

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Asia Pacific air cargo markets weaken

Air cargo markets weakened further in June 2019, according to preliminary traffic data from the Association of Asia Pacific Airlines (AAPA). Last month's numbers make eight consecutive months of volume decline. Asian airlines reported a 7.2% year-over-year drop in air cargo demand as measured in freight tonne kilometers (FTK), according to an AAPA media release. The average international load factor fell 5.1 percentage points, coming in at 58.8% for June 2019 after accounting for a 1% increase in freight capacity. The association attributed the deterioration to a fall in global new export orders, fueled by waning business sentiment.

### 2. More Connectivity and Improved Efficiency -2018 Airline Industry Statistics Released

The International Air Transport Association (IATA) released performance figures for 2018 showing that global air connectivity continues to become more accessible and more efficient. The IATA World Air Transport Statistics (2019 WATS) confirms that: 1) 4.4 billion passengers flew in 2018; 2) Record efficiency was achieved with 81.9% of available seats being filled; 3) Fuel efficiency improved by more than 12% compared to 2010; 4) 22,000 city pairs are now connected by direct flights, up 1,300 over 2017 and double the 10,250 city pairs connected in 1998; and 5) The real cost of air transport has more than halved over the last 20 years (to around 78 US cents per revenue tonne-kilometer, or RTK). "Airlines are connecting more people and places than ever before. The freedom to fly is more accessible than ever. And our world is a more prosperous place as a result. As with any human activity this comes with an environmental cost that airlines are committed to reducing.

### 3. Monthly civil aviation statistics, May 2019

The six Canadian Level I air carriers flew 6.8 million passengers on scheduled and charter services in May 2019, up 2.9% from May 2018 and continuing the upward year-over-year monthly trend that began in April 2014. This followed a 4.6% gain in April 2019 and represented the smallest increase in 13 months. Traffic increased 4.5% year over year to 17.9 billion passenger-kilometres in May 2019. Capacity rose 2.4% to 21.3 billion available seat-kilometres. This resulted in a higher passenger load factor in May 2019 (83.9%) compared with the same month a year earlier (82.2%), as the increase in demand for travel was greater than the rise in capacity.

### 4. Asia Pacific air cargo demand drops in June

Airlines in Asia Pacific saw air cargo demand as measured in freight tonne kilometres (FTK) decline 7.2 per cent in June 2019, compared to the same month a year earlier, on the back of lower export orders globally. The result marked the eighth straight month of falling volumes, according to data compiled by the Association of Asia Pacific Airlines' (AAPA). The average international freight load factor dropped by 5.1 percentage points to 58.8 per cent in June 2019, after accounting for a one per cent rise in offered freight capacity, a statement from AAPA said.

## AIR TRANSPORTATION Canada

1. Asia Pacific air cargo markets weaken, July 30, 2019, [www.americanshipper.com](http://www.americanshipper.com)
2. More Connectivity and Improved Efficiency -2018 Airline Industry Statistics Released, July 31, 2019, [www.iata.org](http://www.iata.org)
3. Monthly civil aviation statistics, May 2019, July 31, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Asia Pacific air cargo demand drops in June, August 1, 2019, [www.transportweekly.com](http://www.transportweekly.com)
5. Air Canada Partners with Award-Winning Canadian Chef Antonio Park to Expand Meal Options on Asian and South American Flights, August 1, 2019, [www.aircanada.ca](http://www.aircanada.ca)
6. Lufthansa Cargo's earnings shrink in H1 on back of overcapacity, August 1, 2019, [www.transportweekly.com](http://www.transportweekly.com)
7. US Transportation Secretary Elaine L. Chao Announces Department of Transportation Tentatively Grants Antitrust Immunity for Delta-Air France-KLM-Virgin Atlantic Joint Venture, August 2, 2019, [www.dot.gov](http://www.dot.gov)
8. NDC Matchmaker Launched, August, 2019, [www.iata.org](http://www.iata.org)
9. Canada investing in safety at the Grande Prairie Airport, August 6, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
10. Government of Canada invests in transportation infrastructure improvements at the Greater Moncton Roméo LeBlanc International Airport, August 7, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
11. Air Canada Named Favorite Airline in North America at the 2019 Trazees Awards, August 7, 2019, [www.aircanada.ca](http://www.aircanada.ca)
12. Air Canada Announces Longlist for Canada's Best New Restaurants 2019, August 8, 2019, [www.aircanada.ca](http://www.aircanada.ca)
13. Solid Passenger Demand, Record Load Factor in June, August 8, 2019, [www.iata.org](http://www.iata.org)
14. Air Freight in Decline for Eighth Consecutive Month, August 7, 2019, [www.iata.org](http://www.iata.org)
15. Government of Canada investing in safety at the Cambridge Bay Airport, August 8, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
16. Aircraft movement statistics: Small airports, April 2019, August 8, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
17. Drama escalates in Quebec developer's attempt to block Transat sale to Air Canada, August 8, 2019, [www.nationalpost.ca](http://www.nationalpost.ca)
18. U.S. Department of Transportation Issues Final Statement of Enforcement Priorities Regarding Service Animals on Flights, August 8, 2019, [www.dot.gov](http://www.dot.gov)

\* The news indicated from the citations is that of the authors and not of Industry Canada or the CTRF.

## **5. Air Canada Partners with Award-Winning Canadian Chef Antonio Park to Expand Meal Options on Asian and South American Flights**

Air Canada on August 1, 2019 announced a partnership with award-winning Canadian Chef Antonio Park to design destination inspired meals that will be exclusively featured on select Air Canada flights to Asia and South America. Chef Park's designs will complement Chef David Hawksworth's and will guide Air Canada's flight caterers in creating a selection of meal options on international flights, starting with Montreal-Tokyo-Narita, a route that links two cities he has called home.

## **6. Lufthansa Cargo's earnings shrink in H1 on back of overcapacity**

Falling demand on trade lanes between Europe and Asia dragged down Lufthansa Cargo's first-half adjusted earnings before interest and taxes (EBIT) for the company's logistics segment to EUR15 million (US\$16.61 million), compared with EUR127 million for the same period a year earlier, according to *Shipping Gazette*. In response the carrier is adjusting its capacity in line with changes in the air freight market. Deutsche Lufthansa AG's chief financial officer Ulrik Svensson was quoted as saying in a report by *London's Air Cargo News*: "Our earnings are feeling the effects of tough competition in Europe and sizeable overcapacities, especially on our short-haul routes out of Germany and Austria. We are responding to this by further reducing our costs and increasing our flexibility."

## **7. US Transportation Secretary Elaine L. Chao Announces Department of Transportation Tentatively Grants Antitrust Immunity for Delta-Air France-KLM-Virgin Atlantic Joint Venture**

U.S. Transportation Secretary Elaine L. Chao on August 2, 2019 announced that the Department has tentatively approved a request by Delta Air Lines, Air France, KLM, and Virgin Atlantic to launch an expanded joint venture for all services between the United States and Europe. The expanded joint venture would replace two previously approved arrangements in the U.S.-United Kingdom and U.S.-continental Europe markets. If granted final approval, the new joint venture will offer consumers the same benefits from the prior joint ventures, such as increased capacity and frequent flyer cooperation, as well as new benefits such as more options on European flights.

## **8. NDC Matchmaker Launched**

The International Air Transport Association (IATA) announced the launch of the NDC Matchmaker, a free web-based tool to bring more visibility to travel distribution stakeholders that are collaborating on implementations of the New Distribution Capability (NDC). The NDC Matchmaker enables airlines, travel sellers and content aggregators (such as global distribution systems) to search, compare and connect with NDC partners. It increases transparency of their NDC capabilities and facilitates cooperation among different participants in the travel value chain that are engaged in their own journeys to airline industry retailing. The NDC Matchmaker is being premiered at the Global Business Travel Association 2019 Convention in Chicago.

## **9. Canada investing in safety at the Grande Prairie Airport**

The Honourable Amarjeet Sohi, Minister of Natural Resources and Member of Parliament for Edmonton Mill Woods, on behalf of the Honourable Marc Garneau, Minister of Transport, on August 6, 2019 announced an investment of \$469,139 to install wildlife fencing at the Grande Prairie Airport. This investment will allow the installation of three-metre high wildlife fencing to protect the runway from intrusions by large animals, notably moose and deer.

## **10. LeBlanc International Airport Government of Canada invests in transportation infrastructure improvements at the Greater Moncton Roméo**

On August 7, 2019, the Honourable Ginette Petitpas Taylor, Minister of

19. Air Canada sweetens Transat bid, securing largest shareholder's support, August 11, 2019, [www.globeandmail.ca](http://www.globeandmail.ca)

20. WestJet Link giving Cranbrook another hub option, August 12, 2019, [www.westjet.ca](http://www.westjet.ca)

21. Canadian Competition Bureau approves WestJet's proposed transaction with Onex, August 13, 2019, [www.westjet.ca](http://www.westjet.ca)

22. Air Canada Announces First Two New Routes To Be Operated With Game Changing Airbus A220-300, August 14, 2019, [www.aircanada.ca](http://www.aircanada.ca)

23. Air Canada Announces New Montreal-Seattle Service To Be Operated with Quebec-Built Airbus A220-300, August 14, 2019, [www.aircanada.ca](http://www.aircanada.ca)

24. Air Canada launches routes with fuel-efficient A220 to seize U.S. market share, August 14, 2019, [www.globeandmail.ca](http://www.globeandmail.ca)

25. Growing demand for fresh produce via air cargo, August 15, 2019, [www.transportweekly.com](http://www.transportweekly.com)

26. Estimated July 2019 U.S. Airline Traffic Data, August 15, 2019, [www.bts.gov](http://www.bts.gov)

27. Air Travel Consumer Report: June 2019 Numbers, August 15, 2019, [www.bts.gov](http://www.bts.gov)

28. Global air cargo demand falls 4.8pc in June for 8th straight month, August 16, 2019, [www.transportweekly.com](http://www.transportweekly.com)

29. APPR implementation guides are now available, August 16, 2019, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

30. Airlines are making a killing by charging for add-ons like seat upgrades, August 15, 2019, [www.nationalpost.ca](http://www.nationalpost.ca)

31. June 2019 U.S. Passenger Airline Employment Data, August 16, 2019, [www.bts.gov](http://www.bts.gov)

32. Government of Canada invests in safety at Sept-Îles's Regional Airport, August 19, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

33. Halifax airport breaks ground on air cargo logistics park, August 20, 2019, [www.ctl.ca](http://www.ctl.ca)

34. Working Together to Shape a Sustainable Future, August 22, 2019, [www.iata.org](http://www.iata.org)

35. Zeppelins stopped flying after the Hindenburg disaster. Now scientists want to bring them back, August 19, 2019, [www.nbc.com](http://www.nbc.com)

36. The Canoe of the 21st Century?, August 14, 2019, [www.c2cjournal.ca](http://www.c2cjournal.ca)

37. Air Canada Cargo expands AC Fresh in Toronto, August 22, 2019, [www.aircanada.ca](http://www.aircanada.ca)

38. Hey Honduras! WestJet welcomes Roatán to its network, August 22, 2019, [www.westjet.ca](http://www.westjet.ca)

39. Canadians to benefit from expanded air transport agreement with Chile, August 23, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

40. Government of Canada investing in safety at Kenora Airport, August 23, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

41. Transat shareholders back sale to Air Canada, look to 2020 for regulatory approval, August 23, 2019, [www.nationalpost.ca](http://www.nationalpost.ca)

42. Transport Canada to conduct a public interest assessment regarding proposed purchase of Transat A.T. Inc. by Air Canada, August 26, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

43. Government of Canada investing in safety

Health and Member of Parliament for Moncton—Riverview—Dieppe and the Honourable Dominic LeBlanc, Minister of Intergovernmental and Northern Affairs and Internal Trade and Member of Parliament for Beauséjour, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$8.34 million to increase cargo operational infrastructure at the Greater Moncton Roméo LeBlanc International Airport, and move Canadian goods to international markets more efficiently.

#### **11. Air Canada Named Favorite Airline in North America at the 2019 Trazees Awards**

Air Canada was named Favorite Airline in North America in a survey of global millennial travellers at the 2019. The Trazees awards, an international award that recognizes the best in travel across a broad range of categories by the readers of the popular travel web publication, trazeetravel.com.

#### **12. Air Canada Announces Longlist for Canada's Best New Restaurants 2019**

Air Canada is proud to present the 35 nominees for Canada's Best New Restaurants presented by American Express. The highly anticipated longlist, drawn from a coast-to-coast culinary exploration, is out on August 8, 2019 on CanadasBestNewRestaurants.com.

#### **13. Solid Passenger Demand, Record Load Factor in June**

The International Air Transport Association (IATA) announced global passenger traffic results for June 2019 showing that demand (measured in revenue passenger kilometers or RPKs) rose by 5.0% compared to June 2018. This was up slightly from the 4.7% year-over-year growth recorded in May 2019. June 2019 capacity (available seat kilometers or ASKs) increased by 3.3%, and load factor rose 1.4 percentage points to 84.4%, which was a record for the month of June 2019. Alexandre de Juniac, IATA's Director General and CEO said "June continued the trend of solid passenger demand growth while the record load factor shows that airlines are maximizing efficiency. Amid continuing trade tensions between the US and China, and rising economic uncertainty in other regions, growth was not as strong as a year ago, however."

#### **14. Air Freight in Decline for Eighth Consecutive Month**

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), decreased by 4.8% in June 2019, compared to the same period in 2018. This marks the eighth consecutive month of year-on-year decline in freight volumes. Signs of a modest recovery in recent months appear to have been premature, with the June 2019 contraction broad-based across all regions with the exception of Africa. Capacity growth remains subdued and the cargo load factor continues to fall. Globally, trade growth is languishing, and business uncertainty is compounded by the latest tariff increases in the US-China trade dispute. "Global trade continues to suffer as trade tensions—particularly between the US and China—deepens. As a result, air cargo markets continue to contract."

#### **15. Government of Canada investing in safety at the Cambridge Bay Airport**

The Honourable Marc Garneau, Minister of Transport, on August 8, 2019 announced a Government of Canada investment to replace a grader at the Cambridge Bay Airport. The grader, valued at \$360,000, will assist with the essential clearing of ice and snow from runways, taxiways and the apron.

#### **16. Aircraft movement statistics: Small airports, April 2019**

Take-offs and landings at 130 Canadian airports without air traffic control towers totalled 49,039 movements in April 2019. Ten airports accounted for 41.7% of the month's activity. Total aircraft movements for the 125 airports for which year-over-year comparisons were possible rose 5.5% from 45,330 in April 2018 to 47,839 in April 2019, with 56 airports reporting a greater number of movements. In April 2019, 111 airports reported 36,385 itinerant movements (flights from one airport to another), with Moosonee (3,341 movements) and Goose Bay (2,016) recording the largest numbers.

#### **17. Drama escalates in Quebec developer's attempt to block Transat sale to Air Canada**

Montreal developer Group Mach and Transat A.T. Inc. accused each other of "abusive" tactics on August 8, 2019 at a securities tribunal hearing over Mach's attempt to block Air Canada's \$520-million purchase of the travel company. Mach had courted Transat earlier this year, but the Montreal-based airline and tour operator passed on its offer and in June 2019 accepted an all-cash bid of \$13 per share from Canada's largest airline. But Mach refused to give up. Last week, it offered to buy 19.5 per cent of Transat's voting shares for \$14 per share, a move that could dilute support for the Air Canada deal.

at the Sault Ste. Marie Airport, August 26, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

44. Work begins on Halifax Stanfield Airport's new logistics centre, August 27, 2019, [www.transportweekly.com](http://www.transportweekly.com)

45. Air Canada To Launch Year-Round Montreal-Toulouse Service, August 28, 2019, [www.aircanada.ca](http://www.aircanada.ca)

46. Amazon to take equity stake in Canadian airline Cargojet, August 28, 2019, [www.transportweekly.com](http://www.transportweekly.com)

47. Government of Canada invests in transportation infrastructure in the Northwest Territories, Nunavut and Yukon, August 27, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

48. Air fares, 2018, August 28, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)

49. WestJet asks federal government for exemptions to incoming labour code changes, August 26, 2019, [www.nationalpost.ca](http://www.nationalpost.ca)

50. Air Canada Cargo broadens link with GTA dnata, August 29, 2019, [www.transportweekly.com](http://www.transportweekly.com)

## **18. U.S. Department of Transportation Issues Final Statement of Enforcement Priorities Regarding Service Animals on Flights**

The U.S. Department of Transportation (DOT) on August 8, 2019 issued a Final Statement of Enforcement Priorities Regarding Service Animals that provides greater clarity to passengers, airlines, and other stakeholders about the DOT's interpretation and enforcement of the existing service animal rules. In this Final Statement, the Department's Enforcement Office announced that it does not intend to take action against an airline for asking users of any type of service animal to provide documentation related to vaccination, training, or behavior so long as it is reasonable to believe that the documentation would assist the airline in making a determination as to whether an animal poses a direct threat to the health or safety of others. The Enforcement Office will monitor airlines' animal documentation requirements to ensure that they are reasonable.

## **19. Air Canada sweetens Transat bid, securing largest shareholder's support**

Air Canada will spend more to buy Transat A.T. Inc., the airline announced on August 11, 2019, saying it has upped the total offer by \$200-million to win the support of the tour company's largest shareholder. The new bid sees Air Canada spending \$18 per share, rather than \$13. That brings the total offer to roughly \$720-million, up from a previously announced bid worth \$520-million.

## **20. WestJet Link giving Cranbrook another hub option**

WestJet on August 12, 2019 announced that its regional airline, WestJet Link, will begin operating nonstop flights between Vancouver and Cranbrook, B.C., on October 27, 2019.

## **21. Canadian Competition Bureau approves WestJet's proposed transaction with Onex**

WestJet Airlines Ltd. on August 13, 2019 announced that the Canadian Competition Bureau has granted unconditional approval for WestJet's proposed transaction with Onex Corporation by issuing a no-action letter. Ed Sims, WestJet's President and Chief Executive Officer, said, "Receiving unconditional approval from the Canadian Competition Bureau is another important step on our path to closing the transaction. We continue to engage with the relevant authorities on the remaining approvals." The Arrangement is still subject to other conditions to closing, including receipt of the remaining regulatory approvals.

## **22. Air Canada Announces First Two New Routes To Be Operated With Game Changing Airbus A220-300**

Air Canada on August 14, 2019 announced the first two new routes to be operated with the Airbus A220-300, the only non-stop service between Montreal and Seattle and between Toronto and San Jose, California, both beginning in spring 2020. As well, the carrier also provided a first look at the interior features of its newest aircraft, which will offer customers a choice of Business and Economy Class service, its newest in-flight entertainment system, onboard Wi-Fi and more.

## **23. Air Canada Announces New Montreal-Seattle Service To Be Operated with Quebec-Built Airbus A220-300**

Air Canada on August 14, 2019 announced it will operate year-round, non-stop service between Montreal and Seattle on its newest narrowbody aircraft, the Airbus A220-300. The new flight, which offers customers Business and Economy class service with Air Canada's newest in-flight entertainment system, onboard Wi-Fi and more, will start in the spring of 2020.

## **24. Air Canada launches routes with fuel-efficient A220 to seize U.S. market share**

Canada's largest airline aims to boost its presence in the U.S. with a pair of Airbus A220 jetliners on two new non-stop routes between Montreal and Seattle and from Toronto to San Jose, Calif. The narrow-body aircraft, which are set to take off on May 4, 2020 are the first two of 10 that Air Canada expects to receive by the summer of 2020, granting it greater range and cost savings as rival WestJet Airlines Ltd. attempts to make further inroads into international markets.

## **25. Growing demand for fresh produce via air cargo**

Global cargo demand has been sliding since January 2019, with a year-on-year drop of 4.7 per cent recorded in April while at the same time a growing middle class in Asia is boosting air cargo demand for fresh produce. While the volume of electronics is falling, fresh produce is rising by roughly the same amount. The ability for air cargo to move these perishable goods from one country to another quickly is a key driver of growth. In some cases, it is cheaper to harvest and ship produce via air to a country than it is to grow the produce in a temperature-controlled greenhouse in the destination country, reported Washington, DC's Airline Geeks.

## **26. Estimated July 2019 U.S. Airline Traffic Data**

U.S. airlines carried an all-time high traffic estimated at 77.9 million systemwide (domestic and international) scheduled service passengers in July 2019, seasonally-adjusted, more than in any other month, according to the Bureau of Transportation Statistics' (BTS) first estimate. The July estimated passengers were 0.2% more than the June second estimate (77.8M), the previous high, and 3.8% more than the July 2018 reported data (75.1M). For the first seven months of 2019, January through July, U.S. airlines carried 538.9 million passengers, the highest total based on comparable records since 2003. The January-July number has reached a new high for five consecutive years. The 2019 seven-month number is up 4.0% from 2018, up 8.9% from 2017 and up 12.3% from 2016.

### **27. Air Travel Consumer Report: June 2019 Numbers**

The U.S. Department of Transportation (DOT) on August 15, 2019 released its August 2019 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of June 2019. The full consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>. On some matters of interest, it reports: *June On-Time Performance* - In June 2019, reporting marketing carriers posted an on-time arrival rate of 73.3%, down from both the 77.9% on-time rate in May 2019 and from 76.4% in June 2018. *June Cancellations* - In June 2019, reporting marketing carriers canceled 2.1% of their scheduled domestic flights, a higher rate than both the rate of 2.0% in May 2019 and 1.8% in June 2018. *June Tarmac Delays* - In June 2019, airlines reported 49 tarmac delays of more than three hours on domestic flights, compared to 44 such tarmac delays reported in May 2019 and 25 tarmac delays reported in June 2018. *June Mishandled Baggage* - In June 2019, the reporting marketing carriers posted a mishandled baggage rate of 7.07 mishandled bags per 1,000 checked bags, a higher rate than May 2019's rate of 6.26 per 1,000 checked bags. For the first six months of the year, the carriers posted a mishandled baggage rate of 6.01 per 1,000 checked bags.

### **28. Global air cargo demand falls 4.8pc in June for 8th straight month**

Global air freight market demand, measured in freight tonne kilometres (FTKs), dropped by 4.8 per cent year on year in June 2019, marking the eighth straight month of year-on-year decreases in volumes, data published by the International Air Transport Association (IATA) shows. IATA said in a statement "Signs of a modest recovery in recent months appear to have been premature, with the June contraction broad-based across all regions with the exception of Africa. Capacity growth remains subdued and the cargo load factor continues to fall. Globally, trade growth is languishing, and business uncertainty is compounded by the latest tariff increases in the US-China trade dispute."

### **29. APPR implementation guides are now available**

The CTA has developed a series of guides providing a detailed explanation of airline obligations toward passengers in various situations with the coming into force of the *Air Passenger Protection Regulations* (APPR). The guides are intended to help passengers understand their rights and airlines better understand and meet their obligations. The guides can be seen on their website.

### **30. Airlines are making a killing by charging for add-ons like seat upgrades**

You might huff and haw over that \$40 upgrade that'll get you some extra leg room in the exit row, but for the airline you're booking with, that fee is a drop in the bucket. Airlines are making millions of dollars in revenue by offering passengers a variety of add-ons — at a cost — including exit row seats or selecting your seat prior to departure; in-flight meals, entertainment or internet; baggage fees; lounge access. In the aviation industry, these extra fees have a term: ancillary revenue. Last year, all of the airlines around the world combine made \$35 billion in profit thanks to ancillary revenue, according to a new and in-depth study by *IdeaWorks*, a research firm that specializes in the travel sector. You might think airlines have always been charging extra here and there for things like the exit row or extra luggage, and you aren't wrong, but it's become much more frequent. This year's \$35 billion in ancillary revenue is 16 times higher than it was just a decade ago.

### **31. June 2019 U.S. Passenger Airline Employment Data**

The 21 U.S. scheduled passenger airlines employed 2.4% more workers in June 2019 than in June 2018: 1) June's 449,985 full-time equivalents (FTE) was the highest employment total for any month since March 2003 (458,598 FTEs). 2) June was the 68th consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year.

### **32. Government of Canada invests in safety at Sept-Îles's Regional Airport**

The Honourable Marc Garneau, Minister of Transport, on August 16, 2019 announced that the Government of Canada will be performing rehabilitation work on the Sept-Îles regional airport's main runway. The work involves completing the bituminous resurfacing of the airport's runway 09-27, taxiways and apron. The award of the contract and the development of plans and specifications are expected in the summer of 2020, and work should begin in 2021.

### **33. Halifax airport breaks ground on air cargo logistics park**

Realizing the potential to further enable regional exports and trade, Halifax International Airport Authority (HIAA) is set to construct a new Air Cargo Logistics Park that will benefit the entire region. On August 20, 2019, Joyce Carter, HIAA President and CEO, was joined by other officials at a groundbreaking ceremony to commemorate the beginning of construction on the Halifax Stanfield Air Cargo Logistics Park.

### **34. Working Together to Shape a Sustainable Future**

The International Air Transport Association (IATA) announced that the 2019 World Financial Symposium (WFS) will focus on the theme of shaping a sustainable future together: airlines, IATA and partners. The world's airlines are expected to report their 10th consecutive annual profit in 2019, but earnings are being squeezed. In June 2019 IATA downgraded its outlook to a net profit of \$28 billion or just \$6.12 per passenger, reduced from an estimated \$30 billion in 2018. Aleks Popovich, IATA's Senior Vice President, Financial and Distribution Services said "The airline industry

is still earning money and we are expecting to deliver a return on invested capital for a record fifth year—but just barely. Rising fuel prices, slowing demand growth, trade wars and geopolitical tensions all are challenging the industry's fortunes...”

### **35. Zeppelins stopped flying after the Hindenburg disaster. Now scientists want to bring them back**

The age of huge, ocean-crossing zeppelins came to an end in 1937, when the Hindenburg — the largest craft of its type ever built — erupted in flames while landing in New Jersey. Dozens died. Now, more than 80 years later, the giant airships may be poised for a comeback — not for passenger service, but as an environmentally friendly means of delivering goods around the globe. As proposed in a recent scientific paper, the new airships would be 10 times bigger than the 800-foot Hindenburg and soar high in the atmosphere. They'd do the work of traditional oceangoing cargo ships but would take less time and generate only a fraction of the pollution.

### **36. The Canoe of the 21st Century?**

Several companies are eagerly at work on modern airship designs, claiming they represent the future of low-carbon, low-cost transportation. France's Flying Whales is developing a gigantic, 154-metre-long cargo airship with a 60-tonne payload whose major distinguishing feature is that it can pick up or deliver loads without even touching down — or so the company hopes. Flying Whales' LCA60T (or Large Capacity Airship 60 tons) is forecast to have its first flight in 2022. The venture is subsidized by various branches of the French government and has a major Chinese investor. In Canada, Winnipeg-based Buoyant Aircraft Systems International (BASI) is developing an electrically driven airship specifically designed to cope with the wide temperature swings in Canada's North as well as to avoid several major cost categories that, it implies, make other airship approaches intrinsically uneconomic. The bottom line, the company says, is that any airship design must be able to transport cargo cheaper than fixed-wing aircraft or roads. BASI's concept would carry 30 tonnes and would land and take off from a rotating pad that keeps the aircraft pointed into the wind.

### **37. Air Canada Cargo expands AC Fresh in Toronto**

Air Canada Cargo announced that it is extending its collaboration with GTA dnata in Toronto to include all AC Cool Chain shipments. Starting September 16, 2019 in addition to pharmaceuticals, shipments booked with its AC Fresh solution flowing through Toronto will be handled by GTA dnata. This includes seafood, chilled meats, fruit, vegetables, herbs and fresh flowers — all perishable shipments that require a comprehensive, integrated cold chain logistics approach.

### **38. Hey Honduras! WestJet welcomes Roatán to its network**

WestJet on August 22, 2019 announced it will be adding Roatán, Honduras to its Caribbean destinations with its new non-stop seasonal service from Toronto starting December 15, 2019.

### **39. Canadians to benefit from expanded air transport agreement with Chile**

On August 23, 2019, the Honourable Marc Garneau, Minister of Transport, announced that Canada has successfully expanded its existing air transport agreement with Chile. The original Canada-Chile agreement entered into force in February 2005 provides an unlimited number of direct flights for airlines between both countries. The expanded agreement includes: 1) A more flexible agreement to operate “fifth freedom” passenger services, which allow airlines to stop in third countries to pick up and discharge passengers en route to the final destination in Canada or Chile; 2) A fully open and flexible code-sharing regime, including with third-country airlines. Code-sharing occurs when an air carrier sells seats on a flight operated by another air carrier, allowing it to expand its network and product offerings; and 3) A fully open all-cargo regime, including unlimited fifth freedom rights. These amendments take effect immediately.

### **40. Government of Canada investing in safety at Kenora Airport**

The Honourable Bob Nault, Member of Parliament for Kenora, on behalf of the Honourable Marc Garneau, Minister of Transport, on August 23, 2019 announced a Government of Canada investment to purchase a grader at the Kenora Airport. The grader, valued at \$334,000, will assist with the essential clearing of ice and snow from runways, taxiways and the apron.

### **41. Transat shareholders back sale to Air Canada, look to 2020 for regulatory approval**

Transat A.T. Inc. shareholders resoundingly approved Air Canada's \$720-million acquisition of the Montreal-based tour and airline operator, putting the fate of the deal in the hands of regulators. Almost 95 per cent of shareholders voted in favour of Air Canada's improved \$18-a-share cash offer at a special meeting in downtown Montreal, Transat said on August 23, 2019. Two-thirds approval was required. “You've made the right decision,” chairman and chief executive officer Jean-Marc Eustache told shareholders after the results of the vote were disclosed. The combination “will create a global leader, based in Montreal, in leisure, tourism and travel distribution. Joining forces with the power of Air Canada is the best way to preserve and develop what we created.”

### **42. Transport Canada to conduct a public interest assessment regarding proposed purchase of Transat A.T. Inc. by Air Canada**

The Minister of Transport has determined that the purchase of Transat A.T. Inc. by Air Canada (transaction) raises public interest issues related to national transportation. As such, a public interest assessment of the proposed

transaction will be conducted with input from the Commissioner of Competition, who will assess impacts on competition. The public interest assessment will include targeted consultations with the air industry and other stakeholders, other levels of government and the public, as well as an analysis of the economic benefits or challenges resulting from the proposed transaction. Consultation will begin on November 4, 2019. Under the Canada Transportation Act, Transport Canada has up to 150 days to complete this public interest assessment. However, the Minister has the authority to grant an extension should extra time be necessary. An extra 100 days has been granted to both Transport Canada and the Commissioner of Competition to make the assessment.

#### **43. Government of Canada investing in safety at the Sault Ste. Marie Airport**

Terry Sheehan, Member of Parliament for Sault Ste. Marie, on behalf of the Honourable Marc Garneau, Minister of Transport, on August 26, 2019 announced a Government of Canada investment to purchase a grader at the Sault Ste. Marie Airport. The grader, valued at \$217,100, will assist with the essential clearing of ice and snow from runways, taxiways and the apron.

#### **44. Work begins on Halifax Stanfield Airport's new logistics centre**

Work has started on a new logistics centre at Halifax Stanfield Airport (HIAA) in Canada, which is due to open in early 2021. The centre aims to cater for a range of Canadian goods - from Nova Scotia lobster to aeronautical components. The Air Cargo Logistics Park has been made possible thanks to investments of CAD\$18 million from the federal government, CAD\$5 million from the provincial government, and a contribution of CAD\$13 million from HIAA. The new centre is being built on 25 acres of vacant land at Halifax Stanfield and will include a new cargo apron area, buildings for cargo handling, an aircraft de-icing facility and associated operational areas both airside and groundside. Cargo exports out of Halifax Stanfield have seen five consecutive years of record growth. Overall, air cargo exports created a total economic output of \$514.1 million for the provincial economy, the airport claimed.

#### **45. Air Canada To Launch Year-Round Montreal-Toulouse Service**

Air Canada announced on August 28, 2019 the introduction of year-round service between Montreal and Toulouse starting June 4, 2020. The five-times weekly flights will provide the only year-round service between the two cities and be operated with Air Canada's Airbus A330-300 fleet, featuring Signature Class, Premium Economy and Economy cabins. Special introductory fares from Montreal to Toulouse start as low as \$729 CDN round-trip, all-in, and tickets are now available for purchase at aircanada.com or through travel agents.

#### **46. Amazon to take equity stake in Canadian airline Cargojet**

Nasdaq-listed Amazon.com has announced it will acquire a minority equity stake in Canadian cargo airline Cargojet Inc, Amazon's air carrier partner in Canada. Under the deal, Cargojet will issue warrants allowing Amazon to acquire up to 9.9 per cent of Cargojet's voting shares at an exercise price of US\$91.78 a share. The warrants will vest over six and a half years and be conditional to Amazon providing Cargojet with CAD400 million (US\$300.6 million) in volumes over the same period.

#### **47. Government of Canada invests in transportation infrastructure in the Northwest Territories, Nunavut and Yukon**

On August 27, 2019, the Honourable Marc Garneau, Minister of Transport, announced an investment of \$7.4 million to NAV CANADA for a project that will enhance flight safety and reliability for aircraft landing approaches in the North. The project will improve access to northern aerodromes in poor weather conditions by introducing a new Global Navigation Satellite System instrument approach procedure. This will significantly improve the arrival and departure process by introducing vertically guided approach procedures, allowing aircraft to increase the reliability and efficiency of their landing.

#### **48. Air fares, 2018**

Base air fares in Canada, domestic and international combined, averaged \$231.10 in 2018, down 0.6% from 2017, re-establishing the downward trend seen in previous years. The decrease in base fares was mainly the result of year-over-year declines in the last three quarters of 2018, with the largest drop occurring in the second quarter (-4.0%). The average domestic fare fell 2.0% from 2017 to \$164.90, while the average international fare edged down 1.3% to \$295.10.

#### **49. WestJet asks federal government for exemptions to incoming labour code changes**

In June 2019, the federal government set Sept. 1, 2019 as the start date for a series of amendments to labour standards in federally regulated workplaces. The changes affect rules surrounding overtime refusal, rest periods and breaks, advance notice of schedule and shift changes, personal leave, vacation entitlements and more. But in a letter to the federal government dated Aug. 14, 2019 WestJet, along with low-cost carrier Swoop and regional airline WestJet Encore, requested exemptions to three of the updated provisions. WestJet is seeking exemptions to changes that would give workers the right to written notice 24 hours before a shift change, the right to refuse overtime to carry out family responsibilities and a mandated 30-minute break within every five hours of work.

#### **50. Air Canada Cargo broadens link with GTA dnata**

Air Canada Cargo has extended its cargo handling deal with GTA dnata in Toronto to include all AC cool chain shipments. In addition to pharmaceuticals, shipments booked with the airline's AC Fresh in Toronto will be processed by the cargo handler starting September 16, 2019. This includes seafood, chilled meats, fruit, vegetables, herbs and fresh flowers - all perishable shipments that require a "comprehensive, integrated cold chain logistics approach", the airline said. GTA dnata's facility offers a temperature controlled dedicated environment for perishables (15 to 25 degrees Celsius) and separate coolers for storage in specific ranges (2 to 8 degrees Celsius), according to *London's Air Cargo News*. "Toronto is a key gateway for international perishable shipping," said Vito Cerone, senior director, sales and commercial strategy for Air Canada Cargo.

## **WATER TRANSPORTATION**

### **1. Government of Canada marks the coming into force of the Wrecked, Abandoned or Hazardous Vessels Act**

The Honourable Marc Garneau, Minister of Transport, and the Honourable Jonathan Wilkinson, Minister of Fisheries, Oceans and the Canadian Coast Guard, are pleased to mark the coming-into-force of the *Wrecked, Abandoned or Hazardous Vessels Act*. The Act prohibits vessel abandonment and brings into Canadian law the *Nairobi International Convention on the Removal of Wrecks, 2007*. It increases owner responsibility and liability for their vessels, addresses irresponsible vessel management, and enables the Government of Canada to proactively intervene to address problem vessels that pose hazards. Not complying with the Act can result in an administrative monetary penalty of up to \$50,000 for individuals and up to \$250,000 for companies or corporations. Convictions of more serious offences could result in a maximum fine of \$1 million for individuals and up to \$6 million for companies or corporations.

### **2. Port of Prince Rupert Employment Surges By 1000 Jobs Over Two Years**

A study released on July 30, 2019 by the Prince Rupert Port Authority revealed that employment associated with moving trade through northern BC to the Port of Prince Rupert has grown from 5200 jobs to 6200 jobs since 2016. The economic impact study analysed a wide variety of factors based on the 26.7 million tonnes shipped through the Port in 2018 and determined significant economic and employment benefits continue to grow throughout the northern BC region. In total, the international trade cargo handled in 2018 at the Port of Prince Rupert was valued at approximately \$50 billion and the business of transporting that trade through the gateway created \$1.5 billion of economic activity in the region.

### **3. Trade, jobs, economic value at Prince Rupert, B.C., port climbing**

An economic impact study for Prince Rupert's port shows a 40 per cent increase in volume over two years resulting in another 1,000 jobs associated with moving cargo through northern British Columbia. The study analysed numerous factors based on the 26.7 million tonnes shipped through the port and determined the number of jobs grew from 5,200 in 2016 to 6,200 two years later. It says international trade cargo handled in 2018 at the port was valued at \$50 billion and the business of transporting goods through that gateway created \$1.5 billion worth of economic activity in the region.

### **4. PSA International acquires Halterm Container Terminal**

PSA International Pte Ltd (PSA) has completed the acquisition of Halterm Container Terminal in the Port of Halifax, Canada, from Macquarie Infrastructure Partners, a fund managed by Macquarie Infrastructure and Real Assets, following formal approval by the relevant regulatory authorities. Halterm is the only container terminal in Eastern Canada that can serve mega container vessels. It operates three container berths covering more than a kilometre of quay length with depth of up to 16 metres. The terminal is currently undergoing further berth expansion, including the delivery of a fifth

## **WATER TRANSPORTATION**

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5. Government of Canada invests in transportation infrastructure at the Stewart World Port to move goods to market, August 2, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
6. Government of Canada adjusts measures to protect the North Atlantic right whales, August 2, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
7. "K" Line fined \$23 million for ro-ro price fixing, August 2, 2019, [www.joc.com](http://www.joc.com)
8. "K" Line fined \$23.4 million for conspiracy, August 2, 2019, [www.americanshipper.com](http://www.americanshipper.com)
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17. New Montreal trade zone to aid exporters, August 5, 2019, [www.joc.com](http://www.joc.com)
18. Canadian shipping sector welcomes government plan to build icebreakers, August 8, 2019, [www.transportweekly.com](http://www.transportweekly.com)
19. Restoration of five hectares of marine



Super Post-Panamax Quay Crane, which will enable Halterm to handle two mega container vessels concurrently in 2020.

#### **5. Government of Canada invests in transportation infrastructure at the Stewart World Port to move goods to market**

On August 2, 2019, the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$13.1 million for a project that will increase capacity at the Stewart World Port and move Canadian goods to international markets more efficiently. The project will increase capacity and improve the fluidity of emerging export commodities such as bulk wood, mineral and agricultural products from Northern British Columbia, Yukon, Alberta and Saskatchewan. The project consists of installing bulk loading conveyor systems and power and control facilities at the Stewart World Port.

#### **6. Government of Canada adjusts measures to protect the North Atlantic right whales**

In response to the recent deaths of North Atlantic right whales, the Government of Canada took substantial measures. This included implementing an interim mandatory slowdown in the shipping lanes north and south of Anticosti Island on June 26, 2019, as well as the implementation of additional measures on July 8, 2019. These measures were in addition to those implemented on April 28, 2019, which includes a large slowdown area throughout much of the Gulf. Over the past month, Transport Canada's National Aerial Surveillance Program has greatly intensified surveillance. Vessels are once again allowed to proceed at safe operational speeds in the shipping lanes. Enhanced surveillance will continue, and should a North Atlantic right whale be spotted in the shipping lanes, interim slowdown measures will once again be immediately implemented. To encourage vessel traffic in areas where no North Atlantic right whales have been spotted, vessels will once again be able to maximize efficient routes to transit through the Gulf. With safe operational speed limits in the shipping lanes, marine vessels will be encouraged to take routes further away from the whales. The department has issued three Administrative Monetary Penalties to vessels this year which contravened the interim mandatory slowdown.

#### **7. "K" Line fined \$23 million for ro-ro price fixing**

An ongoing probe by Australian regulators that involves several carrier lines over a period of years has resulted in a hefty fine for K Line over price fixing allegations involving the shipment of vehicles.

#### **8. "K" Line fined \$23.4 million for conspiracy**

Ocean automotive carrier Kawasaki Kisen Kaisha ("K" Line) was convicted on August 2, 2019 of being in a criminal cartel and fined A\$34.5 million (US\$23.4 million) by the Federal Court of Australia. The company reportedly would have been given an even bigger fine, A\$48 million, but the judge in the Federal Court of Australia showed leniency because of the company's early guilty plea and assistance. "K" Line pleaded guilty last year to being involved in a global conspiracy with numerous other ocean shipping companies not to attempt to win business from each other and to fix ocean freight rates for shipping vehicles. Under Australian competition antitrust law, it is unlawful to make an agreement that has the purpose or effect of directly or indirectly fixing, controlling or maintaining or providing for the fixing, controlling or maintaining of the price in relation to services supplied by any or all of the parties to the agreement.

#### **9. Virginia's FY2019 box volume hits record 2.9m TEU**

The US port of Virginia handled an all-time high of 2.9 million TEU in fiscal 2019 ended June 30, 2019 an increase of four per cent compared with the previous fiscal year, and its fifth consecutive fiscal year of growth, according to *Shipping Gazette*. Virginia Port Authority CEO John Reinhart was quoted as saying in a report by MarineLog, New York: "Our import loads were up

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22. Transport Canada fines vessels for breaking speed limit in Gulf of St. Lawrence, August 12 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

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34. Vancouver port sees record cargo volume for first half, August 15, 2019, [www.ctl.ca](http://www.ctl.ca)

35. Montreal wins US\$14 million in federal funding to ease truck congestion, August 16, 2019, [www.transportweekly.com](http://www.transportweekly.com)

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40. Hamilton-Oshawa Port Authority to lead \$16M agri-food expansion, August 21, 2019, [www.ctl.ca](http://www.ctl.ca)

41. Government of Canada invests in transportation infrastructure improvements at the Port of Hamilton, August 21, 2019,

more than five per cent (at 1,371,289 TEU), truck volume was up almost four per cent (at 1,033,290 TEU) and barge volume was up nearly ten per cent (at 54,303 TEU). All of this was accomplished while we were under construction at VIG (Virginia International Gateway) and NIT (Norfolk International Terminals)."

#### **10. Northern BC port to get \$13M to help move commodities**

Stewart World Port announced that it will receive a \$13.1 million investment from the Federal government. The funding will help with projects that will increase capacity and improve the fluidity of emerging export commodities such as bulk wood, mineral and agricultural products from Northern British Columbia, Yukon, Alberta and Saskatchewan. The project consists of installing bulk loading conveyor systems and power and control facilities at the Stewart World Port.

#### **11. The Panama Canal implements speed limits to protect whales**

Starting August 1, 2019 and until November 30, 2019, the Panama Canal will promote the implementation of the International Maritime Organization's (IMO) annual recommendations on speed and maritime transit aimed at protecting cetaceans, which include whales, dolphins and other large aquatic mammals, during their nearby seasonal migration. With these measures,

ships should proceed at a speed of not more than 10 knots in specified areas. Panama has monitored this requirement since December 1, 2014 when maritime traffic separation devices (TSS) were installed by both the Caribbean Sea and Pacific Ocean entry points to the Canal.

#### **12. JAXPORT containerized cargo up 89% since 2013**

Containerized cargo has grown 89% since 2013 at Jaxport. As a result, cargo activity through the Jacksonville, Fla., seaport had a nearly \$31.1 billion economic impact on the region and state in 2018, according to a study by Martin Associates released in the first of week. The study, "The Local and Regional Economic Impacts of the Port of Jacksonville, 2018," concluded that 26,282 people are employed in port-dependent positions. That's a nearly 8% increase from a study conducted in 2013. Martin Associates also said 138,500 jobs across the state of Florida are related to cargo moving through JAXPORT.

#### **13. World shipowners urge restraint**

The International Chamber of Shipping (ICS), the European Community Shipowners' Associations (ECSA) and the Asian Shipowners' Association (ASA) urged an immediate stop to escalation and respect for international law following the Iranian seizure of the 49,683-dwt British flagged tanker Stena Impero in the Strait of Hormuz last month. All countries should ensure the safe passage of merchant vessels, by respecting the Freedom of Navigation enshrined in Article 87(1)a and the Right of Innocent Passage defined in Article 19 of the 1982 United Nations Convention on the Law of the Sea (UNCLOS), they said in a joint statement.

#### **14. Government of Canada invests in transportation infrastructure at the Port of Johnstown to move goods to market**

On August 6, 2019, the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$4.8 million for a project that will increase efficiency at the Port of Johnstown and move Canadian goods to international markets. To improve productivity at the port, which is located on the west bank of the St. Lawrence Seaway, nine ageing grain loading spouts will be replaced with four more efficient and modern spouts so that larger vessels can be loaded more quickly. A new grain bin will be added to increase the port's storage capacity. This renewal and expansion work will ensure the Port of Johnstown can grow as a strategically located major export gateway for Eastern Canada's agricultural producers. These investments are expected to have important economic and employment benefits for the region by creating an estimated 100 jobs in the region during construction.

#### **15. Canadians find save-the-whale speed limits put them in danger**

The Canadian government has lifted speed restrictions meant to protect whales in the Gulf of St. Lawrence after finding that the policy has been pushing ships closer to the endangered mammals, reports the *Canadian Press*. This news comes as the Panama Canal has imposed a 10-knot speed limit the behest of the UN's International Maritime Organisation (IMO) on ships approaching the canal. The Canadians found that there weren't any whales in the shipping lanes where speed had been reduced, adding that the lower speed limit had driven cargo ships out of these lanes and into more direct routes along which whales gathered. Transport Canada said it hopes that raising the speed limit will push ships back into their lanes. Transport Canada said it came to the decision after its aerial surveillance team spent 240 hours flying over the gulf over the past month, scouring the waters for whales.

#### **16. Global box ports expected to grow 4.4pc a year by 2023**

[www.tc.gc.ca](http://www.tc.gc.ca)

42. Government of Canada supports a new maritime information system pilot project in partnership with the Nunatsiavut Government, August 25, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

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46. Vietnam's container throughput hits a record 12.93m TEU in 2018, August 28, 2019, [www.transportweekly.com](http://www.transportweekly.com)

47. New legislation protects Canadians' right to navigate on their waters: The Canadian Navigable Waters Act takes effect today, August 28, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

48. US-China trade war bites into HK's exports in July, shrinking 5.7pc, August 29, 2019, [www.transportweekly.com](http://www.transportweekly.com)

Global container port throughput is forecast to rise from 784 million TEU in 2018 to 973 million TEU by 2023 based on the estimate that the world's ports will collectively achieve average growth of 4.4 per cent per annum over this five-year period, according to a report by London-based maritime research consultancy *Drewry*. The predicted growth rate is far lower than the level reached in the heady days of the 2000s when forecasts were of nine per cent growth per year until the global financial crisis of 2007-08 brought this to a halt, *Drewry* pointed out. Global container port capacity is anticipated to rise by just two per cent a year, based on confirmed additions only. This figure reflects the ongoing easing off from greenfield projects by investors over the past few years.

#### **17. New Montreal trade zone to aid exporters**

A new free trade zone created in the metropolitan area of Montreal will make it easier for manufacturers, producers, and wholesalers to make and store goods without paying taxes or excise duties on products that will eventually leave the country.

#### **18. Canadian shipping sector welcomes government plan to build icebreakers**

The Canadian shipping industry welcomed the federal government announcement to launch a competitive process to build six new icebreakers to operate in the St Lawrence, Atlantic Canada and the Arctic, reports the *American Journal of Transportation*. "These new icebreakers will help ensure the long-term success of Canadian industries and communities who rely on marine shipping all year round to deliver goods to markets at home and around the world," said Bruce Burrows, president of the Chamber of Marine Commerce, which represents ship operators, ports and marine transportation customers that operate in the Great Lakes-St. Lawrence, east coast and the Arctic. "Canadian Coast Guard icebreaking services are essential to ensuring that the Great Lakes-St Lawrence navigation system remains a reliable trade gateway."

#### **19. Restoration of five hectares of marine habitat on the North Shore soon underway**

This summer, the Vancouver Fraser Port Authority will begin construction to restore approximately five hectares of what is currently low-value marine habitat into higher-value inter tidal mud flat, eel grass and rock reef habitat in North Vancouver. The project is part of the Vancouver Fraser Port Authority's Habitat Enhancement Program, an initiative through which the port authority creates, restores and enhances fish and wildlife habitat. The program, formalized through an agreement with Fisheries and Oceans Canada, is intended to directly offset effects to fish and fish habitat as a result of port development. The majority of the marine habitat area restored at the project site will be used to offset fish habitat expected to be affected by the Centerm Expansion Project currently under construction and being built to help meet anticipated near-term demand for containers shipped through the Port of Vancouver.

#### **20. Seaspan profit hits US\$454.5 million**

Seaspan Corporation has posted operating earnings of US\$110.4 million for the 2019 second quarter and \$454.5 million for the first half of the year, on the back of vessel utilisation rates of 98.7 per cent for Q2 and 98.4 per cent for the first six months of 2019, according to *Shipping Gazette*.

#### **21. PORT REPORT: Mega-study reveals Asia and China dominate the commercial maritime world**

Ocean shippers, carriers and forwarders have long known it and now the United Nations has proved it with numbers – China and Asia utterly dominate the commercial maritime world. In a massive 14-year study going back to 2006, the UN Conference on Trade and Development (UNCTAD) has ranked 1,249 ports by how well connected they are to other ports around the world. Of the top 20 ports, 15 are in Asia and 11 are in China. Of the non-Asian ports in the top 20, two are in Europe, one is in the Middle East (Jebel Ali) and the other is in Sri Lanka (Colombo). The top connected ports are: Shanghai, Singapore, Busan, Ningbo-Zhoushan and Hong Kong.

#### **22. Transport Canada fines vessels for breaking speed limit in Gulf of St. Lawrence**

On August 12, 2019, Transport Canada issued six fines for non-compliance of the temporary mandatory slow down. The vessels' owners have 30 days to pay their penalty or to ask the Transportation Appeal Tribunal of Canada to review the facts of their individual violations or the amounts of their penalties. The vessels being fined are: 1) MSC Diego - \$12,000; 2) Oslo Bulk, Isola Celeste and Princess Ashita - \$6,000 each; and 3) CCGS Cape Edensaw and CCGS Cap d'Espoir - \$6,000 and \$12,000, respectively. While the shipping industry has been compliant in respecting these measures, there are still some exceptions, and Transport Canada continues to examine all reported cases of non-compliance.

#### **23. Montreal port to receive \$18.5M for transportation upgrades**

The Federal government announced an investment of \$18.5 million for a project to increase transport efficiency, capacity, and security by reducing waiting times and bottlenecks for container movements at the Port of Montréal.

#### **24. Port Report: July imports flat at the Los Angeles-Long Beach gateway**

The biggest U.S. maritime entry for containerized goods saw import volumes stay flat in July 2019, reflecting the uncertainty facing the trans-Pacific container shipping market. One of the largest container shipping lines in the world has responded to the uncertainty by cutting service capacity by half over the last three months. But the start of a new service ahead of the traditional peak shipping season may mean volumes peak up again. Separately, U.S. East Coast

ports saw import volume growth thanks to the still healthy trans-Atlantic container market and shifts in to domestic and international logistics assets. The ports of Los Angeles and Long Beach saw total imports of 789,788 twenty-foot equivalent units (TEU) in July 2019, up less than 4,000 TEU from the year-earlier level.

#### **25. South Carolina ports cargo throughput up record-breaking 5pc in July**

The South Carolina Ports Authority (SCPA) saw a strong start to fiscal year 2020, recording its busiest 2019 July in port history at container terminals and inland ports, according to *Shipping Gazette*. SCPA handled 210,542 TEU at the Wando Welch and North Charleston container terminals in July, up five per cent year on year.

#### **26. Port of Los Angeles breaks July record with 912,154 TEUS**

For the fourth consecutive month, the Port of Los Angeles has set a new single-month cargo record. In July 2019, the Port moved 912,154 Twenty-Foot Equivalent Units (TEUs), the busiest July in the Port's 112-year history. For the first seven months of 2019, volumes have increased 9.4% compared to previous year.

#### **27. Modest growth expected for global container port demand: Drewry**

The outlook for global container port demand is modest growth and numerous uncertainties, but in the face of this, capacity expansion plans are also muted. This means that most world regions will see an increase in average terminal utilization, according to the Global Container Terminal Operators Annual Review and Forecast 2019 by global shipping consultancy *Drewry*. *Drewry's* container port demand forecast for the next five years is for global growth of 4.4% per annum on average, lifting world container port throughput from 784 million TEU in 2018 to 973 million TEU by 2023, an absolute increase of almost 190 million TEU.

#### **28. CTA Applauds Federal Investment in Port of Montreal**

On August 12, 2019, the Honourable Marc Garneau, Minister of Transport, Rachel Bendayan, Member of Parliament for Outremont, and Sylvie Vachon, president of the Port of Montreal, announced an important investment of \$37 million to increase transport efficiency, capacity, and security by reducing waiting times and bottlenecks for container movements at the Port of Montréal. The contributing investment will be split 50/50 between the port and the government. Patrick Turcotte, CTA Board member and the recent past Chairperson of the Quebec Trucking Association said "Close to 1.7 million containers transited through the port's container terminals in 2018, an increase of 9 percent compared to 2017. The trucking industry appreciates Minister Garneau's announcement as it recognizes the expanding economic importance of the Port of Montreal and the role the trucking industry plays in the Port's success."

#### **29. Port Report: RoadOne sees uptick, but no boom in peak season**

A quiet first-half at U.S. ports underscores the overall slowdown in the freight market. In the first six months of 2019, the four largest container ports on the West Coast saw overall import volumes drop 5 percent from year-ago levels. East and Gulf Coast ports saw a flat first half for inbound container volumes overall. The early read on the third quarter is more of the same as Southern California inbound volumes remain flat, and Savannah still reports volume growth. RoadOne Chief Executive Officer Ken Kellaway said the Southeast ports are benefitting from the shift away from China to other Asian sources, as well as their competitive transportation costs and the growth in their local markets. Overall, U.S. ports are unlikely to see the overwhelming demand seen last year. But Kellaway says RoadOne, one of the top 10 drayage and intermodal carriers in the U.S., is at least seeing an uptick in activity in ocean containers.

#### **30. Gap widens between LA and Long Beach as US tariffs bite**

Long Beach July 2019 cargo was down 9.7 per cent year on year to 621,780 TEU, while Port of Los Angeles volume increased 9.1 per cent to 912,154 TEU, according to *Shipping Gazette*. Long Beach July imports decreased 9.9 per cent to 313,350 TEU, and exports shrank 6.8 per cent to 111,654 TEU. Empties were 11 per cent lower at 196,777 TEU. "The trade war is hitting the west coast hard," said Port of Long Beach executive director Mario Cordero. "For more than a year, the supply chain has bent under the weight, and there's very little give left."

#### **31. Canada Infrastructure Bank signs on to Montreal port expansion project**

The Canada Infrastructure Bank (CIB) announced that it will work with the Montreal Port Authority (MPA) to advance the project development of a new container terminal in Contrecoeur, where the port plans to expand its activities. The Memorandum of Understanding confirms that CIB and MPA will work on the financial structuring of the proposed terminal. This due diligence will include planning and pre-procurement activities for the design, the construction, the financing, the operation and the maintenance of the terminal. CIB's work could lead to an investment in the project, subject to all standard due diligence and decision making.

#### **32. US seaports record surging volumes on back of robust economy**

Many US sea ports achieved record or near-record cargo volumes in the first half of this year, building on the high benchmark set in 2018 for import and export volumes, thanks to an expanding and resilient US economy. Port Authority of New York & New Jersey deputy director Beth Rooney was quoted as saying in a report by Washington's DC Velocity: "Year-to-date container volume is up seven per cent over 2018, and that was a record year as well." According to *Shipping Gazette*, the port is continuing to roll out expansion projects. Its latest achievement was the

opening of the new ExpressRail Port Jersey facility that marked the completion of a major upgrade of the port's intermodal rail network.

### **33. Ocean Rate Report: trans-Pacific box rates poised to rise?**

Its mid-August 2019. The price to transport containers from Asia to the U.S. would normally have risen by now with the build-up to peak season for the trans-Pacific trade. It hasn't, but expectations are for a price increase just around the corner – particularly given the new tariff wild card in the deck. Tariffs had an enormous impact on container shipping rates and volumes in 2018. Pricing and volumes surged in the second half as importers raced to get cargo to the U.S. before the tariffs went into effect. By bringing 2019 shipments forward, importers created a 'hangover' of lower volumes this year. The Freightos Baltic Daily Index for the route between China and the U.S. West Coast shows that the average cost to transport a container across the Pacific to California was \$1,480 per forty-foot-equivalent unit (FEU) as of August 13, down 28 percent year-on-year. While pricing is up from lows seen in May 2019, August 2019 pricing is down versus July's.

### **34. Vancouver port sees record cargo volume for first half**

The Vancouver Fraser Port Authority released the 2019 mid-year cargo statistics for goods moving through the Port of Vancouver. Between January 1 and June 30, 2019, overall cargo through the port increased 0.5% to a record 72.5 million metric tonnes (MMT) over the same time last year, with new mid-year records in containers, potash, and grain. Robin Silvester, president and chief executive officer of the Vancouver Fraser Port Authority said "This year's record mid-year cargo volumes reflect what continues to be two of the Port of Vancouver's greatest strengths—its broad global reach and ability to accommodate the most diversified range of cargo of any port in North America." Shipping container quantities (measured by TEUs or 20-foot equivalents) also reached a new mid-year record of 1.7 million TEUs, an increase of 3.5% compared to mid-year container quantities in 2018.

### **35. Montreal wins US\$14 million in federal funding to ease truck congestion**

Canada plans to invest C\$18.5 million (US\$14 million) to bolster trucking operations at the Port of Montreal and ease congestion as cargo volumes surged to a record high of 1.6 million TEU in 2018 - it's fifth consecutive year of growth. The funds will be used to pay for a digital logistics system, bridge, electronic signs and an "intelligent communications network" to accelerate the flow of the 2,500 trucks that visit the nation's second biggest port per day, reported *New York's FreightWaves*. Said Transport Minister Marc Garneau: "Upgrades to the port infrastructure will ensure that Canada's transportation networks remain competitive and efficient. The investment at the port will also help reduce congestion and truck traffic in and around its various terminals."

### **36. Parliamentary Secretary Terry Beech announces new projects to strengthen the Vancouver Fraser Port Authority's resilience to climate change**

On August 19, 2019, Terry Beech, Parliamentary Secretary to the Minister of Transport and Member of Parliament for Burnaby North—Seymour, on behalf of the Honourable Marc Garneau, Minister of Transport, announced that the Government of Canada is investing more than \$300,000 in two projects at the Port of Vancouver to strengthen its transportation system and better prepare for climate change and extreme weather events.

### **37. Port Report: Sourcing shifts for U.S. imports boosting Southeast ports**

The trade war with China is forcing U.S. shippers to look for new sources of low-cost consumer goods. Southeast seaports are benefitting from those switches as shippers opt for lower cost and more accessible gateways. The value of China's exports to the U.S. is down 12.3 percent through the first half of 2019 to \$219 billion. We are seeing a realignment of steamship service strings from China to other exporters like Vietnam, Indonesia and Cambodia," RoadOne Chief Executive Officer Ken Kellaway told *FreightWaves* in an interview. "Some of the inbound containers are shifting a little because the ports might not have the right string to service those new sources." Savannah is one of the major beneficiaries of that service change.

### **38. Transport Canada fines a vessel for contravening the speed restriction in the Gulf of St. Lawrence**

On August 20, 2019, the Honourable Marc Garneau, Minister of Transport, announced that the department has fined a vessel for alleged non-compliance of a temporary mandatory speed restriction in certain zones in the Gulf of St. Lawrence. The tanker *Selasse* was issued a \$6000 fine. While compliance with the protection measures remains high, there are still a few exceptions, and Transport Canada continues to examine all reported cases of non-compliance.

### **39. Port Report: West Coast imports get July boost, but 2019 trends lower**

July 2019 was a busy month for containerized goods movements in the trans-Pacific market as U.S. West Coast ports reported the highest number of inbound boxes for 2019. But overall imports are trending below last year's levels, which has forced ocean carriers to lower capacity in one of the busiest shipping lanes. The four largest container ports on the U.S. West Coast — Los Angeles, Long Beach, Seattle-Tacoma and Oakland — reported just over 1 million twenty-foot equivalent units (TEUs) in boxes coming into their gateways during July 2019. The total was the highest in a month since December 2018, which was near the tail end of the import front-loading boom. Ocean carriers likewise saw a better July 2019.

#### **40. Hamilton-Oshawa Port Authority to lead \$16M agri-food expansion**

Transport Canada announced the Port of Hamilton will receive a \$5.5 million investment for a Pier 10 Export Expansion from the National Trade Corridors Fund (NTCF). The federal funding contributes to a \$16 million overall expansion project managed by the Hamilton-Oshawa Port Authority (HOPA). This investment will facilitate Pier 10 becoming a dedicated agri-food cluster on the port lands, creating more efficient marine infrastructure to support trade flow and building on several capital investments made by the Port Authority and its food-sector tenants over the past decade.

#### **41. Government of Canada invests in transportation infrastructure improvements at the Port of Hamilton**

On August 21, 2019, 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 \$5.5 million for a project that will increase capacity at the Port of Hamilton, and move Canadian goods to international markets more efficiently.

#### **42. Government of Canada supports a new maritime information system pilot project in partnership with the Nunatsiavut Government**

On August 24, 2019, Parliamentary Secretary to the Minister of Intergovernmental and Northern Affairs and Internal Trade and Member of Parliament for Newfoundland and Labrador, Yvonne Jones, on behalf of the Honourable Marc Garneau, Minister of Transport announced more than \$1.3 million to develop a local, web-based maritime information system.

#### **43. DP World's profits up 27pc**

DP World's profits attributable to the company owners surged by 26.8 per cent to US\$753 million in the first half of 2019, bolstered by acquisitions and growth in non-containerised revenue. The port operator also reported revenues of \$3.4 billion for the first-half of the year, a 10.8 per cent gain over last year's tally, according to UK's *Container Management*. "Our half-year financial results have been in line with our expectations," said the group chairman and CEO, Sultan Ahmad Bin Sulayem.

#### **44. European Commission approves US\$30.2m investment in Romania's river ports**

The European Commission has given the go-ahead to Romania's investment plan worth up to US\$30.2 million to the nation's biggest river ports, with the goal of building a multimodal platform with an annual container handling capacity of 150,000 TEU. The project entails the modernisation of the quay and the building of the infrastructure needed for a modern intermodal terminal, reported *Port Technology*, London.

#### **45. Chinese ports' July box throughput rises 6.9pc**

Ports in China collectively handled 22.77 million TEU in July 2019, representing a year-on-year increase of 6.9 per cent, according to data from the nation's Ministry of Transport (MOT). A breakdown of the results showed that coastal ports handled 20.16 million TEU, up 6.6 per cent compared to July 2018, while 2.61 million TEU were moved to and from inland river ports, up 9.5 per cent, reported *Hellenic shipping News*.

#### **46. Vietnam's container throughput hits a record 12.93m TEU in 2018**

Ports in Vietnam handled a record total of 12,930,071 TEU in 2018, representing growth of eight per cent compared to 2017, data from the Vietnam Seaports Association (VPA) shows. Ports located in the nation's south handled 9,610,321 TEU, reflecting a year-over-year volume increase of 10.9 per cent and market share of 74 per cent. Ports in the north saw box throughput in 2018 rise by 1.8 per cent to 2,822,416 TEU.

#### **47. New legislation protects Canadians' right to navigate on their waters: The Canadian Navigable Waters Act takes effect today**

On August 28, 2019, the Honourable Marc Garneau, Minister of Transport, announced that the *Canadian Navigable Waters Act* and the Major Works Order come into effect. The new legislation restores lost protections on all navigable waters in Canada so that Canadians can continue to enjoy the right to navigate their boats (whether they are motorized boats, canoes or kayaks) through the extensive network of waterways across the country. Through the new Act, Transport Canada continues to approve works that may interfere with navigation on navigable waters, and have created: 1) a new requirement for approvals of major works, such as large dams, that significantly impact navigation on all navigable waters; 2) a process to notify the public, which also provides an opportunity for Canadians to engage early before construction begins on any navigable water; 3) a mechanism where the Minister of Transport can address obstructions on any navigable water; 4) a number of directives to take into consideration the cumulative impact on navigation of multiple projects on a waterway; and 5) a resolution process for reviewing navigation concerns and works, such as a bridge, when concerns remain unresolved in navigable waters not listed in the schedule (the official annex of the legislation).

#### **48. US-China trade war bites into HK's exports in July, shrinking 5.7pc**

Government statistics show that Hong Kong's exports tumbled 5.7 per cent in July 2019 year on year amid the deepening US-China trade war. Figures published by the Census and Statistics Department of Hong Kong showed that

exports shrank to HKD338.6 billion (US\$43 billion) while imports fell 8.7 per cent, to HKD370.8 billion, compared with the same month last year, resulting in a trade deficit of HKD32.2 billion in July 2019. A Hong Kong government spokesman said July's performance was affected by a softening of global economic growth and US-China trade tensions, the SCMP reported.

## RAIL TRANSPORTATION

### 1. US rail freight volumes continue to fall, down 3.4pc in H1

US rail freight traffic is continuing to decrease with volumes for the week ending July 20, 2019 contracting 4.9 per cent year on year to 526,010 carloads and intermodal units, according to data from the Association of American Railroads. Within this total, the US operations of the Class I railroads saw US carloads decline 4.2 per cent to 254,434 carloads while intermodal units declined by 5.6 per cent to 271,576 intermodal containers and trailers. Year to date, US rail volumes totalled 14.98 million carloads and intermodal units, representing a year-on-year drop of 3.4 per cent. Of that, US carloads totalled 7.29 million carloads, a 3.1 per cent decrease compared to the second quarter of 2018. US intermodal containers and trailers were down 3.5 per cent to 3.69 million intermodal units, reported New York's FreightWaves.

### 2. Railway carloadings, May 2019

The volume of rail freight carried in Canada totalled 34.4 million tonnes in May 2019, up 7.8% from the same month a year earlier. Total intermodal and non-intermodal freight loaded in Canada rose 10.4% from the same month a year earlier to 30.9 million tonnes in May 2019. The amount of non-intermodal freight rose 11.5% from May 2018 to 27.7 million tonnes. Intermodal freight loadings increased 0.4% from May 2018 to 215,000 units. In terms of weight, intermodal traffic increased 1.8% to 3.2 million tonnes. Overall, freight traffic from the United States fell 11.1% to 3.5 million tonnes as a result of a 15.7% decrease in non-intermodal freight.

### 3. Canadian Pacific moves record amount of Canadian grain and grain products during 2018-2019 crop year; prepared to ship 2019-2020 crop

Canadian Pacific announced that it moved more Canadian grain and grain products during the 2018-2019 crop year than any year in its history. The final tally for the crop year stands at 26.8 million metric tonnes (MMT) of Canadian grain and grain products. The crop year, Aug. 1 to July 31, saw 2.8 percent more Canadian grain and grain products shipped from the prior record in the 2017-2018 season and 3.9 percent more than the three-year average. In the past five years, CP has consistently shipped more grain each year. CP broke several all-time records during the 2018-2019 crop year, including: 1) A record May in 2019 for grain products, not including whole grains, both from a carload and a volume perspective. 2) An all-time record month for Canadian grain and grain products, moving 2.643 MMT in April 2019. 3) A record three consecutive months (Sept. – Nov. 2018), for the first time ever, shipping 15,000-plus carloads of western Canadian grain and grain products to the Port of Vancouver. 4) A grand total of moving greater than 27.4 MMT including approximately 660,000 MT of Canadian grain in its domestic intermodal service. Joan Hardy, CP Vice-President Sales and Marketing, Grain and Fertilizers "CP's record performance and focus on innovation supports the entire grain supply chain in moving increased volume."

### 4. After All-Time Record Year, CN Prepared to Move 2019-2020 Grain Crop

## RAIL TRANSPORTATION

### Canada

1. US rail freight volumes continue to fall, down 3.4pc in H1, July 31, 2019, [www.transportweekly.com](http://www.transportweekly.com)
2. Railway carloadings, May 2019, July 31, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Canadian Pacific moves record amount of Canadian grain and grain products during 2018-2019 crop year; prepared to ship 2019-2020 crop, August 1, 2019, [www.cpr.ca](http://www.cpr.ca)
4. After All-Time Record Year, CN Prepared to Move 2019-2020 Grain Crop, August 1, 2019, [www.cn.ca](http://www.cn.ca)
5. US officials say key rail safety technology 90% complete, August 1, 2019, [www.ctl.ca](http://www.ctl.ca)
6. CP joins Blockchain in Transport Alliance, August 2, 2019, [www.cpr.ca](http://www.cpr.ca)
7. BNSF sees slight revenue uptick, August 5, 2019, [www.americanshipper.com](http://www.americanshipper.com)
8. Government of Canada invests in transportation infrastructure at the Canadian National Railway Yale subdivision near Abbotsford, August 7, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
9. CP announces organizational changes to support continued success and drive sustainable, profitable growth, August 7, 2019, [www.cpr.ca](http://www.cpr.ca)
10. Genesee and Wyoming's second-quarter operating income falls on declining revenues, August 7, 2019, [www.americanshipper.com](http://www.americanshipper.com)
11. AAR: Rail Traffic Suffers Sixth Straight Month of Decline, August 7, 2019, [www.railwayage.com](http://www.railwayage.com)
12. CN and CSX Announce New Intermodal Service Offering, August 8, 2019, [www.cn.ca](http://www.cn.ca)
13. Government of Canada invests in transportation infrastructure for Saskatchewan's Great Sandhills Railway to move goods to market, August 9, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
14. Uncertainty in Long-term Service Contracts, August 13, 2019, [www.itf.oecd.org](http://www.itf.oecd.org)
15. US rail volumes slip 5pc in July, August 15, 2019, [www.transportweekly.com](http://www.transportweekly.com)
16. AAR: U.S. Rail Traffic Still Down, August 14, 2019, [www.railwayage.com](http://www.railwayage.com)
17. U.S. Rail Traffic Still Not Improving, August 21, 2019, [www.railwayage.com](http://www.railwayage.com)
18. U.S. Transportation Secretary Elaine L. Chao Announces \$272 Million in 'State of Good Repair' Program Grants 10 projects in 10 states to receive funding, August 21, 2019, [www.dot.gov](http://www.dot.gov)
19. Government of Canada invests in transportation infrastructure near Medicine Hat, Alberta, August 26, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
20. The Governments of Canada and Quebec announce the relocation of railway operations

As part of its commitment to enable the growth of Canadian natural resources supply chains, CN is pleased to announce that it has published its 2019-2020 Grain Plan and that it has established a CN Agricultural

from Nantes and Frontenac to Lac-Mégantic to enhance safety, August 28, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)  
21. Railway carloadings, June 2019, August 28, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)

Advisory Council. The Grain Plan reviews CN's performance during the previous crop year, which was a CN all-time record, assesses CN's ability to move anticipated levels of grain during the upcoming crop year and it identifies specific steps that CN is taking to ensure it has the necessary capacity to move grain efficiently. For the second year, CN will again voluntarily update the plan on a monthly basis to ensure transparency and accountability.

#### **5. US officials say key rail safety technology 90% complete**

The railroad industry has installed safety technology on nearly 90% of tracks where it is required, federal officials said on July 31, 2019, but "significant work" is needed to ensure the technology is completely installed by a December 2020 deadline. Federal Railroad Administration chief Ronald Batory told a Senate committee that technology known as positive train control, or PTC, is in operation on more than 50,000 route miles (80,000 kilometres) of the nearly 58,000 miles (93,000 kilometres) where it is required. The GPS-based technology is intended to prevent deadly crashes by automatically stopping or slowing a train before a collision or derailment.

#### **6. CP joins Blockchain in Transport Alliance**

Canadian Pacific has joined the Blockchain in Transport Alliance (BiTA). In joining the alliance, CP is supporting BiTA's mission of producing blockchain standards that allow for interoperability between participants in the global supply chain.

#### **7. BNSF sees slight revenue uptick**

Second-quarter revenue for BNSF, a unit of Berkshire Hathaway, rose 0.3% despite lower volumes for agricultural products, consumer products and industrial products, the railroad's parent company said Aug. 3, 2019. BRK said BNSF's second-quarter revenues totaled \$5.9 billion, a 0.3% increase from the second quarter of 2018, while operating expenses fell 2.9% to \$3.9 billion. Net profit was \$1.34 billion in the second quarter, up 2.3% from \$1.31 billion for the same period last year.

#### **8. Government of Canada invests in transportation infrastructure at the Canadian National Railway Yale subdivision near Abbotsford**

On August 7, 2019, the Honourable Marc Garneau, Minister of Transport announced a major investment of \$20 million to increase rail capacity near Abbotsford resulting in a significant increase in overseas trade to and from terminals in the Port of Vancouver.

#### **9. CP announces organizational changes to support continued success and drive sustainable, profitable growth**

As part of the next stage of its transformational journey, Canadian Pacific Railway Limited has announced organizational changes that will drive continued success.

#### **10. Genesee and Wyoming's second-quarter operating income falls on declining revenues**

Shortline operator Genesee and Wyoming reported an 8.7 percent decline in operating income in the second quarter of 2019 amid year-over-year declines in freight revenue from its Australian and European operations. Operating income for the second quarter of 2019 totaled \$94.2 million, down \$8.9 million from \$103.1 million in the second quarter of 2018, the company said. Of that, company-wide operating revenues fell 4 percent to \$571.5 million, while operating expenses dropped 3 percent to \$477.3 million. But despite the decline in operating income, GWR managed to generate a 16 percent gain in net income in the second quarter, with net profit rising to \$51.4 million compared with \$44.2 million in the second quarter of 2018. Diluted earnings per common share were \$0.90 in the second quarter of 2019, compared with \$0.73 for the same period in 2018. The rail company's operating ratio, which is operating expenses divided by operating revenues, was 83.5 percent in the second quarter of 2019, compared with 82.7 percent for the same period in 2018.

#### **11. AAR: Rail Traffic Suffers Sixth Straight Month of Decline**

U.S. railroads originated 1,264,100 carloads in July 2019, down 4.8%, or 64,406 carloads, from July 2018. U.S. railroads also originated 1,314,333 containers and trailers in July 2019, down 6.1%, or 84,878 units, from the same month last year. Combined U.S. carload and intermodal originations in July 2019 were 2,578,433, down 5.5%, or 149,284 carloads and intermodal units from July 2018. Total U.S. carload traffic for the first seven months of 2019 was 7,816,318 carloads, down 3.2%, or 259,574 carloads, from the same period last year; and 8,238,594 intermodal units, down 3.7%, or 314,125 containers and trailers, from last year. Canadian railroads reported 81,433 carloads for the week, down 3.6%, and 75,261 intermodal units, up 2.9% compared with the same week in 2018. For the first 31 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 4,684,404 carloads, containers and trailers, up 2%.

#### **12. CN and CSX Announce New Intermodal Service Offering**



CN and CSX are pleased to announce a new intermodal service offering between CN's greater Montreal & Southern Ontario areas, and the CSX-served ports of Philadelphia, New York, New Jersey and the New York City metropolitan area. JJ Ruest, president and chief executive officer at CN said "Over the long term, the freight market will increasingly depend on demand driven by the consumer economy and the rail industry must create new intermodal services that can successfully rival the over the road options. This interline service fits perfectly with our strategic focus on feeding our unique network through organic and inorganic growth opportunities, including extending our reach into new geographic markets."

### **13. Government of Canada invests in transportation infrastructure for Saskatchewan's Great Sandhills Railway to move goods to market**

On August 9, 2019, the Honourable Ralph Goodale, Minister of Public Safety and Emergency Preparedness, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$12.4 million for two projects that will enhance rail capacity, reduce bottlenecks and increase competition by offering shippers access to two railways. The first project will upgrade the track of the Great Sandhills Railway shortline running from Burstall, Saskatchewan to the Canadian Pacific Railway mainline outside Swift Current. The second project will reduce congestion on the Canadian National and Canadian Pacific mainline tracks along the Edmonton corridor (between Saskatoon and Edmonton) by constructing three loop tracks as well as a repair shop at North West Terminal outside Unity, Saskatchewan.

### **14. Uncertainty in Long-term Service Contracts**

On August 13, 2019, the International Transport Forum released a paper entitled *Uncertainty in Long-term Service Contracts*. This paper examines the effects of risk and uncertainty in public transport contracts for rail passenger services. It draws on experiences from the United Kingdom and Germany that offer valuable lessons on how uncertainty for contractors could be reduced. The paper is part of a series of 19 papers and a synthesis report produced by the International Transport Forum's Working Group on Private Investment in Transport Infrastructure.

### **15. US rail volumes slip 5pc in July**

US Rail traffic slipped five per cent in July 2019 amid declining rail volumes for coal, grain and intermodal, reports *New York's FreightWaves*. US rail volumes in July 2019 totalled 2.58 million carloads and intermodal units, a 5.5 per cent drop from July 2018, the Association of American Railroads (AAR) said on August 7, 2019. Of those volumes, US rail operations originated 4.8 per cent fewer carloads and 6.1 per cent fewer intermodal units compared to July 2018. July's US carload volume was 1.26 million carloads, while US intermodal container and trailer volume totalled 1.31 million intermodal units. "Rail traffic in July, as in many other recent months, was held back by declines in three of the largest rail traffic segments - coal, grain and intermodal," said AAR vice president John Gray.

### **16. AAR: U.S. Rail Traffic Still Down**

For this week (i.e. week ending August 10, 2019), total U.S. weekly rail traffic was 533,190 carloads and intermodal units, down 4.3% compared with the same week last year. Total carloads for the week ended August 10 were 261,194 carloads, down 3.9% compared with the same week in 2018, while U.S. weekly intermodal volume was 271,996 containers and trailers, down 4.6% compared to 2018. For the first 32 weeks of 2019, U.S. railroads reported cumulative volume of 8,077,512 carloads, down 3.2% from the same point last year; and 8,510,590 intermodal units, down 3.7% from last year. Total combined U.S. traffic for the first 32 weeks of 2019 was 16,588,102 carloads and intermodal units, a decrease of 3.5% compared to last year. Canadian railroads reported 81,027 carloads for the week, up 1.5%, and 71,476 intermodal units, up 3.6% compared with the same week in 2018. For the first 32 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 4,836,907 carloads, containers and trailers, up 2%.

### **17. U.S. Rail Traffic Still Not Improving**

For this week ending August 17, 2019, a recurring theme recently, total U.S. weekly rail traffic was 537,617 carloads and intermodal units, down 5.2% compared with the same week last year. Total carloads for the week ended August 17 were 264,564 carloads, down 4.9% compared with the same week in 2018, while U.S. weekly intermodal volume was 273,053 containers and trailers, down 5.4% compared to 2018. For the first 33 weeks of 2019, U.S. railroads reported cumulative volume of 8,342,076 carloads, down 3.3% from the same point last year; and 8,783,643 intermodal units, down 3.8% from last year. Total combined U.S. traffic for the first 33 weeks of 2019 was 17,125,719 carloads and intermodal units, a decrease of 3.5% compared to last year. Canadian railroads reported 81,162 carloads for the week, down 1.4%, and 76,265 intermodal units, up 3.8% compared with the same week in 2018. For the first 33 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 4,994,334 carloads, containers and trailers, up 2%.

### **18. U.S. Transportation Secretary Elaine L. Chao Announces \$272 Million in 'State of Good Repair' Program Grants 10 projects in 10 states to receive funding**

The U.S. Department of Transportation's Federal Railroad Administration (FRA) on August 21, 2019 announced more than \$272 million in grant funding to 10 rail projects in 10 states. Funding is provided through FRA's Federal-State Partnership for State of Good Repair Program (SOGP Program) and will help to repair and rehabilitate railroad

infrastructure around the country.

#### **19. Government of Canada invests in transportation infrastructure near Medicine Hat, Alberta**

On August 26, 2019, the Honourable Amarjeet Sohi, Minister of Natural Resources Canada and Member of Parliament for Edmonton Mill Woods, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$4.2 million to improve capacity of the regional transportation network in Southern Alberta to move Canadian goods to international markets. The project involves upgrading Forty Mile Rail's Transload Facility at Foremost, Alberta, and improving the Cardston Subdivision line.

#### **20. The Governments of Canada and Quebec announce the relocation of railway operations from Nantes and Frontenac to Lac-Mégantic to enhance safety**

The Honourable Marc Garneau, federal Minister of Transport and Mr. François Jacques, Member of Parliament for Mégantic, on behalf of Mr. François Bonnardel, Quebec Minister of Transport and Minister responsible for the Estrie region, announced the relocation of the Nantes and Frontenac railway operations to the Lac-Mégantic industrial park. The necessary improvements will be funded jointly by the federal and provincial governments and will be included in the plans and specifications of the overall Lac-Mégantic rail bypass project. The Government of Canada is responding to the demands of the citizens and mayors of Lac-Mégantic, Nantes and Frontenac, while continuing to work closely with provincial, municipal and industry stakeholders.

#### **21. Railway carloadings, June 2019**

The Canadian railway industry carried 33.0 million tonnes of freight in June 2019, up 3.7% compared with June 2018, as both domestic loadings and traffic received from the United States increased. Compared with the same month in 2018, total intermodal and non-intermodal freight loadings in Canada increased 3.9% to 29.4 million tonnes. Freight traffic coming from the United States rose 1.9% to 3.6 million tonnes from June 2018. Intermodal freight transported from the United States mainly contributed to the increase.

### **HIGHWAY TRANSPORTATION**

#### **1. Monthly Passenger Bus and Urban Transit, May 2019**

Total operating revenues (excluding subsidies) for urban transit companies totalled \$325.4 million in May 2019. Ridership amounted to 147.4 million passenger trips over the same period.

#### **2. Couriers and Messengers Services Price Index, May 2019**

The Couriers and Messengers Services Price Index (CMSPI) was up 0.4% in June 2019, after increasing 0.9% in May 2019. The couriers component rose 0.5%, while the local messengers and local delivery component fell 0.3%. Year-over-year the CMSPI rose 3.6% in June 2019 compared with the same month in 2018. Both the couriers (+3.8%) and the local messengers and local delivery (+2.9%) components increased.

#### **3. Sale of zero-emission vehicles jump after launch of federal incentive program**

On August 1, 2019, the Honourable Marc Garneau, Minister of Transport was pleased to mark a milestone of more than 14,000 purchases or leases to date through its Incentives for Zero-Emission Vehicles program launched three months ago. This represents an estimated reduction of up to 36,000 tonnes of greenhouse gas emissions per year, or 429,000 tonnes over the expected lifespan of these vehicles. Sales of all zero-emission vehicles in Canada for the first six months of 2019 are up 30% compared with last year. Zero-emission vehicles represented roughly 3% of all new, light-duty vehicles sold in the first half of 2019, compared to roughly 2% during the same period in 2018.

#### **4. Government of Canada invests in transportation infrastructure in the Sarnia-Lambton corridor and Port of Sarnia to move goods to market**

On August 7, 2019, the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$6 million for a project in the Sarnia-Lambton corridor and Port of Sarnia, which will increase the efficiency of moving Canadian goods to international markets.

### **HIGHWAY TRANSPORTATION Canada**

1. Monthly Passenger Bus and Urban Transit, May 2019, July 31, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Couriers and Messengers Services Price Index, May 2019, July 31, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Sale of zero-emission vehicles jump after launch of federal incentive program, August 1, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
4. Government of Canada invests in transportation infrastructure in the Sarnia-Lambton corridor and Port of Sarnia to move goods to market, August 7, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
5. SNC-Lavalin to sell stake in Ontario toll route for C\$3.25 billion, August 7, 2019, [www.americanshipper.com](http://www.americanshipper.com)
6. FedEx to end ground delivery business with Amazon, August 7, 2019, [www.ctl.ca](http://www.ctl.ca)
7. Updated: Lyft sees record revenue and raises its outlook, August 7, 2019, [www.americanshipper.com](http://www.americanshipper.com)
8. CTA Calls Supply Chain to Action on Labour Code Changes, August 9, 2019, [www.ontruck.ca](http://www.ontruck.ca)
9. Ontario is Putting People First by Widening Highway 3, August 12, 2019, [www.mto.on.gov.ca](http://www.mto.on.gov.ca)
10. Government of Canada invests in road network technology in Yukon, the Northwest Territories, and Nunavut, August 12 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
11. Government of Canada invests in transportation infrastructure improvements in Nunavut, August 13, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Government of Canada invests in pre-construction work for Slave Geological Province Corridor in the Northwest Territories, August 14, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
13. June 2019 Freight Transportation Services Index (TSI), August 14, 2019, [www.bts.gov](http://www.bts.gov)
14. New Canadian 4PL opens its doors, August 15,

### **5. SNC-Lavalin to sell stake in Ontario toll route for C\$3.25 billion**

A judge cleared the way for Canadian engineering and construction conglomerate SNC-Lavalin to sell a 10 percent stake in the company that operates the Highway 407 Electronic Toll Route (ETR) in the Toronto area for C\$3.25 billion. SNC-Lavalin announced that the Ontario ruling on August 7, 2019 paves the way for the Canada Pension Plan Investment Board (CPIIB) to assume a controlling stake in 407 International. CPIIB manages more than C\$390 million (the Canadian dollar equals US 0.75) in assets for the Canada Pension Plan, the country's public retirement system and one of the world's largest private equity investors. CPIIB in May 2019 blocked SNC-Lavalin's sale to OMERS, Ontario's public employee pension fund, on its right of first refusal.

### **6. FedEx to end ground delivery business with Amazon**

FedEx says it will no longer make ground deliveries for Amazon as the online shopping giant builds its own fleet and becomes more of a threat to delivery companies. The announcement on August 7, 2019 comes two months after FedEx terminated its air delivery contract with Amazon. FedEx said dumping Amazon is part of its plan to go after more e-commerce deliveries from other companies.

### **7. Updated: Lyft sees record revenue and raises its outlook**

Ride-hailing company Lyft reported second quarter 2019 financial results much better than analysts' expectations. The company also increased its outlook for the third quarter and full-year 2019. Lyft reported revenue of \$867 million, 72 percent higher year-over-year as active riders increased 41 percent to 21.8 million and revenue per rider increased 22 percent to \$39.77. Lyft's revenue came in well ahead of the consensus estimate of \$809 million.

### **8. CTA Calls Supply Chain to Action on Labour Code Changes**

The Canadian Trucking Alliance is calling on the supply chain to join the trucking industry in pressing for exemptions to three new Labour Code provisions set to take effect September 1, 2019. The provisions, as they currently stand, would disrupt the entire Canadian goods movement and logistics economy, says CTA. CTA met with officials on Aug. 1, 2019 and requested exemptions to the following new provisions: 1) The requirement to provide employees (in writing) a copy of their full schedule at least 96 hours in advance of the start of the work week; 2) The requirement to provide at minimum 24 hours written notice of any shift changes; and 3) The right to refuse overtime for certain personal responsibilities. (This last provision may prove to be less of a concern once ESDC (Employment and Social Development Canada) further clarifies their definition of 'certain personal responsibilities'.

### **9. Ontario is Putting People First by Widening Highway 3**

On August 12, 2019, Caroline Mulroney, Minister of Transportation, was joined by Rick Nicholls, MPP for Chatham-Kent-Leamington, to announce the Ontario government is widening Highway 3 from two to four lanes between the town of Essex and Leamington.

### **10. Government of Canada invests in road network technology in Yukon, the Northwest Territories, and Nunavut**

On August 12, 2019, the Honourable Larry Bagnell, Member of Parliament for Yukon, on behalf of the Honourable Marc Garneau, Minister of Transport, announced an investment of \$828,300 to develop a tool to help manage winter roads, access roads and trails located in the territories, in winter conditions. The University of Toronto will lead in the development of a user-friendly, web-based tool that will provide information on winter road and trail networks such as physical characteristics, climate data and detailed maps.

### **11. Government of Canada invests in transportation infrastructure improvements in Nunavut**

On August 13, 2019, the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$71.7 million for four projects that will improve transportation safety and accessibility for Arctic and Northern communities. The projects are: 1) \$45.5 million for the Rankin Inlet Airport Terminal Building; 2) \$21.5 million to complete Grays Bay Road and Port Project; 3) \$4.5 million to study and design an all-season road in the Kivalliq region; and 4) \$195,000 to improve passenger safety, at airport terminals in seven Nunavut communities.

### **12. Government of Canada invests in pre-construction work for Slave Geological Province Corridor in the Northwest Territories**

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

15. Ontario Announces More Rush-hour, Midday and Evening Service, August 15, 2019, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

16. CTA Meets With Governor of Bank of Canada on Transport Matters, August 15, 2019, [www.ontruck.ca](http://www.ontruck.ca)

17. Transport Canada invests in innovative solutions for cyclist and pedestrian safety, August 19, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

18. Funding Available Through NRCan's Green Freight Assessment Program, August 19, 2019, [www.ontruck.ca](http://www.ontruck.ca)

19. Uber Freight launches new web portal, carrier mobile app interface, August 19, 2019, [www.ctl.ca](http://www.ctl.ca)

20. ATA Truck Tonnage Index surges 6.6% in July, August 20, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)

21. Descartes acquires cloud-based TMS provider, August 21, 2019, [www.ctl.ca](http://www.ctl.ca)

22. June 2019 North American Transborder Freight Numbers, August 21, 2019, [www.bts.gov](http://www.bts.gov)

23. "Alexa, open vehicle recalls" – Transport Canada pilot tests new Alexa service, August 22, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)

24. Regulating App-Based Mobility Services, August 26, 2019, [www.oecd-itr.org](http://www.oecd-itr.org)

25. Feds to fund research on effects of climate change on northern infrastructure, August 28, 2019, [www.ctl.ca](http://www.ctl.ca)

26. More Trucks Per Load for Spot Market, August 28, 2019, [www.ontruck.ca](http://www.ontruck.ca)

On August 14, 2019, Michael McLeod, Member of Parliament for the Northwest Territories, on behalf of the Honourable Marc Garneau, Minister of Transport, announced a major investment of \$30 million for environmental planning and studies supporting the Slave Geological Province Corridor in the Northwest Territories.

### **13. June 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, fell 0.1% in June 2019 from revised May 2019, falling for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From June 2018 to June 2019, the index rose 1.3% compared to a rise of 8.9% for the previous year

### **14. New Canadian 4PL opens its doors**

Cedric Millar Integrated Solutions, a Canadian-led supply chain management company, opened its doors to the world in May 2019 with two locations in the Greater Toronto Area, and plans to open offices in Montreal and Vancouver in 2020.

### **15. Ontario Announces More Rush-hour, Midday and Evening Service**

On August 15, 2019, Caroline Mulroney, Minister of Transportation, and Kinga Surma, Associate Minister of Transportation (GTA), announced Ontario is adding 84 more train trips and extending 65 existing train trips each week across GO Transit's network to bring more rush-hour, midday and evening service.

### **16. CTA Meets With Governor of Bank of Canada on Transport Matters**

The Canadian Trucking Alliance (CTA), as a part of a nine-member coalition of national transportation associations, met on August 15, 2019 with the Governor of the Bank of Canada, Stephen Poloz, and his key senior staff. The coalition outlined five key areas of mutual interest to all organizations – the labour shortage; automation; business competitiveness; multimodal strategies; and key infrastructure investments.

### **17. Transport Canada invests in innovative solutions for cyclist and pedestrian safety**

On August 19, 2019, the Honourable Marc Garneau, Minister of Transport, announced that two Canadian small businesses in Waterloo have been selected to develop a new system to enhance the safety of vulnerable road users. LabForge Inc. and Brisk Synergies Tech Corp. have been selected to develop technology to equip commercial vehicles with sensors to detect vulnerable road users, and alert drivers to possible collisions. Through Phase 2 of the program, companies with successful concepts could then be eligible to receive up to \$1 million to develop a working prototype.

### **18. Funding Available Through NRCan's Green Freight Assessment Program**

Natural Resources Canada (NRCan) has launched the Implementation Phase of the Green Freight Assessment Program (GFAP), where trucking companies that have completed a green freight assessment can apply for funding towards fuel reducing technologies in the trucking sector.

### **19. Uber Freight launches new web portal, carrier mobile app interface**

Uber Freight launched a new web booking portal designed to help dispatchers simplify workflow, and a new app interface built to provide a more intuitive experience for carriers and drivers. The company says the web portal was a feature requested by larger fleets in the Uber Freight network, where company dispatchers depend more heavily on desktop applications than mobile phones to manage their fleets. The new desktop capability lets dispatchers view and book loads, assign them to available drivers and manage them from end-to-end.

### **20. ATA Truck Tonnage Index surges 6.6% in July**

American Trucking Associations' advanced seasonally adjusted (SA) for-hire Truck Tonnage Index jumped 6.6% in July 2019 after falling 1.2% in June 2019, the organization said on August 20, 2019. In July 2019, the index equaled 122.7 (2015=100) compared with 115.1 in June 2019, it said. This is a preliminary figure and subject to change in the final report issued in the first week of each month, ATA noted. "Tonnage in 2019 has been on a roller-coaster ride, plagued with large monthly swings, which continued in July as tonnage surged after falling significantly in May and June," said ATA chief economist Bob Costello.

### **21. Descartes acquires cloud-based TMS provider**

Descartes Systems Group announced that it has acquired BestTransport.com, Inc. (BestTransport), a cloud-based transportation management system (TMS) provider focused on flatbed-intensive manufacturers and distributors.

### **22. June 2019 North American Transborder Freight Numbers**

Total Transborder freight between the U.S. and other North American countries (Canada and Mexico) in June 2019 was \$103.8 billion (by all modes of transportation) down 2.3% compared to June 2018. Trucks moved \$65.6 billion of freight, down 1.5% compared to June 2018 and Railways moved \$15.8 billion of freight, up 0.5% compared to June 2018. Total transborder freight between US and Canada by the different modes was: Truck: \$30.0; Rail: \$8.5; Pipeline: \$5.5; Air: \$2.4; and Vessel: \$2.4. Truck carried 57% of all US and Canada border freight down 2% from June 2018.

### **23. "Alexa, open vehicle recalls" – Transport Canada pilot tests new Alexa service**

On August 22, 2019, the Honourable Marc Garneau, Minister of Transport, announced "Vehicle Recalls Canada," a

new Alexa service to provide Canadians with vehicle recall information. Once enabled, the service activates with the phrase, “Alexa, open vehicle recalls.” Alexa will then ask a few questions about the vehicle make and model you wish to check, and will provide all recalls for it. This service – slated to run as a six-month pilot test – is one of the first Government of Canada uses of voice assistance to provide services to Canadians.

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

On August 26, 2019, the OECD-ITF released a report entitled *Regulating App-Based Mobility Services*. This report examines how new app-based mobility services can be effectively regulated. High-quality regulations are essential to ensure that ridesourcing, dockless bikeshare, e-scooters and other innovative forms of urban mobility deliver their full benefits for society. They are also crucial to guarantee safety, address environmental concerns and ensure consumer protection. But inappropriate regulation will deny citizens welfare benefits and stifle development of services that may contribute to a more sustainable transport system.

#### **25. Feds to fund research on effects of climate change on northern infrastructure**

The Federal announced an investment of over \$4.7 million for two projects led by the Royal Military College of Canada to study the effects and impacts of climate change on transportation corridors and infrastructure in the Northwest Territories. The results of the first project will inform future transportation design best practices and have broad benefits that can apply to all northern communities. The results of the second project will assess the overall performance of the Inuvik-Tuktoyaktuk Highway at key locations, and will provide data on infrastructure performance in light of climate change.

#### **26. More Trucks Per Load for Spot Market**

Loads were down, trucks were up in the spot market in July 2019, according to the latest data from *TransCore Link Logistics*. There was a 9% decline in loads compared to June 2019, with 15% more truck capacity chasing those loads. July is often a slower month due to national holiday closures and the ending of some seasonal produce shipments, TransCore noted. Intra-Canada freight volumes increased while cross-border freight declined. Truckload rates decreased 1% in July 2019 from \$2.68 per mile to \$2.66. Flatbed rates were up 3%, while reefer rates were down 17%.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. Canada’s GDP grows 0.2 per cent in May as transportation sees increase**

The Canadian economy grew for a third consecutive month in May 2019, rising 0.2 per cent overall as 13 of 20 sectors advanced, Statistics Canada reported July 31, 2019. The growth in gross domestic product was above analyst estimates of 0.1 per cent growth and showed renewed strength in manufacturing, which rebounded from an April 2019 dip, as well as continued growth in construction. Overall, the transportation and warehousing sector increased by 1 per cent, led by a 5.4 per cent uptick in rail and 1.2 per cent in trucking.

#### **2. Trump announces new China tariffs**

The trade war is back on. President Donald Trump on August 1, 2019 announced on Twitter that beginning Sept. 1, 2019 a tariff of 10% will be placed on the remaining \$300 billion of Chinese imports that had not previously been subject to tariffs. Treasury Secretary Steven Mnuchin and U.S. Trade Representative Robert Lighthizer reportedly came back from China this week with no progress on trade talks. “We thought we had a deal with China three months ago, but sadly, China decided to re-negotiate the deal prior to signing,” Trump tweeted. President Trump also complained on Twitter that China has not fulfilled its pledge to crack down on the illicit trade in fentanyl, a deadly opiate linked to many overdose deaths in the United States.

#### **3. Impact of recent tariffs on Canada's merchandise trade**

On March 1, 2018, the United States announced its intent to impose import tariffs of 25% on Canadian steel products and 10% on Canadian aluminum products; these tariffs came into force on June 1, 2018. In

## **GENERAL TRANSPORTATION**

### **Canada**

1. Canada’s GDP grows 0.2 per cent in May as transportation sees increase, July 31, 2019, [www.citl.ca](http://www.citl.ca)
2. Trump announces new China tariffs, August 1, 2019, [www.americanshipper.com](http://www.americanshipper.com)
3. Impact of recent tariffs on Canada's merchandise trade, August 2, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Tariff threats rock global economy in 24 hours of pain, August 2, 2019, [www.ajot.com](http://www.ajot.com)
5. Trade spat dampens West Coast box flows, August 2, 2019, [www.americanshipper.com](http://www.americanshipper.com)
6. More cross-border freight flows to Canada, August 5, 2019, [www.americanshipper.com](http://www.americanshipper.com)
7. AI, blockchain to reinvent supply chain management, August 5, 2019, [www.citl.ca](http://www.citl.ca)
8. US slaps duty on \$4.4 billion of China cabinets amid trade war, August 6, 2019, [www.ajot.com](http://www.ajot.com)
9. Trump delays tariffs on some Chinese goods until December, August 14, 2019, [www.citl.ca](http://www.citl.ca)
10. New Canada-U.S. Preclearance Agreement comes into force, opening door to enhanced travel and trade, August 15, 2019, [www.tc.gc.ca](http://www.tc.gc.ca)
11. On the path towards a more accessible Canada with the creation of the Council of Federal Accessibility Agencies, August 15, 2019, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
12. Intermodal containers removed from US tariff list, August 16, 2019, [www.citl.ca](http://www.citl.ca)
13. Canadian Transportation Agency launches a new confidential toll-free Accessibility Help Line, August 21, 2019, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
14. Trump says China called, requested to restart

response, on May 31, Canada announced its intent to impose retaliatory tariffs of 25% on imports of US steel products and 10% on imports of US aluminum products and various other products; these tariffs were implemented on July 1, 2018. Fortunately, both governments lifted their respective tariffs on May 20, 2019. The impact of these tariffs on Canada's exports and imports was noteworthy and varied by product group. Statistics Canada indicates the following effects of these tariffs:

trade talks, August 26, 2019, [www.ajot.com](http://www.ajot.com)  
15. Trump says China talks back on as Beijing downplays breakthrough, August 26, 2019, [www.ajot.com](http://www.ajot.com)

1) US tariffs reverse upward trend in Canada's exports of steel to the United States; 2) Canada's exports of aluminum dropped after implementation of US tariffs; 3) Canada's imports of US steel products rose sharply in June 2018 and declined steeply in July 2018; 4) Canada's imports showed moderate decrease of US aluminum products after tariffs were implemented; 5) Canada's imports showed marked increase of other tariffed products from the United States followed by steep decline after tariff implementation; 6) Canada and the United States showed values of exports and imports of tariffed products at roughly the same levels since the beginning of 2018; and 7) Canada and the United States showed increases in value of collected duties.

#### **4. Tariff threats rock global economy in 24 hours of pain**

President Donald Trump's threat on August 1, 2019 to put 10% tariffs on the remaining \$300 billion of Chinese imports that aren't subject to his existing levies sent markets tumbling from Asia to Europe and early in the U.S. on August 2, 2019. The new tax would hit American consumers, and businesses are going to face even more supply disruptions. China has already vowed to retaliate if Trump follows through. Bloomberg Economics' initial estimate of the additional costs of U.S. tariffs and Chinese retaliation sees both economies taking a 0.2% hit to GDP by 2021. Meanwhile, a simmering trade fight between Japan and South Korea is boiling over, putting the health of two Asian export powers at stake. In Europe, concerns are mounting for a hard U.K. exit from the European Union.

#### **5. Trade spat dampens West Coast box flows**

East Coast ports took a larger share of the import container trade, the Intermodal Association of North America (IANA) said, as volume in the transpacific trade lane remains weak due to the U.S.-China trade war. IANA's estimates of intermodal container activity underscore the deepening of the freight recession that railroads and trucking companies saw in the second quarter. Container volumes fell 3.8% year-over-year to 4.56 million, compared to a 1.5% drop in container volumes during the second quarter, IANA said. "Intermodal struggled in Q2," IANA said in its latest review of quarterly market trends.

#### **6. More cross-border freight flows to Canada**

On Transplace's network, nearly twice as much freight by volume travels from the United States to Canada than the other way around. "The disparity is pretty glaring," said Jeff Thomas, senior vice president of capacity services at the Texas-based transportation management provider. The reason, according to Thomas, boils down to Canada having a significant trade deficit with the U.S. — when oil and gas and cars are taken out of the mix. What's left accounts for what full-truckload and less-than-truckload carriers are hauling. The gap is particularly wide on consumer packaged goods. Thomas cited U.S. trade statistics, which show the U.S. exported about US\$57 billion to Canada in 2018 versus US\$28.9 billion the other way around.

#### **7. AI, blockchain to reinvent supply chain management**

End-to-end visibility, predictive analysis, transparency, and real-time insights are some of the benefits driving the adoption and implementation of Internet of Things (IoT) systems within the supply chain management (SCM) market, according to the latest research from Frost & Sullivan. The report, "Growth Opportunities in the Internet of Things-enabled Supply Chain Management Market, Forecast to 2024," reveals that the trend toward IoT-enabled SCM is creating a convergence of disparate sets of providers and the rise of a new ecosystem that will have far-reaching benefits to users. "Predictive analytics based on artificial intelligence (AI), machine learning (ML), and Big Data Analytics (BDA) will reduce errors and take the guesswork out of planning, forecasting and execution," noted Adrian Drozd, Research Director, ICT at Frost & Sullivan. "Technologies such as blockchain can create better and faster processes and prevent fraud, while robotics will enhance automation and precision for greater accuracy." A blockchain, originally block chain, is a growing list of records, called blocks, that are linked using cryptography. Each block contains a cryptographic hash of the previous block, a timestamp, and transaction data (generally represented as a Merkle tree).

#### **8. US slaps duty on \$4.4 billion of China cabinets amid trade war**

The Commerce Department said on August 6, 2019 that it will ask the U.S. Customs and Border Protection to collect cash deposits from importers of the wooden cabinets and vanities from China based on subsidy rates of 229%. Commerce issued a preliminary determination in response to a petition filed earlier this year by the American Kitchen Cabinet Alliance, alleging at least \$2 billion in harm from the Chinese shipments. The petition alleged dumping margins of more than 200%. Tim Brightbill, a trade lawyer from Wiley Rein LLP in Washington representing the

industry, said in March 2019 that Chinese exporters get double-digit subsidy margins based on the number of programs supporting their domestic industry, including discounted land, electricity, raw materials, grants, discounted loans and export incentives. “Today’s determination gives the American kitchen cabinet industry the hope it needs in our fight against China’s unfair trade practices,” Stephen Wellborn, director of product and research development at U.S. manufacturer Wellborn Cabinet and a member of the American alliance, said in an emailed statement.

#### **9. Trump delays tariffs on some Chinese goods until December**

Responding to pressure from businesses and growing fears that a trade war is threatening the U.S. economy, the Trump administration is delaying most of the import taxes it planned to impose on Chinese goods and is dropping others altogether. The announcement on August 13, 2019 from the Office of the U.S. Trade Representative was greeted with relief on Wall Street and by retailers who have grown fearful that the new tariffs would wreck holiday sales.

#### **10. New Canada–U.S. Preclearance Agreement comes into force, opening door to enhanced travel and trade**

On August 15, 2019, the Minister of Public Safety and Emergency Preparedness, the Honourable Ralph Goodale, announced that Canada and the U.S. have brought into force the *Agreement on Land, Rail, Marine, and Air Transport Preclearance* between the Government of Canada and the Government of the United States of America. Bringing into force the Agreement facilitates opportunities for enhanced travel and trade.

#### **11. On the path towards a more accessible Canada with the creation of the Council of Federal Accessibility Agencies**

On August 15, 2019, the organizations responsible for enforcing the *Accessible Canada Act* announced the establishment of the Council of Federal Accessibility Agencies. The *Accessible Canada Act*, which became law on June 21, 2019, requires the member organizations of the Council to work collaboratively to refer federal accessibility complaints to the right organization and to foster complementary policies and practices.

#### **12. Intermodal containers removed from US tariff list**

The trucking industry is relieved that tariffs on Chinese-made, 53-foot domestic intermodal containers would not go into effect as previously announced. “Trucking and trade are synonymous and we are happy with this most recent announcement by the United States Trade Representative that these 53-foot domestic containers won’t be subject to tariffs,” said Bob Costello, American Trucking Associations (ATA) chief economist and senior vice president for International Trade Policy. “We explained that applying tariffs to these containers would have a tremendous impact on the entire freight logistics industry, and ultimately on U.S. consumers, so we are very pleased with the decision.”

#### **13. Canadian Transportation Agency launches a new confidential toll-free Accessibility Help Line**

The disability community and persons with disabilities now have new tools available to help them exercise their right to an accessible transportation network. In support of the implementation of the new Accessible Transportation for Persons with Disabilities Regulations, the Canadian Transportation Agency (CTA) has launched a new confidential toll-free Accessibility Help Line to provide information, and guidance about dispute resolution services relating to accessible travel. Callers to the Accessibility Help Line can have access to a staff member if they have questions relating to accessible transportation, or if they wish to file a transportation-related accessibility complaint. This is a confidential service. Staff are available Monday to Friday, 8 a.m. to 5 p.m., Eastern Time. The New Accessibility Help Line is: 1-844-943-0273.

#### **14. Trump says China called, requested to restart trade talks**

U.S. President Donald Trump said China has asked to re-start trade talks, hours after Beijing’s top negotiator publicly called for calm in response to a weekend of tit-for-tat tariff increases that sent global stocks plunging. “China called last night our trade people and said let’s get back to the table,” Trump said on the sidelines of the Group of 7 meeting in Biarritz, France. “They understand how life works.” Trump said U.S. officials received two “very productive” calls from the Chinese but declined to say whether he’d spoken directly to Xi. “They want to make a deal,” he said, adding: “We’re going to start very shortly and negotiate and see what happens but I think we’re going to make a deal.”

#### **15. Trump says China talks back on as Beijing downplays breakthrough**

U.S. President Donald Trump said the prospects for a deal with China are better now than at any time since negotiations began last year, even as a top state-media editor in Beijing questioned his version of events. Speaking at the Group of 7 meetings in Biarritz, France, Trump said last night China called “our trade people and said let’s get back to the table.” He also lauded President Xi Jinping as a “great leader” and said “anything’s possible” when asked if he would delay tariff increases on China. The developments came after a weekend of tit-for-tat tariffs had rocked financial markets and fueled fears that the standoff would drag the global economy into recession. Beijing’s retaliation on August 23, 2019 to an earlier U.S. tariff hike led to yet another increase from Trump, who said that existing 25% tariffs on some \$250 billion in imports from China would rise to 30% come Oct. 1, 2019 the 70th anniversary of the founding of the People’s Republic of China. Morgan Stanley warned that the spiral of trade measures could result in a global downturn within nine months.