

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Air Canada Vacations' Black Friday Sale Sets New Single-Day Record for Vacation Package Bookings

Air Canada Vacations' 2018 Black Friday sale recently set a record for the highest single-day sales in the company's 38-year history. On Nov. 23, 2018, Air Canada Vacations achieved an increase of more than 300% in bookings compared to a normal booking day, with Canadians booking vacation packages from sunny beach destinations in the Caribbean and Mexico, to the vibrant cities and landscapes in Canada, the USA and Europe.

### 2. Plan your escape to Myrtle Beach with Porter's seasonal service

Porter Airlines' has begun its seasonal service to Myrtle Beach, beginning February 13, to May 19, 2019. Tickets are available now through [www.flyporter.com](http://www.flyporter.com) or your travel agent. Porter offers non-stop flights directly from Billy Bishop Toronto City Airport. Flights operate twice weekly on Wednesdays and Saturdays, with added frequency during March Break.

### 3. Monthly civil aviation statistics, September 2018

The six Canadian Level I air carriers flew 6.9 million passengers on scheduled and charter services in September 2018, up 6.3% from September 2017 and continuing the upward year-over-year monthly trend that began in April 2014. Traffic increased 9.1% year over year to 19.7 billion passenger-kilometres in September 2018. Capacity rose 8.8% to 24.0 billion available seat-kilometres. This resulted in a slightly higher passenger load factor in September (82.3%) compared with the same month a year earlier (82.1%), as the increase in demand for travel was stronger than the rise in capacity. Total operating revenue increased 10.4% from the same month a year earlier to \$2.1 billion in September.

### 4. Aircraft movement statistics: Major airports, September 2018

There were 510,006 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations in September 2018, compared with 506,031 movements in September 2017. A rise in local movements (flights that remain in the vicinity of the airport) contributed to the year-over-year increase, while itinerant movements (flights from one airport to another) were down slightly. Local movements rose 3.9% to 144,154, and itinerant movements decreased 0.4% to 365,852.

### 5. Canada, UK conclude agreement to maintain flights to support the air transport, tourism and trade sectors

The Honourable Marc Garneau, Minister of Transport, on December 1, 2018 announced the successful conclusion of a new Open Skies-type air transport agreement between Canada and the United Kingdom. The new agreement will allow any number of Canadian and British air carriers to operate between both countries, and gives those airlines full flexibility

## AIR TRANSPORTATION Canada

1. Air Canada Vacations' Black Friday Sale Sets New Single-Day Record for Vacation Package Bookings, November 29, 2018, [www.aircanada.ca](http://www.aircanada.ca)

2. Plan your escape to Myrtle Beach with Porter's seasonal service, November 29, 2018, [www.flyporter.com](http://www.flyporter.com)

3. Monthly civil aviation statistics, September 2018, November 29, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

4. Aircraft movement statistics: Major airports, September 2018, November 29, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

5. Canada, UK conclude agreement to maintain flights to support the air transport, tourism and trade sectors, December 1, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

6. Air Canada Commends the Canadian and U.K. Governments for Negotiating a New Bilateral Air Services Agreement, December 1, 2018, [www.aircanada.ca](http://www.aircanada.ca)

7. WestJet signs long-term extension of Mastercard agreement, November 30, 2018, [www.westjet.ca](http://www.westjet.ca)

8. Air Canada's Latest Maple Leaf Lounge Opens in New York-LaGuardia Airport's New Terminal, December 4, 2018, [www.aircanada.ca](http://www.aircanada.ca)

9. WestJet Investor Day provides targets for 2019-2022, December 3, 2018, [www.westjet.ca](http://www.westjet.ca)

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12. Air Freight Marks Modest Growth in October, Up 3.1%, December 5, 2018, [www.iata.org](http://www.iata.org)

13. Government of Canada investing in safety at Moosonee Airport, December 5, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

14. ATAC Appears Before TRAN Standing Committee, December 5, 2018, [www.atac.ca](http://www.atac.ca)

15. Passenger Demand Rebounds in October, October 6, 2018, [www.iata.org](http://www.iata.org)

16. Aircraft movement statistics: Small airports, August 2018, December 6, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

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

on route selection (including via third countries), frequency of service, and pricing. The agreement also includes unrestricted rights for all-cargo services as well as code-share services (when an air carrier sells seats on a flight operated by another carrier). The new agreement will take effect when the United Kingdom is no longer covered by the Canada-European Union Comprehensive Air Transport Agreement.

#### **6. Air Canada Commends the Canadian and U.K. Governments for Negotiating a New Bilateral Air Services Agreement**

Air Canada on December 1, 2018 said that it welcomes a new air services agreement reached between Canada and the U.K. to provide for the uninterrupted continuation of air transport services after the U.K. leaves the European Union post-Brexit. "The U.K. is Air Canada's largest single international market. This agreement is important as it provides our airline, and the 2 million Air Canada customers we carry each year between the two countries, certainty that our operations will be uninterrupted by Brexit. We applaud both governments for their foresight in making advance preparations to ensure the stability of this vital market," said Ferio Pugliese, Senior Vice President, Regional Markets and Government Relations at Air Canada.

#### **7. WestJet signs long-term extension of Mastercard agreement**

Amid the turbulent loyalty landscape in Canada, WestJet on November 30, 2018 announced the long-term extension of its partnership agreement with Mastercard on its travel rewards credit card, WestJet RBC Mastercard.

#### **8. Air Canada's Latest Maple Leaf Lounge Opens in New York-LaGuardia Airport's New Terminal**

Air Canada on December 4, 2018 unveiled its newest Maple Leaf Lounge at LaGuardia Airport in New York City. The new lounge, conveniently located after security near Air Canada's gates, is the first airline lounge to open in the new Terminal B Eastern Concourse. It features popular amenities, including refreshments and a business centre, so eligible customers can relax or make the most of their workday before their flight.

#### **9. WestJet Investor Day provides targets for 2019-2022**

WestJet on December 3, 2018 provided 2019 to 2022 targets at its Investor Day held in Toronto. In 2019, WestJet expects to expand margins through a combination of improved revenue performance, a continued focus on cost control and a prudent approach to capacity management. For the full year of 2019, RASM (revenue per available seat mile) is expected to be in the range of up 2.0 per cent to 4.0 per cent year over year driven by solid demand and strength in the core WestJet business. In 2019, WestJet continues to expect system-wide capacity growth of between 6.5 and 8.5 per cent and domestic capacity growth of between 1.0 and 3.0 per cent. Growth in 2019 is attributed to the launch of transatlantic service on the airline's new Boeing 787 Dreamliner and the incremental capacity associated with Swoop increasing to ten aircraft. For the full-year 2019, capital expenditures are expected to be between \$1.0 billion and \$1.2 billion.

#### **10. Government of Canada investing in safety at Fort Chipewyan Airport**

The Honourable Marc Garneau, Minister of Transport, on December 4, 2018 announced a \$1.588 million investment to rehabilitate the airfield lighting system at the Fort Chipewyan Airport in Alberta. Funding comes from Transport Canada's Airports Capital Assistance Program (ACAP).

17. UK and Canada wrap up open skies agreement ahead of Brexit, December 7, 2018, [www.transportweekly.com](http://www.transportweekly.com)

18. Minister Garneau marks International Civil Aviation Day, December 7, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

19. WestJet reports November load factor of 81.0 per cent, December 10, 2018, [www.westjet.ca](http://www.westjet.ca)

20. Halifax airport operations normalize after Boeing 747 runway overshoot, December 10, 2018, [www.ctl.ca](http://www.ctl.ca)

21. Third Quarter 2018 U.S. Airline Financial Data, December 10, 2018, [www.bts.gov](http://www.bts.gov)

22. oneworld receives sixth 'best airline alliance' of the year, December 11, 2018, [www.ajot.com](http://www.ajot.com)

23. Government of Canada investing in safety at Tofino-Long Beach Airport, December 10, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

24. Swissport first air cargo handler in Canada with CEIV Pharma certification, December 11, 2018, [www.ctl.ca](http://www.ctl.ca)

25. Cautious Optimism Extends into 2019 - Airlines Heading for a Decade in the Black, December 12, 2018, [www.iata.org](http://www.iata.org)

26. Remarks of Alexandre de Juniac at Global Media Day, December 12, 2018, [www.iata.org](http://www.iata.org)

27. 'David and Goliath' battle prompted predatory pricing probe into WestJet: Flair CEO, December 12, 2018, [www.nationalpost.ca](http://www.nationalpost.ca)

28. Minister Garneau introduces new fatigue regulations to make air travel safer for all Canadians, December 12, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

29. WestJet comment on flight crew fatigue regulations, December 12, 2018, [www.westjet.ca](http://www.westjet.ca)

30. They've arrived - WestJet's 2018 Rewards tier enhancements are here, December 12, 2018, [www.westjet.ca](http://www.westjet.ca)

31. Air fares, second quarter 2018, December 12, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

32. IATA Launches Platform Enabling Airlines to Share Turbulence Data, December 12, 2018, [www.iata.org](http://www.iata.org)

33. Estimated November 2018 U.S. Airline Traffic Data, December 13, 2018, [www.bts.gov](http://www.bts.gov)

34. E-commerce driving growth for global air cargo market: IATA, December 13, 2018, [www.ctl.ca](http://www.ctl.ca)

35. DOT Advises Air Travelers and Colleges About Tour Packages to College Bowl Games, December 14, 2018, [www.dot.gov](http://www.dot.gov)

36. Arrival Gate Pop-Ups Treat Travellers with Warm Welcomes Around the World, December 14, 2018, [www.aicanada.ca](http://www.aicanada.ca)

37. Minister Garneau responds to Transportation Safety Board

### 11. WestJet brings Australia closer

WestJet on December 4, 2018 announced that it has expanded its codeshare relationship with Qantas by placing its WS code and flight numbers on Qantas-operated flights between Los Angeles and Sydney, Melbourne and Brisbane. Brian Znotins, WestJet Vice-President, Network Planning and Alliances said "Canada's favourite airline, WestJet, welcomes this deepened relationship with Qantas. Expanding our partnership with Qantas provides our guests greater global travel options and aligns with the new premium products and services WestJet is developing as we continue our evolution to a global network airline."

### 12. Air Freight Marks Modest Growth in October, Up 3.1%

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), rose 3.1% in October 2018, compared to the same period the year before. This pace of growth was up from a 29-month low of 2.5% in September. Freight capacity, measured in available freight tonne kilometers (AFTKs), rose by 5.4% year-on-year in October 2018. This was the eighth month in a row that capacity growth outstripped demand.

### 13. Government of Canada investing in safety at Moosonee Airport

The Honourable Marc Garneau, Minister of Transport, on December 5, 2018 announced a \$282,900 investment to purchase a loader and attachments which will assist with the removal of snow and ice from runways, taxiways and the apron at the Moosonee Airport. The funding comes from Transport Canada's Airports Capital Assistance Program (ACAP). Since the ACAP started in 1995, the Moosonee Airport has received more than \$16.6 million in funding for 16 safety projects, including the rehabilitation and resurfacing of the runway and the purchase of snow clearing equipment and vehicles.

### 14. ATAC Appears Before TRAN Standing Committee

On Dec 4, 2018, Air Transport Association of Canada (ATAC) appeared before the House of Commons' Standing Committee on Transport, Infrastructure, and Communities to discuss the challenges faced by flight schools in Canada. We delivered the message that support for students and support for flight schools is critical as we continue to face a shortage of labour in the aviation workforce. First and foremost, we ask for assistance in providing funding to student pilots. We also ask that government support flight schools with the capital purchases they need to increase their capacity to train new pilots. The committee seemed receptive to these recommendations and we look forward to working with government to make them a reality in the new year.

### 15. Passenger Demand Rebounds in October

The International Air Transport Association (IATA) announced global passenger traffic results for October 2018 showing that demand (measured in revenue passenger kilometers, or RPKs) rose 6.3% compared to the same month last year. This marked a rebound from 5.5% growth recorded in September 2018, which was an eight-month low. Capacity also grew 6.3% and load factor was flat at 81.1%, matching last year's record for the month. Alexandre de Juniac, IATA's Director General and CEO said "October's healthy performance is reassuring after the slower demand growth in September—some of which was attributable to weather-related disruptions. However, the bigger picture is that traffic growth has moderated compared to earlier in the year, reflecting a more mixed economic backdrop and reduced demand stimulation from lower fares."

### 16. Aircraft movement statistics: Small airports, August 2018

Take-offs and landings at 128 Canadian airports without air traffic control towers totalled 66,444 movements in August 2018. Ten airports accounted for 35.7% of the month's activity: Peterborough, Ontario (4,279 movements); Goose Bay, Newfoundland and Labrador (2,752); Trois-Rivières, Quebec (2,723); Barrie–Orillia–Lake Simcoe Regional, Ontario (2,645); Red Lake, Ontario (2,067);

recommendations made during investigation of 2017 West Wind Aviation accident, December 14, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

38. Air Travel Consumer Report: October 2018 Numbers, December 14, 2018, [www.dot.gov](http://www.dot.gov)

39. Government of Canada takes major step to provide Canadians with new air passenger protection rights, December 17, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

40. Proposed Air Passenger Protection Regulations to be published in Part I of the Canada Gazette, December 17, 2018, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

41. Air Canada is Overwhelmingly Preferred by Business Travellers, December 17, 2018, [www.aircanada.ca](http://www.aircanada.ca)

42. Aircraft movement statistics: Major airports, October 2018, December 19, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

43. U.S. Transportation Secretary Elaine L. Chao Announces \$205 Million in Funding for Airport Infrastructure, December 19, 2018, [www.dot.gov](http://www.dot.gov)

44. Air Canada Strengthens Liquidity Position by \$345 Million with Completion of Two Financial Transactions, December 21, 2018, [www.aircanada.ca](http://www.aircanada.ca)

45. Monthly civil aviation statistics, October 2018, December 21, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

46. WestJet, Swoop and ALPA receive arbitrator's award on first collective agreement for pilots, December 21, 2018, [www.westjet.ca](http://www.westjet.ca)

47. WestJet sets new record for guests flown, December 21, 2018, [www.westjet.ca](http://www.westjet.ca)

48. Acquisition of Aeroplan Loyalty Business by Air Canada Clears Regulatory Requirements, December 24 2018, [www.aircanada.ca](http://www.aircanada.ca)

Drummondville, Quebec (1,974); Dryden Regional, Ontario (1,898); Muskoka, Ontario (1,864); Comox, British Columbia (1,842); and Sherbrooke, Quebec (1,662).

#### **17. UK and Canada wrap up open skies agreement ahead of Brexit**

Canada and the United Kingdom have concluded an open skies agreement in readiness for the UK's imminent exit from the European Union. The UK is Canada's third largest two-way air travel market. The latest agreement is one of a number already reached by the UK's Department for Transport (DfT) with other countries, including the US. The open skies deal will replace the existing EU aviation agreement with Canada as the UK continues to "cement global ties" in readiness for future global trading relationships outside of the EU, London's Air Cargo News reported.

#### **18. Minister Garneau marks International Civil Aviation Day**

The Honourable Marc Garneau, Minister of Transport, issued this statement on December 7, 2018 to mark International Civil Aviation Day: "International civil aviation brings people together and underpins global socio-economic development. This year's theme for International Civil Aviation Day, "Working Together to Ensure No Country is Left Behind" highlights the capacity-building that is essential to ICAO's mission. As always, Canada stands ready to work with ICAO and other member states to support countries in meeting international aviation standards. "Canada is also proud to support the adoption of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), and to work toward its implementation to ensure that global aviation growth is done in a sustainable manner.

#### **19. WestJet reports November load factor of 81.0 per cent**

On December 10, 2018, WestJet announced November 2018 traffic results with a load factor of 81.0 per cent, a decrease of 1.4 percentage points year over year. Revenue passenger miles (RPMs), or traffic, increased 3.1 per cent year over year, while capacity, measured in available seat miles (ASMs), grew 4.9 per cent over the same period. WestJet welcomed an additional 33,000 guests in November 2018, a year over year increase of 1.7 per cent. Year to date traffic growth continues to outpace capacity additions. Ed Sims, WestJet President & CEO said "We achieved our third highest November load factor as capacity growth slowed in-line with previously disclosed adjustments. I want to thank every individual WestJetter for providing our guests with a safe and remarkable travel experience through the busy upcoming holiday season."

#### **20. Halifax airport operations normalize after Boeing 747 runway overshoot**

The Halifax Stanfield International Airport has resumed normal operations a month after a plane overshoot a runway, taking out navigational equipment and leaving a trail of debris in its wake. On Nov. 7, a Boeing 747 cargo jet overshoot the airport's secondary runway and came close to crashing through the airport's fence. Still to be replaced are some approach lighting towers, which help guide pilots to the runway, but airport spokeswoman Theresa Rath Spicer said they aren't affecting operations.

#### **21. Third Quarter 2018 U.S. Airline Financial Data**

The US Bureau of Transportation Statistics released financial data for the third quarter of 2018 for US scheduled airlines. For 21 US scheduled airlines: 1) net income was \$3.8 billion in 3Q 2018 (22nd consecutive quarterly after-tax net profit), up from \$3.4 billion in 2Q 2018 and up from \$3.7 billion in 3Q 2017; 2) pre-tax operating profit of \$5.3 billion in 3Q 2018 (30th consecutive quarterly pre-tax operating profit), down from \$5.5 billion in 2Q 2018; and down from \$6.3 billion in 3Q 2017; 3) total operating revenue: \$49.3 billion (\$36.8 billion from fares, 74.7 percent of total third-quarter operating revenue; \$1.3 billion in baggage fees, 2.6 percent of total operating revenue; and \$673.0 million from reservation change fees, 1.4 percent of total operating revenue); and 4) Total operating expenses: \$44.0 billion (fuel costs accounted for \$9.4 billion, 21.4 percent of total operating expenses and labor costs accounted for \$14.3 billion, 32.5 percent of total operating expenses).

#### **22. oneworld receives sixth 'best airline alliance' of the year**

oneworld has received its sixth best airline alliance award of 2018 – twice as many as its competitor global airline alliances combined. Its latest honour comes from World Travel Awards, which has named oneworld the World's Leading Airline Alliance – for the 16th year running. Earlier this month, oneworld was named Best Airline Alliance, for the ninth year running, by *Global Traveler* in its 2018 GT Tested Reader Survey – and, for the fourth consecutive year, oneworld was also judged Best Airline Alliance in *Business Traveler* North America's 2018 Best in Business Travel Awards.

#### **23. Government of Canada investing in safety at Tofino-Long Beach Airport**

The Honourable Marc Garneau, Minister of Transport, on December 10, 2018 announced a \$164,800 investment for the purchase of a wet/dry material spreader at the Tofino-Long Beach Airport. The spreader is used to control ice and improve friction on runways for safe aircraft landings during winter conditions.

This is in addition to an investment of \$5,429,640 announced earlier this year for the rehabilitation of the taxiways and apron at the Airport.

#### **24. Swissport first air cargo handler in Canada with CEIV Pharma certification**

Swissport International AG is adding Montreal to its network of CEIV Pharma certified cargo warehouses. The global leader of airport ground services and cargo handling for the aviation industry has received the certification as the first air cargo handler in Canada.

#### **25. Cautious Optimism Extends into 2019 - Airlines Heading for a Decade in the Black**

The International Air Transport Association (IATA) forecasts the global airline industry net profit to be \$35.5 billion in 2019, slightly ahead of the \$32.3 billion expected net profit in 2018 (revised down from \$33.8 billion forecast in June). Highlights of expected 2019 performance include: 1) Overall industry revenues are expected to reach \$885 billion (+7.7% on \$821 billion in 2018); 2) Passenger numbers are expected to reach 4.59 billion (up from 4.34 billion in 2018); 3) Cargo tonnes carried are expected to reach 65.9 million (up from 63.7 million in 2018); 4) Slower demand growth for both passenger traffic (+6.0% in 2019, +6.5% in 2018) and cargo (+3.7% in 2019, +4.1% in 2018).

#### **26. Remarks of Alexandre de Juniac at Global Media Day**

Alexandre de Juniac CEO of IATA in his speech on *Global Media Day* addressed a number of issues affecting airlines: safety, sustainability, infrastructure, air traffic management and airports. His closing remarks indicated how special aviation is: "1) Economically it is a critical enabler of the global economy-- supporting nearly 66 million jobs and underpinning 3.6% of global GDP with an economic impact of \$2.7 trillion annually. 2) And our recent polling revealed that nearly half of travelers consider air travel to be exciting—with more than a third even saying that it is glamorous. 3) As I said at the beginning, for me aviation is really the business of freedom— which becomes even more meaningful as we enter this busy holiday travel period to reunite with family and friends!"

#### **27. 'David and Goliath' battle prompted predatory pricing probe into WestJet: Flair CEO**

Flair Airlines chief executive Jim Scott says predatory pricing and scheduling by rival WestJet Airlines Ltd. placed his budget carrier in jeopardy, as a "David and Goliath" battle over the past six months has culminated in an investigation by Canada's competition watchdog. On December 12, 2018, the Federal Court of Canada's chief justice ordered a WestJet vice-president to appear before the Competition Bureau to explain the airline's tactics, the latest development in a probe launched in the fall. Scott said WestJet and low-cost offshoot Swoop used anti-competitive practices to crowd out Flair from several smaller markets including Saskatoon, Thunder Bay, and Kamloops.

#### **28. Minister Garneau introduces new fatigue regulations to make air travel safer for all Canadians**

On December 12, 2018, the Honourable Marc Garneau, Minister of Transport, announced changes to the Canadian Aviation Regulations to improve air travel safety for passengers and flight crews. The changes to the Canadian Aviation Regulations introduce: Prescribed flight and duty time limits that respect modern fatigue science and international standards to limit the amount of time a crew member can be on the job; and Fatigue Risk Management Systems that will allow operators the flexibility to set flight hours based on their unique operations if they can demonstrate that alertness and safety will not be affected. The new regulations apply to commercial transport services in Canada, which include: major Canadian airline operators (subpart 705 of the Canadian Aviation Regulations); and smaller and regional operators (subparts 703 and 704 of the Canadian Aviation Regulations).

#### **29. WestJet comment on flight crew fatigue regulations**

WestJet on December 12, 2018 provided the following comment on federal Transport Minister Marc Garneau's flight crew fatigue regulations. "The safety of our guests and our crew is of utmost importance," said Scott Wilson, WestJet Vice-President, Operations. "We welcome the Minister's announcement outlining the move to new flight and duty time regulations. Utilizing scientific principles on fatigue will provide prevention and mitigation while aligning with international standards and best practices."

#### **30. They've arrived - WestJet's 2018 Rewards tier enhancements are here**

WestJet on December 12, 2018 announced its newest WestJet Rewards tier Platinum and enhancements to the Rewards program are here in time for the holidays. Starting immediately, WestJet Rewards Platinum, Gold and Silver tiers will make it easier for members to get even more value from WestJet's frequent flyer program. Milestone awards will be issued more frequently, and WestJet Vacations packages will also be added towards qualifying spend.

#### **31. Air fares, second quarter 2018**

Base air fares in Canada, domestic and international combined, averaged \$221.40 in the 2018 second quarter, down 4.0% from the same quarter of 2017 and reversing the upward trend of the previous four

quarters. This was the lowest level since the fourth quarter of 2016, when base air fares averaged \$220.70. 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 down 3.9% year over year to \$161.20 in the second quarter, while the average international fare fell 5.3% to \$283.00. The decline in the international sector marked the first decrease since the first quarter of 2017.

### **32. IATA Launches Platform Enabling Airlines to Share Turbulence Data**

The International Air Transport Association (IATA) launched its Turbulence Aware data resource to help airlines avoid turbulence when planning routes tactically in flight. Turbulence Aware augments an airline's ability to forecast and avoid turbulence by pooling and sharing (in real time) turbulence data generated by participating airlines.

### **33. Estimated November 2018 U.S. Airline Traffic Data**

U.S. airlines' carried an estimated 74.1 million systemwide (domestic and international) scheduled service passengers, seasonally-adjusted, in November 2018, virtually unchanged from the October estimate, according to a Bureau of Transportation Statistics' (BTS) first estimate. Year-to-year the change was 2.7 per cent. Systemwide load factor (82.5) was estimated down 2.6 points from the all-time seasonally-adjusted high (85.1) reported in July 2018.

### **34. E-commerce driving growth for global air cargo market: IATA**

Demand growth is expected to slow in 2019 due to a weaker world trade environment, which has been impacted by increasing protectionism, with tonnage predicted to reach nearly four per cent, according to the International Air Transport Association (IATA). The prediction was made at the association's annual cargo media, held at its headquarters in Geneva, Switzerland, attended by *Canadian Shipper*. IATA is predicting that, following an increase of 4.1 per cent in 2018, growth will slow to 3.7 per cent to 65.9 million tonnes, the slowest pace since 2016. Cargo yields are expected to grow two per cent, well below the "exceptional" 10 per cent growth in 2018. IATA says this continues to the recent strengthening of the cargo business since cost increases are lower. Overall cargo revenues are expected to reach \$116.1 billion in 2019, up from \$109.8 billion in 2018.

### **35. Minister Garneau responds to Transportation Safety Board recommendations made during investigation of 2017 West Wind Aviation accident**

On December 14, 2018, the Honourable Marc Garneau, Minister of Transport, issued the following statement about the Transportation Safety Board of Canada's recommendations made during its investigation into the fatal West Wind Aviation accident that occurred on December 13, 2017 at Fond-du-Lac, Saskatchewan: ... "... At my direction, Transport Canada is conducting a thorough review of the two recommendations made today and will provide a formal response to the Board within the required 90-day period. Given the seriousness of the issue, I took immediate action and I have instructed the department to look at the de-icing situation on an urgent basis. Transport Canada takes recommendations from the Transportation Safety Board very seriously as the department shares the Board's goal of enhancing aviation safety."

### **36. Arrival Gate Pop-Ups Treat Travellers with Warm Welcomes Around the World**

Once again this year Air Canada is making traveller's homecomings memorable around the world. Reunions were a little sweeter, hugs were a little tighter and smiles were a little wider at arrival gates this holiday season thanks to surprise pop-up boutiques from Air Canada in Toronto, Vancouver, Montreal, Washington and Tokyo airports. Air Canada pilots and flight attendants offered gifts, including giant teddy bears, balloons and flowers to arriving customers on select flights. Some lucky travellers were also surprised with free tickets to help shorten the time between visits with their family and friends.

### **37. DOT Advises Air Travelers and Colleges About Tour Packages to College Bowl Games**

The U.S. Department of Transportation is reminding consumers going to college bowl games and other special events not to make a payment for a special event air tour package without obtaining either the ticket to the bowl game or other special event or a written confirmation that a ticket to the event is included. Colleges and other organizations are advised that there are DOT requirements on how to properly arrange charter flights to bowl games, basketball tournament games, or other special events.

### **38. Air Travel Consumer Report: October 2018 Numbers**

The U.S. Department of Transportation (DOT) on December 14, 2018 released its December 2018 Air Travel Consumer Report (ATCR) on marketing and reporting air carrier data compiled for the month of October 2018. The full consumer report and other aviation consumer matters of interest to the public can

be found at <http://www.transportation.gov/airconsumer>. Some of the dimensions of airlines statistics are indicated hereafter. In October 2018, marketing carriers posted an *on-time arrival rate* of 82.3 percent, up from the 81.9 percent on-time rate in September 2018. In October 2018, airlines reported two *tarmac delays* of more than three hours on domestic flights, a significant decrease from the 11 such tarmac delays reported in September 2018, and no tarmac delays reported in October 2017. In October 2018, airlines reported one tarmac delay of more than four hours on international flights, compared to two such tarmac delays reported in September 2018 and two tarmac delays reported in October 2017. In October 2018, the reporting carriers posted a *mishandled baggage rate* of 2.35 reports per 1,000 passengers, a lower rate than 2.44 in September 2018, but up from October 2017's rate of 2.04.

#### **39. Government of Canada takes major step to provide Canadians with new air passenger protection rights**

The Honourable Marc Garneau, Minister of Transport, on December 17, 2018 announced that the Government of Canada is one step closer to providing Canadians with important new air passenger protection rights. The Canadian Transportation Agency's proposed air passenger protection regulations will be published in the Canada Gazette Part I on December 22, 2018, for a final 60-day public comment period.

#### **40. Proposed Air Passenger Protection Regulations to be published in Part I of the Canada Gazette**

The Canadian Transportation Agency (CTA) on December 17, 2018 announced proposed *Air Passenger Protection Regulations*. Once in force, the regulations will establish airlines' minimum obligations toward passengers – including standards of treatment and in some circumstances, minimum compensation – for flights to, from and within Canada. Highlights of the proposed regulations include: 1) A requirement that airlines communicate in a simple, clear way with passengers regarding their rights and recourses, and provide the reasons for flight delays and cancellations; 2) The obligation for airlines to provide passengers with food, drink, and accommodation when their flights are delayed; 3) Compensation of up to \$1,000 for flight delays and cancellations within an airline's control that are not safety-related; 4) Compensation of up to \$2,400 if a passenger is denied boarding because an airline has over-booked the flight or because of other actions within an airline's control; 5) Rebooking and refund entitlements when flights are delayed, including, in some cases, the obligation for an airline to use a competing airline to get passengers to their destination; 6) A requirement that passengers be allowed to leave the airplane, when it's safe to do so, if a tarmac delay lasts for over three hours and there's no prospect of an imminent take-off; 7) A requirement that airlines facilitate the seating of children under 14 years in close proximity to an accompanying adult, at no extra charge; 8) Compensation for lost or damaged baggage, including a refund of any baggage fees; 9) Clarity on the policies that airlines must establish regarding the transportation of musical instruments; and 10) Administrative monetary penalties of up to \$25,000 for airlines' non-compliance with their obligations under these regulations.

#### **41. Air Canada is Overwhelmingly Preferred by Business Travellers**

Air Canada is the preferred airline for domestic travel for 92 per cent of frequent business travellers, according to the Ipsos Reid 2018 Canadian Business Traveller Survey. The national study determined Air Canada is the only Canadian airline to see a consistent increase in preference and in usage for the past five years.

#### **42. Aircraft movement statistics: Major airports, October 2018**

There were 500,410 aircraft take-offs and landings at the 91 Canadian airports with NAV CANADA air traffic control towers and flight service stations in October 2018 compared with 479,630 movements in October 2017. A rise in both itinerant movements (flights from one airport to another) and local movements (flights that remain in the vicinity of the airport) contributed to the year-over-year increase. Itinerant movements were up 1.4% to 348,571 while local movements grew 11.8% to 151,839.

#### **43. U.S. Transportation Secretary Elaine L. Chao Announces \$205 Million in Funding for Airport Infrastructure**

U.S. Department of Transportation Secretary Elaine L. Chao on December 19, 2018 announced that the Federal Aviation Administration (FAA) has awarded \$205 million in supplemental funding for infrastructure grants to small airports in 34 states. More than half of these airports serve rural communities and mostly general aviation. This funding is in addition to the \$3.31 billion already awarded in regular Airport Improvement Program (AIP) funding during fiscal year 2018.

#### **44. Air Canada Strengthens Liquidity Position by \$345 Million with Completion of Two Financial Transactions**

Air Canada announced December 21, 2018 that it has completed two separate banking transactions in December 2018 which together have increased Air Canada's revolving lines of credit by approximately \$600 million and overall liquidity by approximately \$345 million.

#### **45. Monthly civil aviation statistics, October 2018**

The six Canadian Level I air carriers flew 6.6 million passengers on scheduled and charter services in October 2018, up 5.3% from October 2017 and continuing the upward year-over-year monthly trend that began in April 2014. Traffic increased 8.6% year over year to 17.2 billion passenger-kilometres in October 2018. Capacity rose 7.3% to 21.2 billion available seat-kilometres. This resulted in a higher passenger load factor in October (81.4%) 2018 compared with the same month a year earlier (80.3%), as the increase in demand for travel was stronger than the rise in capacity. Total operating revenue increased 13.4% from the same month a year earlier to \$1.9 billion in October 2018.

#### **46. WestJet, Swoop and ALPA receive arbitrator's award on first collective agreement for pilots**

WestJet on December 21, 2018 said that it has received the award of the arbitrator, Mr. William Kaplan, in the interest arbitration between WestJet, Swoop and the Air Line Pilots Association (ALPA). The arbitrator's award, which is binding on all parties, follows mediated negotiations and formal arbitration hearings that have taken place since May 2018. The award sets the terms for the first collective agreement including all outstanding terms and conditions of employment for pilots at WestJet and Swoop.

#### **47. WestJet sets new record for guests flown**

As the busy holiday travel season continues, WestJet on December 21, 2018 set a new record for guests flown in a single day for the fourth time this year. The group, including WestJet, WestJet Encore, Swoop and WestJet Link flew 82,618 guests, surpassing the previous record of 80,219 guests set on August 7, 2018.

#### **48. Acquisition of Aeroplan Loyalty Business by Air Canada Clears Regulatory Requirements**

Air Canada on December 24, 2018 announced that the acquisition of Aimia Inc.'s ("Aimia") Aeroplan loyalty business has cleared regulatory requirements, following the receipt of the required confirmation under the *Canada Transportation Act* and a "no action letter" issued by the Canadian Competition Bureau. This follows the conclusion of the definitive share purchase agreement with Aimia for the acquisition of Aimia Canada Inc. ("Aimia Canada"), owner and operator of the Aeroplan loyalty business.

## **WATER TRANSPORTATION**

### **1. Government of Canada takes additional steps to support recovery of the Southern Resident Killer Whales in the Salish Sea**

On November 29, 2018, the Honourable Marc Garneau, Minister of Transport, announced additional measures to support the recovery of endangered whale populations. A contract for an underwater listening station with "hydrophones" will be awarded shortly to a Canadian firm for approximately \$9.5 million. This state of the art hydrophone station will be deployed in the Southern Resident Killer Whale's critical habitat, at Boundary Pass in the Salish Sea. This underwater listening station will detect and measure vessel and ambient noise in shipping lanes serving Canada's busiest port and improve the effectiveness of underwater noise reduction measures. This is in addition to the June 2018, Whales Initiative of \$167.4 million, which increases Transport Canada's research and monitoring of underwater noise and vessel movement.

### **2. Government of Canada provides over \$2.5 million to four British Columbia coastal communities to increase availability of maritime data**

On November 30, 2018, the Honourable Marc Garneau, Minister of Transport announced that over \$2.5 million in funding has been awarded to four coastal communities in British Columbia for their role in a pilot project to develop, test and evaluate a new maritime awareness information system in Canada. The funding will go to the

## **WATER TRANSPORTATION Canada**

1. Government of Canada takes additional steps to support recovery of the Southern Resident Killer Whales in the Salish Sea, November 29, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Government of Canada provides over \$2.5 million to four British Columbia coastal communities to increase availability of maritime data, November 30, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)
3. Government of Canada supports removal of abandoned boats in British Columbia through the Oceans Protection Plan, November 30, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)
4. Cosco to sell Long Beach terminal to dispel US security fears, December 4, 2018, [www.transportweekly.com](http://www.transportweekly.com)
5. US ports: Too much for highways - too little for intermodal ports, December 5, 2018, [www.transportweekly.com](http://www.transportweekly.com)
6. Government of Canada is ensuring Indigenous peoples are well represented through the Oceans Protection Plan, December 5, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)
7. President enacts bill that revises Shipping Act, December 6, 2018, [www.americanshipper.com](http://www.americanshipper.com)
8. Monthly imports reach 2 million containers for first time as retailers continue rush to beat

Council of the Haida Nation and the Gitga'at Nation, who are hosting two pilot projects on the North and Central Coast of British Columbia. Also receiving funding is the T'Sou-ke Nation and the Pacheedaht Nation, as neighbouring nations, who are hosting a shared pilot project on the South Coast of Vancouver Island.

### **3. Government of Canada supports removal of abandoned boats in British Columbia through the Oceans Protection Plan**

On November 30, 2018, the Honourable Marc Garneau, Minister of Transport, announced the most recent applicants to receive funding to support the assessment, removal and disposal of abandoned boats in Canadian waters. Under the Abandoned Boats Program, a total of \$412,475 will be provided to assess one boat and remove 18 in British Columbia. The recipients are: 1. Salish Sea Industrial Services (Victoria) – removal of 17 boats (\$404,350); and 2. Township of Esquimalt – assessment of one boat (\$2,500) and removal of one boat (\$5,625).

### **4. Cosco to sell Long Beach terminal to dispel US security fears**

Cosco is to begin the process of selling its container terminal at the US port of Long Beach this month, according to media reports. The terminal's owner, Chinese investment holding company Orient Overseas International Ltd (OOIL), could receive billions of US dollars for the terminal. The sale, which is expected to close by mid-2019, is required as a condition of OOIL being sold for \$6.3 billion to China Ocean Shipping.

### **5. US ports: Too much for highways - too little for intermodal ports**

Too much federal spending is earmarked for highways and too little for ports' multimodal needs, the American Association of Port Authorities (AAPA) told a US Senate public works committee, reports *American Shipper*. The AAPA, in written testimony to a Senate committee, said all freight programme funding should be 100 per cent multimodal. "Current freight programmes are funded out of the highway trust fund, which means that eligible projects are primarily highway focused," said the AAPA brief. "Highways are important to our freight network, but ports are multimodal facilitators, meaning rail, trucks and ships all need access to ports.

### **6. Government of Canada is ensuring Indigenous peoples are well represented through the Oceans Protection Plan**

On December 5, 2018, the Honourable Marc Garneau, Minister of Transport, announced the new Indigenous and Local Communities Engagement and Partnership Program. This program ensures closer collaboration between the Government of Canada and Indigenous communities by providing funding for longer-term engagement and discussions relating to partnership activities. Applicants can submit their proposals to ensure they are well represented in the development of the Oceans Protection Plan.

### **7. President enacts bill that revises Shipping Act**

A law signed by President Trump this week has provisions designed to protect U.S.-based marine terminal operators and other domestic businesses such as harbor pilots, tug operators and equipment suppliers "from being forced to accept pricing from the ocean carriers in concerted action that will threaten their long-term sustainability and impede future investment in infrastructure and technology," says the law firm Holland & Knight. The legislation was drafted in reaction to consolidation in the global shipping industry as a wave of mergers and acquisitions swept through the container liner industry over the past 20 years and the major East-West trade lanes are now dominated by the three major carrier alliances. The law contains "the first

tariffs, December 7, 2018, [www.ajot.com](http://www.ajot.com)

9. Major Ports register positive growth of 4.83%, December 11, 2018, [www.transportweekly.com](http://www.transportweekly.com)

10. Record iron ore shipments from Canadian Arctic to Europe-Asia, December 11, 2018, [www.transportweekly.com](http://www.transportweekly.com)

11. Minister Garneau announces new regulations to better financially protect marine passengers in the event of marine accidents, December 12, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

12. Trends to watch for ocean shipping in 2019 include collaboration and smart containers, December 12, 2018, [www.ctl.ca](http://www.ctl.ca)

13. Cargo record nears at Port of Long Beach, December 14, 2018, [www.ransportweekly.com](http://www.ransportweekly.com)

14. SC Ports achieves record November, December 13, 2018, [www.ajot.com](http://www.ajot.com)

15. Big risks in liner shipping but potential rewards, December 13, 2018, [www.americanshipper.com](http://www.americanshipper.com)

16. Spore up 8.95pc to 3.01m TEU in '18, Shanghai off 5.2pc to 34.9m, December 17, 2018, [www.transportweekly.com](http://www.transportweekly.com)

17. Oakland shatters 2007 Nov record, December 18, 2018, [www.transportweekly.com](http://www.transportweekly.com)

18. Panama Canal in the Zone, December 17, 2018, [www.inboundlogistics.com](http://www.inboundlogistics.com)

19. Prince Rupert container terminal hits 1M TEU milestone, December 18, 2018, [www.ctl.ca](http://www.ctl.ca)

20. DP World building innovative container terminal, December 18, 2018, [www.americanshipper.com](http://www.americanshipper.com)

21. Hong Kong box volume slumps 4pc in November, December 20, 2018, [www.transportweekly.com](http://www.transportweekly.com)

22. Industry urges Europe to extend antitrust protection, December 20, 2018, [www.americanshipper.com](http://www.americanshipper.com)

23. Container lines make case for EU consortia exemption, December 20, 2018, [www.joc.com](http://www.joc.com)

24. How cargo ships can go green, December 26, 2018, [www.ajot.com](http://www.ajot.com)

25. No grain in the rain as Vancouver export ships unable to load, December 27, 2018, [www.ajot.com](http://www.ajot.com)

26. Growth fuels New Orleans plan to double port capacity, December 27, 2018, [www.joc.com](http://www.joc.com)

27. Port of Prince Rupert: Monthly Container Traffic (November 2018), December 27, 2018, [www.rupertport.com](http://www.rupertport.com)

28. Port of Montreal: Monthly Container Traffic (November 2018), December 27, 2018, [www.rupertport.com](http://www.rupertport.com)

substantive revision” to the *Shipping Act of 1984* since the *Ocean Shipping Reform Act* was enacted in 1998.

#### **8. Monthly imports reach 2 million containers for first time as retailers continue rush to beat tariffs**

Imports at the nation’s major retail US container ports have set another new record, reaching 2 million containers in a single month for the first time as retailers continued to bring merchandise into the country ahead of a now-postponed increase in tariffs on goods from China, according to the monthly *Global Port Tracker* report released on December 7, 2018 by the National Retail Federation and Hackett Associates. “President Trump has declared a temporary truce in the trade war, but these imports came in before that announcement was made,” NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said. “We hope that the temporary stand-down becomes permanent, but in the meantime there has been a rush to bring merchandise in before existing tariffs go up or new ones can be imposed. China’s abuses of trade policy need to be addressed, but tariffs that drive up prices for American families and costs for U.S. businesses are not the answer.” U.S. ports covered by *Global Port Tracker* handled 2.04 million TEUs in October 2018, the latest month for which after-the-fact numbers are available. That was up 9 percent from September and up 13.6 percent year-over-year.

#### **9. Major Ports register positive growth of 4.83%**

The major ports in India have recorded a growth of 4.83% and together handled 461.21 Million Tonnes of cargo during the period April to November, 2018 as against 439.96 million tonnes handled during the corresponding period of the previous year. For the period from April-November 2018, Nine Ports Kolkata (incl. Haldia), Paradip, Visakhapatnam, Kamarajar, Chennai, Cochin, New Mangalore, JNPT and Deendayal have registered positive growth in traffic.

#### **10. Record iron ore shipments from Canadian Arctic to Europe-Asia**

Iron ore shipping to world markets from the Canadian Arctic has recently spiked, responding to demands from steel producers, reports the *American Journal of Transportation*. Noteworthy, too, has been the recent voyages by bulk carriers taking a shortcut via the Northern Sea Route to the Russian Far East from one of the world’s most northerly mines. Located on Baffin Island, the fifth largest island in the world with an area of some 200,000 square miles, Baffinland Iron Mines Corporation announced a record 2018 shipping programme. From July 24 to October 17, 2018 Baffinland shipped 5.1 million tonnes of iron ore from its Milne Inlet port to markets in Europe, the United Kingdom, Taiwan, and Japan.

#### **11. Minister Garneau announces new regulations to better financially protect marine passengers in the event of marine accidents**

On December 12, 2018, the Honourable Marc Garneau, Minister of Transport, announced new regulations that require Canadian passenger vessel operators to carry a minimum of \$250,000 in liability insurance for every passenger on board. This will ensure that all passengers and their families receive fair compensation in the event of injury or fatality in a marine accident, while protecting vessel operators against catastrophic losses and possible civil actions from passengers. Most vessel operators already carry this level of insurance; however, the new regulations make liability insurance mandatory under the *Marine Liability Act* for passenger vessels. These new regulations align marine transportation with all other modes of transportation where mandatory insurance for passengers is the norm. The new regulations will come into force on January 11, 2019.

#### **12. Trends to watch for ocean shipping in 2019 include collaboration and smart containers**

Major opportunities are on the horizon for ocean shipping as the rapid pace of technology change will continue unabated through 2019 and beyond, according to industry research conducted by Navis, a part of Cargotec Corporation, and the provider of operational technologies and services that unlock greater performance and efficiency for the world’s leading organizations across the shipping supply chain. The company predicts that the biggest trends driving the industry over the next year will include increased IT spending, greater collaboration and data standardization, trade wars, smart containers, automation productivity gains, and improved carrier capacity management and environmental efficiencies.

#### **13. Cargo record nears at Port of Long Beach**

Cargo volume continued to rise at the Port of Long Beach in November 2018, setting the stage for a second consecutive calendar year record. The Port handled 621,835 twenty-foot equivalent units (TEUs) of container cargo during the month, a 1.5 percent increase compared to November 2017. Last month’s performance pushed 2018’s total TEU count to 7,349,377, making it virtually certain the Port will eclipse its record of 7,544,507 TEUs set last year. For the year to date, volumes have risen 7.3 percent.

#### **14. SC Ports achieves record November**

South Carolina Ports Authority (SCPA) announced the strongest November 2018 in its history, with 15 percent growth over the same month last year. The Port handled 188,585 twenty-foot equivalent units (TEU) in November 2018. SCPA has moved 985,981 TEUs across the docks of its Wando Welch and North Charleston container terminals since the fiscal year began in July, an increase of 11 percent over the same period last year.

#### **15. Big risks in liner shipping but potential rewards**

The liner shipping industry may be heading into a period of major change as some companies seeking to broaden the services they offer, says Drewry. In an article in *Container Insight Weekly*, the London-based consultant said it “has often been hard to distinguish one carrier from another with few observable unique selling points aside from obvious regional affiliations and size. However, things may be about to change as there is growing evidence of a divergence in corporate strategies among carriers that could drastically alter the shape of the industry.”

#### **16. S'pore up 8.95pc to 3.01m TEU in '18, Shanghai off 5.2pc to 34.9m**

Singapore's November 2018 container volumes increased 1.26 per cent year on year to 3.01 million TEU, according to the Maritime and Port Authority of Singapore (MPA). But November volumes fell compared to the 3.15 million TEU lifted in October. Year-to-date Singapore throughput increased of 8.95 per cent to 33.46 million TEU year on year.

#### **17. Oakland shatters 2007 Nov record**

The Port of Oakland had its busiest November ever for imports in 2018, shattering an 11-year-old record, as it posted a new high of 83,364 laden TEU last month, beating the old November record of 76,902 TEU set in 2007. Total volume - imports, exports and empty containers - was up five per cent in the first 11 months of 2018, the port said. If the trend continues, Oakland would set a new cargo volume record for the third straight year. November 2018 imports were up 15 per cent over the same period in 2017.

#### **18. Panama Canal in the Zone**

The Panama Canal closed its 2018 fiscal year with a record 442.1 million Panama Canal tons (PC/UMS), which represents a 9.5-percent increase from the previous year. This surpasses 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. The transit of liquefied petroleum gas (LPG) and liquefied natural gas (LNG) carriers, containerships, chemical tankers, and vehicle carriers fueled the increase.

#### **19. Prince Rupert container terminal hits 1M TEU milestone**

The Port of Prince Rupert and DP World celebrated a historic milestone as Fairview Container Terminal handled its millionth container (TEU) for the first time in a calendar year. On December 18th, the millionth TEU was loaded onto the COSCO Africa with ILWU members and supply chain partners on hand to celebrate. The 40-foot container was loaded with dimensional lumber from Canfor's Plateau mill at CN's Prince George Transload Facility before arriving in Prince Rupert by rail.

#### **20. DP World building innovative container terminal**

DP World said a revolutionary racking system for the storage of containers will be built at its Jebel Ali Terminal 4 in Dubai. The industrial engineering company SMS Group will supply the storage system, adapting a design originally developed by its AMOVA subsidiary for storage of metal coils that weigh as much as 50 tons each in racks as high as 50 meters.

#### **21. Hong Kong box volume slumps 4pc in November**

Hong Kong's container volume continued on its downward trend by falling 4 per cent in November 2018 to 1.68 million TEU compared to 1.76 million TEU in the same month last year, according to statistics from the Hong Kong Maritime and Port Board. Most of Hong Kong's volume is from the container terminals at Kwai Tsing that handled 1.33 million boxes in November 2018, down 1.7 per cent over the same month last year. Boxes handled by the other terminals in Hong Kong took a dive by falling 11.7 per cent to 360,000 TEU compared to 408,000 TEU in November 2017. In the first 11 months of this year, the port handled a total of 17.96 million TEU, down 5.4 per cent over the same period last year.

#### **22. Industry urges Europe to extend antitrust protection**

The World Shipping Council, the main trade association for the liner shipping industry, and three other major shipowner groups submitted comments to the European Commission supporting extension of the EU consortia block exemption regulation for an additional five years beyond its current expiration date in April 2020. The World Shipping Council was joined by the European Community Shipowners' Associations (ECSA), the International Chamber of Shipping (ICS) and the Asian Shipowners' Association (ASA) in submitting comments to the EC's Directorate-General for Competition (DG COMP).

#### **23. Container lines make case for EU consortia exemption**

The global shipping lobby is keeping up the pressure on European competition regulators that are deliberating over whether to end the liner block exemption when it expires in 2020 or extend it for another five years.

#### **24. How cargo ships can go green**

Shipping is the lifeblood of global commerce — more than 80 percent of world trade goes by water. But the industry is also an environmental menace, producing as much carbon dioxide annually as Germany. The International Maritime Organization has helpfully called for ships to produce about 85 percent less sulfur by the end of next year, and to halve their total greenhouse-gas emissions by 2050. The shipping industry is properly responding with various obvious strategies: emissions-scrubber systems, slower operating speeds, and the use of cleaner-burning fuels, including liquefied natural gas. These are essential steps — yet not adequate. To meet the 2050 target, shippers will need to try alternative sources of energy.

#### **25. No grain in the rain as Vancouver export ships unable to load**

As Canadian grain companies spend millions to upgrade and build new export terminals in Vancouver, a new problem is threatening to cause transportation bottlenecks at the nation's largest port: vessels can't load grain in the rain. And it rains a lot in Vancouver. In Canada's wettest major city, the practice of loading ocean-bound vessels with grain in rainy weather has been halted since January 2018 amid safety concerns for marine crews. Every time there's a wet period, crews stop loading and wait for the skies to clear. There were significant weather delays during the loading process due to the rain.

#### **26. Growth fuels New Orleans plan to double port capacity**

The Port of New Orleans has signed a 50-year lease with Ports America to spend \$66.5 million to improve its existing container terminal and perhaps build a new one in the future, doubling the port's capacity.

#### **27. Port of Prince Rupert: Monthly Container Traffic (November 2018)**

The Port of Prince Rupert reported its container traffic (TEUs) for November 2018 on December 27, 2018. Total container traffic for November 2018 was 81,666 TEUs, a 4% decline from November 2017. Year-to-date total container traffic was 945,177 TEUs, a 11% increase compared to a year ago. Inbound container traffic for November 2018 was 44,861 TEUs, a 4% decline from November 2017. Year-to-date inbound container traffic was 517,238 TEUs, a 8% increase compared to a year ago. Outbound container traffic for November 2018 was 36,805.75 TEUs, a 5% decline from November 2017. Year-to-date outbound container traffic was 427,940.25 TEUs, a 16% increase compared to a year ago.

#### **28. Port of Montreal: Monthly Container Traffic (November 2018)**

The Port of Montreal reported its container traffic (TEUs) for November 2018 on December 27, 2018. Total container traffic for November 2018 was 140,491 TEUs, a 1.8% increase from November 2017. Year-to-date total container traffic was 1,535,656 TEUs, a 8.6% increase compared to a year ago. Inbound container traffic for November 2018 was 72,225 TEUs. Year-to-date inbound container traffic was 769,347 TEUs. Outbound container traffic for November 2018 was 68,266 TEUs. Year-to-date outbound container traffic was 766,309 TEUs.

## **RAIL TRANSPORTATION**

### **1. Rail traffic for the week ending November 24, 2018**

The Association of American Railroads (AAR) on November 29, 2018 reported U.S. rail traffic for the week ending November 24, 2018. For this week, total U.S. weekly rail traffic was 470,851 carloads and intermodal units, up 3 percent compared with the same week last year. Canadian railroads reported 84,509 carloads for the week, up 7.8 percent, and 68,592 intermodal units, up 4.6 percent compared with the same week in 2017. For the first 47 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 7,107,185 carloads, containers and trailers, up 3.9 percent.

### **2. FTA awards grants for urban rail projects**

The Department of Transportation's Federal Transit Administration (FTA) announced that it has allocated \$281 million in Capital Investment Grants to five rail projects in Arizona, California, and

## **RAIL TRANSPORTATION**

### **Canada**

1. Rail traffic for the week ending November 24, 2018, November 29, 2018, [www.ajot.com](http://www.ajot.com)
2. FTA awards grants for urban rail projects, November 30, 2018, [www.railwayage.com](http://www.railwayage.com)
3. Unifor and CP reach tentative, four-year agreement, December 2, 2018, [www.cpr.ca](http://www.cpr.ca)
4. VIA rail reports pax growth for 11th consecutive quarter, November 30, 2018, [www.viarail.com](http://www.viarail.com)
5. CN adds more Duos car inspection tech, November 30, 2018, [www.railwayage.com](http://www.railwayage.com)
6. CP sets record for grain shipments to

Texas.

### **3. Unifor and CP reach tentative, four-year agreement**

Canadian Pacific on December 2, 2018 announced that it has reached a tentative, four-year agreement with Unifor. "This tentative agreement is a testament to the hard work, collaboration and commitment by both sides," said Keith Creel, CP's President and CEO. "We have now had back-to-back four-year agreements with Unifor. Agreements like this are positive steps for our 13,000-strong CP family, customers and the broader economy."

### **4. VIA rail reports pax growth for 11th consecutive quarter**

On November 30, 2018, VIA Rail Canada (VIA Rail) published its results for the third quarter of 2018 and reported another successful quarter. Ridership increased by 6.2%, while passenger revenues increased by 5.1% compared to the same quarter in 2017. Ridership and revenues in the Québec City-Windsor corridor grew by 8.3% and 11.0% respectively. VIA Rail's President and CEO, Yves Desjardins-Siciliano said "I am happy to report our 11th consecutive quarter of ridership growth and our 18th consecutive quarter of revenue growth, with noticeable spikes during the Canada Day and Labour Day long weekends."

### **5. CN adds more Duos car inspection tech**

Duos in May 2018 announced a multi-million-dollar railcar inspection technology contract from CN; the new pact adds three additional Rail Inspection Portals similar to the units that were deployed around the Winnipeg, Manitoba area. Duos said the new installations would be conducted at three main-line locations: two in the United States and an additional unit in Canada. The systems will be based on Duos' proprietary rip® technology, which combines several proprietary intelligent technologies and sub-systems to provide real-time images and data that are used for a variety of railcar inspection criteria. When the new systems are online and fully operational, CN will then have a total of seven Duos rail inspection portals deployed along their North American rail network.

### **6. CP sets record for grain shipments to Vancouver**

Canadian Pacific announced that November 2018 was another very strong month for the movement of Canadian grain. The company has broken its previous record for carloads of Western Canadian grain and grain products shipped to the Port of Vancouver in a single month. In November 2018, more than 17,150 carloads of Canadian grain and grain products were shipped on CP to Vancouver, a total of 1.54 million metric tonnes (MMT). Last month CP announced that October 2018 was the company's best month ever for shipment of grain and grain products, moving 2.64 MMT to all destinations. Overall, CP's November grain and grain products shipments were very strong at 2.50 MMT. Since the fall harvest push started in September, CP has moved 2 percent more grain and grain products than the same period last year.

### **7. CP showcases new high capacity hopper cars, High Efficiency Product train**

Canadian Pacific on December 4, 2018 unveiled the next generation of grain transportation at the G3 Pasqua elevator near Moose Jaw, Sask. The 8,500-foot High Efficiency Product (HEP) train features new, and highly efficient, Canadian-made hopper cars, and can move approximately 44 percent more grain than the prior generation of grain train.

### **8. Light rail project off; Vancouver SkyTrain funded**

Vancouver, December 4, 2018, [www.ctl.ca](http://www.ctl.ca)

7. CP showcases new high capacity hopper cars, High Efficiency Product train, December 4, 2018, [www.cpr.ca](http://www.cpr.ca)

8. Light rail project off; Vancouver SkyTrain funded, December 5, 2018, [www.railwayage.com](http://www.railwayage.com)

9. Canadian Pacific signs 4-year labour contract with mechanics union, December 6, 2018, [www.transportweekly.com](http://www.transportweekly.com)

10. Rail traffic for November and the week ending December 1, 2018, December 5, 2018, [www.ajot.com](http://www.ajot.com)

11. CN Rail in joint bid for stake in largest container terminal in Eastern Canada, December 6, 2018, [www.ctl.ca](http://www.ctl.ca)

12. US November rail traffic up 3.6pc in week ending in December: AAR, December 10, 2018, [www.transportweekly.com](http://www.transportweekly.com)

13. Freight rail service and performance indicators, December 10, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

14. Intermodal traffic takes up slack carload volume, December 13, 2018, [www.railwayage.com](http://www.railwayage.com)

15. CN Rail reaches tentative agreement with 2,100 Canadian mechanics, electricians, December 16, 2018, [www.ctl.ca](http://www.ctl.ca)

16. CN seeks stake in Halterm terminal to offer fast transit times to US, December 17, 2018, [www.transportweekly.com](http://www.transportweekly.com)

17. VIA rail selects Siemens Canada to replace its Québec-Windsor corridor fleet, December 12, 2018, [www.viarail.com](http://www.viarail.com)

18. Ontario Introduces More GO Train Service on the Kitchener Line, December 17, 2018, [www.gov.on.ca](http://www.gov.on.ca)

19. Railway carloadings, October 2018, December 18, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

20. Canadian Pacific Railway Limited declares dividend, December 18, 2018, [www.cpr.ca](http://www.cpr.ca)

21. Rail traffic for the week ending December 15, 2018, December 19, 2018, [www.ajot.com](http://www.ajot.com)

22. CN and United Steelworkers reach tentative agreement, December 20, 2018, [www.cn.ca](http://www.cn.ca)

23. Minister of Transport moves to improve fatigue management for railway employees, December 21, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

24. CN achieves PTC milestones before year-end deadline, December 21, 2018, [www.cn.ca](http://www.cn.ca)

25. Why surging oil-by-rail shipments may not lift railway stocks next year, December 21, 2018, [www.nationalpost.ca](http://www.nationalpost.ca)

26. U.S. Department of Transportation Announces \$908 Million Loan to Finance the Cotton Belt Corridor Regional Rail Project, December 21, 2018, [www.dot.gov](http://www.dot.gov)

27. Unifor and CP ratify four-year agreement, December 27, 2018, [www.cpr.ca](http://www.cpr.ca)

The Translink Mayors' council, which oversees Metro Vancouver's public transport operator, has voted to suspend the C\$1.65 billion (\$1.2 billion) development of a light rail network in Surrey, the second-largest city in British Columbia. The Council instead favors the extension of Vancouver's SkyTrain automated metro network through the city which is expected to cost up to C\$2.9 billion. The development of the light rail network linking Guildford with central Surrey and Newtown began in 2014 when Surrey's then-mayor, Linda Hepner, promised to build city's first light rail line within four years. However, Surrey council, led by the newly-elected mayor, Doug McCallum, voted on November 6, 2018 to ask the Translink Mayors' council to cancel the light rail project and instead extend SkyTrain along Fraser Highway towards Langley.

#### **9. Canadian Pacific signs 4-year labour contract with mechanics union**

Canadian Pacific, the operator of a transcontinental railway running through Canada and the United States, says it has reached a tentative four-year agreement with Unifor, a union that represents 1,200 mechanical employees responsible for maintaining rail cars and locomotives, according to *Shipping Gazette*. The company said details of the agreement will be presented to Unifor members for ratification, without elaborating further on the specifics of the deal. The current collective agreement was due to expire at the end of this year.

#### **10. Rail traffic for November and the week ending December 1, 2018**

U.S. railroads originated 1,032,067 carloads in November 2018, down 0.2 percent, or 2,418 carloads, from November 2017. U.S. railroads also originated 1,100,815 containers and trailers in November 2018, up 2.5 percent, or 27,142 units, from the same month last year. Combined U.S. carload and intermodal originations in November 2018 were 2,132,882, up 1.2 percent, or 24,724 carloads and intermodal units from November 2017.

#### **11. CN Rail in joint bid for stake in largest container terminal in Eastern Canada**

Canadian National Railway is aiming to recreate its west coast success by bidding to acquire a stake in the largest container terminal in Eastern Canada. "As part of our action-oriented approach to grow trade volumes on our eastern network, CN is exploring the opportunity with a partner of getting involved in the acquisition of Halifax's Halterm container terminal," spokesman Jonathan Abecassis wrote in an email. The Montreal-based company declined to provide details of its bid for an interest in Halterm, a 30-hectare site at the Port of Halifax.

#### **12. US November rail traffic up 3.6pc in week ending in December: AAR.**

US Railways originated 1,032,067 carloads in November 2018, down 0.2 per cent year on year, also originating 1,100,815 containers and trailers in November, up 2.5 per cent, according to the Association of American Railroads (AAR). Total combined US traffic for the first 48 weeks of 2018 was 25,995,396 carloads and intermodal units, an increase of 3.6 per cent compared to last year. Combined US carload and intermodal originations in November 2018 were 2,132,882, up 1.2 per cent. In November 2018, nine of the 20 commodity categories showed gains, including petroleum & petroleum products, up 11,674 carloads or 29 per cent.

#### **13. Freight rail service and performance indicators**

Statistics Canada will release new data on freight rail service and performance. Starting in December 2018, Canada's major freight rail companies, including Canadian National Railway and Canadian Pacific Railway, are required to submit specific data on their service and performance on a weekly basis. As of December 10, 2018, this information is available in four tables on the Statistics Canada website as well as a summary table on the Transportation Data and Information Hub of the Canadian Centre on Transportation Data. Specifically, the tables include information such as average train speed, dwell times at origin and major terminals, the number of cars on line, causes of major delays and car order fulfilment for grain orders. This information is being collected and made publicly available to increase the understanding of how well Canada's freight rail system is working, and key areas where it can be improved.

#### **14. Intermodal traffic takes up slack carload volume**

For the week of December 8, 2018, U.S. weekly rail traffic was 570,225 carloads and intermodal units, up 3.1% from the same week in 2017. The Association of American Railroads said U.S. carloads totaled 267,000, up 0.3%, while intermodal volume was 303,225 containers and trailers, up 5.7% from a year ago. For the first 49 weeks of this year, cumulative volume on U.S. railroads was 12,885,663 carloads, up 1.7%, and 13,679,958 intermodal units, up 5.5% from the same period in 2017. Total combined U.S. traffic was 26,565,621 carloads and intermodal units, an increase of 3.6%. North American rail volume for the week ending December 8 or 12, 2018 reporting U.S., Canadian and Mexican railroads totaled 370,277 carloads, up 0.04%, and 395,454 intermodal units, up 5.4% on-year. Total combined weekly traffic was 765,731

carloads and intermodal units, up 2.8%. North American volume for the first 49 weeks was 35,888,446 carloads and intermodal units, up 3.3%.

**15. CN Rail reaches tentative agreement with 2,100 Canadian mechanics, electricians**

Canadian National Railway and the union that represents its 2,100 mechanics, electricians and apprentices in Canada say they have reached a tentative collective agreement. Unifor is Canada's largest private sector union, representing 315,000 workers.

**16. CN seeks stake in Halterm terminal to offer fast transit times to US**

The Canadian National Railway (CN) has made an offer to acquire a stake in Halterm, the biggest container terminal in eastern Canada and located at the port of Halifax. The rationale for the CN acquisition is based on repeating the railway's success in Prince Rupert, British Columbia. As is the case there, Halifax's location, together with the railway operator's extensive network, would enable it to offer faster transit times to destinations in the United States versus direct shipping through more congested American ports, reported the Halifax Chronicle Herald.

**17. VIA rail selects Siemens Canada to replace its Québec-Windsor corridor fleet**

VIA Rail Canada (VIA Rail) announced on December 12, 2018 that Siemens Canada was awarded a \$989 million contract to build the 32 trainsets that will replace VIA Rail's fleet that operates in the Quebec City-Windsor Corridor. Siemens Canada was selected following a fair, open, rigorous and transparent bidding process under the oversight of an independent fairness monitor and VIA Rail's Board of Directors. On-time delivery, quality of product and price were the criteria on which all the proponents were evaluated.

**18. Ontario Introduces More GO Train Service on the Kitchener Line**

Ontario's Government for the People continues to deliver on its promise to get people moving faster by bringing more GO train service to Kitchener.

**19. Railway carloadings, October 2018**

The volume of rail freight carried in Canada totalled 34.7 million tonnes in October 2018, up 5.3% from the same month a year earlier. Freight originating in Canada rose 6.3% from the same month last year to 31.5 million tonnes in October. Non-intermodal freight increased by 9.4% to 345,000 carloads. The amount of freight loaded into these cars rose 7.0% from October 2017 to 28.3 million tonnes. Intermodal freight loadings rose 2.2% from October 2017 to 219,000 units. In terms of weight, intermodal traffic increased 0.8% to 3.2 million tonnes. Freight traffic received from the United States fell 4.0% to 3.2 million tonnes, as a result of a 4.9% decrease in non-intermodal freight.

**20. Canadian Pacific Railway Limited declares dividend**

The Board of Directors of Canadian Pacific Railway Limited on December 18, 2018 declared a quarterly dividend of \$0.650 per share on the outstanding Common Shares. The dividend is payable on January 28, 2019 to holders of record at the close of business on December 28, 2018.

**21. Rail traffic for the week ending December 15, 2018**

The Association of American Railroads (AAR) on December 19, 2018 reported U.S. rail traffic for the week ending December 15, 2018. For this week, total U.S. weekly rail traffic was 568,941 carloads and intermodal units, up 3.9 percent compared with the same week last year. Total carloads for the week ending December 15 were 267,534 carloads, up 1.4 percent compared with the same week in 2017, while U.S. weekly intermodal volume was 301,407 containers and trailers, up 6.2 percent compared to 2017. Five of the 10 carload commodity groups posted an increase compared with the same week in 2017. North American rail volume for the week ending December 15, 2018, on 12 reporting U.S., Canadian and Mexican railroads totaled 373,285 carloads, up 1.6 percent compared with the same week last year, and 393,598 intermodal units, up 6.2 percent compared with last year. Canadian railroads reported 84,550 carloads for the week, up 3.4 percent, and 72,894 intermodal units, up 5.2 percent compared with the same week in 2017. For the first 50 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 7,579,290 carloads, containers and trailers, up 3.8 percent.

**22. CN and United Steelworkers reach tentative agreement**

CN and United Steelworkers (USW) announced on December 20, 2018 that a new tentative collective agreement has been reached between USW Local 2004 and CN. USW represents approximately 3,000 track and bridge personnel who work at CN across Canada.

**23. Minister of Transport moves to improve fatigue management for railway employees**

On December 21, 2018, the Honourable Marc Garneau, Minister of Transport, instructed railway companies to revise the Work/Rest Rules for Railway Operating Employees, to ensure that they reflect the latest science and fatigue management practices. The railway companies must submit them by May 19, 2019 for the Minister to approve them by the end of June 2019. Rules are developed by railway

companies, in consultation with relevant associations, like unions, and are subsequently approved by the Minister of Transport. Transport Canada is responsible for making sure that railway companies comply with the Work/Rest Rules for Railway Operating Employees.

#### **24. CN achieves PTC milestones before year-end deadline**

CN said on December 21, 2018 that it has met all Dec. 31, 2018 milestones in its positive train control (PTC) implementation plan and applied on November 7 for a two-year extension to complete deployment and interoperability. Mandated by the U.S. Congress to be installed on certain mainline tracks, PTC is a system designed to prevent train-to-train collisions, derailments caused by excessive speed, and certain unauthorized train movements on a given track segment. By the end of 2018, U.S. railways must have all PTC hardware installed, all needed radio spectrum acquired, and have PTC initiated on more than half their required territory. Railways that meet those benchmarks can obtain a 24-month extension from the Federal Railroad Administration to complete full PTC implementation by Dec. 31, 2020.

#### **25. Why surging oil-by-rail shipments may not lift railway stocks next year**

Canadian rail companies have had a good run this year but they will need a boost from Alberta oil in 2019 to keep the momentum going, according to analysts. Both Canadian National Railway Co. and Canadian Pacific Railway Ltd. stand to benefit if the Alberta government follows through with its plan to buy 7,000 rail cars to ship crude, National Bank of Canada analyst Cameron Doerksen wrote in a research note this week. National Bank lowered its price targets for both CN and CP to account for wavering investor sentiment that has U.S. and Canadian railroads trading at valuations well below the five-year trend. "While economic indicators are not pointing to an imminent recession, there is nevertheless prevalent concern about the state of the North American economy as 2018 draws to a close," Doerksen wrote.

#### **26. U.S. Department of Transportation Announces \$908 Million Loan to Finance the Cotton Belt Corridor Regional Rail Project**

U.S. Transportation Secretary Elaine L. Chao on December 21, 2018 announced that the U.S. Department of Transportation's Build America Bureau (the Bureau) will provide the Dallas Area Rapid Transit (DART) System a \$908 million Railroad Rehabilitation & Improvement Financing (RRIF) direct loan for financing the Cotton Belt Corridor Regional Rail Project.

#### **27. Unifor and CP ratify four-year agreement**

Canadian Pacific Railway Limited (CP) and Unifor have ratified a new four-year agreement. "We thank Unifor for working collaboratively with us throughout this process," said Keith Creel, CP's President and CEO. "Ratifying this agreement, especially in time for the New Year, is a positive step for our mechanical employees, our 13,000-strong CP family, customers and the broader economy." Unifor represents approximately 1,200 of CP's mechanical employees who are responsible for maintaining rail cars and locomotives. The current collective agreement was set to expire on December 31, 2018.

## **HIGHWAY TRANSPORTATION**

### **1. Stricter chain up regulations implemented in B.C.**

The B.C. government has placed stricter regulations on commercial drivers when chaining up, and includes all vehicles over 5,000 kg. The move follows two other highway safety enhancements – reduced speed limits on 15 highway sections and restricting commercial trucks from the left hand lane on Snowshed Hill on the Coquihalla – announced recently, and is intended to improve heavy-duty vehicle performance during winter conditions.

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

The Couriers and Messengers Services Price Index (CMSPI) increased 0.2% in October 2018, after decreasing 0.2% in September 2018. The couriers' component was up 0.3% while the local messengers' and local delivery component rose 0.1%. Year-over-year, the CMSPI rose 5.5% in October 2018 compared with the same month last year. Both the couriers (+5.3%) and the local delivery (+6.3%) components increased.

### **3. DHL Supply Chain invests \$300M for technologies in North American facilities**

## **HIGHWAY TRANSPORTATION Canada**

1. Stricter chain up regulations implemented in B.C., November 29, 2018, [www.todaystrucking.com](http://www.todaystrucking.com)
2. Couriers and Messengers Services Price Index, October 2018, November 30, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. DHL Supply Chain invests \$300M for technologies in North American facilities, November 30, 2018, [www.ctl.ca](http://www.ctl.ca)
4. Registration Open for the 2019 Women with Drive Leadership Summit, December 5, 2018, [www.ontrcuk.ca](http://www.ontrcuk.ca)
5. CTA Chief: 'Safety is Safety', December 6, 2018, [www.ontruck.ca](http://www.ontruck.ca)
6. Study: Distracted Driving Crashes Spike on State Highways, December 6, 2018, [www.cantruck.ca](http://www.cantruck.ca)
7. Commodity Flow Survey 2017, December 6, 2018, [www.bts.gov](http://www.bts.gov)
8. First Ministers find common ground on

DHL Supply Chain, the Americas leader in contract logistics and part of Deutsche Post DHL Group, announced plans to deploy emerging technologies in 350 of its 430 facilities in North American facilities (56 in Canada) and transportation control towers as part of a US\$300 million investment. Selected technologies will vary by customer needs, based on the outcomes of research and pilot programs completed by DHL's internal innovation teams and collaboration with dozens of external innovators.

#### **4. Registration Open for the 2019 Women with Drive Leadership Summit**

Registration for Trucking HR Canada's 2019 Women with Drive Leadership Summit has officially opened, promising new insights into strategies that can help attract, recruit and retain more women in the trucking industry. The fifth annual event will be held March 7, 2019, hosted at the Sheraton Toronto Airport Hotel and Conference Centre. In celebration of its fifth year, Trucking HR Canada is offering a special 'Anniversary Rate' for a limited time. This year's theme, "Driving Towards a Modern Workforce" will take a deeper dive in addressing the gender gap with discussions focused on the impacts of technology, innovation, and the changing workforce, exploring how we can better connect with the next generation of Canadian workers – including young women.

#### **5. CTA Chief: 'Safety is Safety'**

Canadian Trucking Alliance president Stephen Laskowski told media that all commercial semi truck drivers should be required to take mandatory training. Laskowski responded to the Saskatchewan government's decision to grant farmers an exemption from mandatory entry level training. "Safety is safety," said Laskowski. "Why that vehicle is on the road shouldn't matter." This week the Saskatchewan government announced mandatory training for new semi drivers, which take effect in March. Drivers will be required to take at least 121 hours of training in the classroom and behind the wheel.

#### **6. Study: Distracted Driving Crashes Spike on State Highways**

A new study by Ohio State University's Risk Institute found distracted driving-related collisions are up to 49% in major cities in the state and are more severe when they occur on a highway system. The study also found that distracted driving crashes were more severe in specific road settings. For example, in work zones, distracted driving crashes were up to two times more likely to be fatal. In addition, the length of a roadway segment or the number of lanes also had an impact on the frequency of distracted driving collisions. Conversely, roundabouts had a significant effect on reducing the severity of distracted driving-related crashes. Between 2013 and 2017, there were no fatal crashes within roundabouts. In addition, roadways that feature a median or a shoulder with an asphalt pavement also experienced fewer distracted driving crashes.

#### **7. Commodity Flow Survey 2017**

American manufacturers, wholesalers, and other selected industries shipped nearly 12.5 billion tons of goods valued at more than \$14.3 trillion in 2017, according to preliminary numbers from the 2017 Commodity Flow Survey (CFS) released on December 6, 2018. On a typical day in 2017, establishments in these industries moved 34.2 million tons of goods, valued at \$39.2 billion, and generated nearly 8.6 billion ton-miles on the nation's transportation network. Truck shipments of manufactured goods, raw and refined products, and other goods represent more than 70 percent of both the value and the weight of freight as reported in the 2017 CFS. Trucks alone in 2017 moved 8.9 billion of tons valued at \$10.5 trillion.

#### **8. First Ministers find common ground on trucking issues**

trucking issues, December 8, 2018, [www.todaystrucking.com](http://www.todaystrucking.com)

9. First Ministers Talk ELDs, Equalize Single Tire Weights, Remove Trade Barriers, December 10, 2018, [www.ontruck.ca](http://www.ontruck.ca)

10. Leading indicator of cross-border traveller volume, November 2018, December 11, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

11. U.S. Transportation Secretary Elaine L. Chao Announces \$1.5 Billion in BUILD Transportation Grants to Revitalize Infrastructure Nationwide, December 11, 2018, [www.dot.gov](http://www.dot.gov)

12. October 2018 Freight Transportation Services Index (TSI), December 12, 2018, [www.dot.gov](http://www.dot.gov)

13. Manitoulin Transport acquires Kluane Freight Lines, December 13, 2018, [www.ctl.ca](http://www.ctl.ca)

14. 'They're coming:' Flying cars may appear in urban skies by 2023, December 17, 2018, [www.ctl.ca](http://www.ctl.ca)

15. Monthly Passenger Bus and Urban Transit, October 2018, December 18, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

16. October 2018 North American Transborder Freight Numbers, December 19, 2018, [www.bts.gov](http://www.bts.gov)

17. ATA truck tonnage index rose 0.4% in November, December 18, 2018, [www.ajot.com](http://www.ajot.com)

18. Day & Ross acquires carrier Stonehammer, December 18, 2018, [www.ctl.ca](http://www.ctl.ca)

19. FedEx plans buyouts after weak international 2Q shipping, December 19, 2018, [www.ctl.ca](http://www.ctl.ca)

20. ATRI: Drivers, Carriers Rank Top Issues Differently, December 19, 2018, [www.ontruck.org](http://www.ontruck.org)

21. Autonomous vehicles for clearing snow at airports, December 20, 2018, [www.ctl.ca](http://www.ctl.ca)

22. FTA awards \$16.6M to enhance transit access nationwide, December 21, 2018, [www.railwayage.com](http://www.railwayage.com)

23. U.S. Department of Transportation Announces Notice of Funding Opportunity for Automated Driving System Demonstration Grants, December 21, 2018, [www.dot.gov](http://www.dot.gov)

24. Couriers and Messengers Services Price Index, November 2018, December 24, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

25. Truck convoys in support of oil and gas sector continue across Western Canada, December 24, 2018, [www.todaystrucking.com](http://www.todaystrucking.com)

There may be undeniable tensions on issues like carbon taxes, but Canada's First Ministers have found some common ground on topics including wide base tires and electronic logging devices. "We have agreed to develop harmonized standards in the trucking sector, building on federal investments in the National Trade and Transportation Corridors initiative," they announced in a joint communique. "Federal, provincial and territorial governments will work together on an accelerated basis to harmonize standards for wide base tires, electronic logging devices, and size and weight restrictions." The Canadian Trucking Alliance (CTA) was quick to applaud the stance, issuing a statement of its own.

#### **9. First Ministers Talk ELDs, Equalize Single Tire Weights, Remove Trade Barriers**

The Canadian Trucking Alliance is applauding the announcement by the First Ministers Conference in Montreal to remove internal trade barriers for the trucking industry, specifically the agreement on weight parity between dual tires and new generation, wide-based single tires on heavy truck configurations in Canada. The joint communique issued by Prime Minister Justin Trudeau, Minister of Intergovernmental and Northern Affairs and Internal Trade Dominic LeBlanc and the provincial and territorial first ministers will commit provinces and territories to align their regulations allowing the same weight on single tires as on duals tires. Following an update to the National Memorandum of Understanding on Vehicle Weights and Dimensions (MoU) and to regulations in non-complying provinces and territories, this will allow movement of single tire-equipped trucks and trailers in support of the Canadian supply chain when operating on highway networks designated by each province.

#### **10. Leading indicator of cross-border traveller volume, November 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 from Statistics Canada. 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.

#### **11. U.S. Transportation Secretary Elaine L. Chao Announces \$1.5 Billion in BUILD Transportation Grants to Revitalize Infrastructure Nationwide**

U.S. Transportation Secretary Elaine L. Chao on December 11, 2018 announced \$1.5 billion in discretionary grant funding to 91 projects in 49 states and the District of Columbia. The grants are made through the Better Utilizing Investments to Leverage Development (BUILD) Transportation Grants program and support road, rail, transit, and port infrastructure projects across the country.

#### **12. October 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 2.0 percent in October 2018 from September 2018, rising for the second consecutive month to reach a new all-time high, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The October 2018 index level (138.8) was 46.4 percent above the April 2009 low during the most recent recession. The TSI rose 7.3% in October 2018 from October 2017.

#### **13. Manitoulin Transport acquires Kluane Freight Lines**

Manitoulin Transport has purchased Kluane Freight Lines Ltd.'s book of business and formed a joint venture with Chief Isaac Group of Companies. Kluane Freight Lines is a First Nation-owned less-than-truckload (LTL) carrier based in Whitehorse and a member of Chief Isaac Group of Companies. Initially established to meet the need for dependable hauling north of Whitehorse, Kluane has become a leading supply chain provider in the region, servicing all of the Yukon, Whitehorse, Dawson City, Carmacks, Pelly Crossing, Stewart Crossing, and Mayo.

#### **14. 'They're coming:' Flying cars may appear in urban skies by 2023**

The flying cars depicted in science fiction classics such as "Blade Runner" and "The Fifth Element" have long been seen as flights of fancy, but their arrival is closer than you think. At least a dozen companies are prototyping or testing flying cars or passenger drones, according to a Deloitte report. Air taxis will number 15,000 and become a global market worth \$32 billion by 2035, with aerial delivery and inspection services adding on another \$42 billion, a study by Porsche Consulting predicts.

#### **15. Monthly Passenger Bus and Urban Transit, October 2018**

Total operating revenues (excluding subsidies) for urban transit companies totalled \$345.6 million in October 2018. Ridership amounted to 162.9 million passenger trips over the same period.

#### **16. October 2018 North American Transborder Freight Numbers**

On December 19, 2018, the US Bureau of Statistics released data on Transborder freight between the U.S. and other North American countries (Canada and Mexico) for October 2018. Total transborder freight for October 2018 amounted to \$110.8 billion by all modes of transportation, up 10.2 percent from October 2017. Truck moved \$70.1 billion of freight, up 9 percent compared to October 2017; and rail moved \$15.8 billion of freight, up 4 percent compared to October 2017. U.S.-Canada truck freight amounted to \$30.8 billion (56.7 percent of all northern border freight) up 7.2 percent from the previous year. U.S.-Canada rail freight amounted to \$8.7 billion (16.1 percent of all northern border freight) up 8.6 percent compared to the previous year. The U.S.-Canada traffic by other modes amounted to \$6.0 billion by pipeline; \$2.7 billion by vessel and \$2.6 billion by air.

#### **17. ATA truck tonnage index rose 0.4% in November**

American Trucking Associations' advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index increased 0.4% in November 2018 to 118.9 from October's level of 118.4. "The fact that tonnage rose in November after a strong October is impressive. It was likely due to some continued pull forward of shipments from China due to the threat of higher tariffs, as well as solid retail sales last month," said ATA Chief Economist Bob Costello. "With continued strength in November, tonnage growth is on pace to be the best year since 1998." October's change over the previous month was revised down to +5% (+6.3% was originally reported in our press release on November 20).

#### **18. Day & Ross acquires carrier Stonehammer**

As part of its growth strategy, Day & Ross has acquired Stonehammer Transport Inc., an established carrier based in Okotoks, Alberta. "This acquisition in Western Canada is a significant complement to our Eastern flatbed fleet, bolstering our national network to better serve our customers," said Bill Doherty, CEO.

#### **19. FedEx plans buyouts after weak international 2Q shipping**

FedEx Corp. delivered a disappointing earnings report on December 18, 2018 and said it plans to offer buyouts to some of its workers and reduce spending to make up for weak international shipping, especially in Europe. The Memphis, Tennessee-based company said it had a fiscal second-quarter profit of \$935 million, or \$3.51 per share. That's up \$775 million, or \$2.84 per share, a year ago. But the 11 analysts surveyed by Zacks Investment Research were expecting earnings of \$4.05 per share. FedEx said that if one-time costs are excluded, its quarterly profit per share would have been \$4.03.

#### **20. ATRI: Drivers, Carriers Rank Top Issues Differently**

Motor carriers and drivers see different priorities when it comes to issues facing the trucking industry, a new study by the *American Transportation Research Institute* has found. Listing its annual top 10 issues for trucking, motor carriers listed the driver shortage and driver retention as the top two while drivers feel hours of service and the shortage of parking are the top two critical issues.

#### **21. Autonomous vehicles for clearing snow at airports**

In line with the global trend of implementing autonomous vehicles in cargo operations, Sweden-based behavioral technology company Semcon announced that, in partnership with Swedish tractor manufacturer Lundberg Hymas, it will be developing new autonomous vehicles for the Swedish Civil Aviation Administration (LVF).

#### **22. FTA awards \$16.6M to enhance transit access nationwide**

The U.S. Department of Transportation's Federal Transit Administration has awarded \$16.6 million to 20 organizations nationwide to support planning projects that aim to enhance access to public transportation. The FTA funding was made available through the administration's Pilot Program for Transit-Oriented Development (TOD) Planning, which aids communities developing new or expanded transit systems.

#### **23. U.S. Department of Transportation Announces Notice of Funding Opportunity for Automated Driving System Demonstration Grants**

The U.S. Department of Transportation (USDOT) on December 21, 2018 announced up to \$60 million in federal grant funding for projects that test the safe integration of automated driving systems (ADS) on our nation's roadways.

#### **24. Couriers and Messengers Services Price Index, November 2018**

The Couriers and Messengers Services Price Index (CMSPI) increased 0.2% in November 2018, following a 0.2% increase in October 2018. The couriers' component was up 0.2% while the local messengers' and local delivery's component rose 0.1%. On a year-over-year basis, the CMSPI rose 5.1% in November 2018 compared with the same month last year. Both the couriers' component (+4.9%) and the local messengers' and local delivery's component (+6.3%) increased.

#### **25. Truck convoys in support of oil and gas sector continue across Western Canada**

Truck convoys continued to roll through Western Canada this past week in support of the oil and gas industry. In Estevan, Sask., approximately 450 trucks flooded the streets on Saturday, a convoy organized by local carrier Bert Baxter Transport. Medicine Hat, Alta., saw its own truck convoy, with reports indicating an estimated 650 total vehicles, including commercial trucks, taking part in the convoy. Protests began in Calgary about a week ago to raise awareness of Bill C-69, which would rework the National Energy Board, and Bill C-48, banning oil tanker traffic on B.C.'s northern coast.

## GENERAL TRANSPORTATION

### Canada

#### 1. North American facilities to receive a technology upgrade

DHL Supply Chain, the Americas leader in contract logistics and part of Deutsche Post DHL Group, on November 30, 2018 announced plans to deploy emerging technologies in 350 of its 430 facilities in North American facilities and transportation control towers as part of a \$300 million investment. Selected technologies will vary by customer needs, based on the outcomes of research and pilot programs completed by DHL's internal innovation teams and collaboration with dozens of external innovators.

#### 2. OTA Welcomes Made-in-Ontario Environment Plan

The Ontario Trucking Association says it is pleased that the Ford Government was listening to the trucking industry as it drafted its Made-in-Ontario Environment Plan. In the plan, announced on November 29, 2018 by Rod Phillips, Minister of Environment, Conservation and Parks, the Ontario Government outlined opportunities to reduce emissions from the trucking sector while increasing enforcement on some in the industry that attempt to avoid compliance with environmental equipment rules and standards. A major plank of the new plan is the Ontario Carbon Trust, to which the Ontario government will commit some \$400 million over four years, to work with the private sector on developing clean technologies to reduce emissions.

#### 3. Companies Go for IoT

Companies will spend \$434.9 billion to design, plan, build, and run Internet of Things (IoT) solutions by 2023, up from \$186.1 billion in 2017, according to research company Forrester. This spending includes IoT-specific security software, platform software, service provider connectivity, application software, hardware, and professional services. Notably, Forrester predicts that spending in each of these categories will increase year-over-year. Spending on software platforms will be the fastest-growing sector at 34.2 percent annually, reaching \$8.7 billion by 2023.

#### 4. Feds remove regulatory barriers to trade, hope provinces will follow suit

The federal government is taking immediate steps to remove some regulatory barriers to trade across the country, hoping to persuade provinces to follow its example. For starters, it is making the national building code available for free, making it easier for the construction industry to access a single, standardized set of rules which the feds hope the provinces will adopt. Until now, downloading the code has cost \$350 and provinces have imposed a patchwork of different rules and interpretations on top.

#### 5. U.S., Canada and Mexico formally sign USMCA

President Donald Trump, Canadian Prime Minister Justin Trudeau and Mexican President Enrique Peña Nieto on November 30, 2018 signed the U.S.-Mexico-Canada Agreement (USMCA), a crucial

## GENERAL TRANSPORTATION

### Canada

1. North American facilities to receive a technology upgrade, November 30, 2018, [www.transportweekly.com](http://www.transportweekly.com)

2. OTA Welcomes Made-in-Ontario Environment Plan, November 29, 2018, [www.ontruck.ca](http://www.ontruck.ca)

3. Companies Go for IoT, November 30, 2018, [www.inboundlogistics.com](http://www.inboundlogistics.com)

4. Feds remove regulatory barriers to trade, hope provinces will follow suit, November 30, 2018, [www.ctl.ca](http://www.ctl.ca)

5. U.S., Canada and Mexico formally sign USMCA, November 30, 2018, [www.americanshipper.com](http://www.americanshipper.com)

6. Premarket: China-U.S. trade truce sends global stocks soaring, Dow futures surge, December 3, 2018, [www.globaeandmail.ca](http://www.globaeandmail.ca)

7. Statement by Chair and CEO Scott Streiner on International Day of Persons with Disabilities, December 3, 2018, [www.otc-cta.gc.ca](http://www.otc-cta.gc.ca)

8. International day of persons with disabilities: VIA rail reiterates its commitment to inclusive and sustainable mobility, December 3, 2018, [www.viarail.com](http://www.viarail.com)

9. Trade truce, December 4, 2018, [www.transportweekly.com](http://www.transportweekly.com)

10. Trump Says China Has Agreed to Reduce, Remove Tariffs on Cars, December 2, 2018, [www.ajot.com](http://www.ajot.com)

11. Global economy may be slowing more than expected, IMF says, December 5, 2018, [www.transportweekly.com](http://www.transportweekly.com)

12. The Government of Canada hosts stakeholder roundtable discussion on commodity supply chain, December 6, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

13. U.S. China trade war distracting from talks with Canada on steel tariffs: Morneau, December 7, 2018, [www.ctl.ca](http://www.ctl.ca)

14. China to cut US car tariffs 25pc, December 13, 2018, [www.transportweekly.com](http://www.transportweekly.com)

15. Lower than expected parcel volumes helping cut into backlog, says Canada Post, December 16, 2018, [www.ctl.ca](http://www.ctl.ca)

16. Automated Material Handling Equipment Market Lifts Growth Projections, December 14, 2018, [www.inboundlogistics.com](http://www.inboundlogistics.com)

17. Government of Canada announces funding opportunities for infrastructure projects to create jobs and diversify trade, December 18, 2018, [www.tc.gc.ca](http://www.tc.gc.ca)

18. China lowers tariffs on U.S. cars, parts through March, December 18, 2018, [www.americanshipper.com](http://www.americanshipper.com)

19. Travel between Canada and other

step toward the NAFTA update's entry into force. Trump said in remarks during the signing ceremony on the sidelines of the G20 summit in Buenos Aires "I must say, [President] Peña Nieto and Prime Minister Trudeau, we've worked hard on this agreement. It's been long and hard. We've taken a lot of barbs and a little abuse. And we got there. It's great for all of our countries," "Thank you for your close partnership throughout this process. This new agreement will ensure a future of prosperity and innovation for Mexico, Canada, and the United States."

countries, October 2018, December 20, 2018, [www.statcan.gc.ca](http://www.statcan.gc.ca)

20. U.S. Department of Transportation Announces Second Round of the Infrastructure For Rebuilding America (INFRA) Grant Program, December 21, 2018, [www.dot.gov](http://www.dot.gov)

21. World economy is set to feel the delayed trade war pain in 2019, December 25, 2018, [www.ajot.com](http://www.ajot.com)

#### **6. Premarket: China-U.S. trade truce sends global stocks soaring, Dow futures surge**

A truce between U.S. and Chinese leaders on trade tariffs provided boosted global markets on December 3, 2018, fuelling a nearly one per cent surge on world stocks and pushing emerging currencies higher against the dollar. European share benchmarks opened sharply higher, with Germany's DAX - the most sensitive to China and trade war fears - leading the way with a 2.5 per cent rise to its highest level since Nov. 14, and Wall Street too was set for a stronger session. The gains came after China and the United States agreed at the weekend to halt additional tariffs on each other. The deal prevents their trade war escalating as the two sides try to bridge differences with fresh talks aimed at reaching a deal within 90 days.

#### **7. Statement by Chair and CEO Scott Streiner on International Day of Persons with Disabilities**

CEO Scott Streiner of the Canadian Transportation Agency (CTA) on December 3, 2018 outlined the steps the Agency is taking to make accessible transportation a reality: 1) We are preparing for the possible enactment of [Bill C-81](#) by putting the pieces in place for enhanced outreach, education, and compliance monitoring activities, while working with other implementation bodies to ensure consistent approaches and a smooth experience for any person who wants to bring forward an accessibility-related complaint; 2) We are making significant progress on new [accessible transportation regulations](#) that will modernize and integrate the provisions of two existing regulations and six voluntary codes into a single, robust, binding instrument; 3) We are spearheading efforts, together with other federal organizations, to increase the emphasis placed on accessible air transportation by the International Civil Aviation Organization; and 4) We are supporting multi-stakeholder discussions on ways of addressing growing challenges around the storage and transportation of mobility devices on aircraft.

#### **8. International day of persons with disabilities: VIA rail reiterates its commitment to inclusive and sustainable mobility**

On December 3, 2018, on International Day of Persons with Disabilities, celebrated annually around the world since 1992, VIA Rail Canada reiterates its commitment to make travelling an easy, sustainable and enjoyable experience for all passengers. This commitment was recently reflected in VIA Rail's support for Project C-81, a law aiming to make Canada a barrier free country, when it appeared before the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities in October.

#### **9. Trade truce**

China and the US have agreed to a 90-day trade war truce after China said it will allow "very substantial" amount of American goods to be sold on the mainland, reports the South China Morning Post. "It's an incredible deal," said US President Donald Trump. "China will be opening up. China will be getting rid of tariffs. It'll have an incredibly positive impact on farming." Under the deal, US President Donald Trump has agreed to hold off on raising the tariff rate on US\$200 billion of Chinese imports for 90 days to allow for talks to address US concerns on Chinese trade practises. If there is no deal at the end of the 90-day grace period, the US will increase tariffs on the US\$200 billion of goods from 10 per cent to 25 per cent.

#### **10. Trump Says China Has Agreed to Reduce, Remove Tariffs on Cars**

U.S. President Donald Trump said China has agreed to "reduce and remove" tariffs on American cars from 40 percent currently. He gave no other details in the late-night tweet, which came shortly after he agreed with President Xi Jinping to a temporary truce in an ongoing trade war during a meeting at the Group of 20 summit in Argentina. China hasn't made a similar announcement on auto tariffs.

#### **11. Global economy may be slowing more than expected, IMF says**

GLOBAL economic growth may be slowing more than forecast only a month ago, underscoring the urgency for countries to pull back from a damaging trade war, the International Monetary Fund (IMF) warned. The IMF downgraded its forecast for world growth in November 2018, and recent data suggest the outlook is worse since then, the fund said, Bloomberg reports. Financial conditions have tightened, especially in emerging markets, while trade tensions have increased, said the Washington-based fund.

## **12. The Government of Canada hosts stakeholder roundtable discussion on commodity supply chain**

Government officials on December 6, 2018 hosted a roundtable discussion on the transportation of commodities by rail with producers, shippers, railways, ports and provinces. Some of the key topics covered included: 1) the system performance of the freight rail supply chain; 2) the assessment of capacity across supply chains, which includes identifying areas of weakness, congestion and strength so that inefficiencies in the transportation system can be addressed, and supply chain partners can make more informed decisions; and, 3) the importance of sharing information and collaboration, particularly in the context of forecasting and planning, and identifying potential solutions.

## **13. U.S. China trade war distracting from talks with Canada on steel tariffs: Morneau**

Finance Minister Bill Morneau says the ongoing U.S.-China trade dispute is distracting from talks aimed at solving the steel tariffs issue between Canada and its largest trading partner. At an event in Montreal on December 7, 2018, Morneau said the Americans' Pacific trade row puts "multiple challenges on their plate." "That means we've got a challenge in getting this focused on in the near term," he said. Morneau said his office is in contact daily with U.S. officials as well as metal producers and purchasers, but could not offer a timeline for an end to the tariffs.

## **14. China to cut US car tariffs 25pc**

Beijing has agreed to bring down tariffs on cars imported from the US, as well as increase purchases of American agricultural goods, a move that could bring the two sides closer to agreeing a longer-lasting trade war cease fire. Cars shipped into China from the US will be subject to 15 per cent tariffs, down from the existing 40 per cent, sources briefed on the matter told the *Wall Street Journal*. This rate would be in line with the duties faced by vehicles from all other countries, after China slashed auto tariffs in July.

## **15. Lower than expected parcel volumes helping cut into backlog, says Canada Post**

With a little over a week before Christmas, Canada Post says it is starting to catch up on parcel deliveries that have been delayed by rotating strikes over the past two months. The Crown corporation says that's largely because it is taking in fewer holiday parcels than expected. At the same time, however, the agency says it cannot restore its delivery guarantees because backlogs remain sporadic across the country. Canada Post says volumes of international deliveries are also significantly less than expected, allowing postal workers to make some progress in reducing backlogs of packages from foreign locations.

## **16. Automated Material Handling Equipment Market Lifts Growth Projections**

The growing presence of start-up companies offering robotic solutions for warehouse automation, the increasing popularity of automated material handling (AMH) equipment among leading industries, significant recovery in global manufacturing, and rising labor cost and safety concerns are among the key factors driving the growth of the AMH market, according to a new study from industry analyst firm Research and Markets.

## **17. Government of Canada announces funding opportunities for infrastructure projects to create jobs and diversify trade**

The quality of transportation infrastructure and the efficiency of trade corridors are key to the success of Canadian businesses in the global marketplace. On December 18, 2018, the Honourable Marc Garneau, Minister of Transport, announced that the Government of Canada will begin a call for proposals under the [National Trade Corridors Fund](#) on January 15, 2019. The government will begin accepting expressions of interest starting on that date. By supporting projects under the National Trade Corridors Fund, the government is committed to significantly bolstering export opportunities for Canadian businesses, and diversifying Canada's overseas trade.

## **18. China lowers tariffs on U.S. cars, parts through March**

China has suspended 25 percent tariffs on U.S. automobiles and 5 percent tariffs on U.S. auto parts, after President Donald Trump and Chinese President Xi Jinping agreed during a Dec. 1 meeting to intensify efforts to resolve an ongoing trade war, the Chinese Finance Ministry announced December 21, 2018. The lower tariff rates will remain in place at least through March 31, the Finance Ministry said.

## **19. Travel between Canada and other countries, October 2018**

*US residents* made 2.0 million trips to Canada in October 2018, up 0.8% from September 2018. *Residents of overseas countries* (countries other than the United States) made 583,000 trips to Canada in October 2018. *Canadian residents* made 3.7 million trips to the United States in October 2018, up 2.7% from September 2018 and the second consecutive monthly increase. Canadian residents made 970,000 trips to overseas destinations (countries other than the United States) in October 2018, down 1.8% from September 2018. This was the third consecutive monthly decline and the lowest monthly level in 2018.

**20. U.S. Department of Transportation Announces Second Round of the Infrastructure For Rebuilding America (INFRA) Grant Program**

The U.S. Department of Transportation (USDOT) is announcing the second round of the Infrastructure for Rebuilding America (INFRA) discretionary grant program through a Notice of Funding Opportunity (NOFO) in the Federal Register. The INFRA program is expected to make approximately \$855-902.5 million, subject to funding provided by fiscal year (FY) 2019 appropriations, available to projects.

**21. World economy is set to feel the delayed trade war pain in 2019**

While 2018 was the year trade wars broke out, 2019 will be the year the global economy feels the pain. *Bloomberg's Global Trade Tracker* is softening amid a fading rush to front-load export orders ahead of threatened tariffs. And volumes are tipped to slow further even as the U.S. and China seek to resolve their trade spat, with companies warning of ongoing disruption. Financial markets have already taken a hit. Bank of America Merrill Lynch estimates that the trade war news has accounted for a net drop of 6 percent in the S&P 500 this year. China's stock market has lost \$2 trillion in value in 2018 and is languishing in a bear market. Recent data underscore concerns that trade will be a drag on American growth next year. U.S. consumers are feeling the least optimistic about the future economy in a year, while small business optimism about economic improvement fell to a two-year low and companies expect smaller profit gains in 2019. The International Monetary Fund forecasts trade volumes will slow to 4 percent in 2019 from 4.2 percent this year and 5.2 percent in 2017. They warn that trade barriers have become more pronounced.