million tonnes in August 2018, up 7.7% from the same month a year earlier. Freight originating in Canada rose 7.7% year over year to 29.6 million tonnes in August 2018. Non-intermodal freight increased by 9.9% to 322,000 carloads. The amount of freight loaded into these cars rose 9.0% from August 2017 to 26.5 million tonnes. Intermodal freight loadings rose 0.1% from August 2017 to 215,000 units. In terms of weight, intermodal traffic declined 2.3% to 3.1 million tonnes. Freight traffic received from the United States rose 8.0% to 3.5 million tonnes as a result of a 7.2% increase in non-intermodal freight.

23. Canadian National Railway CEO 'bullish' despite Sino-American trade war

Canada's biggest railway, the Canadian National (CN), has dismissed concerns about the looming Sino-American trade war, stressing the probability of alternate sourcing of goods that now come from China, reports the Canadian Press. CN president Jean-Jacques Ruest said he remains "very" confident, especially about trade from Asia to North America in 2019, but that might be coming from countries other than China.

24. CN expands its North American intermodal supply chain services with the acquisition of TransX

CN on October 30, 2018 announced that it has reached an agreement to acquire Winnipeg-based TransX Group of Companies, one of Canada's largest and oldest transportation companies. "This strategic acquisition allows CN to deepen its supply chain focus, strengthening our exceptional franchise, including our intermodal business, notably the specialized, fast-growing refrigerated segment," said JJ Ruest, president and chief executive officer of CN. "TransX has a 55-year history of providing innovative customer solutions in an industry that continues to evolve. "This alignment creates a solid framework to serve a growing consumer economy with transportation options that bring more supply chain flexibility to our customers," Ruest concluded.

25. The Canadian Transportation Agency announces redetermined 2018-2019 Volume-Related Composite Price Indices for CN and CP

The Canadian Transportation Agency (CTA) has redetermined the 2018-2019 Volume-Related Composite Price Index (VRCPI) for each of CN and CP, which will be used in determining the maximum revenue entitlement for the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) for the movement of western grain in the 2018-2019 crop year. [Originally issued on April 25, 2018](#), the VRCPI was redetermined based on a provision included in the *Transportation Modernization Act* (Bill C-49), which received Royal Assent on May 23, 2018. [Determination No. R-2018-225](#) sets the revised indices at 1.4114 for CN, an increase of 2.1% from the 2017-2018 crop year, and at 1.4608 for CP, an increase of 5.7% from the 2017-2018 crop year.

HIGHWAY TRANSPORTATION

1. Monthly Passenger Bus and Urban Transit, July 2018

Total operating revenues (excluding subsidies) for urban transit companies were \$329.9 million for July 2018. Ridership was 146.5 million passenger trips over the same period.

2. For-hire Motor Carrier Freight Services Price Index, second quarter 2018

The For-hire Motor Carrier Freight Services Price Index was up 3.2% in the 2018 second quarter, following a 3.4% increase in the first quarter. This was the eighth consecutive quarterly gain. Both the general freight (+3.5%) and the specialized freight (+2.8%) trucking components increased. Year-over-year, the index rose 10.1% in the second quarter compared with the same quarter of 2017. Both the general freight (+11.0%) and the specialized freight (+8.0%) trucking components rose.

3. Couriers and Messengers Services Price Index, August 2018

The Couriers and Messengers Services Price Index (CMSPI) posted no change in August 2018, following a 0.2% increase in July 2018. The couriers' component was unchanged while the local messengers' and local delivery component rose 0.1%. Year-over-year, the CMSPI rose 6.4% in August 2018 compared with the same month last year. Both the couriers (+6.3%) and the local delivery (+6.6%) components increased.

4. Gordie Howe bridge to cost \$5.7 billion; set to open by end of 2024

A new connection in the trading relationship between Canada and the United States will cost \$5.7 billion, with one senior official vowing the Gordie Howe bridge will elbow its way through any legal or political challenges—including from President Donald Trump himself. Construction of the long-sought span named for the Saskatchewan-born Howe, who became a hockey legend while playing for the Detroit Red Wings, will begin this fall at Canada's busiest border crossing and take six years to complete. Getting to the announcement of the final price tag for the span over the river between Windsor, Ont. and Detroit, has been laden with political potholes that proponents have had to navigate at the state and federal levels.

5. New York City Introduces Off-Hour Deliveries Program to Combat Congestion

New York City Department of Transportation is collaborating with shippers, transporters, and receivers to rethink their delivery schedule and shift to off-hour deliveries (OHD) with the goal of targeting 900 business establishments by the end of 2019.

6. U.S. DOT Announces 2017 Roadway Fatalities Down

On October 3, 2018, the U.S. Department of Transportation's National Highway Traffic Safety Administration announced that 2017 highway fatality numbers are down (almost 2 percent since 2016) following two consecutive years of large increases. In addition, preliminary estimates for the first six months of 2018 appear to show that this downward trend continues into this year. "Safety is the Department's number one priority," said Secretary Elaine L. Chao. "The good news is that fatalities are trending downward after increasing for the two previous years. But, the tragic news is that 37,133 people lost their lives in motor vehicle crashes in 2017. All of us need to work together to reduce fatalities on the roads."

HIGHWAY TRANSPORTATION Canada

1. Monthly Passenger Bus and Urban Transit, July 2018, September 28, 2018, www.statcan.gc.ca

2. For-hire Motor Carrier Freight Services Price Index, second quarter 2018, September 28, 2018, www.statcan.gc.ca

3. Couriers and Messengers Services Price Index, August 2018, September 28, 2018, www.statcan.gc.ca

4. Gordie Howe bridge to cost \$5.7 billion; set to open by end of 2024, September 28, 2018, www.ctl.ca

5. New York City Introduces Off-Hour Deliveries Program to Combat Congestion, October 1, 2018, www.inboundlogistics.com

6. U.S. DOT Announces 2017 Roadway Fatalities Down, October 3, 2018, www.dot.gov

7. Third edition of the European Day Without a Road Death: 'Zero is much more than a number', October 4, 2018, www.europa.eu

8. Good News From the Government! (Yes, You Read That Right), October 4, 2018, www.inboundlogistics.com

9. Statement by the Honourable Marc Garneau, Minister of Transport, about child car seats, October 4, 2018, www.tc.gc.ca

10. U.S. Department of Transportation Releases "Preparing for the Future of Transportation: Automated Vehicles 3.0", October 4, 2018, www.dot.gov

11. FTR: 'The pressure is on fleets to add capacity', October 4, 2018, www.americanshipper.com

12. Construction on Gordie Howe International Bridge officially underway: Trudeau, October 8, 2018, www.ctl.ca

13. DHL research shows 75% of companies believe investment in ground transportation will directly support their company growth, October 10, 2018, www.ajot.com

14. U.S. DOT Provides More Than \$63 Billion to Major Transportation Infrastructure Investments Across America in 2018, October 10, 2018, www.dot.gov

15. Driver shortage is (economic) drag, October 11, 2018, www.ctl.ca

16. August 2018 Freight Transportation Services Index (TSI), October 11, 2018, www.bts.gov

17. Winter roads in the North threatened by climate change, October 15, 2018, www.ctl.ca

18. Fastfrate Group announces Fastfrate Linehaul, a dedicated truckload service, October 15, 2018, www.ctl.ca

19. STS: Technology and trucking, October 16, 2018, www.ctl.ca

20. OTA Urges Industry's Made-In-Ontario Carbon Reduction Solution, October 16, 2018, www.ontruck.ca

21. Canada's spot market sees more capacity, less freight, October 16, 2018, www.todaystrucking.com

22. Industry bullish on economy: survey, October 17, 2018, www.todaystrucking.com

23. Hiway/Eskimo group acquires company,

7. Third edition of the European Day Without a Road Death: 'Zero is much more than a number'

In 2018, project EDWARD – the European Day without a Road Death took place on 19 September 2018 during the European Mobility Week. The objective of the campaign, launched by the European Traffic Police Network (TISPOL) and supported by the European Commission, was that no one should die on European roads on EDWARD Day. According to TISPOL's statistics, 17 countries recorded zero road death on 19 September this year, and 50 fatal accidents happened across 31 countries in Europe. This compares with the average of 70 people who lose their lives on EU roads every day.

8. Good News From the Government! (Yes, You Read That Right)

In its second estimate of Q2 2018 Gross Domestic Product (GDP), the U.S. Census Bureau quoted growth at 4.2 percent, the best quarterly figure since Q3 2014. That comparison is important because 2014 was also the last time the truck market was tight. When GDP rises above four percent, freight grows and the truck market tightens. Two positive details of the Census Bureau's release correlate to strong freight growth: a healthy rise in goods production and a trade balance improvement. Two negatives are weak investment and inventory liquidation.

9. Statement by the Honourable Marc Garneau, Minister of Transport, about child car seats

The Honourable Marc Garneau, Minister of Transport, made the following statement about the proper use of child car seats in advance of the holiday weekend: “As Minister of Transport, I’m always looking at ways to improve the safety and security of all Canadians. “Young children are among our most vulnerable road users. Given their small size, child car seats are essential in keeping them safe. “In Canada, car seat safety is a shared responsibility. While the federal government is responsible for child car seat safety standards, the use of child car seats is regulated by the provinces and territories. “We know the proper use of child car seats can save lives. As such, I wish to strongly support a best practice in child car seats -- keeping children riding in a rear-facing position as long as possible. “If a child fits the height and weight limits provided by the child car seat manufacturer, placing them in this rear-facing position is the safest practice. Seats sold in Canada are designed for this purpose and must meet our safety standards. “We all have a role to play in child car seat safety, and Transport Canada continues to do its part through crash test research on child car seats, as well as by informing Canadians about these seats.”

10. U.S. Department of Transportation Releases “Preparing for the Future of Transportation: Automated Vehicles 3.0”

The U.S. Department of Transportation (USDOT) on October 4, 2018 released new Federal guidance for automated vehicles, advancing its commitment to supporting the safe integration of automation into the broad multimodal surface transportation system. ‘Preparing for the Future of Transportation: Automated Vehicles 3.0’ (AV 3.0) builds upon—but does not replace—voluntary guidance provided in ‘Automated Driving Systems 2.0: A Vision for Safety.’

11. FTR: ‘The pressure is on fleets to add capacity’

FTR reported preliminary North American Class 8 orders for September 2018 continued to surge, coming in at 42,300 units for the month compared to 22,082 a year ago. “The pressure is on fleets to add capacity to keep up with a robust freight market,” said Don Ake, FTR vice president of commercial vehicles. An all-time record was set in the third quarter with 146,800 Class 8 orders, FTR said, adding that September 2018 Class 8 order activity was the 10th-best month ever, but with most of 2018 hitting all-time highs, was only the 5th-highest monthly volume this year.

12. Construction on Gordie Howe International Bridge officially underway: Trudeau

Construction on a multibillion-dollar bridge touted as a key link between Canada and the United States is officially underway, Prime Minister Justin Trudeau said on October 5, 2018. Flanked by dignitaries from both sides of the border, the prime minister said the Gordie Howe International Bridge, currently slated to cost \$5.7 billion, will be built over the next six years and operational by late 2024. He made the announcement at the beginning of a jam-packed day in Windsor, Ont. Trudeau said the 2.5-kilometre

adds to leadership team, October 17, 2018, www.todaystrucking.com

24. ATRI: Fuel Prices, Driver Pay on the Rise, October 18, 2018, www.cantruck.ca

25. Congestion costs trucking industry 1.2 billion hours, October 18, 2018, www.todaystruckin.com

26. TFI International posts strong Q3 results, October 23, 2018, www.ctl.ca

27. TFI agrees to buy Gorski, raises guidance, October 23, 2018, www.ctl.ca

28. Travel between Canada and other countries, August 2018, October 23, 2018, www.statcan.gc.ca

29. New international bridge helps ensure strong West Michigan, October 12, 2018, www.grbj.com

30. Building Bridges - The Fasken role in the creation of the Gordie Howe International Bridge, October 23, 2018, www.fasken.com

31. August 2018 North American Transborder Freight Numbers, October 24, 2018, www.bts.gov

32. Ontario's Government for the People Protecting Youth, Keeping Roads Safe, October 29, 2018, www.mto.gov.on.ca

bridge spanning the Detroit River will provide a critical conduit for commerce between the two countries, an issue he said has taken on increased relevance since the successful resolution of contentious free trade negotiations earlier in the week.

13. DHL research shows 75% of companies believe investment in ground transportation will directly support their company growth

DHL launched its latest research report on ground transportation logistics. The report reveals that the fast-paced evolution underway in the sector is changing the way that shippers think when purchasing a transportation solution. The global survey of transport buyers and operations professionals found that 83% of businesses are willing to pay more for better and value-added services as long as they provide a measurable return on their investment. “The logistics transport evolution: the road ahead” is a report by DHL Supply Chain, using data from research by Lieberman Research Worldwide, LLC (LRW) that was commissioned by DHL to identify the factors that are impacting ground transportation logistics and how industry is adapting to the new frontier of solutions available. The report found that across sectors and regions, companies are increasingly viewing ground transportation as being more than a tactical commodity, with 71% now considering it to be a strategic component of their businesses. Major findings include: an evolution in the transport sector is being driven by trends such as the rapid growth of e-commerce, the continued urbanization of markets, and technologies such as big data analytics and digitalization; advanced technologies and service options are changing the way shippers and 3PLs manage their global transport flows; and service expectations, new markets, new ground transportation solutions have all increased as a result.

14. U.S. DOT Provides More Than \$63 Billion to Major Transportation Infrastructure Investments Across America in 2018

By the end of the 2018 fiscal year (FY 2018), the U.S. Department of Transportation (USDOT) made available more than \$63.9 billion in FY 2018 multi-modal discretionary and formula transportation investments and \$1.6 billion in FY 2017 discretionary funds. This marks a significant step forward in funding the Administration’s ambitious infrastructure goals. The Department is committed to revitalizing America’s infrastructure using federal dollars as seed money to encourage additional infrastructure investment by states, localities and private sector partners. Utilizing significantly increased levels of appropriations from Congress in the March 2018 omnibus funding bill, more investment is reaching areas and projects with the greatest impact.

15. Driver shortage is (economic) drag

When Canadian Trucking Alliance president Stephen Laskowski took his turn at the microphone during the annual Surface Transportation Summit, he was quick to refer to trucks parked against fences along nearby Dixie Road. They’re not idled because of a lack of business opportunities, he stressed. It’s because of a lack of truck drivers. And the situation is expected to intensify as the trucking industry comes to terms with “massive” retirement numbers over the next five to six years. The challenge is not limited to Canada, either. Solutions in Canada will require a new approach to immigration policies that are still focused on so-called professional workers, or even rethinking how long-haul freight is moved, Laskowski said. In the meantime, the driver shortage continues to be an economic drag.

16. August 2018 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.1 percent in August 2018 from July 2018, rising after a one month decline. The August 2018 index level (135.3) was 42.7 percent above the April 2009 low during the most recent recession.

17. Winter roads in the North threatened by climate change

Manitoba has approximately 2100 km of winter or ice roads that connect more than 20 communities. The ice road season is decreasing. According to a study, in 2020, its duration will be shortened by 5 days compared to traditional averages. It will be 14 days shorter in 2080. Another study predicts that the season will be shortened by 8 and 21 days respectively in 2020 and 2080, respectively. Even with 10 days less, it will be difficult to get food for the year, since normally they get our diesel for the whole year. Ten days can have a big impact. It would cost \$ 6.5 billion to turn all of Manitoba’s winter or ice roads into permanent roads. Professor Barry Prentice proposes an entirely different approach: the use of airships. According to him, this technology was already used in cold regions 80 years ago, and it would be possible to offer the transport of goods and people at low prices throughout the year.

18. Fastfrate Group announces Fastfrate Linehaul, a dedicated truckload service

Fastfrate Group announced on October 15, 2018 that they have fully merged the BRS Transportation operation into the Consolidated Fastfrate operation effective October 15th, 2018. They have re-allocated these BRS resources throughout the various Fastfrate divisions to maximize utility for current future growth. Fastfrate Linehaul was directly established from the merger to provide shippers with a contract-based truckload offering. Equipment can be designed to their customers' exact specifications and the Fastfrate Linehaul division will operate in both Canada and the USA. Fastfrate Linehaul is fully CTPAT, PIP, FAST and ACE approved with full satellite tracking on all tractors and trailer and is ELD compliant.

19. STS: Technology and trucking

Trucking and technology go hand in hand. That's why technology was one of the top discussions at this year's Surface Transportation Summit held in Toronto on Oct. 11, 2018. Five experts from a variety of new freight transportation technologies and solutions took the stage to explain the latest in their field citing, 1) Shipment Visibility; 2) Blockchain; 3) Connected vehicles; 4) Warehouse automation.

20. OTA Urges Industry's Made-In-Ontario Carbon Reduction Solution

The Ontario Trucking Association (OTA) says the trucking industry must continue to do its part in reducing carbon emissions and improving air quality following the cancellation of the Ontario Cap and Trade system. Appearing before the committee reviewing Bill 4: Cap and Trade Cancellation Act 2018, OTA reminded the committee the trucking industry utilizes the most environmentally-regulated engine and capital equipment in the freight transportation sector — costing the industry billions in green investments, which, from a carbon-cutting perspective, will eliminate the equivalent of 22 million cars from the road. "Removing the additional carbon costs in diesel fuel is a policy which makes a lot of sense, ..." said OTA spokesperson Marco Beghetto.

21. Canada's spot market sees more capacity, less freight

Canadian spot market load volumes increased towards the end of September 2018, but third quarter volumes were 29% off unprecedented Q2 numbers. Third quarter load volumes were only 11% lower year-over-year, according to *TransCore Link Logistics*. The truck-to-load ratio started September at 2.90, but improved to 2.68 by the end of the month. Third quarter load volumes were the second highest ever for a third quarter, behind only last year's. More trucks are coming online, TransCore noted, with truck postings surging to more than one million postings per month, last seen in the third quarter of 2016. Compared to August 2018, September's load volumes were down 15%, and year-over-year volumes were down 22%. *TransCore Link Logistics* suggests the results reflect a quiet season of shipping activity during a year of record-breaking load activity. Natural disasters and uncertainty about a trade agreement may also have weighed on loads, the company suggests.

22. Industry bullish on economy: survey

Canada's trucking industry appears to be bullish about the state of the economy this year, findings of the monthly *Today's Trucking Pulse Survey* show. Still, people remain aware about potential threats. The driver shortage was cited by 33% of respondents as the top economic threat for their businesses. NAFTA negotiations held the second spot at 16%, although the survey was conducted before the USMCA deal was secured. The general state of Canada's economy was identified by 13% of respondents as the biggest economic threat to their businesses. About 44% of those who were surveyed expect rates to increase next year, and 42% expect them to remain steady.

23. Hiway/Eskimo group acquires company, adds to leadership team

Following the Hiway/Eskimo Refrigeration merger, the company has now acquired Chill Tech Reefer Services, and has added to its leadership team. Chill Tech, an independent transport refrigeration service, had been operating in the Calgary area for 16 years.

24. ATRI: Fuel Prices, Driver Pay on the Rise

Increasing driver wages and benefits as well as rebounding fuel prices caused trucking operating costs to increase by 6 percent, according to the latest American Transportation Research Institute report. The 2018 update to ATRI's report, *An Analysis of the Operational Costs of Trucking*, shows that the average marginal cost per mile for fleets rose 6% in 2017 to \$1.69. Over the nine years of ATRI research, costs have only topped that mark in 2011 and 2015, at around \$1.70. ATRI also tracked the average hourly cost for fleets, totaling \$66.65 per hour, which is up nearly \$3 from 2016. Over the three previous years, operating costs were trending downwards due to decreased fuel prices, which bottomed out in 2016. However, there has been a rebound in fuel prices since then. In 2017, fuel costs made up about 36 cents of the cost of every mile. That's an increase of a little more than 3 cents, but still well below the high of 64.5 cents per mile recorded in 2013. Driver wages and benefits make up the largest chunk of fleet's operational

costs, representing 72.9 cents or 43% of the total average marginal costs. Responding to an increasing need for qualified truck drivers, driver wages and benefits have increased 33.6% in the past five years.

25. Congestion costs trucking industry 1.2 billion hours

Traffic congestion in the U.S. cost the trucking industry US\$74.5 billion in 2016, a 0.5% increase over the previous year. That's according to new research from the *American Transportation Research Institute* (ATRI). The research group relied on a variety of data sources, including its unique truck GPS database to calculate the delay on the National Highway System (NHS), which totaled 1.2 billion hours of lost productivity. That's equal to 425,533 truck drivers sitting idle for a working year.

26. TFI International posts strong Q3 results

TFI International capitalized on a strong trucking environment in the 2018 third quarter, posting its second straight quarter of record operating results. Operating income was up 107% year-over-year, at \$125.1 million. The company brought in \$1.29 billion in total revenue in the third quarter, up from \$1.12 billion, a 9% increase. Its net income was \$86.7 million. For the nine-month period ended Sept. 30, 2018 net income was \$215.3 million compared to \$37.8 million over the same period in 2017. The decline was attributed to the sale of real estate in 2017. Adjusted net income was up 93% to \$94.5 million. Alain Bedard, chairman, president and CEO of TFI International said "Our second straight month of record operating results was driven by strength across all segments, reflecting our unwavering commitment to driving profitable growth and operating efficiencies."

27. TFI agrees to buy Gorski, raises guidance

TFI International raised its 2018 EBITDA guidance on October 23, 2018, due to a strong trucking environment. "The general freight environment is strong throughout North America, and all of our segments are benefiting," Alain Bedard, chairman, president and CEO said on a Q3 earnings call with analysts. "As a result of these favorable conditions and our own success driving profitable growth, today we are raising our 2018 EBITDA guidance to a range of \$665 million to \$675 million, from the prior range of \$635 million to \$645 million." Bedard said he's predicting a strong peak shipping season, especially for the parcel and courier (P&C) segment. "If we look at the Canadian side, our P&C is just busting at the seams," Bedard said. "The guys are just going crazy with volume." On the mergers and acquisitions front, Bedard revealed the company has acquired Gorski Bulk Transport, and will likely make three or four more purchases before the end of the year in Ontario and Quebec.

28. Travel between Canada and other countries, August 2018

Travel by *US residents* to Canada rose 1.2% in August 2018 to 2.0 million trips, as both trips by car and by plane increased compared with July 2018. Residents of *overseas countries* (countries other than the United States) made 547,000 trips to Canada in August 2018. This was a slight increase from the previous month (+0.5%) following two consecutive months of declines. *Canadian residents* took 3.5 million trips to the *United States* in August 2018, down 1.0% from July 2018 as both car and plane travel declined. Overall, it was the fifth consecutive monthly decrease in travel to the United States. *Canadian residents* made 993,000 trips to *overseas destinations* (countries other than the United States) in August 2018, down 1.1% from July 2018.

29. New international bridge helps ensure strong West Michigan

The Gordie Howe International Bridge represents an important new stitch to connect us all. Canada is America's No. 2 trading partner overall, and Michigan has been Canada's top trading partner among U.S. states every year since 1990. More than 40 percent of the estimated \$1.2 billion in daily trade between the United States and Canada occurs at the Detroit-Windsor border crossing. One in seven jobs in our region is tied to trade. That's why the Grand Rapids Chamber of Commerce was so quick to endorse this project and has been among a diverse group of organizations working to help make it a reality.

30. Building Bridges - The Fasken role in the creation of the Gordie Howe International Bridge

Fasken advised the Government of Canada and [Windsor-Detroit Bridge Authority](#) ("WDBA") on the project which consisted of the design, build, maintenance and financing of the project on a public-private partnership basis. This C\$5.7 billion project also includes two port of entry facilities on each side of the border and the design, construction and finance of an interchange with Highway I-75 in Michigan. A fixed-priced contract with Bridging North America was signed and ground has now been broken to get construction underway. "By 2024 all six lanes of the bridge will be up and running, which will end a long-time bottle-neck on the busiest border crossing between Canada and the US." Funded initially by the Canadian government, it is expected that tolls will ultimately pay for the bridge.

31. August 2018 North American Transborder Freight Numbers

On October 24, 2018, the *US Bureau of Statistics* released data on Transborder freight between the U.S.

and other North American countries (Canada and Mexico) for August 2018. Total transborder freight for August 2018 amounted to \$106.9 billion by all modes of transportation, up 9.7 percent from August 2017. Truck moved \$66.6 billion of freight, up 5.7 percent compared to August 2017; and rail moved \$15.5 billion of freight, up 5.5 percent compared to August 2017. U.S.-Canada truck freight amounted to \$29.9 billion (56.0 percent of all northern border freight) up 2.4 percent from the previous year. U.S.-Canada rail freight amounted to \$8.7 billion (16.2 percent of all northern border freight) up 10 percent compared to the previous year. The U.S.-Canada traffic by other modes amounted to \$6.4 billion by pipeline; \$2.6 billion by vessel and \$2.6 billion by air.

32. Ontario's Government for the People Protecting Youth, Keeping Roads Safe

On October 29, 2018, Ontario Minister of Transportation John Yakabuski delivered remarks at the arrive alive DRIVE SOBER conference, focusing on protecting youth, supporting law enforcement and ensuring road safety within the province's tightly controlled cannabis market. He said "We are committed to working with our partners - arrive alive DRIVE SOBER and others - to protect youth and keep our roads safe." Driving high is never OK. This is also demonstrated in the recent passage of the Cannabis Statute Law Amendment Act to: 1) Protect Ontario's youth by ensuring cannabis remains out of the hands of people under the age of 19; 2) Protect Ontario's roads and ensure police enforce strict rules against drug-impaired driving; 3) Combat the illegal market and provide consumers with a legal choice. Also, in June, 2018, the province passed 'Zero means Zero' tolerance measures targeting young, novice and commercial drivers - these drivers must have no presence of alcohol, cannabis or any other drug that impairs driving.

GENERAL TRANSPORTATION

Canada

1. Canada, U.S. reach tentative NAFTA deal; Trump approves pact

Canada and the U.S. have reached a tentative deal to overhaul the North American free-trade agreement after intensive weekend talks, trading access to Canada's protected dairy market for the preservation of a key dispute-resolution system and exemption from threatened auto tariffs. President Donald Trump signed off on the agreement late September 30, 2018 night, said four sources with knowledge of the closed-door negotiations. Prime Minister Justin Trudeau convened a late September 30 cabinet meeting at his office in Ottawa. The Mexican Economy Ministry, meanwhile, said it presented text of the preliminary deal to the Mexican Senate. NAFTA will be renamed the United States-Mexico-Canada Agreement – or USMC, with the United States posting the text of the agreement online. Mr. Trump had previously indicated he wanted to do away with the phrase "NAFTA."

2. Trump approves of new continental trade deal as winners and losers are assessed

In the new dawn of North American free trade, the stock-taking of winners and losers has begun, but the catalyst of the marathon 14-month negotiation — U.S. President Donald Trump — is calling it a great deal for all three countries. It was a magnanimous early morning Twitter appearance from an American president saying we reached a wonderful new Trade Deal with Canada, to be added into the deal already reached with Mexico. The new name will be The United States Mexico Canada Agreement, or USMCA," Trump said in one of two Twitter messages. So, officially, the long-familiar NAFTA is now known as the U.S.-Mexico-Canada Trade Agreement.

3. Air Canada Commends the Governments of Canada, the United States and Mexico on Reaching a new Trade Agreement

GENERAL TRANSPORTATION

Canada

1. Canada, U.S. reach tentative NAFTA deal; Trump approves pact, October 1, 2018, www.globeandmail.ca
2. Trump approves of new continental trade deal as winners and losers are assessed, October 1, 2018, www.ctl.ca
3. Air Canada Commends the Governments of Canada, the United States and Mexico on Reaching a new Trade Agreement, October 2, 2018, www.aircanada.ca
4. Cars, Cows and a Crisis Averted: Highlights of a New Nafta Deal, October 2, 2018, www.ajot.com
5. ATA comments on trade agreement, October 2, 2018, www.todaystrucking.com
6. Jack Ma says US China trade war could last 20 years, October 2, 2018, www.ctl.ca
7. Still 'a long way to go' in Canada Post contract dispute, union says, October 4, 2018, www.ctl.ca
8. US trade gap hits six-month high as soybean exports plunge 28%, October 5, 2018, www.ajot.com
9. Transportation job growth a sign of growing confidence, October 5, 2018, www.joc.com
10. IMF cuts forecast for global growth for first time in two years as trade war takes toll, October 9, 2018, www.nationalpost.ca
11. Near-record US imports forecast through year's end, October 9, 2018, www.joc.com
12. Leading indicator of cross-border traveller volume, September 2018, October 10, 2018, www.statcan.gc.ca
13. Provincial and territorial tourism satellite account, 2014, October 10, 2018, www.statcan.gc.ca
14. Canada and Yukon governments invest in research projects to address the impacts of

Air Canada on October 2, 2018 commended the Governments of Canada, the United States and Mexico on reaching a new trade agreement, thereby removing much of the uncertainty overhanging trade and business between the three countries. "While the details of the agreement need to be fully assessed, the proposed USMCA should not only promote greater trade and economic stability, but also provide numerous opportunities for future growth," said Calin Rovinescu, President and Chief Executive of Air Canada.

4. Cars, Cows and a Crisis Averted: Highlights of a New NAFTA Deal

Here are highlights of what they agreed to: *1. Autos:* The deal struck offers a measure of protection for both Canada and Mexico, ensuring each country won't be affected by any auto tariffs unless exports top 2.6 million units annually. As expected, the deal calls for cars to have 75 percent of their content originate in the U.S. and Mexico, up from the current 62.5 percent, and for 40 percent of a car to come from workers whose pay averages more than \$16 per hour. *2. Other Tariffs:* The deal doesn't resolve the dispute over U.S. tariffs on steel and aluminum imports from Canada and Mexico—or the retaliatory tariffs that each country placed on them. *3. Dispute Panels:* NAFTA had three kinds of dispute settlement systems. The new deal will see two remain basically unchanged, but renamed. State-to-state dispute settlement—formerly in Chapter 20—is being kept. The old NAFTA's so-called Chapter 19 dispute-settlement mechanism—which hears bi-national anti-dumping and countervailing duties cases—remains untouched in the new agreement. *4. Dairy:* As part of the deal, the U.S. is getting expanded access to Canada's protected dairy market. Canada will eliminate its so-called Class 7 milk pricing system. Market access for the U.S. will exceed Canada's concessions in Trans-Pacific Partnership talks. Canada gave up 3.3 percent of its market in those TPP talks, but the U.S. has since quit the deal. *5. No Sunset:* The countries agreed to a 16-year term for the deal, with a review to identify and fix problems and a chance of a deal extension after six years.

6. Intellectual Property: The office of the U.S. Trade Representative boasted that the deal would provide "new protections for U.S. intellectual property," which the U.S. had been seeking. Copyright will, for instance, extend 70 years after an author's death. *7. Higher Thresholds:* Both Canada and Mexico agreed to raise the thresholds at which they apply duties to cross-border purchase, another key U.S. demand. Mexico raised its so-called de minimis level to \$100 from \$50. Canada raised its level to C\$150 (\$117) for duties, from C\$20 earlier, and C\$40 for sales taxes.

5. ATA comments on trade agreement

The American Trucking Associations (ATA) this week welcomed the new trade agreement with Canada. ATA president and CEO Chris Spear said "ATA is pleased that the United States, Canada and Mexico will continue their nearly 25-year-long tradition of free and open trade among North American neighbours. The wide-ranging pact is a positive step for the nearly 50,000 Americans working in jobs directly connected to cross-border trucking – as well as the more than seven million Americans working in trucking-related jobs."

6. Jack Ma says US China trade war could last 20 years

Alibaba founder Jack Ma said on September 2, 2018 that the trade dispute between the U.S. and China could last 20 years. But he expressed hope that a solution could be reached as a trade war would "hurt everybody." The Chinese e-commerce billionaire also questioned the focus among some on trade deficits, calling it a relic of the 20th century. U.S. President Donald Trump has long decried the U.S.'s whopping deficit with China. "When trade stops, sometimes the war starts. So trade is the way to stop wars," Ma said at a World Trade Organization seminar. "Trade is the way to build up trust. It's not the weapon to fight against each other."

7. Still 'a long way to go' in Canada Post contract dispute, union says

climate change on northern transportation infrastructure, October 10, 2018, www.tc.gc.ca

15. US imports remain strong as shippers try to beat tariff bite, October 15, 2018, www.transportweekly.com

16. Canada moves to block steel dumping with 25% surtax on select, October 12, 2018, www.ctl.ca

17. China-U.S. trade holding strong despite tariffs, October 15, 2018, www.americanshipper.com

18. China's Economy Stays Resilient, October 16, 2018, www.inboundlogistics.com

19. Postal union issues strike notices, could start rotating job action Monday, October 18, 2018, www.ctl.ca

20. Top 50 Global Logistics Providers: 2017 - strong revenue growth, October 18, 2018, www.joc.com

21. No Brexit deal could snarl major ports, hitting exports, October 19, 2018, www.ctl.ca

22. Top 10 Global Supply Chains, October, 2018, www.inboundlogistics.com

23. Remarks from Chair and CEO, Scott Streiner, to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, October 22, 2018, October 22, 2018, www.cta-otc.gc.ca

24. Making Ontario Open for Business Act would remove job-killing burdens, October 23, 2018, www.newsontario.ca

25. Exhausted workers a danger on land, sea and air, transportation board warns, October 29, 2018, www.ctl.ca

26. Minister Garneau's statement on the Transportation Safety Board of Canada's Watchlist, October 29, 2018, www.tc.gc.ca

27. The Economist: IMO 2020 will spur global warming and cut US GDP 3pc, October 30, 2018, www.transportweekly.com

The union representing 50,000 employees at Canada Post panned the latest contract offers from the corporation on October 4, 2018, calling them “disappointing” and keeping alive the threat of a work stoppage as the busy holiday online shopping season approaches. Two separate offers for rural and urban carriers included “very small movements” toward resolving some key issues, said the Canadian Union of Postal Workers. On a proposal directed at rural carriers, the union said, “We have a long way to go to achieve a negotiated collective agreement.” The possibility of a work stoppage has hovered over Canada Post since Sept. 26 after postal workers voted overwhelmingly in late summer in support of a potential walkout to back their contract demands.

8. US trade gap hits six-month high as soybean exports plunge 28%

The U.S. trade deficit widened in August 2018 to the biggest in six months as soybean exports plunged and a measure of the gap with China hit a record, showing how the Trump administration’s trade war is dragging on economic growth. The gap in goods and services trade increased 6.4 percent to \$53.2 billion, from a revised \$50 billion in the prior month, Commerce Department data showed on October 5, 2018. Imports rose 0.6 percent and exports fell 0.8 percent. Soybean exports dropped \$1 billion, or 28 percent, to \$2.58 billion, reversing a run-up earlier this year ahead of retaliatory levies from China.

9. Transportation job growth a sign of growing confidence

From warehousing to trucking, US employers are rushing to get workers in place for the peak shipping season — and another, likely substantial, increase in end-of-year e-commerce purchases and deliveries. The increase in the number of transportation jobs is a sign of growing confidence.

10. IMF cuts forecast for global growth for first time in two years as trade war takes toll

The International Monetary Fund (IMF) said the world economy is plateauing as the lender cut its growth forecast for the first time in more than two years, blaming escalating trade tensions and stresses in emerging markets. On the eve of its annual meetings in Bali, Indonesia, the fund projected a global expansion of 3.7 per cent this year and next, down from the 3.9 per cent projected three months ago. It was the first downgrade since July 2016.

11. Near-record US imports forecast through year's end

“Retailers are continuing to import merchandise in order to meet consumer demand even though tariffs are now in place on roughly half the goods imported from China and the trade war is still escalating,” Jonathan Gold, vice president for supply chain and customs policy at the National Retail Federation, said on October 9, 2018.

12. Leading indicator of cross-border traveller volume, September 2018

Data indicating cross-border travel by automobile through land ports equipped with the automated Integrated Primary Inspection Line (IPIL) system are now available upon request. The data provide counts of US residents entering Canada through IPIL ports in automobiles licensed in the United States, and Canadian residents returning from the United States through IPIL ports in automobiles licensed in Canada. Data are available by the travellers' state or province of residence and by province of entry into Canada. A traveller's state or province of residence is estimated from the licence plate of the automobile used to enter Canada.

13. Provincial and territorial tourism satellite account, 2014

Tourism activity varied noticeably across provinces and territories in 2014, with its contribution to gross domestic product (GDP) ranging from 1.2% in Nunavut to 3.0% in Prince Edward Island. Nationally, tourists spent \$84.1 billion in Canada, contributing to 1.9% (\$35.0 billion) of GDP. About three quarters of tourism activity in Canada was concentrated in the country's three largest tourism economies: Ontario, Quebec and British Columbia. This held true for tourism GDP, employment and expenditures. The source of tourism spending was similar in Ontario and Quebec, with domestic spending twice as high as interprovincial and international exports combined. However, British Columbia relied more heavily on international exports, with its share of spending at 36.7%. Domestic demand includes spending in a province or a territory by residents of that province or territory. Interprovincial demand, or interprovincial exports, include spending in a province or territory by residents of another province or territory. International demand, or international exports, include spending by international visitors. Tourism's share of employment was highest in Yukon (7.5%) and lowest in Nunavut (1.9%). There were 642,900 tourism jobs in Canada, which represented about 3.6% of all jobs.

14. Canada and Yukon governments invest in research projects to address the impacts of climate change on northern transportation infrastructure

The Government of Canada and the Government of Yukon are investing in two important climate change adaptation research projects under the Northern Transportation Adaptation Initiative. 1) The first project is

for the design and construction of an adaptation technique to stabilize permafrost thaw at Dry Creek (km 1841) on the Alaska Highway. Over the next three years, Transport Canada is providing up to \$1 million for this project. Yukon Highways and Public Works is providing \$1.3 million, for a total cost of \$2.3 million. 2) The second project will study climate change adaptation and impacts along the northern highways. Over four years, Transport Canada is providing up to \$980,850 for this project. Yukon Highways and Public Works is providing \$326,950, for a total cost of \$1.3 million.

15. US imports remain strong as shippers try to beat tariff bite

Imports at big US container ports are expected to remain at near-record levels this month despite a new round of tariffs that took effect in September, according to the monthly *Global Port Tracker* from the National Retail Federation and Hackett Associates. "Retailers are continuing to import merchandise in order to meet consumer demand even though tariffs are now in place on roughly half the goods imported

16. Canada moves to block steel dumping with 25% surtax on select

The Canadian government says it will impose a 25 per cent surtax on some foreign steel products in a bid to head off dumping. The Finance Department said "excessive imports" are harming the steel industry, prompting it to impose a surtax on seven products that range from rebar to wire rods. The surtax, which begins Oct. 25, will be in place for 200 days, pending an inquiry by the Canadian International Trade Tribunal into whether longer-lasting safeguards are necessary, the government said. The announcement comes more than three months after Canada imposed tariffs on \$16.6 billion worth of American goods in retaliation for hefty U.S. tariffs on Canadian steel and aluminum from China and the trade war is still escalating," said NRF president Jonathan Gold.

17. China-U.S. trade holding strong despite tariffs

Trade from China to the United States is holding strong, with high spot container rates and U.S. West Coast ports yet to see declines in box volumes in the wake of new tariffs entering force. On July 6, 2018 the U.S. implemented a 25 percent tariff on goods from China totaling \$34 billion in annual import value; on Aug. 23, 2018 the U.S. implemented a second tranche of 25 percent tariffs on goods from China with an annual import of \$16 billion; and on Sept. 24, 2018 the U.S. implemented tariffs on goods from China with an annual import value of \$200 billion. The tariff on this third tranche of goods will total 10 percent until Jan. 1, 2019 when it will increase to 25 percent. After the first and second round of tariffs were issued by the United States, China immediately retaliated by implementing a 25 percent tariff on the same value amount of U.S. goods, and on Sept. 24, 2018 China issued 5 percent to 10 percent tariffs across \$60 billion worth of U.S. goods. The US West Coast ports are doing well so far with marginal changes. In early October 2018, the Port of Long Beach spokesperson said the port believes it's too early to see the negative effects of tariffs on its cargo stats, while the Port of Oakland also reiterated that it's still too soon to project the impact of 2018 tariff increase on cargo from China.

18. China's Economy Stays Resilient

China's railway freight volume, an indicator of broad economic activity, expanded at a faster pace in the first seven months of 2018, notes a Xinhua report. China's railways carried a total of 2.3 billion metric tons of cargo between January and July 2018, up 7.9 percent from one year earlier, according to *National Bureau of Statistics* data. The growth accelerated from the 7.7-percent rise registered in the first half of 2018, and 7.2-percent increase for January through May 2018. In July 2018 alone, railway freight climbed 8.7 percent year on year to 337.12 million metric tons. Rail, road, water, and air carried a total of 27.54 billion metric tons of cargo in the first seven months, up 6.8 percent year on year.

19. Postal union issues strike notices, could start rotating job action Monday

The Canadian Union of Postal Workers said on October 17, 2018 that it has given strike notice to Canada Post that workers could walk off the job as early as next week. The union representing 50,000 Canada Post employees said rotating strikes will begin on October 22, 2018 if agreements aren't reached with the Urban Postal Operations and Rural and Suburban Mail Carriers bargaining units. The scale of the job action will depend in part on how talks go in the coming days, but union president Mike Palecek said they would look to avoid inconveniencing the public.

20. Top 50 Global Logistics Providers: 2017 - strong revenue growth

The Top 50 companies generated aggregate earnings of \$750.3 billion in 2017, up 11.5 percent year over year.

21. No Brexit deal could snarl major ports, hitting exports

Traffic moves quickly and smoothly at the Hook of Holland ferry terminal on the western edge of Europe's biggest port, with hundreds of trucks streaming onto ships regularly setting off for the English port of Harwich. But that clockwork efficiency, which ensures the timely supplies of fresh produce and other

goods on both sides of the North Sea, could jam up overnight if Britain leaves the European Union without a trade deal and border controls and food safety checks are introduced. Just one truck driver showing up at the docks without the proper paperwork and being forced to turn around in the cramped dockside “could throw it all into chaos,” says Gert Mulder of the Dutch Fresh Produce Center. Fears are growing in the Netherlands, a major exporter to Britain and gateway to and from Europe through its ports, about the potential consequences of the lack of a Brexit deal, as EU and British negotiators hold frantic talks to seal a deal.

22. Top 10 Global Supply Chains

The top 10 2018 supply chain champions are: 1. Unilever; 2. Inditex; 3. Cisco Systems; 4. Colgate-Palmolive; 5. Intel; 6. Nike; 7. Nestlé; 8. PepsiCo; 9. H&M; 10. Starbucks

23. Remarks from Chair and CEO, Scott Streiner, to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, October 22, 2018

CEO, Scott Streiner provided an overview of the Canadian Transportation Agency's (CTA) accessibility-related responsibilities and activities as part of the committee's hearings into Bill C-81, the proposed *Accessible Canada Act*. The CTA's vision is to make Canada's national transportation system the most accessible in the world and major steps are being taken to translate that vision into reality. First, in 2016, the CTA's Centre of Expertise for Accessible Transportation – which serves as the hub of activity within and beyond the CTA for all matters related to the removal of barriers to persons with disabilities in the national transportation system was established. Second, following two years of consultation with disability rights organizations and industry, new accessible transportation regulations that will integrate two existing regulations and six voluntary codes into a single, strong, binding instrument we're drafted. Third, a multi-stakeholder forum and technical working group focused on the significant and growing challenges associated with the transportation and storage of wheelchairs and other mobility devices on aircraft was drafted. Fourth, together with partners in Global Affairs Canada and Transport Canada, the CTA spearheaded efforts to give accessible air travel more prominence within the International Civil Aviation Organization (ICAO). The CTA is ready to implement Bill C-81, should it be passed.

24. Making Ontario Open for Business Act would remove job-killing burdens

Ontario's Government for the People is taking concrete measures to make Ontario open for business, grow the economy and help create and protect good jobs across the province. The *Making Ontario Open for Business Act*, if passed by Ontario's Legislature, will enable more Ontario employers to boost job creation and investment by cutting unnecessary regulations that are inefficient, inflexible and out of date, while maintaining standards to keep Ontarians safe and healthy. The *Making Ontario Open for Business Act*, if passed, will also address the backlog in Ontario's skilled trades by replacing Ontario's outdated model with a one-to-one journey person-to-apprentice ratio for every trade for which ratios apply, thereby better aligning Ontario with other provinces and territories. The government will continue to systematically review Ontario's stock of regulations, then streamline, modernize and, in some cases, eliminate unnecessarily complicated, outdated or duplicative regulations.

25. Exhausted workers a danger on land, sea and air, transportation board warns

Fatigue is prevalent in rail, marine and air transportation, the Transportation Safety Board reported on October 29, 2018, and it called for “profound change” including views held by management and workers. The federal agency responsible for investigating transportation incidents said that fatigue poses dangers for freight-train, marine and air operations as it released its annual safety report. Transportation crews often work long and irregular hours, frequently in multiple time zones and challenging conditions, the TSB says. The agency has found fatigue to be a risk or contributing factor in more than 90 investigations since 1992 and in its new report it says the U.S. National Transportation Safety Board cited pilot fatigue as a reason why an Air Canada plane nearly landed on a taxiway in San Francisco in July 2017.

26. Minister Garneau's statement on the Transportation Safety Board of Canada's Watchlist

The Minister of Transport welcomed the publication of the Transportation Safety Board 2018 Watchlist. He said “I am pleased to see that the hard work done by Transport Canada has resulted in good progress on many fronts since the last edition in 2016”. This has resulted in the removal of issues from the Watchlist that appeared in 2016 for example: 1) Unstable approaches; 2) On-board voice and video recorders; and 3) Transportation of flammable liquids by rail. “There are other important issues on the Watchlist that the department continues to address. Among those are: fatigue of transportation workers; and improving safety management and oversight in all modes. Regarding the former, new pilot fatigue rules to make air travel safer for Canadians, are being proposed with the intent of publishing the final regulations in the *Canada Gazette, Part II*, in 2018 and a Notice of Intent for amending current hours of work requirements for rail is

being published. Regarding the latter Phase 2 of the *Fishing Vessel Safety Regulations is being developed*. He said "Safety and security are my top priorities, and I share the Transportation Safety Board's goal of continuously looking for ways to improve the safety of Canada's transportation system."

27. The Economist: IMO 2020 will spur global warming and cut US GDP 3pc

Studies show that burning heavy marine fuel with sulphur emissions actually slows global warming because the cooling effect of sulphur outweighs the warming effects of carbon dioxide, reports *The Economist* of London. Scientists at the Centre for International Climate and Environmental Research in Oslo calculated that shipping in net terms reduced man-made warming by seven per cent in 2000, said the prestigious British newspaper. The UN's International Maritime Organisation's (IMO) new rules will undo much of this effect. The paper in *Nature Communications* found that the use of lower-sulphur fuels after 2020 would reduce the cooling effect from shipping by 80 per cent. "The IMO does not accept that this might kill more people in the longer term than the number who succumb each year to air pollution," said *The Economist*.