

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Monthly civil aviation statistics, March 2019

The six Canadian Level I air carriers flew 7.7 million passengers on scheduled and charter services in March 2019, up 3.5% from March 2018 and continuing the upward year-over-year monthly trend that began in April 2014. This followed a 5.3% gain in February 2019 and represented the smallest increase in 11 months. Traffic increased 3.8% year over year to 19.9 billion passenger-kilometres in March 2019. Capacity rose 3.6% to 23.4 billion available seat-kilometres.

### 2. Asia-Pacific's April air cargo falls for 6th straight month: AAPA

The Asia-Pacific air cargo market posted a sixth straight month of contraction in April 2019, according to the Association of Asia Pacific Airlines (AAPA), reports *London's S&P Global Platts*. This, said the AAPA, follows disruptions to global supply chains amid heightened trade tension, particularly between the US and China. International air passenger markets continued to see moderate growth, supported by ongoing expansion in the global services sectors, said the AAPA. "Air cargo markets experienced a 6.3 per cent decline in demand during the same period," said AAPA director general Andrew Herdman.

### 3. Aircraft movement statistics: Major airports, March 2019

Aircraft take-offs and landings at Canadian airports with NAVCANADA air traffic control towers and flight service stations increased 10.4% in March 2019. Combined, 90 airports reported 506,637 movements, compared with 91 airports totalling 458,844 movements in March 2018.

### 4. Air Canada Demonstrates Commitment to Social Responsibility with release of its 2018 Corporate Sustainability Report

Air Canada on June 3, 2019 issued *Citizens of the World*, its 2018 corporate sustainability report. The report details the airline's progress in key areas of sustainability and is supported by an extensive table of performance indicators in accordance with the principles of the Global Reporting Initiative. Among its key sustainability accomplishments in 2018, Air Canada: 1) launched 29 new routes safely and reinforced our 33,000 employees' commitment to safety; 2) exceeded the collective annual fuel efficiency improvement targets of 1.5 per cent agreed upon by IATA for the global airline industry and was recognized as the 2018 Eco-Airline of the Year by Air Transport World; 3) initiated numerous training and inclusivity programs for our people, for which we were recognized for the sixth consecutive year as one of Canada's Top 100 Employers; and 4) supported 275 registered charities through the Air Canada Foundation in more than 200 communities we serve and where our people live.

### 5. Air Canada Inaugurates Daily Montreal-Raleigh Flights

Air Canada on June 3, 2019 inaugurated a new, non-stop service between Montreal and Raleigh, North Carolina. This morning's departure of Air Canada flight AC8178 marks the beginning of daily flights from Montreal to Raleigh-Durham International Airport, which will operate with a 50-seat Canadair Regional Jet (CRJ). Flights are timed to optimize connectivity from

## AIR TRANSPORTATION Canada

1. Monthly civil aviation statistics, March 2019, May 30, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Asia-Pacific's April air cargo falls for 6th straight month: AAPA, May 31, 2019, [www.transportweekly.com](http://www.transportweekly.com)
3. Aircraft movement statistics: Major airports, March 2019, May 30, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca) form of trade upheaval and falling demand.
4. Air Canada Demonstrates Commitment to Social Responsibility with release of its 2018 Corporate Sustainability Report, June 3, 2019, [www.aircanada.ca](http://www.aircanada.ca)
5. Air Canada Inaugurates Daily Montreal-Raleigh Flights, June 3, 2019, [www.aircanada.ca](http://www.aircanada.ca)
6. Air cargo outlook darkens in unsettled market, June 3, 2019, [www.joc.com](http://www.joc.com)
7. Air Canada and Drone Delivery Canada Corp. Announce a Sales Agency Agreement, June 4, 2019, [www.aircanada.ca](http://www.aircanada.ca)
8. Air Canada Provides Update on Exclusive Agreement with Transat A.T. Inc. to Pursue a Combination of the two Companies, June 4, 2019, [www.aircanada.ca](http://www.aircanada.ca)
9. Transat bid takes twist as Quebec developer tops Air Canada offer, June 4, 2019, [www.nationalpost.ca](http://www.nationalpost.ca)
10. Air Travel Consumer Report: March 2019 and 1st Quarter 2019 Numbers, May 5, 2019, [www.dot.gov](http://www.dot.gov)
11. IATA and Star Alliance Extend Cooperation to Improve Passenger Experience, June 3, 2019, [www.iata.org](http://www.iata.org)
12. WestJet developing Flight Light to connect families, June 6, 2019, [www.westjet.ca](http://www.westjet.ca)
13. Aircraft movement statistics: Small airports, February 2019, June 7, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
14. Transport Canada cancels Wabusk Air's Air Operator Certificate, June 10, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
15. Amended Air Transportation Regulations now finalized, June 12, 2019, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
16. WestJet - Buy Business, get Gold, June 12, 2019, [www.westjet.ca](http://www.westjet.ca)
17. WestJet unveils refreshed on-board experience as part of Dreamliner launches, June 13, 2019, [www.westjet.ca](http://www.westjet.ca)
18. Airline battle heats up as Montreal real estate investor submits rival bid for Transat, June 13, 2019, [www.globeandmail.ca](http://www.globeandmail.ca)

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

across Air Canada's network through Air Canada's hub in Montreal

#### **6. Air cargo outlook darkens in unsettled market**

The outlook for air cargo is turning negative as carriers face headwinds in the form of trade upheaval and falling demand.

#### **7. Air Canada and Drone Delivery Canada Corp. Announce a Sales Agency Agreement**

Air Canada announced on June 4, 2019 that it has entered into a sales agency agreement with Drone Delivery Canada Corp. (DDC) through which Air Canada Cargo will market DDC's drone delivery services in Canada, giving the logistics community access to the growing potential of commercial drone deliveries. Under the terms of the agreement, Air Canada Cargo will act as a sales agent of DDC for the purpose of marketing and pursuing sales of DDC's drone delivery services across Canada, on those routes for which DDC has sought and received regulatory approval.

#### **8. Air Canada Provides Update on Exclusive Agreement with Transat A.T. Inc. to Pursue a Combination of the two Companies**

Air Canada on June 4, 2019 said that it is in the process of finalizing its binding agreement to purchase all of the issued and outstanding shares of Transat AT Inc. and its combination with Air Canada to create an industry leading, Quebec-based leader in the global leisure travel industry. Air Canada announced on May 16, 2019 that it had entered into an exclusive agreement with Transat regarding the proposed transaction and that the agreement was subject to Air Canada completing a 30-day due diligence period now expected to be complete towards the end of June 2019. Air Canada's acquisition will result in job creation and economic growth in Quebec, given the travel and tourism opportunities. Moreover, Air Canada has all necessary funding to complete the transaction and therefore it is not subject to financing conditions and does not require government or taxpayer assistance. The transaction, valued at \$520 million, remains subject to the finalization of definitive agreements, confirmatory due diligence, regulatory and shareholder approvals and other closing conditions usual in this type of transaction. There is no assurance that the transaction will be completed as described in this news release or at all.

#### **9. Transat bid takes twist as Quebec developer tops Air Canada offer**

Real-estate developer Group Mach Inc. offered to buy tour operator Transat A.T. with potential support from the Quebec government, topping a friendly proposal by Air Canada that had been criticized by some shareholders. Mach is offering \$14 a share in cash for Montreal-based Transat, \$1 per share more than the Air Canada bid. The unsolicited proposal is worth more than \$1 billion, including off balance sheet debt, Mach said in a statement on June 4, 2019.

#### **10. Air Travel Consumer Report: March 2019 and 1st Quarter 2019 Numbers**

The U.S. Department of Transportation (DOT) on June 5, 2019 released its May 2019 Air Travel Consumer Report (ATCR) compiled for the month of March 2019. Some traveller matters of interest were:

*On-Time Performance:* In March 2019, reporting marketing carriers posted an on-time arrival rate of 80.9%, up from both the 73.8% on-time rate in February 2019 and from 80.7% in March 2018. *Cancellations:* In March 2019, reporting marketing carriers canceled 2.0% of their scheduled domestic flights, down from both the rate of 3.1% in February 2019 and 2.9% in March 2018.

*Tarmac Delays:* In March 2019, airlines reported five tarmac delays of more than three hours on domestic flights, compared to 16 such tarmac delays reported in February 2019 and one tarmac delay reported in March 2018. In March 2019, airlines reported three tarmac delays of more than four hours on international flights, compared to no tarmac delays reported in February 2019

19. Estimated May 2019 U.S. Airline Traffic Data, June 13, 2019, [www.bts.gov](http://www.bts.gov)

20. British Airways pilots seek strike vote, June 14, 2019, [www.transportweekly.com](http://www.transportweekly.com)

21. Government of Canada invests in transportation infrastructure at John C. Munro Hamilton International Airport to move goods to market, June 14, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

22. Air Canada Introduces Maple Leaf Lounge Express: Another Convenient Way to Work or Relax before Flying to the U.S. from Toronto Pearson, June 14, 2019, [www.aircanada.ca](http://www.aircanada.ca)

23. Aerospace industry at risk of further decline, says report by Jean Charest, June 17, 2019, [www.ctl.ca](http://www.ctl.ca)

24. First Quarter 2019 U.S. Airline Financial Data, June 17, 2019, [www.bts.gov](http://www.bts.gov)

25. Air Canada Named Best Airline in North America for Third Straight Year at 2019 Skytrax World Airline Awards, June 18, 2019, [www.aircanada.ca](http://www.aircanada.ca)

26. Best in Europe, June 19, 2019, [www.transportweekly.com](http://www.transportweekly.com)

27. April 2019 U.S. Passenger Airline Employment Data, June 18, 2019, [www.bts.gov](http://www.bts.gov)

28. Government of Canada approves First Air and Canadian North merger, June 19, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

29. Be Prepared for the Busy Summer Travel Season, Air Canada Offers Tips To Make Your Journey Smoother, June 20, 2019, [www.aircanada.ca](http://www.aircanada.ca)

30. Remarks of Alexandre de Juniac at the 2019 SITA Innovation Forum "Transforming Together", June 20, 2019, [www.iata.org](http://www.iata.org)

31. WestJet Link welcomes over 195,000 guests in its first year of service, June 20, 2019, [www.westjet.ca](http://www.westjet.ca)

32. Air Canada Enhances its Award-Winning In-Flight Entertainment by Partnering with Crave and Stingray, June 20, 2019, [www.aircanada.ca](http://www.aircanada.ca)

33. Air Travel Consumer Report: April 2019 Numbers, June 20, 2019, [www.bts.gov](http://www.bts.gov)

34. Ottawa greenlights northern airlines merger in wake of 'monopoly' warnings, June 21 2019, [www.ctl.ca](http://www.ctl.ca)

35. Air Canada Proudly Salutes its Indigenous Employees on National Indigenous Peoples Day, June 21, 2019, [www.aircanada.ca](http://www.aircanada.ca)

36. Can whales fly? Quebec seems to think they can, June 18, 2019, [www.montrealgazette.com](http://www.montrealgazette.com)

37. WestJet announces first regulatory approval in its proposed acquisition by Onex, June 24, 2019, [www.westjet.ca](http://www.westjet.ca)

38. Three Recommendations to Boost the Benefits of Aviation in Greece, June 25, 2019, [www.iata.com](http://www.iata.com)

39. U.S. Transportation Secretary Elaine L. Chao Announces Major Infrastructure Investments in Texas, June 24, 2019, [www.dot.gov](http://www.dot.gov)

40. Transportation Secretary Elaine L. Chao Joins American Airlines as they Pledge to Invest in America's Workers, June 24, 2019, [www.dot.gov](http://www.dot.gov)

and no tarmac delays reported in March 2018. Extended tarmac delays are investigated by the Department. *Mishandled Baggage*: In March 2019, the reporting marketing carriers posted a mishandled baggage rate of 5.24 mishandled bags per 1,000 checked bags, a lower rate than February 2019's rate of 6.03 per 1,000 checked bags. For the first quarter of 2019, the carriers posted a mishandled baggage rate of 5.67 mishandled bags per 1,000 checked bags.

### **11. IATA and Star Alliance Extend Cooperation to Improve Passenger Experience**

The International Air Transport Association (IATA) and Star Alliance have renewed their collaboration on traveller document verification to improve the passenger experience. Star Alliance and IATA, in a signing ceremony at IATA's 75th Annual General Meeting in Seoul, agreed that IATA's Timatic AutoCheck solution will continue to power Automated Document Check (ADC) for Star Alliance member carriers. IATA Timatic AutoCheck enables Star Alliance customers checking-in at the airport counter or online to verify that their travel documents are valid and complete for the whole journey, including any transit point before travel begins. This delivers several significant benefits.

### **12. WestJet developing Flight Light to connect families**

As WestJet's network continues to grow globally so do the needs of guests who travel the most. With business travellers and frequent flyers often away from home, WestJet's Flight Light will let kids watch their parents flight in real-time and show them just how close they are to arriving home.

### **13. Aircraft movement statistics: Small airports, February 2019**

Take-offs and landings at 133 Canadian airports without air traffic control towers reached 34,241 movements in February 2019. Total aircraft movements for the 129 airports for which year-over-year comparisons were possible decreased 3.3%, from 35,047 in February 2018 to 33,901 in February 2019, with 59 airports reporting fewer movements. The largest decreases were recorded at the following airports: Amos Municipal, Quebec (-359 movements), Comox (-267) and Red Lake (-258). Among those airports with increases, the largest growth was reported at Collingwood (+333).

### **14. Transport Canada cancels Wabusk Air's Air Operator Certificate**

On June 8, 2019, Transport Canada cancelled Wabusk Air's Air Operator Certificate, which prohibits the company from providing commercial air services. Transport Canada took this action because of Wabusk Air's demonstrated inability to safely operate in accordance with the *Canadian Aviation Regulations*.

### **15. Amended Air Transportation Regulations now finalized**

The Canadian Transportation Agency (CTA) announced on June 12, 2019 that the amended *Air Transportation Regulations (ATR)* are now finalized. The CTA delivers its air transportation mandate through the administration of the ATR. The majority of the amendments will come into force on July 1, 2019, while increased insurance requirements will be implemented in two years, on July 1, 2021.

### **16. WestJet - Buy Business, get Gold**

WestJet on June 12, 2019 introduced a new WestJet Rewards offer, "Buy Business, get Gold" giving guests the opportunity to become a WestJet Rewards Gold member before they fly until February 29, 2020 with the booking of a round-trip Business cabin fare between Calgary and London (Gatwick), Dublin or Paris. "WestJet Rewards Gold status is designed to recognize and reward WestJet's frequent flyers with a wide-range of travel privileges," said d'Arcy Monaghan, WestJet Vice-President of Loyalty Programs. "Guests booking a Business or Business Flex fare on our Dreamliner will get the upgrade to Gold in time for flight. Our new Dreamliner is already a rewarding flight experience and with buy Business, get Gold, it becomes even more so."

### **17. WestJet unveils refreshed on-board experience as part of Dreamliner launches**

Following the successful launch of WestJet's Dreamliners from Calgary to London (Gatwick), Paris and Dublin, guests travelling across WestJet's global network can now experience the airline's elevated amenities and on-board experience. Tailored to showcase WestJet's authentic Canadian story, enhanced service offerings and products are featured across WestJet's Boeing 787 Dreamliners, 767 and 737 transatlantic service. Guests can expect to see updates continue to roll across the WestJet fleet throughout 2019 and 2020.

### **18. Airline battle heats up as Montreal real estate investor submits rival bid for Transat**

The battle for Transat A.T. Inc. appears set to heat up as Montreal real estate investor Group Mach Inc. submits a formal offer for the airline and vacation company that is still in talks for a friendly takeover with Air Canada. Vincent Chiara, chief executive officer of Mach, said on June 13, 2019 that he would file a formal takeover proposal with Transat later that day for a deal worth \$14 a share – trumping Air Canada's preliminary \$13 offer. Earlier in the day, Transat CEO Jean-Marc Eustache said he did not consider Mach's interest in the company, announced in a June 4 news

41. WestJet begins summer service between Edmonton and St. John's, June 26, 2019, [www.westjet.ca](http://www.westjet.ca)

42. WestJet announces Victoria/Cabo San Lucas starting this November, June 25, 2019, [www.westjet.ca](http://www.westjet.ca)

43. Calgary, soak up some Dominican sun this winter, June 25, 2019, [www.westjet.ca](http://www.westjet.ca)

44. Air fares, fourth quarter 2018, June 26, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)

45. Government of Canada designates Muskoka Airport, June 26, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

46. Statement - Coordinated Effort to Safely Return 737 MAX to Service, June 27, 2019, [www.iata.org](http://www.iata.org)

release, to be an official bid yet and therefore wouldn't comment on it. The Air Canada talks that began in late May 2019 will continue until June 26, 2019 he added. "Should any other proposal be communicated to the company before or after the end of the exclusivity period, it will be addressed by our board of directors," Mr. Eustache said.

#### **19. Estimated May 2019 U.S. Airline Traffic Data**

U.S. airlines carried an estimated 77.4 million systemwide (domestic and international) scheduled service passengers in May 2019, seasonally-adjusted, according to the Bureau of Transportation Statistics' (BTS) first estimate, up 0.2% from the April second estimate. The BTS estimate of the May 2019 enplanement total of 77.4 million was down 0.2% from the all-time, seasonally-adjusted, reported high of 77.6 million reached in March 2019. BTS estimated 67.7 million domestic passengers and 9.7 million international passengers on U.S. airlines flights in May 2019.

#### **20. British Airways pilots seek strike vote**

British Airways pilots have called for a strike vote after unions rejected the latest pay package from management, reports Bloomberg. "We are urgently considering next steps and will make a further statement later this week," said Brian Strutton, general secretary of the British Airline Pilots Association (BAPA).

#### **21. Government of Canada invests in transportation infrastructure at John C. Munro Hamilton International Airport to move goods to market**

On June 14, 2017, the Honourable Filomena Tassi, Minister of Seniors and Member of Parliament for Hamilton West—Ancaster—Dundas, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$18.5 million for a project that will increase efficiency at John C. Munro Hamilton International Airport and move Canadian goods to international markets.

#### **22. Air Canada Introduces Maple Leaf Lounge Express: Another Convenient Way to Work or Relax before Flying to the U.S. from Toronto Pearson**

Air Canada on June 14, 2019 unveiled another convenient way for premium customers to work or relax prior to their flight with the Maple Leaf Lounge Express, located in the Toronto Pearson International Airport Terminal 1-transborder departure area. The lounge joins the existing Maple Leaf Lounge as the second premium lounge product available to customers departing to the US from Toronto-Pearson. Business Class customers or those with select Altitude Status, as well as Star Alliance Gold members departing on an Air Canada, or United Airlines flight will be eligible to access the Maple Leaf Lounge Express.

#### **23. Aerospace industry at risk of further decline, says report by Jean Charest**

The aerospace industry is "at risk" of being overtaken by foreign rivals if government doesn't treat it as an "urgent priority" and work with the sector to staunch falling employment and GDP contributions, an industry report says. New funding commitments, Canada-first defence procurement and fresh talent amid "a massive labour crunch" are key to staunching the decline, according to the Aerospace Industries Association of Canada (AIAC) report, authored by former Quebec premier Jean Charest.

#### **24. First Quarter 2019 U.S. Airline Financial Data**

U.S. scheduled passenger airlines reported a first-quarter 2019 after-tax net profit of \$2.1 billion, the 24th consecutive annual after tax profit, and a pre-tax operating profit of \$3.0 billion, the 32nd consecutive quarterly pre-tax profit. Both were down from the previous quarter. U.S. airline financial reports are filed quarterly with the Bureau of Transportation Statistics (BTS).

#### **25. Air Canada Named Best Airline in North America for Third Straight Year at 2019 Skytrax World Airline Awards**

Air Canada was named Best Airline in North America for the third consecutive year and recognized for the world's Best Business Class Lounge Dining, Best Airline Staff in Canada, Best Business Class in North America and Best Airline Cabin Cleanliness in North America at the 2019 Skytrax World Airline Awards ceremony held on June 18, 2019 at the International Paris Air Show. It is the eighth time in the past ten years the carrier was selected as the Best in North America by the World Airline Awards, which are based on passenger satisfaction surveys of more than 21 million global travellers.

#### **26. Best in Europe**

Customers have voted British Airways staff as the best in Europe at the Skytrax 2019 World Airline Awards. The award recognises the airline's staff for their friendliness and efficiency, and highlights the consistent excellent service delivered by airport and on-board customer service teams. The airline is celebrating by sharing some of the wonderful stories of its frontline colleagues and their connections to the airline.

#### **27. April 2019 U.S. Passenger Airline Employment Data**

The 21 U.S. scheduled passenger airlines employed 2.3% more workers in April 2019 than in April 2018: 1) April's 446,323 full-time equivalents (FTE) was the highest employment total for any month since April 2003 (449,288 FTEs). 2) April was the 66th consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year. The airlines employed 13.4% more workers more than in April 2015.

### **28. Government of Canada approves First Air and Canadian North merger**

The Honourable Marc Garneau, Minister of Transport, on June 19, 2019 announced that the Government of Canada has approved a merger between First Air and Canadian North, the primary air carriers serving Canada's North, subject to a series of strict terms and conditions. In fall 2018, Makivik Corporation and the Inuvialuit Corporate Group announced an agreement to merge First Air and Canadian North, and filed a merger notification with the Commissioner of Competition and the Minister of Transport. The approval of the merger comes following a public interest assessment, which was led by the Minister of Transport and incorporated the findings of the Commissioner of Competition.

### **29. Be Prepared for the Busy Summer Travel Season, Air Canada Offers Tips To Make Your Journey Smoother**

With the busy summer season about to begin Air Canada is highlighting some essential travel tips to make the journey smoother for customers over the holidays. As part of its commitment to customer service, Air Canada has implemented an enhanced check-in process to improve the travel experience for customers. All customers checking in through any Air Canada channel are now required to include a mobile phone number or email address through which they can be contacted directly during their trip.

### **30. Remarks of Alexandre de Juniac at the 2019 SITA Innovation Forum "Transforming Together"**

At the SITA Forum, Mr. Juniac indicated that meeting the demands of the future will test IATA's industry capabilities. Transformation will be necessary at the airport, airline and industry levels. Fortunately, IATA has a history of using technology to drive efficiency, simplify processes, and improve the customer experience. For example: 1) IATA converted to 100% e-ticketing, saving billions of dollars in costs while reducing our environmental impact and eliminating customer worries over lost or forgotten paper tickets. 2) IATA increased the productivity and throughput at airports without growing real estate, while reducing queuing times for passengers through self-service check-in and baggage kiosks. 3) IATA's use of bar-coded and mobile boarding passes have transferred an enormous amount of processing activity off airports, while empowering air travelers to check-in at their convenience, from wherever they happen to be, using their mobile devices. All of these innovations helped us to accommodate a 75% increase in passengers since 2008, within well-known airport infrastructure constraints. As Mr. Juniac reviewed the coming years, he indicated that he believed that IATA must embrace far-reaching change in how it operates businesses and serve customers. This will be driven by data and digital transformation. He focused on three areas in particular where this is occurring: *Safety, Distribution, and Airport Processes*.

### **31. WestJet Link welcomes over 195,000 guests in its first year of service**

WestJet's newest air service, WestJet Link is celebrating carrying more than 195,000 guests in its first year of operation between Calgary and five cities in British Columbia and Alberta. Since its inception in June 2018, WestJet Link has operated over 7,000 flights between WestJet's home and its largest hub in Calgary to Cranbrook, Lethbridge, Lloydminster, Medicine Hat and Prince George. Guests from these areas have benefitted from more choice, lower fares and better connectivity through the service.

### **32. Air Canada Enhances its Award-Winning In-Flight Entertainment by Partnering with Crave and Stingray**

Air Canada announced on June 20, 2019 that it is expanding its popular in-flight entertainment selection through unique partnerships with Bell Media's premium entertainment service, Crave, and Canadian-based multi-platform audio service, Stingray. The new offerings are part of an enhancement of the airline's entertainment system that will increase the content selection by 50 per cent on certain aircraft types, including many of its longest-haul wide-body Boeing 777s and 787s, as well as Air Canada Rouge's A319s, A321s and Boeing 767s, offering enough content that a customer would have to fly around the world 22 times to consume it all.

### **33. Air Travel Consumer Report: April 2019 Numbers**

The U.S. Department of Transportation (DOT) on June 20, 2019 released its June 2019 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of April 2019. Some of its findings were: *On-Time Performance* - In April 2019, reporting marketing carriers posted an on-time arrival rate of 79.8%, down from both the 80.9% on-time rate in March 2019 and from 81.3% in April 2018. *Cancellations* - In April 2019, reporting marketing carriers canceled 2.4% of their scheduled domestic flights, up from both the rate of 2.0% in March 2019 and 1.1% in April 2018. *Tarmac Delays* - In April 2019, airlines reported 29 tarmac delays of more than three hours on domestic flights, compared to five such tarmac delays reported in March 2019 and one tarmac delay reported in April 2018. In April 2019, airlines reported one tarmac delay of more than four hours on international flights, compared to three tarmac delays reported in March 2019 and no tarmac delays reported in April 2018.

### **34. Ottawa greenlights northern airlines merger in wake of 'monopoly' warnings**

The federal government has approved a merger between two northern air carriers that Canada's competition watchdog has said would amount to a monopoly on key routes. Transport Canada says in a statement that First Air and Canadian North can merge under conditions that strike a balance between corporate viability and the public interest. The conditions bar price increases for passengers and cargo service beyond those tied to operating costs, and prohibit reductions to the weekly flight schedule.

### **35. Air Canada Proudly Salutes its Indigenous Employees on National Indigenous Peoples Day**

Air Canada is marking National Indigenous Peoples Day by proudly highlighting the achievements and contributions of its Indigenous employees. In the third week of June 2019, flight AC185 from Toronto to Vancouver, operated with Air Canada's flagship Boeing 787 Dreamliner, was flown by an all-Indigenous full crew of two pilots and nine flight attendants. This flight was also supported by Indigenous employees on the ground. A video featuring the crew and the flight's traditional Musqueam welcome on arrival at Vancouver is here.

### **36. Can whales fly? Quebec seems to think they can.**

On June 18, 2019, Quebec agreed to buy a minority stake in French blimp-maker Flying Whales that would pave the way for the construction of a production facility in the Montreal area within five years. The parties are aiming to have a definitive accord in place by Sept. 30, 2019. Financial terms weren't immediately disclosed. Economy Minister Pierre Fitzgibbon made the announcement at a press conference at the Paris Air Show, the aerospace industry's biannual extravaganza. Flanking him was Sébastien Bougon, the CEO of the French manufacturer. Founded in 2012, Flying Whales is developing a 150-metre-long airship with a rigid frame that will be capable of carrying as much of 60 tons of cargo, such as lumber or machinery, to remote areas that are devoid of roads. Standing 42 metres tall, the Flying Whales blimp will be the world's tallest flying machine. By investing in the company, which now has about 120 employees, Quebec will join the governments of France and China as major shareholders. "Quebec is becoming a key partner for us," Bougon said Tuesday by telephone from Paris. "We're going to have a big volume of activities in Quebec."

### **37. WestJet announces first regulatory approval in its proposed acquisition by Onex**

WestJet Airlines Ltd. ("WestJet") announced that Onex Corporation ("Onex") has received approval from the Minister of Transport (Canada) on the basis that the proposed acquisition of WestJet by Onex does not raise public interest issues as related to national transportation. WestJet and Onex entered into a definitive agreement on May 12, 2019, for the proposed acquisition of WestJet by Onex under a plan of arrangement pursuant to which each outstanding share of WestJet will be exchanged for \$31.00 in cash (the "Arrangement"). Receipt of the Minister of Transport's approval is one of the conditions to closing of the Arrangement. Ed Sims, WestJet President and CEO said, "We welcome the decision by the Minister of Transport, and we will continue to cooperate with the necessary authorities on the remaining regulatory approvals." The Arrangement is still subject to other conditions to closing including other regulatory approvals, approval by the security holders of WestJet at a special meeting to be held on July 23, 2019 and final approval of the Arrangement by the Court of Queen's Bench of Alberta.

### **38. Three Recommendations to Boost the Benefits of Aviation in Greece**

According to a recent study about air transport competitiveness, Greece should work to modernize its airspace, keep airport charges under control and expand terminal and runway capacity to meet the upcoming increase in passenger demand. The study, titled *Greece Air Transport Regulatory Competitiveness Indicators*, reveals that Greece has the eighth-largest air connectivity in Europe and air connectivity increased 106% between 2013 and 2018. Air transport's contribution to the Greek economy is also significant. The industry supports 457,000 jobs and contributes EUR 17.8 billion to Greek GDP, accounting for 10.2% of the total. Despite this already significant contribution, the study laid out a set of key recommendations for air transport to continue its growth trajectory and generate even more value in Greece.

1. Pursue airspace and system modernization to improve air traffic management performance and reduce delays.
2. Protect passengers and airlines from excessive airport charges.
3. Develop new terminal and runway infrastructure should be as planned

### **39. U.S. Transportation Secretary Elaine L. Chao Announces Major Infrastructure Investments in Texas**

On June 24, 2019, U.S. Transportation Secretary Elaine L. Chao visited Dallas to announce \$495 million in airport infrastructure grants to 327 airports in 49 states. During her visit at Dallas-Ft. Worth International Airport, Secretary Chao unveiled that more than \$57.1 million of that funding will make infrastructure improvements at eight airports in Texas, helping make the state's economy more competitive.

### **40. Transportation Secretary Elaine L. Chao Joins American Airlines as they Pledge to Invest in America's Workers**

U.S. Secretary of Transportation Elaine L. Chao on June 24, 2019 joined American Airlines Chairman and Chief Executive Officer Doug Parker at Dallas Fort Worth International Airport as the company signed on to the White House's "Pledge to America's Workers," committing to creating 22,000 training and education opportunities.

### **41. WestJet begins summer service between Edmonton and St. John's**

WestJet on June 26, 2019 again connected Alberta and Newfoundland and Labrador with the departure of its non-stop flight between the Edmonton International Airport (YEG) and St. John's International Airport (YYT). As part of WestJet's summer schedule, the new three-times weekly service features conveniently timed flights and strengthens ties between two important destinations in WestJet's network.

### **42. WestJet announces Victoria/Cabo San Lucas starting this November**

As part of its 2019/2020 winter schedule, on June 25, 2019 WestJet announced a hot new reason to travel south this

winter – Cabo San Lucas, Mexico. Starting November 5, 2019, WestJet will operate nonstop between Victoria International Airport (YYJ) and Los Cabos Mexico International Airport (SJD) with weekly service that gets guests to the beach by the afternoon of the same day.

#### **43. Calgary, soak up some Dominican sun this winter**

As part of its 2019/2020 winter schedule, on June 25, 2019 WestJet announced a hot new reason to travel south this winter – Punta Cana, Dominican Republic. Starting December 13, 2019, WestJet will operate a nonstop overnight flight between Calgary International Airport (YYC) and Punta Cana International Airport (PUJ).

#### **44. Air fares, fourth quarter 2018**

Base air fares in Canada, domestic and international combined, averaged \$224.60 in the 2018 fourth quarter, down 1.1% from the same quarter in 2017. Base fares do not include the goods and services tax, air transportation taxes or user fees, such as airport improvement fees or fuel surcharges. Average air fares are calculated for each flight stage—that is, when the passenger boards the aircraft at one airport and departs the aircraft at another airport. The average domestic fare was down 1.4% from the fourth quarter of 2017 to \$167.00, while the average international fare decreased 2.2% to \$281.60. This marked the third consecutive decline in international air fares.

#### **45. Government of Canada designates Muskoka Airport**

The Honourable Marc Garneau, Minister of Transport, on June 26, 2019 announced that the Muskoka Airport will be able to purchase security screening services from the Canadian Air Transport Security Authority (CATSA), which will help the airport attract new business and expand its service offerings.

#### **46. Statement - Coordinated Effort to Safely Return 737 MAX to Service**

The International Air Transport Association (IATA) urged state aviation safety regulators to continue to align on technical validation requirements and timelines for the safe re-entry into service of the Boeing 737 MAX aircraft. The announcement came at the conclusion of the second Boeing 737 MAX Summit organized by IATA. “The Boeing 737 MAX tragedies weigh heavily on an industry that holds safety as its top priority. We trust the Federal Aviation Administration, in its role as the certifying regulator, to ensure the aircraft’s safe return to service. And we respect the duty of regulators around the world to make independent decisions on FAA’s recommendations,” said Alexandre de Juniac, IATA’s Director General and CEO.

## **WATER TRANSPORTATION**

### **1. British Columbia port employers, ILWU reach tentative accord**

The British Columbia Maritime Employers Association (BCMEA) and ILWU–Canada said on May 30, 2019 that they have “come to a tentative contract agreement,” ending a lockout of workers just hours after it began. BCMEA said the agreement will “allow all BC ports to be a competitive, efficient and reliable gateway for the benefit of all Canadians. The tentative agreement is subject to ratification.”

### **2. Minister Garneau announces the lifting of additional restrictions to navigation related to flooding**

On May 30, 2019, the Honourable Marc Garneau, Minister of Transport, announced the lifting of additional navigation restrictions in certain zones previously identified in Interim Order no. 4 Respecting Flooded Areas. Minister Garneau has removed all parts of the Ottawa River, in Ontario or Quebec, from the list of waters where navigation is restricted except in the part of the Ottawa River between the western point of Île Dubé in the Parc National De Plaisance and the Grenville lighthouse, where navigation continues to be restricted. This navigation restriction on the Ottawa River is near communities such as Wendover, Plaisance, Papineauville, L’Orignal and Calumet. The speed restriction of 9 knots for upriver traffic and 11 knots for downriver traffic remains in place between Ile des Barques and Batiscan,

## **WATER TRANSPORTATION Canada**

1. British Columbia port employers, ILWU reach tentative accord, May 30, 2019, [www.americanshipper.com](http://www.americanshipper.com)
2. Minister Garneau announces the lifting of additional restrictions to navigation related to flooding, May 30, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
3. Government of Canada invests in transportation infrastructure at the Port of Halifax and Windsor Street Exchange upgrades, June 2, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
4. CP and Yang Ming sign long-term agreement to connect Yang Ming’s customers with North American markets, May 31, 2019, [www.cpr.ca](http://www.cpr.ca)
5. Mexican ports’ box volume surges 10pc, June 3, 2019, [www.transportweekly.com](http://www.transportweekly.com)
6. Port of NY/NJ posts container volume increase of 9.1pc in April, June 4, 2019, [www.transportweekly.com](http://www.transportweekly.com)
7. Asia Pacific remains top shipping loss region, June 4, 2019, [www.transportweekly.com](http://www.transportweekly.com)

Quebec. Any violation of these provisions (either speed above the maximum or navigation in closed areas) is subject to fines of up to \$5000 through an Administrative Monetary Penalty, or in the case of summary conviction, up to \$1 million and/or up to 18 months in prison, or the seizure of the vessel.

### **3. Government of Canada invests in transportation infrastructure at the Port of Halifax and Windsor Street Exchange upgrades**

On June 2, 2019, the Honourable Marc Garneau, Minister of Transport, and Andy Fillmore, Member of Parliament for Halifax, announced a major investment of \$47.5 million for two projects that will increase capacity at the Port of Halifax to move Canadian goods to international markets. The first project will increase storage capacity at the Port of Halifax by connecting the South End Container Terminal to the Fairview Cove Container Terminal by rail. The second project will upgrade the Windsor Street Exchange, which is the main access road to the Port of Halifax.

### **4. CP and Yang Ming sign long-term agreement to connect Yang Ming's customers with North American markets**

Canadian Pacific Railway Limited and Yang Ming Marine Transport Corporation on May 31, 2019 announced a three-year agreement to safely and efficiently connect Yang Ming customers with North America, via the Port of Vancouver. "On behalf of the 13,000-strong CP family, I would like to offer a warm welcome to Yang Ming," said CP President and CEO Keith Creel. "We are proud to be selected as Yang Ming's Canadian rail carrier, and we look forward to a long and successful relationship. This agreement is a testament to our service, to our network capacity and room to grow at our inland terminals and to the tireless work we put in to understand our customers and create win-win solutions for the supply chain and the broader economy."

### **5. Mexican ports' box volume surges 10pc**

Mexico's ports posted a 10 per cent year-on-year increase in container throughput in the first four months of 2019 to 2,300,088 TEU, according to statistics released by the Secretariat of Communications and Transportation (SCT). Empties accounted for 685,106 TEU of the total, an increase of 20.5 per cent. Laden boxes accounted for 1,612,757 TEU, an increase of 5.9 per cent than in the same period last year, representing 70.1 per cent of the total. Pacific coast ports handled 1,544,321 TEU an increase of 9.6 per cent while in the Gulf of Mexico ports handled 755,767 TEU, up 10.6 per cent year on year, reports Chihuahua's MexicoNow.

### **6. Port of NY/NJ posts container volume increase of 9.1pc in April**

Container volume through the Port of New York and New Jersey increased four per cent in April 2019 from the previous month to 605,263 TEU, according to *Shipping Gazette*. Port officials said 2019 April cargo growth was bolstered by a 9.1 per cent year-on-year increase in port containers. The port set a new 2019 March record for cargo handled by rail, as well, moving 58,877 containers, up 11 per cent compared with the year-ago period. From January through April 2019, imports were up 5.1 per cent year on year to 1,203,674 TEU, which had a throughput of 1,145,006 TEU.

### **7. Asia Pacific remains top shipping loss region**

Asia Pacific waters remain the top shipping loss region, accounting for 45% of losses globally in 2018, according to *Allianz Global Corporate & Specialty SE's (AGCS) Safety & Shipping Review 2019*. The annual study analyzes reported shipping losses over 100 gross tons (GT). In 2018, 21 total losses of vessels were reported in Asia Pacific, down from 46 losses in the 12 months earlier, driven by a significant decline in activity in the global loss hotspot, South East Asia, and weather-related losses after quieter hurricane and typhoon seasons.

### **8. Sea level rise could cost U.S. ports between \$57 billion To \$78 billion in**

8. Sea level rise could cost U.S. ports between \$57 billion To \$78 billion in upgrades, June 3, 2019, [www.ajot.com](http://www.ajot.com)

9. Minister Garneau announces the end of the remaining navigation restrictions related to flooding, June 4, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

10. Expanded voluntary ship slowdown through Haro Strait and Boundary Pass set to begin, June 4, 2019, [www.portmetrovancovere.com](http://www.portmetrovancovere.com)

11. Minister Garneau announces the amalgamated Hamilton-Oshawa Port Authority, June 5, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

12. SISI: Throughput at global ports slowed down in Q1, June 5, 2019, [www.americanshipper.com](http://www.americanshipper.com)

13. Port fluidity seen in Canada cargo portal plan, June 6, 2019, [www.joc.com](http://www.joc.com)

14. Hands-free mooring technology fully deployed on St. Lawrence Seaway, June 6, 2019, [www.americanshipper.com](http://www.americanshipper.com)

15. Minister Garneau proposes new regulations on ballast water to better protect against aquatic invasive species, June 7, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

16. British Columbia a hotbed of port expansion, June 7, 2019, [www.americanshipper.com](http://www.americanshipper.com)

17. Twenty-three recipients recognized with Blue Circle Awards for voluntary efforts to conserve energy and reduce emissions, June 7, 2019, [www.portmetrovancovere.com](http://www.portmetrovancovere.com)

18. Canada applies to extend its sovereignty to North Pole, June 10, 2019, [www.transportweekly.com](http://www.transportweekly.com)

19. Ever-growing size of ships prompts concerns among marine insurers, June 11, 2019, [www.transportweekly.com](http://www.transportweekly.com)

20. Westbound transatlantic trade lane proves to be world's most profitable, June 11, 2019, [www.transportweekly.com](http://www.transportweekly.com)

21. Is supersizing ports the answer?, June 11, 2019, [www.americanshipper.com](http://www.americanshipper.com)

22. Shanghai container volumes up 3.6pc in May to 3.76 million TEU, June 12, 2019, [www.transportweekly.com](http://www.transportweekly.com)

23. Port of Halifax launches industry-leading Vessel Forecast Summary application, June 11, 2019, [www.portofhalifax.ca](http://www.portofhalifax.ca)

24. Montreal efficiency measures cut dwell times by two-thirds, June 12, 2019, [www.joc.com](http://www.joc.com)

25. U.S. Department of Transportation Launches Port Infrastructure Development Program, June 12, 2019, [www.dot.gov](http://www.dot.gov)

26. Cargo shipments bounce back in May on St. Lawrence Seaway, June 13, 2019, [www.ctl.ca](http://www.ctl.ca)

27. Valleyfield port to get \$24M in funding for expansion project, June 14, 2019, [www.ctl.ca](http://www.ctl.ca)

28. China box exports to US down 6.5pc from January to May, June 17, 2019, [www.transportweekly.com](http://www.transportweekly.com)

29. Construction begins for Centerm terminal and road upgrades along the south shore of the Burrard Inlet, June 17, 2019, [www.portmetrovancovere.com](http://www.portmetrovancovere.com)

30. Fednav partners with CargoMetrics Technologies, June 17, 2019, [www.ctl.ca](http://www.ctl.ca)

31. Port of Virginia handles 261,000 TEU,



## upgrades

A University of Rhode Island team has concluded that the top 100 US ports may need to invest between \$57 billion to \$78 billion to accommodate a two-meter increase in sea level rise and recent surveys indicate that some U.S. port designers are beginning to incorporate sea level rise into their planning process. Austin Becker, a Department of Marine Affairs professor at the University of Rhode Island, told AJOT that the \$57 billion to \$78 billion projection, which appeared in a 2017 report, describes a model for estimating the cost and materials that is a “thought exercise to encourage U.S. ports to become more aware of the need for climate adaptation in their policies and practices.”

## 9. Minister Garneau announces the end of the remaining navigation restrictions related to flooding

Due to improved navigational safety conditions and following consultations with local authorities and law enforcement, Minister Garneau on June 4, 2019 has removed all remaining navigation restrictions that were implemented in flooded areas. The Ottawa River is now completely open to navigation.

## 10. Expanded voluntary ship slowdown through Haro Strait and Boundary Pass set to begin

Effective June 1, 2019 the commercial shipping industry is on alert to begin voluntarily slowing their ships when southern resident killer whales return to Haro Strait and Boundary Pass to feed for the summer. Now in its third year, voluntary ship slowdowns are part of a regional-scale collaborative research trial coordinated by the Vancouver Fraser Port Authority-led Enhancing Cetacean Habitat and Observation (ECHO) Program, which aims to reduce underwater noise from large commercial ships that could affect these at-risk whales.

## 11. Minister Garneau announces the amalgamated Hamilton-Oshawa Port Authority

On June 5, 2019, the Honourable Marc Garneau, Minister of Transport, announced the Government of Canada’s decision to amalgamate the Oshawa and Hamilton port authorities to form the new Hamilton-Oshawa Port Authority. On June 8, 2019, a certificate of amalgamation will be published in the *Canada Gazette, Part I*, formally announcing the amalgamated entity. The amalgamation of the two port authorities, in effect on June 18, 2019, will maintain regular port operations in Hamilton and in Oshawa. The newly amalgamated port will be better able to attract investment, develop the supply chain, and enhance the region’s global connectivity and competitiveness. Amalgamation will strengthen economic opportunity in the region and will enable a coordinated approach to port development and contribute to broadening multimodal transportation options in the Greater Toronto Area.

## 12. SISI: Throughput at global ports slowed down in Q1

Growth in throughput slowed down at major ports worldwide in the first quarter of 2019 “amid the feeble economic and trade growth” compared to the same time in 2018, according to the Global Port Development Report of Q1 2019 recently released by the Shanghai International Shipping Institute (SISI). Major ports recorded a year-on-year throughput growth rate of 2.7% in the first quarter, which was lower than the same period in 2018, and container throughput growth was at 3.9%, which was 2.7 percentage points lower than last year, according to the report. Container throughput of major North American ports dropped by 3.4% in the first quarter.

## 13. Port fluidity seen in Canada cargo portal plan

A top Hapag-Lloyd executive says Canada’s largest ports will face a serious capacity shortage as cargo volumes rise in the coming years unless the industry moves to create a digital portal that will help optimize existing capacity.

## 14. Hands-free mooring technology fully deployed on St. Lawrence Seaway

The U.S. Transportation Department’s St. Lawrence Seaway Development Corporation (SLSDC) announced on June 6, 2019 that hands-free mooring (HFM) technology has been fully deployed throughout the Seaway. The corporation invested \$23 million to install the technology in the U.S. Snell and Eisenhower locks in Massena, N.Y. The project is the first use of HFM technology for an inland waterway, the Transportation Department said, and the SLSDC has prepared its workforce with the skills to implement the system.

## 15. Minister Garneau proposes new regulations on ballast water to better protect against aquatic invasive species

On June 7, 2019, the Honourable Marc Garneau, Minister of Transport, announced that the *Ballast Water Regulations* will be published in the *Canada Gazette, Part I*, on June 8, 2019. The proposed regulations would strengthen existing rules and further reduce the risks to Canada’s environment and economy associated with the introduction and spread of

June 18, 2019, [www.transportweekly.com](http://www.transportweekly.com)

32. Panama Canal issues proposal to modify tolls structure, June 17, 2019, [www.ajot.com](http://www.ajot.com)

33. Florida ports see growth in tonnage, cargo value, June 18, 2019, [www.americanshipper.com](http://www.americanshipper.com)

34. Banks launch green charter to help shipping reduce its carbon footprint, June 18, 2019, [www.ctl.ca](http://www.ctl.ca)

35. Government of Canada invests in transportation infrastructure at the Pointe aux Basques terminal in Sept-Îles, June 19, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

36. New container examination facility opens at Roberts Bank, June 19, 2019, [www.ctl.ca](http://www.ctl.ca)

37. PSA Singapore - 'Best container terminal - Asia over 4 million TEU', June 21, 2019, [www.transportweekly.com](http://www.transportweekly.com)

38. The Oil Tanker Moratorium Act receives Royal Assent, June 21, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

39. Government of Canada invests in transportation infrastructure at the Port of Belledune, June 24, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

40. Prince Rupert sees cargo volume up 10pc but revenue dips 4pc, June 25, 2019, [www.transportweekly.com](http://www.transportweekly.com)

41. British Columbia longshoremen contract ratified, June 25, 2019, [www.americanshipper.com](http://www.americanshipper.com)

42. Statement by Minister Garneau regarding actions taken to address the recent deaths of North Atlantic right whales, June 26, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

aquatic invasive species through ballast water. The proposed regulations would replace Canada's existing *Ballast Water Control and Management Regulations*. The proposed regulations would address Canada's obligations under the International Convention for the Control and Management of Ships' Ballast Water and Sediments and would include requirements for vessels to: 1) implement a Ballast Water Management Plan approved by the Minister; 2) be surveyed and carry an International Ballast Water Management Certificate; 3) meet a performance standard that limits the discharge of organisms capable of reproducing—typically using a Ballast Water Management System; 4) record ballast water operations and maintain a Ballast Water record book on board; and 5) be subject to periodic inspections in ports or offshore terminals to ensure compliance. The proposed regulations would apply to Canadian vessels everywhere and vessels in waters under Canadian jurisdiction. This includes, for the first time, extending ballast water standards to Great Lakes vessels, for example ships operating in this region between Canada and the United States and other Canadian domestic ships.

#### **16. British Columbia a hotbed of port expansion**

The Port of Vancouver, which handled 3.4 million TEUs in 2018, is Canada's largest container port. It says 24% of its 1.7 million import containers are bound for the U.S. and 8% of export containers originate in the U.S. (Nearly 31% of the containers leaving Vancouver are empty, and Mercator included them in its study, bringing the U.S. origin percentage up to 10.7%). A spokeswoman for the Port of Prince Rupert, which handled 1 million TEUs in 2018, said Chicago and Memphis are key destinations for cargo in addition to Toronto and Montreal, but added figures on the split between the U.S. and Canada were not available. However, Mercator's estimate was that U.S. traffic accounted for 68.3% of container imports and 50.5% of container exports, again including empties. The Vancouver Fraser Port Authority said in October 2018 that despite significant improvements to container terminals in Vancouver and Prince Rupert to increase their efficiency and capacity, major expansions of container terminals in both Vancouver and Prince Rupert are planned.

#### **17. Twenty-three recipients recognized with Blue Circle Awards for voluntary efforts to conserve energy and reduce emissions**

In the first week of June 2019, the Vancouver Fraser Port Authority awarded 23 marine carriers and terminal operators with a Blue Circle Award for their voluntary efforts to conserve energy and reduce emissions in the Port of Vancouver. Fourteen shipping lines, two cruise lines, four coastal marine operators, and three terminal operators were the recipients of the 10th annual Blue Circle Awards. The awards recognize industry partners that excel in environmental stewardship and attain the highest level of participation in the port authority's EcoAction Program and Energy Action Initiative.

#### **18. Canada applies to extend its sovereignty to North Pole**

Canada has applied to the UN to extend its sovereignty over Arctic waters to the North Pole in the same way Russia has in the face of US claims that ships are entitled to unrestricted passage without having to comply with national law. Like Russia's, Canada's claim, covering more than 460,000 square miles, is now lodged with UN's Geneva-based Commission on the Limits of the Continental Shelf, reports *Anchorage's Arctic Today*. "Defining our continental shelf is vital to ensuring our sovereignty and to serving the interests of all people in the Arctic," said Canadian Foreign Minister Chrystia Freeland.

#### **19. Ever-growing size of ships prompts concerns among marine insurers**

Containerships have increased in capacity more than tenfold in the last 50 years, and risks have risen proportionally, according to insurer *Allianz's 2019 Safety and Shipping Review*. "Insurers have been warning for years that the increasing size of vessels is leading to a higher accumulation of risk. These fears are now being realised, potentially offsetting improvements in safety and risk management," it said. The review contrasted ships such as the 1968-build Encounter Bay with 1,530-TEU capacity with the 21,413-TEU OOCL Hong Kong built in 2017. Hyundai Merchant Marine has a dozen 23,000-TEU ships on order from Daewoo Shipbuilding & Marine Engineering and Samsung Heavy Industries (SHI), and 24,000-TEU ships are under discussion.

#### **20. Westbound transatlantic trade lane proves to be world's most profitable**

The Westbound transatlantic trade lane, because of a strong dollar and commendable capacity discipline is one of the few bright spots in container shipping, reports *New York's FreightWaves*. Globally, spot container rates are at yearlong lows averaging US\$1,323 per FEU. Meanwhile, spot rates on the Europe-North America East run are up 42 per cent year on year at \$2,044 per FEU. High volumes come with high rates. The trend may yet continue in 2019. The dollar value of European exports into US east coast ports reached \$62 billion in the first quarter, a five per cent year-on-year increase, according to the US Census Bureau.

#### **21. Is supersizing ports the answer?**

Being a supersized port with the capability of handling ULCVs does not guarantee success, but scale is more important for transshipment hubs than it is for gateway ports, said Neil Davidson, Drewry's senior analyst of ports and terminals, during a Drewry webinar. Among Mediterranean transshipment hubs, Greece's Port of Piraeus and Morocco's Tanger Med have seen the largest market share increases over the past 10 years at about 9% and 4.2%, respectively. Piraeus

Container Terminal S.A. handled 4.41 million TEUs in 2018, a 19.4% increase, and Tanger Med's four terminals have handled 9.4 million TEUs of traffic, according to its website.

#### **22. Shanghai container volumes up 3.6pc in May to 3.76 million TEU**

The Port of Shanghai's volume in May 2019 was up 3.6 per cent year on year to 3.76 million TEU, according to Shanghai International Port Group (SIPG). From January to May 2019, Shanghai posted a 5.2 per cent year-on-year increase in container volume to 17.78 million TEU, said SIPG.

#### **23. Port of Halifax launches industry-leading Vessel Forecast Summary application**

The Port of Halifax is providing additional visibility on expected container vessel arrival times. A Vessel Forecast Summary (VFS) application is now live on the Port of Halifax Operations Centre; cargo owners and port service providers including terminal operators, pilots, tug operators, truckers and CN Rail now have access to an accurate estimate of container vessel arrivals at the Port of Halifax. The application is powered by eeSea, a Copenhagen-based leader in global vessel forecasting. All container vessels serving the Port of Halifax are covered by the application which shows a vessel's pro forma arrival date, an eeSea-estimated arrival date, and any difference between the two which is listed in hours and minutes. Anyone can track an inbound vessel up to 30 days prior to scheduled arrival at Halifax.

#### **24. Montreal efficiency measures cut dwell times by two-thirds**

An initiative that will hasten the passage of trucks through the terminal gates at the Port of Montreal by enabling truckers to submit paperwork in advance is the latest in a package of fluidity improvement measures at the rapidly growing port. It is expected to cut dwell times by two-thirds thereby increasing the efficiency of the port.

#### **25. U.S. Department of Transportation Launches Port Infrastructure Development Program**

The U.S. Department of Transportation (DOT) on June 12, 2019 announced a Notice of Funding Opportunity (NOFO) to apply for \$292.7 million in discretionary grant funding through the new Port Infrastructure Development Program.

#### **26. Cargo shipments bounce back in May on St. Lawrence Seaway**

After ice blocked many ships from reaching ports in April 2019, the latest numbers show that cargo shipments via the St. Lawrence Seaway rebounded following a busy May 2019. According to The St. Lawrence Seaway Management Corporation, shipments from March 22 to May 31 totaled 8.3 million metric tons, equaling last year's strong performance. "Fueled by world demand for Canadian prairie wheat, iron ore and road salt, the 2019 shipping season is off to a good start," says Terence Bowles, President and CEO of The St. Lawrence Seaway Management Corporation. "If May's pace continues, it bodes well to build on the 17 per cent growth accumulated over the past two years."

#### **27. Valleyfield port to get \$24M in funding for expansion project**

The governments of Canada and Quebec announced \$24 million in funding for the Valleyfield Port Expansion Project. The purpose of this project is to solidify the port's strategic position within the Canadian and Quebec commercial port system and allow it to take advantage of new business opportunities.

#### **28. China box exports to US down 6.5pc from January to May**

Containerised exports to the US from China have slumped 6.5 per cent in the first five months of the year compared to the same period last year due to the continuing trade war between the two nations. Statistics from *Alphaliner* show that Chinese exports to the US decreased to 3.87 million TEU in the first five months compared to 4.14 million TEU in the year-ago period. Despite the trade war tensions, China remains by far the largest origin of US containerised imports even though its share was reduced from 46 per cent in 2018 to 42 per cent this year. Overall, US container imports during the January-May 2019 period still grew by 2.8 per cent year on year to 9.31 million TEU from 9.06 million TEU as most other cargo origin countries recorded volumes increases.

#### **29. Construction begins for Centerm terminal and road upgrades along the south shore of the Burrard Inlet**

Construction for the Centerm Expansion Project and South Shore Access Project will begin on July 2, 2019 and is expected to be completed by the beginning of 2022. "These projects are being built to help meet anticipated near-term demand for containers shipped through the Port of Vancouver and will help accommodate Canada's trade in goods like imported clothing, food, and electronics, and exports such as pulp, paper, lumber, and specialty grains," said Robin Silvester, President and Chief Executive Officer of the Vancouver Fraser Port Authority. The projects will be contained to port land on the south shore of the Burrard Inlet, and include: 1) Reconfiguration and expansion of the Centerm container terminal. Once complete, the terminal will be able to accommodate a 60 per cent increase in container traffic by having added only 15 per cent more land. 2) Construction of a new overpass on Centennial Road to bypass rail tracks. 3) Reconfiguration to Waterfront Road so that it is a continuous port road from Canada Place to the McGill Street port entrance. 4) Demolition of the Heatley Avenue overpass. Recognizing that growth can have impacts on the environment, the port authority is ensuring the project is built to high, sustainable-infrastructure standards.

#### **30. Fednav partners with CargoMetrics Technologies**

Fednav Limited announced that it has entered into a Development Services Agreement with CargoMetrics Technologies LLC. Under this agreement, the two companies will work in collaboration to build systems and tools to optimize

Fednav's dry bulk fleet. Drawn from the CargoMetrics performance framework, data and signals used to inform chartering decisions will be generated, thereby providing a desired distribution of the Fednav fleet across sea routes.

### **31. Port of Virginia handles 261,000 TEU**

The expansion of container handling capacity at its two primary container terminals at the Port of Virginia has resulted in record cargo volumes moving across the facilities with higher efficiency during the month of May 2019. The port processed nearly 261,000 TEU during the month, 10 per cent more than in the same month last year and making it the busiest May in the port's history. The month's strong cargo volumes were a follow-up to the best April in the port's history, when nearly 246,000 TEU were processed.

### **32. Panama Canal issues proposal to modify tolls structure**

The Panama Canal on June 17, 2019 published a proposal to modify its current tolls structure for the dry bulk, passenger, containership and vehicle carrier and RoRo segments, as well as tankers, chemical tankers, LPG and LNG vessels, the intra-maritime cluster (local tourism segment) and minimum tolls (small vessels). June's 14 announcement marks the beginning of a 30-day formal consultation period for industry feedback, which will close on July 15, 2019. "With this proposal, we aim to better serve the global maritime industry," said Panama Canal Administrator Jorge L. Quijano. "Our proposed modifications will increase transparency and flexibility, among other improvements, to ensure the Panama Canal remains competitive and optimal for the industry today and moving forward."

### **33. Florida ports see growth in tonnage, cargo value**

Florida's seaports handled 4.1 million TEUs in fiscal year 2018, up 10.3%, as both containerized tonnage and containerized cargo value also increased, according to a study released on June 17, 2019 by the Florida Ports Council. The state's waterborne tonnage remained steady at 110.27 million tons, but container tonnage grew 4.3% to nearly 25 million tons, according to "Pathway to Prosperity: The 2019-2023 Five-Year Florida Seaport Mission Plan," prepared by the Florida Seaport Transportation and Economic Development Council. The study found import tonnage of all types increased 9.4% to 38.7 million, which represented a 62% share of the state's tonnage. The import share of containerized cargo was lower than export — 46% to 54%.

### **34. Banks launch green charter to help shipping reduce its carbon footprint**

Eleven banks that lend to shipping lines announced on June 17, 2019 that climate impact will be integrated into the criteria that determines how much shipping companies can borrow, an effort the banks say will substantially cut CO2 emissions in the industry. Around 90% of global trade by volume is carried by ships—making the maritime industry a vital player in economic growth, but at a cost. If it were a country, shipping would equal Germany for greenhouse gas (GHG) emissions.

### **35. Government of Canada invests in transportation infrastructure at the Pointe aux Basques terminal in Sept-Îles**

On June 19, 2019 the Honourable Marc Garneau, Minister of Transport, announced a significant investment of \$6.6 million aimed at improving the infrastructure of the Pointe aux Basques terminal, which will support the long-term extensive development of the mining industry and help local businesses to compete and ship Canadian goods to international markets. The project will also support the economy of the Lower North Shore region by bringing the main terminal back into operation for the marine service that supplies the region.

### **36. New container examination facility opens at Roberts Bank**

The Canada Border Services Agency (CSBA) officially opened the Tsawwassen Container Examination Facility (TCEF). The TCEF is a new marine container examination facility designed to increase security and increase the examination capacity for goods arriving at the Vancouver marine ports of entry. Located in the Tsawwassen First Nation industrial lands, approximately five kilometers from the Port of Vancouver's Deltaport terminal, the TCEF enables CBSA officers to conduct complete offload examinations of marine containers, arriving mainly from the Deltaport terminal and Fraser Surrey Docks. The facility also has another important purpose: serving as a general purpose warehouse facility.

### **37. PSA Singapore - 'Best container terminal - Asia over 4 million TEU'**

PSA Singapore has for the 30th time been named the "Best Container Terminal - Asia (over 4 million TEU)" at the recent 2019 Asian Freight, Logistics & Supply Chain Awards (AFLAS). Group CEO of PSA, Tan Chong Meng, said: "This accolade belongs to our staff, unions and management, who have put their whole hearts into delivering the highest standards of service excellence to our customers every day."

### **38. The Oil Tanker Moratorium Act receives Royal Assent**

On June 21, 2019, the Honourable Marc Garneau, Minister of Transport, announced that the *Oil Tanker Moratorium Act* (Bill C-48) has received Royal Assent. This Act prohibits oil tankers carrying crude and persistent oils as cargo from stopping, loading or unloading at ports or marine installations in northern British Columbia. It will provide a high level of protection for the coastline around Dixon Entrance, Hecate Strait and Queen Charlotte Sound. The moratorium area extends from the Canada/United States border in the north, down to the point on British Columbia's mainland

adjacent to the northern tip of Vancouver Island, and also includes Haida Gwaii. To ensure northern communities can receive critical shipments of heating oils and other products, vessels carrying less than 12,500 metric tonnes of crude or persistent oil as cargo will continue to be permitted to stop, load and unload in the moratorium area.

**39. Government of Canada invests in transportation infrastructure at the Port of Belledune**

On June 24, 2019, Serge Cormier, Parliamentary Secretary to the Minister of National Defence and Member of Parliament for Acadie—Bathurst, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$17 million to increase capacity at the Port of Belledune to move Canadian goods to international markets. The project includes filling in the water gap between Terminals 3 and 4 to create a larger berth thereby improving the port's ability to move cargo between the terminals, and to and from vessels. This work will also create additional space for commodities at the south end of Terminal 3. This investment is expected to have important economic and employment benefits for the region by creating an estimated 340 jobs during construction.

**40. Prince Rupert sees cargo volume up 10pc but revenue dips 4pc**

Cargo moving through the Port of Prince Rupert rose to a record volume of 26.7 million cargo tonnes in 2018, representing a new record for the Prince Rupert Port Authority (PRPA) and an increase of 10 per cent from 2017. In its recent financial statements and annual report, PRPA reported that despite an increase in cargo, revenues for the authority had gone down by CAD2.5 million (US\$1.87 million), representing a four per cent decline from 2017, which saw a total of CAD62 million in revenue. Net income for 2018 totalled CAD25.2 million. All shipments, except for bulk grain, experienced a growth of nine to 21 per cent.

**41. British Columbia longshoremen contract ratified**

The board of directors of the British Columbia Maritime Employers Association (BCMEA) voted on June 25, 2019 and ratified a new five-year collective agreement with the International Longshore and Warehouse Union Canada. ILWU Canada members voted June 21, 2019 to ratify the contract, which was negotiated on May 30, 2019 after an all-night bargaining session and hours after an employer lockout began. The union said 77.18% of those voting were in favor of ratifying the contract.

**42. Statement by Minister Garneau regarding actions taken to address the recent deaths of North Atlantic right whales**

On June 26, 2019, the Honourable Marc Garneau, Minister of Transport issued the following statement: "Due to the unfortunate deaths of a number of North Atlantic right whales in Canadian waters, Transport Canada is implementing an interim precautionary speed restriction of 10 knots, for vessels of 20 metres or more in length travelling in the western the Gulf of St. Lawrence, in the two designated shipping lanes north and south of Anticosti Island. This measure is effective immediately. "This measure is in addition to the fixed speed restriction introduced on April 28, 2019, in a large area in the Gulf of St. Lawrence, where vessels 20 metres or longer are restricted to a maximum of 10 knots until November 15, 2019." "On top of the reduced speed requirements which were introduced in April and today, Transport Canada will continue to monitor Canadian waters through its National Aerial Surveillance Program. Transport Canada inspectors, with assistance from the Canadian Coast Guard's Marine Communications and Traffic Services, will enforce this precautionary measure. Failure to comply will result in an Administrative Monetary Penalty of up to \$25,000."

## RAIL TRANSPORTATION

### 1. Ontario Getting People Moving with GO Rail Expansion Program

Ontario's government for the people is moving forward with the next stage of the GO Rail Expansion program that will improve and expand GO train service into a two-way, all-day rapid transit service every 15 minutes on core segments of the GO Rail network.

### 2. CN sets strategic agenda focused on growth and technology

On June 4, 2019, CN's executive team will meet with the investment community in Toronto to discuss the Company's strategic agenda. "Our focus is on driving long-term value creation for shareholders and customers," said JJ Ruest, president and chief executive officer of CN. "CN's ONE TEAM of scheduled railroaders is focused on service and operational excellence to grow faster than the economy, at low incremental cost. Having pioneered Scheduled Railroading roughly 15 years ago, our vision is to be the first railroad to take it to the next level by deploying advanced information technologies." CN is excited to showcase its talented team and bench strength; the Company's evolution of Scheduled Railroading; our pipeline of growth opportunities; and expected value from deploying our key technology initiatives. CN on June 4, 2019 also reaffirmed its 2019 financial outlook and issued its financial perspective for the next three years.

### 3. CN Rail CEO looks to M&As for growth as company boosts three year profit goals

The head of Canadian National Railway Co. says major asset purchases will play a key role in fulfilling its new three-year financial target that exceeds its earlier 10-per-cent earnings per share growth. At June 4<sup>th</sup> 2019 investor day in Toronto, Jean-Jacques Ruest stressed "an offensive play, mergers and acquisitions," after years of focusing on organic growth. "We want to re-enter that...we want some sort of inorganic growth," the CEO told shareholders.

### 4. Through communication, collaboration and innovation, record 2018-2019 crop year momentum continues through May

On the strength of its operating model and the power of its 13,000-strong CP family, Canadian Pacific (CP) continues to set records for the movement of Canadian grain. As of the end of May 2019, CP has moved 22.5 million metric tonnes (MMT) of Canadian grain and grain products since the start of the 2018-2019 crop year. "Since August of last year, we have moved approximately 500,000 metric tonnes more grain than ever before, bettering our record at this time back in the 2015-2016 crop year," said CP Vice-President Sales and Marketing, Grain and Fertilizers, Joan Hardy. "We continue to innovate in close collaboration with our customers and supply

chain enablers, and we look forward to delivering for farmers and the North American economy as we close out this crop year and prepare for the next." CP now has over 1,000 new, high-capacity hopper cars in its fleet and at year's end, more than 1,900 of the new hopper cars will be in service. The fleet will continue to grow in the years ahead, as part of CP's \$500 million commitment to invest in 5,900 of the new hopper cars. Shippers are able to load up to 10 percent more grain in these cars compared to the older, less efficient hopper cars they are replacing.

### 5. CN celebrates 100-year anniversary June 6

CN proudly marked its 100th anniversary. CN was created by an Act of Parliament in Canada on June 6, 1919, and has since contributed continuously to Canada's economy and prosperity. CN's anniversary was marked in the Parliament of Canada through member statements in the House of Commons and in the Senate. CN also hosted a Gala for stakeholders in Ottawa featuring the Confederation Players, a Prince Edward Island-based troupe of costumed, young, bilingual Canadian actors trained to re-enact the Fathers and Ladies of Confederation.

### 6. CP takes advantage of strategic land holdings; celebrates the official opening of Vancouver Automotive Compound

Canadian Pacific (CP) is using its strategic land holdings to support sustainable, profitable growth and alleviate capacity

## RAIL TRANSPORTATION Canada

1. Ontario Getting People Moving with GO Rail Expansion Program, May 30, 2019, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

2. CN sets strategic agenda focused on growth and technology, June 4, 2019, [www.cn.ca](http://www.cn.ca)

3. CN Rail CEO looks to M&As for growth as company boosts three year profit goals, June 4, 2019, [www.ctl.ca](http://www.ctl.ca)

4. Through communication, collaboration and innovation, record 2018-2019 crop year momentum continues through May, June 4, 2019, [www.cpr.ca](http://www.cpr.ca)

5. CN celebrates 100-year anniversary June 6, June 6, 2019, [www.ctl.ca](http://www.ctl.ca)

6. CP takes advantage of strategic land holdings; celebrates the official opening of Vancouver Automotive Compound, June 6, 2019, [www.cpr.ca](http://www.cpr.ca)

7. AAR: Rail traffic's decline due to "combination of factors", June 5, 2019, [www.railwavage.com](http://www.railwavage.com)

8. The Government of Canada is examining the feasibility of relocating rail bypass operations to the Lac-Mégantic industrial park, June 11, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

9. June continues May's rail traffic slide, June 12, 2019, [www.railwavage.com](http://www.railwavage.com)

10. US shippers increase routings via Canada West Coast ports, June 13, 2019, [www.joc.com](http://www.joc.com)

11. Teamsters Rail Traffic Controllers Ratify New CN Agreement, June 15, 2019, [www.cn.ca](http://www.cn.ca)

12. CP to report second-quarter 2019 earnings results on July 16, 2019, June 18, 2019, [www.cpr.ca](http://www.cpr.ca)

13. CP wins Asian Freight Logistics and Supply Chain award, June 19, 2019, [www.ctl.ca](http://www.ctl.ca)

14. Rail traffic continues off track, June 19, 2019, [www.railwavage.com](http://www.railwavage.com)

15. CTA launches consultations on its approach to setting regulated interswitching rates, June 21, 2019, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

16. Government of Canada takes next steps to further explore VIA Rail's High Frequency Rail proposal in the Quebec City-Toronto Corridor, June 25, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

17. Railway carloadings, April 2019, June 26, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)

18. June no boon for rail traffic, June 26, 2019, [www.railwavage.com](http://www.railwavage.com)

and congestion issues for automakers shipping to and from Vancouver with the opening of its new Vancouver Automotive Compound (VAC). The VAC is in a prime location to handle vehicles made in North America for distribution in British Columbia, northern Washington State and parts of Alberta, as well as vehicles imported through the Port of Vancouver.

#### **7. AAR: Rail traffic's decline due to "combination of factors"**

U.S. rail freight traffic appears to be heading off-track, based on figures released by the Association of American Railroads (AAR) for the week ended June 1, 2019. The month of May 2019, too, was bleak—as was year-to-date, compared to the prior-year five-month period. “The current weakness in the rail traffic numbers is due to a combination of factors,” said AAR Senior Vice President of Policy and Economics John T. Gray. For the month of May 2019, U.S. railroads originated 1,291,671 carloads down 2.1%, or 28,065 carloads, from May 2018. U.S. railroads also originated 1,315,684 containers and trailers in May 2019, down 5.9%, or 82,521 units, from the same month last year. Combined U.S. carload and intermodal originations in May 2019 were 2,607,355, down 4.1%, or 110,586 carloads and intermodal units from May 2018. For the week ending June 1, 2019, Canadian railroads reported 83,265 carloads for the week, up 4%, and 66,713 intermodal units, up 1.5% compared with the same week in 2018. For the first 22 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 3,297,503 carloads, containers and trailers, up 2.2%.

#### **8. The Government of Canada is examining the feasibility of relocating rail bypass operations to the Lac-Mégantic industrial park**

On June 11, 2019, the Honourable Marc Garneau, Minister of Transport, announced that a contract has been awarded to the firm Ingénierie RIVVAL to examine the feasibility of relocating the rail activities in Nantes and Frontenac to the Lac-Mégantic industrial park. The focus of the feasibility study will be, among other things, to determine the various options available, to assess the cost of each option and to continue the work begun by the Société de développement économique du Granit.

#### **9. June continues May's rail traffic slide**

On the heels of a dreary May 2019, things are not looking up for rail traffic in June 2019, according to figures released by the Association of American Railroads (AAR). Those factors have yet again combined to slow total U.S. rail traffic for the week ended June 8 to 513,099 carloads, down 8.5% compared with the same week last year. Total carloads for the week were 246,758 carloads, down 9.1% compared with the same week in 2018, while U.S. weekly intermodal volume was 266,341 containers and trailers, down 8% compared to 2018. Canadian railroads reported 84,023 carloads for the week, up 1.5%, and 69,961 intermodal units, up 1% compared with the same week in 2018. For the first 23 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 3,451,487 carloads, containers and trailers, up 2.2%.

#### **10. US shippers increase routings via Canada West Coast ports**

The British Columbia ports of Vancouver and Prince Rupert are increasing their market share of US cargo because Canadian railroads are pricing intermodal more aggressively to the US Midwest than are US western railroads.

#### **11. Teamsters Rail Traffic Controllers Ratify New CN Agreement**

CN announced on June 15, 2019, that following the tentative agreement reached in May 2019, the Teamsters Canada Rail Conference Rail Canada Traffic Controllers (TCRC-RCTC) has ratified the agreement. This agreement covers 180 rail traffic controllers in Canada. The four-year agreement, which is retroactive to January 1, 2019, provides for wage, and benefits improvements.

#### **12. CP to report second-quarter 2019 earnings results on July 16, 2019**

Canadian Pacific (CP) will release its second-quarter 2019 financial and operating results at 9:01 a.m. eastern time (7:01 a.m. mountain time) on July 16, 2019. CP will discuss its results with the financial community in a conference call beginning at 9:30 a.m. eastern time (7:30 a.m. mountain time) on July 16, 2019.

#### **13. CP wins Asian Freight Logistics and Supply Chain award**

Canadian Pacific announced the company was named Best Logistics Service Provider - Rail at the Asian Freight Logistics and Supply Chain Awards (AFLAS) - held June 17, 2019, in Hong Kong. The customer-nominated award recognizes CP's leadership in service quality, innovation, customer-relationship management and reliability. CP was the only North American railroad nominated for the globally recognized award.

#### **14. Rail traffic continues off track**

For the week ended June 15, 2019, U.S. weekly rail traffic was 527,989 carloads and intermodal units, down 5.4% compared with the same week last year. Total carloads for this week were 257,385 carloads, down 4.6% compared with the same week in 2018, while U.S. weekly intermodal volume was 270,604 containers and trailers, down 6.2% compared to 2018. For the first 24 weeks of 2019, U.S. railroads reported cumulative volume of 6,032,967 carloads, down 2.8% from the same point last year; and 6,385,232 intermodal units, down 2.8% from last year. Total combined U.S. traffic for the first 24 weeks of 2019 was 12,418,199 carloads and intermodal units, a decrease of 2.8% compared to last year. Canadian railroads reported 85,070 carloads for the week, up 0.6%, and 70,512 intermodal units, up 1%

compared with the same week in 2018. For the first 24 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 3,607,069 carloads, containers and trailers, up 2.1%.

#### **15. CTA launches consultations on its approach to setting regulated interswitching rates**

On June 20, 2019, the Canadian Transportation Agency (CTA) launched consultations on its approach to setting regulated interswitching rates. The CTA is inviting key stakeholders to share their views to ensure that regulated interswitching rates are compensatory, consider the long-term investment needs of railway companies, and are commercially fair and reasonable to all parties. In preparation, stakeholders can consult the discussion paper provided by the CTA

#### **16. Government of Canada takes next steps to further explore VIA Rail's High Frequency Rail proposal in the Quebec City-Toronto Corridor**

On June 25, 2019, the Honourable Marc Garneau, Minister of Transport, and the Honourable François-Philippe Champagne, Minister of Infrastructure and Communities announced that the Government of Canada and Canada Infrastructure Bank are committing a total of \$71.1 million in funding to further explore VIA Rail Canada's proposal for High Frequency Rail in the Quebec City-Toronto Corridor. The funding will be used to establish a Joint Project Team and fund work to preserve the option of interoperability with regional transit providers in Montreal and Toronto.

#### **17. Railway carloadings, April 2019**

The volume of rail freight carried in Canada totalled 32.7 million tonnes in April 2019, up 6.3% from the same month a year earlier. Freight originating in Canada rose 9.8% from the same month in 2018 to 29.7 million tonnes in April 2019. Non-intermodal freight increased 4.6% to 315,000 carloads. The amount of freight loaded into these cars rose 10.1% from April 2018 to 26.6 million tonnes. Intermodal freight loadings increased 6.1% from April 2018 to 210,000 units. In terms of weight, intermodal traffic increased 7.5% to 3.2 million tonnes. Freight traffic received from the United States fell 19.1% to 3.0 million tonnes as a result of a 24.0% decrease in non-intermodal freight.

#### **18. June no boon for rail traffic**

For the week ended June 22, 2019, and as we've recently seen, weekly rail traffic and total carloads were down, and just one of the 10 carload commodity groups posted a yearly increase, according to the AAR. U.S. weekly rail traffic for this week was 525,116 carloads and intermodal units, down 5.8% compared with the same week last year. Total carloads for the week were 257,836 carloads, down 4% year-over-year, while U.S. weekly intermodal volume was 267,280 containers and trailers, down 7.5% compared to 2018. North American rail volume for the week ended June 22, 2019, on 12 reporting U.S., Canadian and Mexican railroads totaled 363,797 carloads, down 2.7% compared with the same week last year, and 356,096 intermodal units, down 5.3% compared with last year. Total combined weekly rail traffic in North America was 719,893 carloads and intermodal units, down 4%. North American rail volume for the first 25 weeks of 2019 was 17,627,956 carloads and intermodal units, down 2% compared with 2018. Canadian railroads reported 84,518 carloads for the week, up 1.1%, and 70,046 intermodal units, up 0.4% compared with the same week in 2018. For the first 25 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 3,761,633 carloads, containers and trailers, up 2.1%.

## **HIGHWAY TRANSPORTATION**

### **1. Couriers and Messengers Services Price Index, April 2019**

The Couriers and Messengers Services Price Index (CMSPI) increased 0.7% in April 2019, after posting no change in March 2019. The couriers' component rose 0.6%, while the local messengers and local delivery component increased 1.4%. Year-over-year the CMSPI rose 3.2% in April 2019 compared with the same month in 2018. Both the couriers (+3.2%) and the local messengers and local delivery (+3.0%) components increased.

### **2. Project to separate roadways from rail crossings near Vancouver port**

Two highly anticipated rail crossing projects in Pitt Meadows are one step closer to construction, as the Vancouver Fraser Port Authority announced the signing of a formal agreement with the Government of Canada to receive \$48.8 million for the project and announces its own commitment to fund \$39.1 million toward the project as a partner agency. The funding will go toward a project to separate road traffic from trains at two key crossings—Harris Road and Kennedy Road—helping improve public

## **HIGHWAY TRANSPORTATION**

### **Canada**

1. Couriers and Messengers Services Price Index, April 2019, May 31, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Project to separate roadways from rail crossings near Vancouver port, May 31, 2019, [www.ctl.ca](http://www.ctl.ca)
3. B.C. government highlights initiatives aimed at improving conditions for trucking industry, June 2, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
4. Regulating App-Based Mobility Services, June 1, 2019, [www.itf-oecd.org](http://www.itf-oecd.org)
5. Ontario Looking to Work with Federal Government to Help Commuters in Toronto, June 3, 2019, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
6. Ontario Passes the Getting Ontario Moving Act, June 4, 2019, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
7. Ottawa, Quebec announce \$500 million reconstruction of La Fontaine Tunnel, June 4,



safety, emergency response times, and commute times, while reducing congestion and greenhouse gas emissions related to idling vehicles. These upgrades will help remove bottlenecks for trains, improving the flow of goods and helping accommodate growing trade.

### **3. B.C. government highlights initiatives aimed at improving conditions for trucking industry**

B.C.'s Ministry of Transportation and Infrastructure provided an update on a slew of initiatives across the province recently, including the Weight2GoBC bypass program. Weigh2GoBC has provided enforcement officers with a tool to better focus on vehicles in need of assistance and not waste time on those operating under full compliance. The program could be linked to other similar efforts across the country in the future, such as Alberta's Drivewyze program. Several other initiatives the province has taken to make life better for the trucking industry were highlighted.

### **4. Regulating App-Based Mobility Services**

This Roundtable aims to identify appropriate regulatory frameworks for app-based mobility services. It examines the rationale for economic regulation for these services in light of market imperfections in their delivery and in public transport markets more generally. It considers how transport externalities, including congestion on the roads and at the curb, can be managed and looks at competition issues. The Roundtable also reviews existing regulatory barriers to the deployment of shared ride services where they might be advantageous for complementing conventional public transport services.

### **5. Ontario Looking to Work with Federal Government to Help Commuters in Toronto**

As part of Ontario's historic \$28.5 billion transportation vision, the province is building a new subway line, the Ontario Line, to better connect people and reduce travel times across Toronto. On June 3, 2019, Jeff Yurek, Minister of Transportation, and Monte McNaughton, Minister of Infrastructure, called on the federal government to commit their support for the project. The Ontario Line will deliver real relief for transit users across the entire subway network by creating relief on the Yonge Line that will enable the Yonge North Subway Extension into Markham and Richmond Hill. It will better connect people and reduce travel times across Toronto with a critical east-west and north-south travel route from the Ontario Science Centre all the way to Ontario Place.

### **6. Ontario Passes the Getting Ontario Moving Act**

On June 4, 2019, Ontario's government kept its promise to put people first by passing the *Getting Ontario Moving Act* that will cut red tape for our province's job creators, help keep our roads safe and enable the upload of new subway builds to the province to ensure subway lines get built faster.

### **7. Ottawa, Quebec announce \$500 million reconstruction of La Fontaine Tunnel**

The federal and Quebec governments have announced a \$500-million reconstruction project for Canada's longest highway tunnel — the Louis-Hippolyte-La Fontaine Tunnel linking Montreal to its southern suburbs. "We're bringing Montreal infrastructure into the 21st century," said federal Infrastructure Minister Francois-Philippe Champagne, referring also to the new Samuel-de-Champlain Bridge expected to open at the end of the month.

### **8. FBI Group acquires Lucas Freight Management**

The FBI Group has acquired Lucas Freight Management, a non-asset-based provider of cross-border transportation management services, the company announced on June 4, 2019. This is FBI's fourth acquisition of a non-asset-based logistics company.

### **9. U.S. Department of Transportation Announces \$321.4 Million for Federal Lands and Tribal Projects**

The U.S. Department of Transportation's Federal Highway Administration (FHWA) on June 5, 2019 announced recipients of \$321.4 million in Nationally Significant Federal Lands and Tribal Projects (NSFLTP) grants. These are the first grants awarded under the program and will help build and repair roads and bridges that serve Tribal or Federal lands.

2019, [www.ctl.ca](http://www.ctl.ca)

8. FBI Group acquires Lucas Freight Management, June 4, 2019, [www.ctl.ca](http://www.ctl.ca)

9. U.S. Department of Transportation Announces \$321.4 Million for Federal Lands and Tribal Projects, May 5, 2019, [www.dot.gov](http://www.dot.gov)

10. Greater protection for the smallest passengers in child seats, June 7, 2019, [www.transportweekly.com](http://www.transportweekly.com)

11. Self-driving parcel delivery system tested in California, June 7, 2019, [www.ctl.ca](http://www.ctl.ca)

12. Canada and Manitoba announce incentives for freight industry, June 10, 2019, [www.ctl.ca](http://www.ctl.ca)

13. Trucking industry welcomes U.S.-Mexico deal, June 10, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)

14. FedEx ends express delivery contract with Amazon as rivalry grows, June 12, 2019, [www.transportweekly.com](http://www.transportweekly.com)

15. April 2019 Freight Transportation Services Index (TSI), June 12, 2019, [www.bts.gov](http://www.bts.gov)

16. The Government of Canada is improving safety in the commercial driving industry, June 13, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

17. Canadian Truckers Laud Final ELD Rule, Including Third Party Certification, June 13, 2019, [www.ontruck.ca](http://www.ontruck.ca)

18. 10 things to know about Canada's ELD mandate, June 13, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)

19. CTA: Environment Canada to Review Trailer Regulation in 2019-20, June 17, 2019, [www.ontruck.org](http://www.ontruck.org)

20. State of Logistics Report highlights tight supply chain capacity and innovations, June 18, 2019, [www.ctl.com](http://www.ctl.com)

21. Ontario Resumes Environmental Assessment for Greater Toronto Area West Highway Corridor, June 19, 2019, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

22. Uber Freight Apps Allows Drivers to Rate Best-Worst Shippers, June 21, 2019, [www.ontruck.ca](http://www.ontruck.ca)

23. Trucking execs say labor shortage is top concern, June 24, 2019, [www.todaystrucking.ca](http://www.todaystrucking.ca)

24. Montreal's costly new Champlain Bridge opens to northbound traffic, June 25, 2019, [www.ctl.ca](http://www.ctl.ca)

25. Purolator to open \$330M super hub in Toronto, June 25, 2019, [www.ctl.ca](http://www.ctl.ca)

26. April 2019 North American Transborder Freight Numbers, June 25, 2019, [www.bts.gov](http://www.bts.gov)

#### **10. Greater protection for the smallest passengers in child seats**

A new concept for child safety in the ESF 2019 Experimental Safety Vehicle which was recently presented by Mercedes-Benz shows how protection for children can be further improved. With this child seat with PRE-SAFE® functions, the seat belts are preventively tensioned before a crash and side impact protection elements are extended. Monitoring of seat installation and the child's vital signs are other functions integrated into the seat. At this year's Child Safety Day on 10 June (<https://www.kindersicherheit.de/kindersicherheitstag.html>), the safety experts from Mercedes-Benz will be presenting a development offering greater protection for the smallest vehicle occupants in the future mobility sector.

#### **11. Self-driving parcel delivery system tested in California**

Parcel distributor OnTrac, announced a partnership with Boxbot, a last-mile logistics and automation startup founded by veteran Tesla and Uber engineers, to test a new system to deliver e-commerce packages and other shipments to consumers. With Boxbot, recipients can schedule their delivery at a time of their choosing (including evenings), giving e-commerce customers a convenient option that helps them better plan their day and keep their purchases safe. When Boxbot's autonomous vehicle arrives, customers get a text message alert with a unique code they can use to retrieve packages from its parcel lockers.

#### **12. Canada and Manitoba announce incentives for freight industry**

The federal government and the province of Manitoba announced funding to improve the fuel efficiency of heavy-duty vehicles. This funding will provide truck drivers or trucking companies with incentives for fuel-saving devices and retrofitting on heavy-duty freight trucks. This is a practical program that supports Manitoba's trucking sector to reduce carbon pollution, increase economic competitiveness, and save money on fuel. The Government of Manitoba will also be matching the federal investment of \$5.9 million towards the efficient trucking program. This funding is a component of Manitoba's Low Carbon Economy Leadership Fund allocation of up to \$66.8 million.

#### **13. Trucking industry welcomes U.S.-Mexico deal**

The North American trucking industry is praising a deal reached late last week between the United States and Mexico to avoid a trade war. U.S. President Donald Trump had threatened to impose escalating tariffs on Mexican goods from June 10 unless the country stops immigrants from entering the U.S. illegally. On June 7, 2019, the two sides reached an agreement, narrowly averting the imposition of tariffs, at least for now. The American Trucking Associations quickly welcomed the agreement.

#### **14. FedEx ends express delivery contract with Amazon as rivalry grows**

American multinational courier delivery provider, FedEx is dropping a contract for air shipment of packages for Amazon within the US, reducing its ties with the online retail giant that is already expanding its own delivery service. In a statement, FedEx said it will not renew the contract when it expires June 30, 2019. Amazon is under increased pressure to deliver packages quickly. In April 2019, Amazon said it planned to begin delivering packages to Prime customers in one day rather than two. FedEx followed up in May with plans to deliver seven days a week, reported CNN. FedEx said in a press release it plans to focus on serving the broader e-commerce market with continued partnerships with brands such as Walmart and Target. The company said Amazon accounted for less than 1.3 per cent of its total revenue in 2018.

#### **15. April 2019 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 1.5% in April 2019 from March 2019, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). From March 2018 to March 2019, the index rose 2.8% compared to 7.9% for the previous year. The level of for-hire freight shipments in April 2019 measured by the Freight TSI (138.4) was 0.2% below the all-time high level of 138.7 in November 2018. BTS' TSI records begin in 2000.

#### **16. The Government of Canada is improving safety in the commercial driving industry**

On June 13, 2019, the Honourable Marc Garneau, Minister of Transport, is mandating the use of electronic logging devices by federally regulated commercial truck and bus operators. This new requirement will come into force on June 12, 2021, and will replace paper-based daily logbooks. This requirement builds on the regulatory proposal that was published in *Canada Gazette*, Part I on December 16, 2017. Electronic logging devices are intended to ensure that commercial drivers drive within their daily limit and accurately log their working hours. Use of the devices also reduces administrative burdens, such as eliminating the need for paper daily logs and reducing the time enforcement officers need to verify regulatory compliance. Additionally, these new devices are aligned with the United States road safety regulations and will support economic growth, trade, and transportation on both sides of the border.

#### **17. Canadian Truckers Laud Final ELD Rule, Including Third Party Certification**

Transport Minister Marc Garneau has shown great leadership in delivering an electronic logging device (ELD) rule which, according to the Canadian Trucking Alliance, will catapult Canada ahead of the U.S. in terms of highway safety

and compliance. CTA says the June 13, 2019 announcement finalizing the rule delivers on the Council of Transportation Ministers' and First Ministers' commitment to the industry that a mandatory, made-in-Canada ELD regulation would be introduced nationally as soon as possible. Most importantly, the final rule requires all drivers currently required to maintain a logbook to operate a third-party certified ELD in Canada by June 2021.

#### **18. 10 things to know about Canada's ELD mandate**

Transport Canada has officially unveiled rules that will mandate electronic logging devices (ELDs), replacing long-established paper logbooks. Here are 10 key things you need to know: 1. ELDs will be mandatory as of June 2021. 2. All Canadian ELDs will need to be certified by a third party. 3. Canada recorded about 9,400 hours of service (HOS) convictions per year between 2010 and 2015. 4. The new rules apply just to federally regulated carriers – for now. 5. Short-term rentals and some older equipment will be exempted from the rules. 6. Transport Canada estimates that ELDs will save the trucking industry \$81 million. 7. Cross-border truckers have had to use ELDs since December 2017, when the U.S. finalized its rules. 8. Some ELD data will be automatically recorded, while other details will be entered by drivers. 9. Drivers will have to enter information associated with their record of duty status (such as on-duty time for fueling, loading or unloading). 10. Roadside inspectors will be able to ask for an ELD record to be emailed to a supplied address.

#### **19. CTA: Environment Canada to Review Trailer Regulation in 2019-20**

The Canadian Trucking Alliance has been supportive of the US EPA and Environment Canada's regulatory approach to reducing the carbon footprint of operating trucking tractors and trailers. However, in response to legal challenges and petitions filed by the U.S. trailer industry, on October 27, 2017, a U.S. Court of Appeals stayed the implementation of the U.S. EPA Phase 2 trailer provisions. As a result, the Canadian standards would come into effect ahead of the corresponding U.S. federal standards. After consultation with the Canadian Trucking Alliance and other stakeholders, Environment Canada has issued an Interim Order Modifying the Operation of the Heavy-duty Vehicle and Engine Greenhouse Gas Emission Regulations (the Interim Order) which was published in Canada Gazette, Part I, on June 15, 2019. The Interim Order does not affect any provisions related to the vehicle and engine standards of the Regulations.

#### **20. State of Logistics Report highlights tight supply chain capacity and innovations**

The State of Logistics Report was introduced this morning at the National Press Club in Washington, D.C. The Council of Supply Chain Management Professionals (CSCMP) celebrated a milestone with the issuance of its 30th annual publication. The logistics study is written by A.T. Kearney and presented by Penske Logistics. Amid a booming economy, United States Business Logistics Costs (USBLC) rose 11.4% to reach \$1.64 trillion, or 8% of 2018's \$20.5 trillion gross domestic product (GDP). The publication notes that supply chain capacity is tight.

#### **21. Ontario Resumes Environmental Assessment for Greater Toronto Area West Highway Corridor**

The Ontario government is making life easier for commuters by resuming the Environmental Assessment (EA) for the Greater Toronto Area West Corridor to improve Ontario's highway network, reduce travel times and help alleviate traffic congestion across the GTA.

#### **22. Uber Freight Apps Allows Drivers to Rate Best-Worst Shippers**

Uber Freight shared findings from 145,000 crowd-sourced driver reviews on shipping delays and driver detention time, reports Trucks.com. Collectively, detention time robs U.S. truckers of an estimated \$1.1 billion to \$1.3 billion in annual income, according to the U.S. Department of Transportation, as wasted minutes eat into allowable hours of service and drivers' per-mile earnings. "We found that the lower the facility rating, the harder it is to get a carrier to book the load," said Kate Kaufman, Uber Freight director of account operations. The higher the facility rating, the faster a load is booked, she said. "We are open to sharing our data with the FMCSA."

#### **23. Trucking execs say labor shortage is top concern**

Senior Canadian fleet executives have overwhelmingly identified a labor shortage as the trucking industry's top concern – and they see higher wages, better working conditions, and immigration as solutions. The findings emerge through a Nanos Research report that was based on an extensive survey of 32 executives through the Canadian Trucking Alliance (CTA). "Participants most frequently proposed wage increases and better working conditions as solutions to the labor shortage," says the draft report, obtained by *Today's Trucking*. "They noted that it should be ensured that drivers get more respect, and that the industry adapts to the expectations of younger workers, such as better work-life balance."

#### **24. Montreal's costly new Champlain Bridge opens to northbound traffic**

Montreal's new Samuel De Champlain Bridge opened to northbound traffic on June 24, 2019 morning, officially beginning the replacement of its crumbling but very busy predecessor. Federal Infrastructure Minister Francois-Philippe Champagne was riding in one of the first cars that rolled across the newly built span. The 3.4-kilometre bridge over the St. Lawrence River counts three lanes in each direction, plus a central deck for public transit, as well as a path for cyclists and pedestrians.

#### **25. Purolator to open \$330M super hub in Toronto**

Spurred by record volume and e-commerce growth, Purolator announced its plan to invest more than \$1 billion through

a five-year “delivering the future” growth and innovation strategy. “Today’s announcement is one of the most ambitious in our company’s history and will future-proof our business,” said John Ferguson, President and CEO, Purolator. “Purolator has experienced record growth over the past three years. We picked up and delivered over one-quarter of a billion packages in 2018 and we expect our growth trajectory to continue. We have consistently evolved over our 60 years to stay one step ahead of change and this investment will solidify our position to deliver the future for generations to come, creating opportunities at home, across North America and around the world for businesses, consumers and employees.” The \$330 million 430,000 sq. foot super hub in Toronto is set to open in 2021 tripling network capacity.

## **26. April 2019 North American Transborder Freight Numbers**

On June 25, the US Bureau of Transportation Statistics released the Transborder freight between the U.S. and other North American countries (Canada and Mexico) for April 2019. Total Transborder Freight for April 2019 was \$104.5 billion moved by all modes of transportation, up 1.8% compared to April 2018. Truck accounted for \$65.1 billion of freight, down 1.0% compared to April 2018; and rail accounted for \$15.6 billion of freight, up 6.3% compared to April 2018. Total transborder freight between Canada and US for April 2019 by truck was \$28.8 billion (55.5% of all northern border freight), down 3.3% compared to April 2018; rail accounted for \$8.5 billion of freight, down 3.8% compared to April 2018; pipeline accounted for \$6.1; vessel accounted for \$2.9; and air accounted for \$2.5.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. National Trade Corridors Fund**

The \$2 billion National Trade Corridors Fund is one component of the \$180 billion Investing in Canada Plan, the Government of Canada’s strategy for addressing long-term infrastructure needs in Canada and supporting middle-class growth and well-paying jobs. The quality of Canada’s transportation infrastructure and the efficiency of the country’s trade corridors is key to the success of Canadian firms in the global marketplace. The Government of Canada is providing support for well-functioning trade corridors that will allow Canadians to compete in key global markets and trade more efficiently with international partners. It represents a long-term commitment by the Government of Canada to work with stakeholders on strategic infrastructure projects that help to address transportation bottlenecks, vulnerabilities and congestion along Canada’s trade corridors. The National Trade Corridors Fund is also a key element of Transportation 2030, the Minister of Transport’s strategic plan for the future of transportation.

#### **2. US, Mexico officials to begin talks over tariffs, border**

Mexico launched a counteroffensive on June 3, 2019 against the threat of U.S tariffs, warning not only that it would hurt the economies of both countries but also could cause a quarter-million more Central Americans to migrate North. A high-level delegation from the Mexican government held a press conference at the embassy in Washington, making the case against the threat by President Donald Trump of imposing a 5% tariff on Mexican imports by June 10. It is unclear what more Mexico can do — and what will be enough — to satisfy the President.

#### **3. Trump promises huge UK trade deal, including health service**

President Donald Trump promised the U.S. and U.K. could as much as triple their trade after Brexit, but stirred controversy by hinting that Britain’s government-run health system could be opened to American companies. “As the U.K. makes preparations to exit the European Union, the United States is committed to a phenomenal trade deal between the U.S. and the U.K.,” Trump said on June 4, 2019 in London during a news conference with British Prime Minister Theresa May.

## **GENERAL TRANSPORTATION**

### **Canada**

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3. rump promises huge UK trade deal, including health service, June 4, 2019, [www.ajot.com](http://www.ajot.com)
4. Strong economy, rising wages, low unemployment, June 6, 2019, [www.transportweekly.com](http://www.transportweekly.com)
5. Trump says Mexico tariffs ‘indefinitely suspended’ after deal reached on migration, June 7, 2019, [www.nationalpost.ca](http://www.nationalpost.ca)
6. Drewry: Trade war reshaping supply chains, June 10, 2019, [www.americanshipper.com](http://www.americanshipper.com)
7. Trudeau's Senate appointees save B.C. oil tanker ban bill from defeat, June 6, 2019, [www.cbcnews.ca](http://www.cbcnews.ca)
8. Premiers 'threatening national unity' with their demands on federal environmental bills: Trudeau, June 11, 2019, [www.cbcnews.ca](http://www.cbcnews.ca)
9. Provincial energy ministers say 'cherry-picking' 99 changes to Bill C-69 isn't enough, June 12, 2019, [www.cbcnews.ca](http://www.cbcnews.ca)
10. Study: The effect of changing Canada–United States border costs on North American trade patterns and expenditures, June 12, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
11. Transportation market volatility stems from an inevitable pendulum swing between a buyer’s and a seller’s market, June 12, 2019, [www.inboundlogistics.com](http://www.inboundlogistics.com)
12. Business leaders urge Trudeau to meet Pelosi, as well as Trump to push new NAFTA, June 14, 2019, [www.ctl.ca](http://www.ctl.ca)
13. Over 650 companies urge Trump to end China dispute, June 14, 2019, [www.americanshipper.com](http://www.americanshipper.com)
14. Oilpatch cheers re-approval of Trans Mountain expansion, but worries about further delays, June 18, 2019, [www.nationalpost.ca](http://www.nationalpost.ca)
15. Mexico becomes 1st country to ratify 'new NAFTA' trade deal, June 20, 2019, [www.cbc.ca](http://www.cbc.ca)
16. Trade war causes China box exports to US to slump 6.5pc from January-May, June 21, 2019, [www.transportweekly.com](http://www.transportweekly.com)
17. Canadian Transportation Agency announces plans

“There is tremendous potential in that trade deal. I say probably two or even three times of what we’re doing right now.”

#### **4. Strong economy, rising wages, low unemployment**

A strong US economy, tame inflation, under controlled interest rates, low unemployment and rising wages show a consumer spending boom is in the offing, says Port of Long Beach executive director Mario Cordero. "With so much at stake on both sides, we believe the United States and China can resolve their differences, keep our respective economies growing," said Mr Cordero. "In our view we see gains in 2019, although probably at a more conservative level," he said, reported *Fort Worth's Tank Transport Journal*.

#### **5. Trump says Mexico tariffs ‘indefinitely suspended’ after deal reached on migration**

U.S. President Donald Trump said on June 7, 2019 the Mexican government had reached a deal with the United States to avert a tariff war by pledging to take “strong measures” to contain the migration of mostly Central Americans crossing the southern U.S. border. Trump had threatened to impose 5% import tariffs on all Mexican goods from June 10, 2019 if Mexico did not agree to his demands to tighten its borders. His announcement of a deal came after three days of Mexico-U.S. negotiations in Washington. “The Tariffs scheduled to be implemented by the U.S. on Monday [June 19], against Mexico, are hereby indefinitely suspended,” Trump said on Twitter on June 7, 2019.

#### **6. Drewry: Trade war reshaping supply chains**

U.S. tariffs are resulting in redesigned global supply chains as companies look for alternative, lower-cost suppliers, says Drewry. But it noted relocating production “is a costly endeavor with no safety assurances.” In its *Container Insight Weekly*, Drewry said this year there has been an upsurge in U.S. imports from other parts of the world as imports from China have continued to fall. Since President Donald Trump entered office, Drewry said the ratio of U.S. imports covered by some form of trade protection rose from 2.3% to 14.9%. Last year, China accounted for \$539.5 billion of the \$2.6 trillion goods the U.S. imported. Currently \$250 billion worth of Chinese goods are subject to tariff. That would rise if the president follows through on his threat to slap tariffs on the remaining imports from China not subject to duties. “It seems likely that all Chinese goods will be touched by tariffs in the near future,” said Drewry. “This will expedite trade diversion, but it will take time for other locations to ramp up the production capacity to meet demand, and in some cases it is doubtful this is a possibility due to China’s dominance of certain products.”

#### **7. Trudeau's Senate appointees save B.C. oil tanker ban bill from defeat**

While the Senate's transport committee recommended the upper house defeat the bill outright, a coalition of Independent and Liberal senators gathered together enough votes to rescue legislation to implement the government's planned ban on oil tankers along B.C.'s northern coast. The outcome was far from certain after the committee that studied the legislation recommended against passing the Liberal plan. The committee issued a scathing report this week saying that, if passed, the bill would stoke a nascent separatist movement in Western Canada, and accused the government of unfairly targeting Alberta's oilpatch at a time of constrained pipeline capacity and cratering oil prices. The strongly worded report — penned by the committee's chair, Conservative Saskatchewan Sen. David Tkachuk — prompted a backlash of sorts on the night of June 5, 2019 from other senators who called it overly partisan. Senators rejected the committee's report by a vote of 38 to 53, with one abstention. Now, senators are expected to make amendments at the third reading phase of the legislative process before sending the bill back to the Commons for approval.

#### **8. Premiers 'threatening national unity' with their demands on federal environmental bills: Trudeau**

Centre-right premiers demanding that the federal government accept compromises on pending legislation to regulate natural resource development are themselves threatening national unity, Prime Minister Justin Trudeau said on June 11, 2019. Trudeau made the remarks a day after the premiers of Ontario, New Brunswick, Manitoba, Saskatchewan, Alberta and the Northwest Territories wrote a letter to him to demand he make concessions on two key government bills. The first piece of legislation is C-69, the Liberal government's attempt to rewrite the rules for approving major national resource projects in Canada. The second is C-48, the planned ban on oil tankers along B.C.'s northern coast. The premiers say in the letter that C-69 would make it "virtually impossible" to develop infrastructure projects for resource extraction and deprive the country of "much needed investment." The Senate's energy committee [passed more than 180 amendments during its consideration](#) of C-69 before returning it to the House for MPs to vote on it. "Our five provinces and territory stand united and strongly urge the government to accept Bill C-69 as amended by the Senate, in order to minimize the damage to the Canadian economy," the letter says. The premiers say that the proposed tanker ban (i.e. Bill C-48) on B.C.'s north coast threatens investor confidence and "discriminates against western Canadian crude products." "We would urge the government to stop pressing for the passage of this bill which will have detrimental effects on national unity and for the Canadian economy as a whole," the letter says.

#### **9. Provincial energy ministers say 'cherry-picking' 99 changes to Bill C-69 isn't enough**

to enhance accessibility of Canada's national transportation system, June 21, 2019, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

18. Canada and U.S. agree to expand preclearance options for travellers, goods, June 22, 2019, [www.cft.ca](http://www.cft.ca)

The federal government has accepted a record number of Senate changes (99 of the 188) to its environmental assessment overhaul bill, but provincial energy ministers from Alberta, Saskatchewan and Ontario say the bill shouldn't be passed unless every single amendment goes through. "You start cherry-picking ... and it fails," said Alberta Energy Minister Sonya Savage, who said the rejected amendments addressed both constitutional issues and technical aspects of the bill. "The only way that bill should be passed is with each and every one of those amendments." Savage, Saskatchewan Energy Minister Bronwyn Eyre and Ontario Energy Minister Greg Rickford held a joint press conference in Calgary on June 12, 2019 to react to the passing of Bill C-69 by the Liberal-controlled House of Commons. The Canadian Energy Pipeline Association said the chosen amendments don't address timelines, ministerial discretion and public participation. "If Bill C-69 passes in its current form, it is difficult to imagine that any major new pipeline projects will be proposed or built in the future," said CEPA president and CEO Chris Bloomer in an emailed statement. "This bill falls short and is simply the wrong move for Canada." Savage said if the bill passes in its current form, Alberta's next step will be a constitutional challenge.

#### **10. Study: The effect of changing Canada–United States border costs on North American trade patterns and expenditures**

The new study, "The Effect of Changing Canada–United States Border Costs on North American Trade Patterns and Expenditures," quantifies the impact of the border. Using data on trade in non-energy goods across 201 Canadian and US regions, it examines how patterns of North American trade and expenditures would change as border costs rise or fall. The analysis finds that rising border costs would increase domestic trade as firms turn away from international markets. Increased border costs would also result in higher prices for consumers and decreasing expenditures on goods. Regions along the Canada–US border would be the most affected. The study finds that Canada–US trade declines significantly as firms seek domestic markets. If there were no bi-lateral free trade agreement and the two countries were to trade under the auspices of the World Trade Organization, exports of Canadian non-energy goods to the United States would fall by almost 25%, with Western Canada seeing the strongest relative decline. In response, domestic trade would rise by about 10%. In spite of agreements to reduce their impact, non-tariff barriers to Canada–US trade remains substantial. The study finds that these administrative burdens and differences in product standards and regulations, among other factors, impose the equivalent of a 30% tariff on the flow of goods across the border. By contrast, provincial borders are estimated to impose the equivalent of a 10% tariff. The recent signing of the Canada–United States–Mexico Agreement makes understanding how trade flows respond to changes in border costs all the more important.

#### **11. Transportation market volatility stems from an inevitable pendulum swing between a buyer's and a seller's market.**

Here are some innovative ways to reduce transport costs. 1. Digitize inbound and outbound logistics processes. 2. Understand accessorial charges. 3. Become a shipper of choice. 4. Eliminate operational silos. 5. Use analytics to improve operations continually. 6. Use a Digital Supply Network. 7. Gain network visibility. 8. Tap into new data sources.

#### **12. Business leaders urge Trudeau to meet Pelosi, as well as Trump to push new NAFTA**

For now, Prime Minister Justin Trudeau is going to Washington to meet President Donald Trump, but Canadian business leaders say the Prime Minister should be talking to Democratic House Leader Nancy Pelosi to push the continent's new trade pact towards ratification. Trudeau's June 13, 2019 trip to Washington is being billed as part of a concerted push to win ratification of the new North American trade deal in Canada, the U.S. and Mexico.

#### **13. Over 650 companies urge Trump to end China dispute**

More than 650 American companies and trade associations signed a letter sent June 13, 2019 to President Donald Trump that said additional tariffs against China "will have a significant, negative and long-term impact on American business, farmers, families and the U.S. economy." Tariffs Hurt the Heartland according to the letter — signed by major retailers such as Walmart, Target and Macy's as well as manufacturers and tech companies — that was sent days before the Office of the United States Trade Representative's public hearing scheduled for June 17, 2019 on Section 301 tariffs of up to 25% on Chinese products with an annual trade value of about \$300 billion.

#### **14. Oilpatch cheers re-approval of Trans Mountain expansion, but worries about further delays**

The oilpatch applauded Ottawa's long-awaited announcement that it will build the Trans Mountain pipeline expansion, but also worried about further delays to the \$7.4 billion project. "Does it change investment strategies at the operating level or from foreign investment? No, it doesn't," said Grant Fagerheim, president and CEO of oil-producing Whitecap Resources Inc. "This is one positive step. Do they have the fortitude and desire to push through to get the pipe built?" Fagerheim said, noting that he expected continued legal challenges.

#### **15. Mexico becomes 1st country to ratify 'new NAFTA' trade deal**

Mexico on June 19, 2019 became the first country to ratify the United States–Mexico–Canada Agreement agreed to late last year to replace the North American Free Trade Agreement at the behest of U.S. President Donald Trump. Canada,

which has also fought with Trump over trade, is pressing ahead to ratify the deal — which Ottawa refers to as the Canada-U.S.-Mexico Agreement, or CUSMA. The deal is also known colloquially as the "new NAFTA." The main question mark hanging over its ratification is in the U.S., where Democratic lawmakers have threatened to block the process. Earlier on June 19, 2019, U.S. Trade Representative Robert Lighthizer said he believed Democrats' concerns on enforcing labour and environmental provisions in the USMCA can be sorted out quickly. He spoke just hours after Democratic leader Nancy Pelosi said she still has many concerns over USMCA.

#### **16. Trade war causes China box exports to US to slump 6.5pc from January-May**

China's containerised exports to the US have slipped 6.5 per cent in the first five months of 2019 compared to the same period last year because of the current trade war between the two. According to statistics from *Alphaliner* Chinese exports to the US decreased to 3.87 million TEU in the first five months compared to 4.14 million TEU in the year-ago period. However, despite the trade war tensions China remains by far the largest origin of US containerised imports even though its share has reduced from 46 per cent in 2018 to 42 per cent this year.

#### **17. Canadian Transportation Agency announces plans to enhance accessibility of Canada's national transportation system**

Bill C-81, the Accessible Canada Act, received Royal Assent on June 21, 2019, will provide the Canadian Transportation Agency (CTA) with new tools to help advance the accessibility of the national transportation system. Once in force, this legislation will provide the CTA with: 1) the powers on their own motion to initiate investigations, upon approval of the Minister of Transport, regardless of whether a formal complaint has been made; 2) a new power to award compensation for lost wages, pain and suffering, and willful or reckless practice when an adjudication finds that there was an undue barrier to the mobility of persons with disabilities. This power to award compensation aligns with that of the Canadian Human Rights Tribunal; 3) the enforcement tools such as increase of inspection powers, compliance agreements and warnings; 4) the ability for a designated enforcement officer to levy Administrative Monetary Penalties up to a maximum of \$250,000 for non-compliance with certain accessibility related requirements; 5) the ability for the CTA to determine that, even if industry complies with regulations, there is still an undue barrier to a person's mobility, and order corrective measures; and 6) a new mandate to make regulations on planning and reporting obligations for industry. The CTA is also developing new Accessible Transportation for Persons with Disabilities Regulations.

#### **18. Canada and U.S. agree to expand preclearance options for travellers, goods**

A new agreement between Canada and the United States will soon allow travellers and cargo to pre-clear customs before they leave, allowing an easier movement of people and goods crossing the border. Canadian air travellers have been able to clear customs before flying to the U.S. for decades at Canadian airports, letting them skip line-ups when they land in the United States. The two countries have agreed to add U.S. preclearance operations at Billy Bishop airport in Toronto and Jean Lesage airport in Quebec City. The new agreement extends preclearance for travellers crossing by land, rail and sea.