

# Transportation Information Update\*

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Editor: Joseph Monteiro\*

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Associate Editor: Gerald Robertson\*

## AIR TRANSPORTATION

### 1. WestJet answering Italian holiday dreams with non-stop Dreamliner service between Rome and Calgary

On October 30, 2019, WestJet announced that western Canadians looking to visit Rome, Italy will now have seasonal non-stop service on the airline's state-of-the-art Dreamliner, starting May 2, 2020, subject to government approvals. "Whether they have Italian roots or are dreaming of a bucket list destination, western Canadians have never had convenient, non-stop access to the Eternal City," said Ed Sims, WestJet President and CEO. "WestJet's continued international expansion from our home in Calgary reinforces our commitment to investing in the city as an international aviation hub. With travel via Dreamliner and an elapsed travel time as opposed to connecting through eastern hubs, this flight positions us as a preferable transatlantic option for a wonderful summer holiday in beautiful and historic Rome."

### 2. Monthly civil aviation statistics, August 2019

The six Canadian Level I air carriers flew 8.3 million passengers on scheduled and charter services in August 2019, down 2.2% from August 2018, marking the second consecutive monthly decline. There was a 1.3% decrease in July 2019. Traffic fell 2.4% year over year to 23.5 billion passenger-kilometres in August 2019. Capacity decreased 1.7% to 26.4 billion available seat-kilometres, the third consecutive monthly decline. These declines were due largely to the continued grounding of all Boeing 737 MAX aircraft. This resulted in a slightly lower passenger load factor in August (88.8%) compared with the same month a year earlier (89.4%), as the decrease in traffic was stronger than the decline in capacity. Total operating revenue was up 2.5% from the same month a year earlier to \$2.7 billion in August 2019, the smallest increase since February 2017.

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

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 2.9% in August 2019. Ninety airports combined to reach 566,326 movements, compared with 91 airports totalling 550,178 movements in August 2018.

### 4. LAX air cargo falls 12pc in September

September 2019 cargo volume through Los Angeles International Airport (LAX) continued its steep slide amid fallout from the US-China trade war, reported the *Los Angeles Business Journal*. The airport saw 185,000 tons of cargo in September 2019, a near 12 per cent year-on-year drop. For the first nine months, air cargo tonnage was down 5.5 per cent to 1.7 million tons compared to the same period last year. The picture was quite different at Ontario International Airport, the only other commercial airport in the region to report September 2019 figures so far. Air cargo tonnage at Ontario International Airport was down slightly in September 2019, dropping 0.4 per cent to 61,189 tons. For the first nine months of this year, air cargo was up 2.3 per cent to 557,283 tons.

## AIR TRANSPORTATION Canada

1. WestJet answering Italian holiday dreams with non-stop Dreamliner service between Rome and Calgary, October 30, 2019, [www.westjet.ca](http://www.westjet.ca)
2. Monthly civil aviation statistics, August 2019, October 30, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Aircraft movement statistics: Major airports, August 2019, October 30, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. LAX air cargo falls 12pc in September, October 31, 2019, [www.transportweekly.com](http://www.transportweekly.com)
5. WestJet Dreamliner takes off for Maui, October 31, 2019, [www.westjet.ca](http://www.westjet.ca)
6. Four Priorities Identified for MENA Aviation as Challenging Operating Environment Persists, November 5, 2019, [www.iata.org](http://www.iata.org)
7. September Air Freight Volumes Remain Weak, November 6, 2019, [www.iata.org](http://www.iata.org)
8. Air Canada's Tim Strauss outlines AI and Drone initiatives of the cargo carrier, November 5, 2019, [www.ajot.com](http://www.ajot.com)
9. Aircraft movement statistics: Small airports, July 2019, November 7, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
10. Passenger Demand Continues on Moderate Upward Path, November 7, 2019, [www.iata.org](http://www.iata.org)
11. Global air cargo volume continues downwards slide, November 13, 2019, [www.transportweekly.com](http://www.transportweekly.com)
12. Three-year strategic national partnership with the Indigenous Tourism Association of Canada signed, November 13, 2019, [www.westjet.ca](http://www.westjet.ca)
13. Air Travel Consumer Report: September 2019 and 3rd Quarter 2019 Numbers, November 14, 2019, [www.dot.gov](http://www.dot.gov)
14. All-New Air Canada App Features Intuitive Design, Faster Experience and Additional Features, November 15, 2019, [www.aircanada.ca](http://www.aircanada.ca)
15. Estimated October 2019 U.S. Airline Traffic Data, November 15, 2019, [www.bts.gov](http://www.bts.gov)
16. Employees at U.S. Scheduled Passenger Airlines Month of September, 1990-2019, November 18, 2019, [www.bts.gov](http://www.bts.gov)
17. A Sustainable Industry for all Europe's Citizens, November 19, 2019, [www.iata.org](http://www.iata.org)
18. Boosting aviation competitiveness in Germany will create new jobs and prosperity, November 19, 2019, [www.iata.org](http://www.iata.org)

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

## 5. WestJet Dreamliner takes off for Maui

On October 31, 2019, WestJet's 787 Dreamliner will carry guests for the first time between Calgary and Maui providing Hawaii-loving travellers the opportunity to experience WestJet's state-of-the-art aircraft and award-winning guest experience while flying over the Pacific.

## 6. Four Priorities Identified for MENA Aviation as Challenging Operating Environment Persists

The International Air Transport Association (IATA) called on governments and industry in the Middle East and North Africa (MENA) to focus on four priorities to secure the future of aviation in the region against the backdrop of a challenging operating environment. The four priorities are: 1. Cost competitiveness; 2. Infrastructure; 3. Harmonized regulation, and 4. Gender diversity.

## 7. September Air Freight Volumes Remain Weak

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), decreased by 4.5% in September 2019, compared to the same period in 2018. This marks the eleventh consecutive month of year-on-year decline in freight volumes, the longest period since the global financial crisis in 2008. Freight capacity, measured in available freight tonne kilometers (AFTKs), rose by 2.1% year-on-year in September 2019. Capacity growth has now outstripped demand growth for the 17th consecutive month.

Air cargo continues to suffer from: 1. the intensifying trade war between the US and China, and South Korea and Japan; 2. the deterioration in global trade; and 3. the weakness in some of the key economic drivers.

## 8. Air Canada's Tim Strauss outlines AI and Drone initiatives of the cargo carrier

Tim Strauss, VP Cargo for Air Canada, was the guest speaker at the JFK Air Cargo Association luncheon on October 31<sup>st</sup>, 2019 at the Crowne Plaza. Mr. Strauss' presentation focused on two initiatives underway at Air Canada in the cargo sector: 1. Artificial Intelligence (AI), and how Air Canada is employing AI to improve cargo capacity utilization; and 2. Drone Technology implementation for air cargo. With regard to AI, Mr. Strauss described the value of AI analytics in four stages so as to provide the optimum balance between capacity availability and capacity utilization.

## 9. Aircraft movement statistics: Small airports, July 2019

Take-offs and landings at 134 Canadian airports without air traffic control towers reached 74,600 movements in July 2019. Ten airports accounted for 39.6% of the month's activity: Peterborough, Ontario (7,189 movements), Trois-Rivières, Quebec (3,654), Drummondville, Quebec (3,266), Goose Bay, Newfoundland and Labrador (2,718), Barrie-Orillia-Lake Simcoe Regional, Ontario (2,596), Dryden Regional, Ontario (2,154), Collingwood, Ontario (2,150), Dawson, Yukon (2,109), Pickle Lake, Ontario (1,986) and Muskoka, Ontario (1,748).

## 10. Passenger Demand Continues on Moderate Upward Path

The International Air Transport Association (IATA) announced global passenger traffic results for September 2019 showing that demand (measured in revenue passenger kilometers or RPKs) climbed 3.8% compared to the same month last year, broadly unchanged from August's performance. Capacity (available seat kilometers or ASKs) increased by 3.3%, and load factor climbed 0.4 percentage point to 81.9%, which was a record for any September. "September marked the eighth consecutive month of below average demand growth. Given the environment of declining world trade activity and tariff wars, rising political and geopolitical tensions and a slowing global economy, it is difficult to see the trend reversing in the near term," said Alexandre de Juniac, IATA's Director General and CEO. Regionally, the North American and Asia Pacific markets fared the best with demand of 5.1% and 4.8% in comparison with other regions for the same month last year.

## 11. Global air cargo volume continues downwards slide

Global airfreight volume, measured in freight tonne kilometres (FTKs), suffered a year-on-year decline of 4.5 per cent, marking the 11th straight month of decreases as trade disputes weigh down on import and export markets, according to data from the International Air Transport Association (IATA). The weaker demand coincided with a 2.1 per cent rise in capacity - the 17th month in a row that growth in supply has outstripped demand - further solidifying the buyer's market, reported *American Shipper*. The Institute of Supply Management's Purchasing Managers Index shows that new export orders are still contracting, albeit at a slower rate compared to August. In August 2019, FTKs were down by 4.2 per cent, however, IATA pointed out that on a seasonally adjusted basis, air cargo growth has been relatively flat since March.

19. Canada's Airports Congratulate Marc Garneau on his Reappointment as Transport Minister, November 21, 2019, [www.cacairports.ca](http://www.cacairports.ca)

20. Quarterly civil aviation statistics, second quarter 2019, November 21, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)

21. U.S. Transportation Secretary Elaine L. Chao Announces Department of Transportation Grants Antitrust Immunity for Delta-Air France-KLM-Virgin Atlantic Joint Venture, November 21, 2019, [www.dot.gov](http://www.dot.gov)

22. Air Canada Named One of Canada's Top 100 Employers for the Seventh Consecutive Year, November 22, 2019, [www.aircanada.ca](http://www.aircanada.ca)

23. "Hey Google, ask WestJet...", November 26, 2019, [www.westjet.ca](http://www.westjet.ca)

24. Air Canada's Calin Rovinescu Named CEO of the Year for second time by Globe and Mail's Report on Business, November 26, 2019, [www.aircanada.ca](http://www.aircanada.ca)

25. Monthly civil aviation statistics, September 2019, September 28, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)

26. Aircraft movement statistics: Major airports, September 2019, September 28, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)

## **12. Three-year strategic national partnership with the Indigenous Tourism Association of Canada signed**

The Indigenous Tourism Association of Canada has significantly increased its wingspan after a \$100,000, over three years, commitment with WestJet was announced on November 13, 2019, during the International Indigenous Tourism Association Conference in Kelowna, Syilx Territory, BC (ITC). "From launching Indigenous itineraries with WestJet this summer to announcing this invaluable multi-year commitment, WestJet is providing ITAC and our Indigenous tourism entrepreneurs endless opportunities to grow Indigenous tourism across Canada and showcase our experiences to global audiences," says Keith Henry, President and CEO of ITAC. The strategic partnership will see WestJet and ITAC collaborate in a few areas.

## **13. Air Travel Consumer Report: September 2019 and 3rd Quarter 2019 Numbers**

The U.S. Department of Transportation (DOT) on November 14, 2019 released its Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of September 2019. The full consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>. The result of some of its findings are as follows: 1. September On-Time Performance - In September 2019, reporting marketing carriers posted an on-time arrival rate of 84.1%, up from both the 77.6% on-time rate in August 2019 and from 81.9% in September 2018. 2. September Cancellations - In September 2019, reporting marketing carriers canceled 1.7% of their scheduled domestic flights, lower than the rate of 1.8% in August 2019, but higher than the rate of 1.5% in September 2018. 3. Tarmac Delays - In September 2019, airlines reported 11 tarmac delays of more than three hours on domestic flights, compared to 46 such tarmac delays reported in August 2019 and 11 tarmac delays reported in September 2018. In September 2019, airlines reported no tarmac delays of more than four hours on international flights, compared to two tarmac delays reported in August 2019 and two tarmac delays reported in September 2018. Extended tarmac delays are investigated by the Department. 4. Mishandled Baggage - In September 2019, the reporting marketing carriers posted a mishandled baggage rate of 4.70 mishandled bags per 1,000 checked bags, a lower rate than the August 2019 rate of 6.06 per 1,000 checked bags.

## **14. All-New Air Canada App Features Intuitive Design, Faster Experience and Additional Features**

Air Canada has launched a next generation Air Canada mobile app, now available for download on iOS and Android. Designed with customers at the center, the new app features an intuitive layout supported by the latest technologies, to deliver faster, more reliable performance. "Air Canada is focused on making travel easier and more comfortable for everyone, particularly through the use of the latest technologies. Beyond the new features launched today, such as interactive airport maps with turn-by-turn directions for travellers, the new app provides the foundation necessary for future developments, most notably the launch of our new Loyalty program in 2020," said Mark Nasr, Vice President, Loyalty and eCommerce at Air Canada. "The app was designed and built entirely in Canada, in our Digital labs enabled by the Air Canada technology team."

## **15. Estimated October 2019 U.S. Airline Traffic Data**

U.S. airlines carried an estimated 78.1 million system-wide (domestic and international) scheduled service passengers in October 2019 (4.4% higher than a year ago), seasonally-adjusted, reaching a new seasonally-adjusted all-time high, according to the Bureau of Transportation Statistics' (BTS) first estimate, up 0.9% from the September 2019 second estimate. BTS estimated 68.5 million domestic passengers, which was also a new seasonally-adjusted all-time high, and 9.6 million international passengers on U.S. airlines flights in October.

## **16. Employees at U.S. Scheduled Passenger Airlines Month of September, 1990-2019**

The 21 U.S. scheduled passenger airlines employed 2.3% more workers in September 2019 than in September 2018. In addition: 1) September's 450,517 full-time equivalents (FTEs) was the highest employment total since March 2003 (458,598 FTEs); and 2) September was the 71st consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year.

## **17. A Sustainable Industry for all Europe's Citizens**

The International Air Transport Association (IATA) called on governments in Europe to seize the opportunity to create a sustainable aviation industry that protects the environment and increases connectivity opportunities for Europe's citizens. The call came at the opening of Wings of Change Europe—a gathering of aviation stakeholders being hosted in Berlin, Germany. Amid continuing celebrations of the 30th anniversary of the fall of the Berlin Wall, the role of aviation in the continent's integration was top of mind.

## **18. Boosting aviation competitiveness in Germany will create new jobs and prosperity**

The International Air Transport Association (IATA) released a new study showing that a more competitive air transport sector in Germany could generate an additional €49 billion in GDP for the nation's economy and 400,000 new jobs by 2037. The study, *German Air Transport Regulatory Competitiveness Indicators*, recommends that to maximize the economic and social benefits created by a successful air transport industry, Germany should: 1) Abolish the aviation passenger tax which is artificially increasing travel costs in Germany and hurting German aviation; 2) Improve air transport infrastructure capacity and efficiency in the air and on the ground; 3) Increase cost-efficiency of air traffic

control services by promoting the implementation of the Single European Sky (SES) and cost-efficient structures such as automation, remote tower control and tendering of tower services; 4) Promote the implementation of innovative technology for border security and customs; and 5) Implement the National Airspace Strategy in consultation with users to improve airspace capacity and efficiency.

#### **19. Canada's Airports Congratulate Marc Garneau on his Reappointment as Transport Minister**

Canada's airports look forward to a seamless collaboration with government, with the news that the Honourable Marc Garneau will be returning to the Transport portfolio. "Canada's airports have worked to build a strong, cooperative relationship with Minister Garneau over the last four years," said Daniel-Robert Gooch, president of the Canadian Airports Council. "Welcome back, Minister Garneau. We look forward to continuing our work with you to improve the prospects for Canada's aviation sector and our travellers, communities and industry partners."

#### **20. Quarterly civil aviation statistics, second quarter 2019**

Total operating revenue for the 26 largest Canadian air carriers totalled \$6.9 billion in the 2019 second quarter, up 9.6% from the second quarter of 2018. The gain was largely attributable to higher operating revenue for passenger transportation. Passenger revenue accounted for 89.2% of total operating revenue, while goods revenue comprised 5.7%. Total operating expenses grew 5.2% to \$6.4 billion. The number of air carriers increased from 25 in 2018 to 26 in 2019, as one Level III air carrier was reclassified to Level II. The operating ratio for the largest airlines—operating expenses expressed as a proportion of operating revenue—was 0.93 in the second quarter, a slight improvement from 0.97 in the second quarter of 2018. Overall, this means that these airlines incurred expenses of roughly 93 cents to generate one dollar in revenue. Net operating income more than doubled in the second quarter to \$499.7 million. This amount, combined with a net non-operating loss of \$37.6 million, produced a net income of \$462.0 million. The 26 Canadian air carriers carried 23.0 million passengers in the 2019 second quarter, up 2.3% from the second quarter of 2018. This followed a 5.7% gain in the first quarter of 2019 and represented the smallest increase in 10 quarters.

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

U.S. Transportation Secretary Elaine L. Chao on November 21, 2019 announced that the Department has given final approval to an application 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 will replace two previously approved arrangements in the U.S.-United Kingdom and U.S.-continental Europe markets. 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.

#### **22. Air Canada Named One of Canada's Top 100 Employers for the Seventh Consecutive Year**

Air Canada on November 22, 2019 was named one of Canada's Top 100 Employers (2020) for the seventh consecutive year in an annual national employer survey by Mediacorp Canada Inc. "We are honoured to be ranked again as one of Canada's top employers. This recognition for the seventh straight year validates our work making culture and employee engagement one of our core focuses. Our company culture which fosters an engaged workforce has become a true competitive advantage, and we are very proud of Air Canada's more than 33,000 dedicated employees who deliver excellent service safely to the 51 million customers we carry each year," said Arielle Meloul-Wechsler, Senior Vice President, People, Culture and Communications, at Air Canada.

#### **23. "Hey Google, ask WestJet..."**

On November 26, 2019, WestJet announced Juliet, its digital travel assistant, is available on Google Assistant, giving guests a convenient, hands-and screen-free way to confidently have their day of travel questions answered. To chat with Juliet, guests can say "Hey Google, ask WestJet" to get started. "WestJet continues to innovate and provide more convenient ways for our guests to engage effortlessly with WestJet during their travel journeys," said Alfredo C. Tan, WestJet Chief Digital and Innovation Officer. "Juliet was the first AI chatbot launched by a Canadian airline and as we build on her success, we will continue to personalize and advance her trusted abilities across additional platforms for our guests."

#### **24. Air Canada's Calin Rovinescu Named CEO of the Year for second time by Globe and Mail's Report on Business**

Air Canada President and Chief Executive Officer Calin Rovinescu was named CEO of the Year and Strategist of the Year on November 25, 2019 by *The Globe and Mail's* Report on Business Magazine. This is the second time Mr. Rovinescu has been selected as Canada's top CEO by the magazine.

#### **25. Monthly civil aviation statistics, September 2019**

The six Canadian Level I air carriers flew 6.9 million passengers on scheduled and charter services in September 2019, down 0.5% from September 2018. This marks the third consecutive monthly decline. There was a 2.2% decrease in August 2019. Traffic fell 1.3% year over year to 19.5 billion passenger-kilometres in September 2019. Capacity decreased 2.8% to 23.3 billion available seat-kilometres, the fourth consecutive monthly decline. These declines were

due largely to the continued grounding of all Boeing 737 MAX aircraft. This resulted in a higher passenger load factor in September 2019 (83.6%) compared with the same month a year earlier (82.3%), as the decline in capacity was stronger than the decrease in traffic. Total operating revenue was up 4.1% to \$2.1 billion in September 2019 compared with the same month a year earlier.

## **26. Aircraft movement statistics: Major airports, September 2019**

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased slightly (-0.3%) in September 2019. Combined, 90 airports reported 508,641 movements, compared with 91 airports totalling 510,191 movements in September 2018. A decrease in itinerant movements (flights from one airport to another) contributed to the year-over-year decline, while local movements (flights that remain in the vicinity of the airport) were up. Domestic itinerant movements (within Canada) declined 1.3% in September 2019 to reach 304,008. Transborder movements (between Canada and the United States) were down 2.8% to 41,471, while other international traffic decreased 3.6% to 14,532 movements. This marks the third consecutive month that other international movements have shown a year-over-year decline. In September, 10 airports accounted for 37.9% of total activity. The busiest were Toronto/Lester B. Pearson International, Vancouver International, and Montréal/Pierre Elliott Trudeau International.

## **WATER TRANSPORTATION**

### **1. Last cruise ship of the 2019 season departs Canada Place tomorrow**

The final cruise ship set to sail during the 2019 season will depart from Vancouver on November 1, 2019, marking the end of the 33rd cruise season at Canada Place terminal at the Port of Vancouver. In 2019, Vancouver welcomed more than one million cruise passengers on 288 ship visits, reflecting a 22% increase in passenger volumes over 2018. Cruise is a key economic driver for the region; each cruise ship that visits Vancouver stimulates about \$3 million in direct activity to the local economy. Peter Xotta, vice president of planning and operations at the Vancouver Fraser Port Authority said “2019 was a very exciting and successful cruise season in Vancouver, with a record number of cruise passengers, several new and returning cruise lines, ...”

### **2.. Drewry expects freight rates will increase ahead of the holiday season**

Provided container shipping lines "refrain from returning too much capacity, there is a reasonable hope for higher freight rates" in the run up to Black Friday on November 29 and Christmas, according to Drewry Shipping Consultants. Drewry's senior manager for container research Simon Heaney said Christmas merchandise will continue to arrive in the US in coming weeks and that transpacific volumes could also benefit from shipments being made in advance of factories closing down for China's Lunar New Year celebrations, which start on January 25, 2020 earlier next year compared with February 5 2019, reported *American Shipper*. The London-based maritime research consultancy's latest *Container Insight Weekly* newsletter said: "The transpacific has thus far managed to avoid significant contraction thanks to a combination of factors, including a weakening of the Chinese currency, willingness from some Chinese exporters and American importers to absorb some of the additional costs arising from the new tariffs and some trade substitution within Asia."

### **3. Mega-port project gives Singapore the opportunity to innovate**

Singapore has topped the 2019 Xinhua-Baltic International Shipping Centre Development Index, which ranks cities that offer port and shipping business services, for the sixth consecutive year. *GlobalData* looks at the city-state's latest mega-port expansion plans that could cement that ranking for decades to come. The next significant landmark in the Port of Singapore's evolution, the Tuas mega-port expansion project, is due for completion by 2040. Slated to be the world's largest container terminal, the complex is being constructed in four phases, with the 20 million twenty foot equivalent unit (TEU)

## **WATER TRANSPORTATION Canada**

1. Last cruise ship of the 2019 season departs Canada Place tomorrow, October 31, 2019, [www.portmetrovancover.com](http://www.portmetrovancover.com)
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5. Refrigerated container tech takes next step, November 6, 2019, [www.ctl.ca](http://www.ctl.ca)
6. Debate continues, November 8, 2019, [www.transportweekly.com](http://www.transportweekly.com)
7. Port Report: California ports say container exports up, imports down, November 8, 2019, [www.americanshipper.com](http://www.americanshipper.com)
8. Shippers should brace for more container rate hikes, warns Drewry, November 8, 2019, [www.americanshipper.com](http://www.americanshipper.com)
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16. Hapag-Lloyd Q3 profits surge on higher freight rates, November 14, 2019, [www.americanshipper.com](http://www.americanshipper.com)
17. EU Commission to extend container line

handling first stage set for delivery in 2021 at a cost of S\$2.42bn (US\$1.76bn).

#### **4. Quebec port gets funding for infrastructure improvements**

The Government of Québec will provide \$2.5 million in financial assistance to the Trois-Rivières Port Authority for the development of an outdoor storage space, a multi-purpose shed and an oversized equipment warehouse. The Minister of Transport and Minister responsible for the Estrie region, François Bonnardel, and the Minister of Labour, Employment and Social Solidarity and Minister responsible for the Mauricie region, Jean Boulet, made the announcement on November 6, 2019. The new warehouse will allow Hason Steel Products Inc. to operate a receiving, storage and assembly unit for its oversized products and export these overseas. The project will create around 40 quality jobs.

#### **5. Refrigerated container tech takes next step**

Building on the pioneering legacy of the refrigerated container shipping industry's first controlled-atmosphere system 25 years ago, Carrier Transicold has developed the next-generation EverFRESH system, which makes premium performance more affordable than ever for fleets and container leasing companies. The new EverFRESH system was unveiled for attendees at Intermodal Europe 2019, the world-leading exhibition and conference for companies associated with the container and intermodal industries. Using active controlled-atmosphere technology, the EverFRESH system optimizes the balance of oxygen and carbon dioxide within a refrigerated container, slowing respiration and the natural ripening of the commodity inside. Thus, it helps to preserve the quality of perishables beyond what refrigeration alone can do. As an active system, it generates high-purity nitrogen to more quickly and responsively displace oxygen, rather than relying on respiration alone to gradually reduce oxygen levels.

#### **6. Debate continues**

Over the years the shipping industry has been rapidly improving in the area of sustainable development, with nearly all its emissions to air and discharges to sea now being regulated, and owners, operators and technology firms working on a range of solutions to take shipping to a new level of sustainability. Yara Marine Technologies points out there will never be one solution for all vessel types. This is why so many solutions, and potential solutions are needed to

create a sustainable future for a global industry. A decade ago, as bunker fuel prices began to climb and regulators began to urge ship operators to look at ways to curb greenhouse gas emissions and other emissions and discharges, operators were using a range of tools to find a balance between operational efficiency and regulatory compliance. Nowadays, the industry is approaching the January 1, 2020 implementation of the International Maritime Organisation's (IMO) rule that all ships use a fuel of less than 0.5 per cent sulphur content or use approved systems, such as exhaust scrubbing technology or liquefied natural gas, to meet this regulation.

#### **7. Port Report: California ports say container exports up, imports down**

Two California ports reporting their October 2019 volumes, said export volumes were higher than in October 2018, but that import volumes failed to reach the level set a year earlier. The Port of Long Beach moved a total of 688,425 TEUs of containerized cargo in October 2019, 2.4% percent less than the same month last year, but still the second-busiest October in the port's 108-year history. When compared to 2018, Long Beach container imports dipped 7.4 percent to 337,062 TEUs, while exports jumped 9.8 percent to 131,635 TEUs. Empty containers delivered overseas to be filled with goods decreased 0.8 percent to 219,728 TEUs. "As the trade war lingers, these tariffs continue to impact the U.S. economy and have created uncertainty for the business of importers and exporters," said Mario Cordero, executive director of the Port of Long Beach. "We are hopeful for a prompt resolution of the tariff situation between the U.S. and China. In the meantime, we are moving forward with capital improvements that should bring long-term growth."

#### **8. Shippers should brace for more container rate hikes, warns Drewry**

Container freight rates have surged over the last fortnight and shippers should expect more hikes in the coming weeks, according to one leading analyst. After a mostly tepid October 2019, spot freight rates on mainline Asia-Europe and trans-Pacific services spiked by 12-30% at the end of the month as lines found traction with November 1, 2019 General Rate Increases. Last week *FreightWaves* asked whether carriers would be able to hold on to their gains. Early

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24. Seaway shipping stoppages in December would cost economy dearly: CMC, November 25, 2019, [www.canadianshipper.com](http://www.canadianshipper.com)

25. Port of Halifax will handle two mega vessels at once by March, November 25, 2019, [www.joc.com](http://www.joc.com)

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indications suggest the resounding answer is ‘yes,’ at least in the short-term. The Freightos Baltic China/East Asia to North America West Coast 40-foot container index rose 9.5% week-on-week to reach \$1,529 per 40-foot equivalent unit (FEU) on November 10, 2019.

#### **9. Canada's Oceans Protection needs improvement**

The Chamber of Shipping of British Columbia has expressed disappointment in Canada's Oceans Protection Plan (OPP) as it relates to commercial shipping. "Commercial marine shipping in Canada remains negatively impacted by an overly complex regulatory and administrative framework managed by multiple federal departments and agencies with competing jurisdictional controls," said the chamber's statement. There has been little intent to connect OPP programmes with supply chain efficiency and productivity, missing an opportunity to align the plan with trade objectives," said the chamber. "Notwithstanding these weaknesses, the OPP has made strides in infrastructure that will increase safety in coastal waters, such as increased coastal radar coverage," said the chamber's statement. "It is now appropriate to optimise the effectiveness of the supply chain. Protecting Canada's coasts must include efficient and productive ports and marine transportation corridors that maximise safety and efficiency."

#### **10. Port Report: LA port sees biggest October box drop in 24 years**

The Port of Los Angeles saw the biggest October 2019 drop in volumes in over two decades as the U.S.-China trade war wreaks havoc on the container trade and last year's front loading means tougher comparables going forward. The largest U.S. maritime gateway moved 770,189 twenty-foot equivalent units (TEUs) in October 2019, a 19% decrease from a year earlier. That rate is the steepest decline for October in 24 years of available monthly statistics. Since 1995, October 2019 container volume handling managed to show an average 6.6% yearly rise. The decline also stems the high hurdle set last year when Los Angeles saw an abundance of boxes with the biggest October growth in the same period at over 27%. Moreover, October declines are not uncommon as 14 of the last 24 have reported yearly volume drops, ranging from 1.6% to 10%.

#### **11. Second-best October for Long Beach cargo**

Although tariffs continued to impact cargo volumes, the Port of Long Beach last month had the second-busiest 2019 October in its 108-year history. A total of 688,425 twenty-foot equivalent units (TEUs) were handled in October 2019, 2.4 percent less than the same month last year. Imports dipped 7.4 percent to 337,062 TEUs, while exports jumped 9.8 percent to 131,635 TEUs. Empty containers delivered overseas to be filled with goods decreased 0.8 percent to 219,728 TEUs. The Port moved 6,366,787 TEUs during the first 10 months of 2019, 5.4 percent down from last year's record-setting pace. "As the trade war lingers, these tariffs continue to impact the U.S. economy and have created uncertainty for the business of importers and exporters," said Mario Cordero, Executive Director of the Port of Long Beach. "We are hopeful for a prompt resolution of the tariff situation between the U.S. and China. In the meantime, we are moving forward with capital improvements that should bring long-term growth."

#### **12. ONE back in the black**

Japanese carrier Ocean Network Express (ONE) almost hit its target for profitability in the 2019 second quarter of its fiscal year, which ended September 2019, posting a positive result of US\$121 million, compared to a loss of \$192 million in the second quarter of 2018, according to the *Shipping Gazette*. Second quarter revenue increased by five per cent compared to the same period last year to \$3.11 billion. After the first six months of the financial year, ONE is in the black to the tune of \$126 million, earned on revenue of \$5.98 billion, a 4.9 per cent increase on the same time period last year. The profit of \$126 million is a massive swing back into the black from the \$311 million loss recorded in the first six months of its 2018 financial year.

#### **13. Cato Institute aims another salvo at Jones Act**

The Cato Institute, a Washington-based policy group that has been campaigning against the *Jones Act*, has released a policy analysis paper claiming the law, widely seen as a keystone of U.S. maritime policy, actually "undermines U.S. shipbuilding and national security." The *Jones Act* requires vessels engaged in cabotage — the domestic transport of goods between points in the U.S. — be built in the United States, be crewed and owned by U.S. citizens, and be registered in the U.S. Ocean-going *Jones Act* ships connect Alaska, Hawaii and Puerto Rico with the mainland of the United States and are used to move petroleum products along the U.S. coastline, for example.

#### **14. Terminal operations enjoying steady growth for Fednav in milestone year**

2019 marks a major milestone for Montreal-based, privately-owned Fednav Limited, the 75th anniversary of its creation in September 1944 by Ernest Pathy, grandfather of current President and CEO Paul Pathy. From a fledgling enterprise initially located at the Great Lakes metropolis of Toronto, it has emerged through the decades as Canada's largest dry bulk shipowning and chartering group, with a fleet of some 125 vessels serving the Great Lakes/St. Lawrence, Atlantic, Pacific and Arctic trades. And terminal operations under the banner of FMT in Canada and the United States have since 1960 represented an important component of the Fednav group. In Canada, FMT operates terminals at the ports of Hamilton and Thorold. The Port of Hamilton was recently merged with the port of Oshawa to become the Hamilton Oshawa Port Authority (HOPA), biggest Canadian port on the Great Lakes. FMT's substantial presence in the United

States is centered at Albany, Burns Harbor, Eastport, Lake Charles, Milwaukee, Tampa and Port Manatee. It also operates at two private facilities. Originally established in 1960 to complement the freight operations of Fednav, FMT soon began to function as an independent entity within the Fednav group. The FMT network services breakbulk, bulk, general and project cargo shipments. Commodities handled range from steel and machinery to forest products and containers.

#### **15. Ports of Long Beach, Los Angeles see export volume rise**

The US Port of Long Beach handled a total of 688,425 TEU of containerised cargo in October 2019, representing a year-on-year decrease of 2.4 per cent. Container imports were down 7.4 per cent to 337,062 TEU, while exports rose by 9.8 per cent to 131,635 TEU. Empty containers sent overseas fell by 0.8 per cent to 219,728 TEU. "As the trade war lingers, these tariffs continue to impact the US economy and have created uncertainty for the business of importers and exporters," said the port's executive director Mario Cordero. "We are hopeful for a prompt resolution of the tariff situation between the US and China. In the meantime, we are moving forward with capital improvements that should bring long-term growth."

#### **16. Hapag-Lloyd Q3 profits surge on higher freight rates**

Hapag-Lloyd posted significant 2019 third quarter earnings and revenue increases as it managed to nudge up freight rates. The container shipping giant, which operates a fleet of 231 container ships with total transport capacity of 1.7 million twenty-foot equivalent units (TEU), saw revenues climb 6.2% in the third quarter to 3,244 million euros (\$3.57 billion). Earnings before interest and taxes (EBIT) jumped 21.6% in the period to 253 million euros and, despite average industry-wide spot freight rates having been lower for most of 2019 compared to a year earlier, Hapag-Lloyd managed to claw a 2.7% increase in freight rates measured in USD/TEU from customers during the third quarter.

#### **17. EU Commission to extend container line block exemption regulation**

The European Commission (EC) has concluded that container shipping's consortia block exemption regulation (BER) does not damage competition and should be extended for an additional four years. The Consortia Block Exemption Regulation, the de facto legislation covering liner alliances and vessel-sharing agreements (VSAs) on container trades to and from Europe, was set to expire April 25, 2020. However, the EU said Nov. 20 that, subject to a four-week "feedback period" running until Dec. 18, it favored extending BER for four years. "EU rules normally prevent companies from working together in a way that might restrict competition, but companies shipping cargo by sea have been granted an exemption from this ban as they often need to work together to make their operations more financially viable and efficient," said the EC decision. "The EU is proposing to extend the regulation granting the exemption by another four years from when it expires in April 2020."

#### **18. Shippers greet EC liner block exemption ruling with disbelief**

Shippers are decidedly unhappy with the announcement by the European Commission (EC) that it favours extending container shipping's consortia block exemption regulation (BER) for an additional four years. "We are disappointed by that decision," said Rogier Spoel, maritime policy manager at the Dutch Shippers' Council. "We still do not understand the necessity for a linear block exemption – it's the only mode of transport that has this. Aviation certainly doesn't have it." Spoel explained, "The problem with (BER) is that it's done through a consortium and the consortium can be within an alliance but also across an alliance. The problem with that is a shipper doesn't have any insight into how the consortia operates or if they are squeezing capacity to increase the cost of transport."

#### **19. Long Beach port sees box volume drop 2.4pc**

The US Port of Long Beach (PoLB) handled 688,425 TEU in October 2019, representing a decrease of 2.4 per cent compared to the same month last year when the port set new container throughput records. October exports rose by 9.8 per cent, while imports fell by 7.4 per cent and shipment volumes of empty containers overseas dipped by 0.8 per cent, reported *Long Beach Business Journal*. During the first 10 months of 2019, overall cargo volumes declined by 5.4 per cent year on year.

#### **20. ZIM reports profit, higher revenue in third quarter**

The Israel-based container carrier ZIM Intergrated Shipping Services Ltd. reported net profit of \$5 million in the third quarter of 2019 compared to a loss of \$6.6 million in the same period last year. Revenue was also higher: \$842 million in the third quarter this year compared to \$840.7 million in the same 2018 period. Eli Glickman, the president and chief executive officer of ZIM, said, "While the challenges in the market endure, the advantages gained by our global strategic cooperation and our customer focus enable us to pursue our goals and strengthen our position." The container carrier says it has benefited from strategic cooperation with Maersk and Mediterranean Shipping Company.

#### **21. Container terminals benefit at the expense of trucking companies, regulator reveals**

"Higher infrastructure charges helped to drive growth in unit revenues for the stevedores for the first time since 2011-12." That's the official summation of a massive monitoring exercise by the Australian Competition & Consumer Commission (ACCC) into the Australian waterfront. And those "higher infrastructure charges" are fees charged by container terminal operators on trucks to access their container terminals. As previously reported on *FreightWaves*, if



trucking companies don't pay the fees then their trucks are not allowed to enter the terminal to pick up or drop off containers. No pay, no play. And, if you're a truck operator that means no business and no livelihood. Australia uses the term "stevedores" to mean "container terminal operators". Huge payday for terminal operators... funded by fees on truckers. The ACCC has concluded that the stevedoring industry has generated A\$166.6 million in revenues from infrastructure charges in the 2018-2019 financial year (which runs from July to June in Australia), an increase of 63% compared to the previous financial year.

## **22. Trade deal unlikely to result in rapid return of cargo volumes**

Port of Los Angeles Executive Gene Seroka cautioned the port's Board of Harbor Commissioners that even if a trade deal is reached with China, it may take months or years for trade volumes to snap back. President Trump on November 22, 2019 once again gave mixed signals on the likelihood of a trade deal with China as a December 15 deadline for another round of tariffs approaches. He told broadcasters on *Fox News* "we have a deal, potentially very close," but that China President Xi Jinping "wants to make it much more than I want to make it; I'm not anxious to make it" and that "I tell President Xi – this can't be an even deal, because we are starting off on the floor and you are already at the ceiling – so we have to have a better deal.' "

## **23. Container lines to grow organically**

The director of business development and executive vice president of DNV GL, Jan Olaf Probst, has said that the current ecosystem in the container shipping market is favourable to shipyards and financiers with lines expected to grow organically, with no oversupply of tonnage. Speaking recently at the DNV GL Bulker & Container Forum held in Hong Kong as part of the Hong Kong Maritime Week 2019, Mr. Probst suggested that most big liner companies will have to grow organically by ordering newbuildings which is good news for tonnage providers, financing houses and shipyards.

## **24. Seaway shipping stoppages in December would cost economy dearly: CMC**

Closing the St. Lawrence Seaway in December to accommodate higher water outflow at the Moses-Saunders dam would cost the Canadian and U.S. economies \$250 million/per week — impacting farmers' grain exports, manufacturing plant operations and disrupting deliveries of fuel, construction materials and road salt for winter safety to cities throughout the region, according to a marine industry association. The Chamber of Marine Commerce (CMC) said it issued comments to provide a wider context of the economic repercussions related to calls to increase the water outflow at Moses-Saunders dam to levels that would be unsafe for navigation and halt shipping on the St. Lawrence Seaway during December.

## **25. Port of Halifax will handle two mega vessels at once by March**

The Port of Halifax will meet its self-imposed deadline to handle two mega vessels simultaneously by March 2019, when the extension of a berth at one of the port's two container terminals is completed.

## **26. European Commission proposes extending carrier block exemption**

Another public consultation has been opened into the container shipping block exemption regulation, which the European Commission has proposed renewing for four years.

## **27. Halifax's Halterm container terminal rebrands as PSA Halifax**

PSA International's Halifax-based operations proudly announce its new name and logo, "PSA Halifax". Acquired by PSA International (PSA) in July 2019, PSA Halifax is PSA's first coastal terminal in Canada and currently the only container terminal in Eastern Canada that can serve mega container vessels. With a depth alongside of up to 16 metres, the terminal is now extending the main berth, which will enable PSA Halifax to handle two mega container vessels. It is concurrently adding a fifth Super Post-Panamax Quay Crane by June 2020.

## **28. Seaway counting on traditional final quarter burst**

The Great Lakes and St. Lawrence Seaway system are on a pace to break last year's record for the decade but a strong final quarter is needed to set a new mark. Despite some headwinds, cargo movements through the St. Lawrence Seaway have managed to remain within striking distance of the highest total (41 million metric tons) achieved in a decade in 2018. The ultimate throughput for the 2019 navigation season hinges on performance in the last quarter. For US and Canadian ports on the Great Lakes/Seaway system, the outlook was positive in a number of cases, with some gateways on pace to beat 2018 cargo volumes. Overall Seaway volumes were slower due in part to the late Prairie harvest. From March 22 to September 30, 2019, Seaway cargo shipments totaled 24.8 million tons, down six per cent from 2018. The figures reflect a combination of factors including the decrease in U.S. grain exports from earlier in the spring and current delays in the Canadian harvest due to the wet field conditions.

## **29. Global Shippers Forum pans extending liner carrier protection**

An organization that represents shippers in many countries around the world, including the U.S. and Canada, has added its voice to those expressing disappointment to a recommendation by the European Commission to renew the consortia block exemption regulation, which gives antitrust protection to container liner carriers who cooperate in vessel-sharing agreements. James Hookham, secretary general of the Global Shippers Forum (GSF), said, "We are disappointed with the outcome of the Commission's review and disagree on several points with its reasoning. We shall be setting out our

concerns and arguments in response and campaigning for greater policing of shipping lines' activities." The European Commission recommended on Nov. 20 that the block exemption regulation be extended for a four-year period rather than expiring April 25, 2020. The decision is, however, subject to a four-week "feedback period" running until Dec. 18, 2019.

### **30. Drewry finds container shipping future is murky**

The US-China trade dispute appears to have sucked the life out of the trade, beyond which trade substitution cannot hope to offset, says London's Drewry Maritime Research, after looking at the data. Despite some robust growth out of South East Asia, the eastbound transpacific container market will very likely end the year with lower volumes for the first time since 2009, reports the *American Journal of Transportation*. Eastbound trade from Asia to the US was flat after 10 months of the year according to PIERS and given the tough comparison to the final two months of 2018, an annual deficit seems inevitable. More transpacific calls to Vietnam are slowly being added, but the relocation of manufacturing production from China will not be swift, said the AJOT report.

### **31. Europe shippers vow to fight carrier block exemption**

The European Shippers' Council has vowed to challenge the decision by the European Commission to extend the carrier exemption from competition laws for another four years.

## **RAIL TRANSPORTATION**

### **1. Railway carloadings, August 2019**

The Canadian rail network carried 33.7 million tonnes of freight in August 2019, up 1.1% compared with August 2018. Intermodal freight loadings were up 3.4% to 3.2 million tonnes compared with August 2018. Freight traffic coming from the US rail connections rose 1.0% to 3.8 million tonnes. Over the same period, the non-intermodal freight loadings in Canada grew 0.8% to 26.7 million tonnes.

### **2. AAR: U.S. Traffic Not Improving**

It appears we're still in a freight recession, as total carloads for the week ended Oct. 26 were 243,321 carloads, down 9.4% compared with the same week in 2018, while U.S. weekly intermodal volume was 269,826 containers and trailers, down 8.3% compared to 2018. For the first 43 weeks of 2019, U.S. railroads reported cumulative volume of 10,843,404 carloads, down 4.2% from the same point last year; and 11,457,177 intermodal units, down 4.4% from last year. Total combined U.S. traffic for the first 43 weeks of 2019 was 22,300,581 carloads and intermodal units, a decrease of 4.3% compared to last year. Canadian railroads reported 81,902 carloads for the week, down 7.9%, and 71,105 intermodal units, down 3.6% compared with the same week in 2018. For the first 43 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 6,523,922 carloads, containers and trailers, up 0.7%.

### **3. Bombardier Sees 8% Organic Growth in 3Q19**

Bombardier Transportation reported its 3Q19 financial results, and among the highlights are consolidated revenues of \$3.7 billion, representing 8% organic growth, and a consolidated adjusted EBITDA and adjusted EBIT of \$255 million and \$159 million, respectively. Bombardier's \$3.7 billion consolidated revenues were driven mainly by a favorable delivery mix of large business aircraft and progress on rail projects, the company noted. Order activity remained solid in the quarter, and Bombardier reported strong backlogs at Transportation and for business aircraft of \$35.1 billion and \$15.3 billion, respectively.

### **4. Canadian National Railway Teamsters consider strike on November 19**

Labour union Teamsters Canada Rail Conference (TCRC) announced that its members who work for Canadian National Railway (CN) could go on strike by November 19, 2019. Last month, 3,000 CN conductors and train

## **RAIL TRANSPORTATION**

### **Canada**

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4. Canadian National Railway Teamsters consider strike on November 19, November 4, 2019, [www.transportweekly.com](http://www.transportweekly.com)
5. Intermodal downturn continues in Q3, November 1, 2019, [www.ajot.com](http://www.ajot.com)
6. CN Grain Movement: 2019-2020 Crop Year off to Good Start, November 5, 2019, [www.cn.ca](http://www.cn.ca)
7. North America's Q3 intermodal volumes fall 3.7pc, Nov. 7, 2019, [www.transportweekly.com](http://www.transportweekly.com)
8. Canadian HFR: From Proposal to Project, November 7, 2019, [www.railwayage.com](http://www.railwayage.com)
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10. CP records best-ever month for Canadian grain transport, November 12, 2019, [www.cpr.ca](http://www.cpr.ca)
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13. CN to cut jobs as trade wars, shaky North American economy take toll, November 17, 2019, [www.financialpost.ca](http://www.financialpost.ca)
14. CN union gives Tuesday strike notice amid weekend contract talks, November 16, 2019, [www.cbcnews.ca](http://www.cbcnews.ca)
15. More than 3,000 CN workers on strike, shutting down Canada's biggest rail network, November 19, 2019, [www.globeandmail.ca](http://www.globeandmail.ca)
16. Canadian ministers meet with CN Rail, union in effort to avert strike, November 18, 2019, [www.cbc.ca](http://www.cbc.ca)
17. VIA Rail, Canada Infrastructure Bank look to hire engineering team for new Quebec City-Toronto line, November 18, 2019,

and yard personnel voted unanimously in favour of a strike. TCRC officials said in a press release that the union will provide CN at least 72 hours advance warning before taking any strike action, reported Progressive Railroading online. A legally mandated conciliation period ended on October 25, 2019. The union and CN have been in negotiations for six months and have been working with federal mediators for the past four months. The previous collective agreement between the parties expired on July 23, 2019.

### **5. Intermodal downturn continues in Q3**

Total intermodal volumes dropped 3.7 percent year-over-year in the third quarter of 2019, according to the Intermodal Association of North America's Intermodal Market Trends & Statistics report. International shipments nudged down 0.8 percent from 2018, while domestic containers and trailers fell 6.8 percent and 17.6 percent, respectively. "Looser trucking capacity, continuing uncertainty about Chinese tariffs, and tough comparisons to 2018 volumes are the primary factors driving intermodal traffic," said Joni Casey, president and CEO of IANA. "The rest of the year is projected to be flat, but a turnaround is anticipated by Q2 of next year."

### **6. CN Grain Movement: 2019-2020 Crop Year off to Good Start**

CN announced that its Western Canadian grain movements broke another record in the month of October 2019, with shipments of 2.8 million metric tonnes (MMT) of grain and processed grain products. The previous record, set in April 2019, was 2.7 MMT. This fall has been plagued with cold and wet weather which has negatively affected the pace of grain deliveries, leaving rail capacity significantly under-utilized. Despite harvest delays and international trade restrictions, CN has moved over 6.7 MMT so far this year. "We are all part of the same supply chain, and as a railway CN fully understands the impacts that weather can have on the end-to-end supply chain," said Allen Foster, vice president of Bulk at CN. "Investment at every step of the supply chain – from producers and grain companies to CN's investment in new hopper cars, increased network capacity, and a more modern locomotive fleet – all played a role in delivering a record month."

### **7. North America's Q3 intermodal volumes fall 3.7pc**

Total intermodal volumes declined by 3.7 per cent in the third quarter compared to the same period a year ago, the Intermodal Association of North America's *Intermodal Market Trends & Statistics* report shows. International shipments fell 0.8 per cent year on year, while domestic containers and trailers decreased 6.8 per cent and 17.6 per cent, reported the *American Journal of Transportation*. "Looser trucking capacity, continuing uncertainty about Chinese tariffs, and tough comparisons to 2018 volumes are the primary factors driving intermodal traffic," said IANA president Joni Casey. "The rest of the year is projected to be flat, but a turnaround is anticipated by Q2 of next year."

### **8. Canadian HFR: From Proposal to Project**

VIA Rail's proposed High Frequency Rail (HFR) network of dedicated passenger right-of-way linking Quebec City, Montreal, Ottawa and Toronto has moved from plan to project with the appointment of a British railway expert as team director. The *Toronto Globe and Mail* reported on Nov. 6, 2019 that Vernon Barker, formerly with Siemens Rail Systems and FirstGroup in the United Kingdom, will be charged with assembling a full-scale project team as the funding pitch for the C\$6 billion electrified line is readied for presentation to managers of Canada's huge public pension funds.

### **9. Three NS Trains Collide in Western Pennsylvania**

Three Norfolk Southern freight trains were involved in a November 2019 derailment in Hempfield, Pa., about three

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20. Labour negotiations update, November 21, 2019, [www.cn.ca](http://www.cn.ca)

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33. CN meets U.S. federal requirement to operate Positive Train Control on all required tracks ahead of schedule, November 25, 2019, [www.cn.ca](http://www.cn.ca)

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38. AAR: U.S. Rail Traffic Sees Gain—But It's Just Timing, November 27, 2019, [www.railwayage.com](http://www.railwayage.com)

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miles east of Greensburg, Pa. (near Pittsburgh), on the high-density Pittsburgh-Philadelphia double-track main line. There were no injuries and no hazmat spills. NS restored service on both main tracks early Nov. 10. The cause of the derailment remains under investigation.

#### **10. CP records best-ever month for Canadian grain transport**

Canadian Pacific moved more Canadian grain and grain products in October 2019 than any month in the company's history, delivering 2.66 million metric tonnes (MMT) to market. The high-capacity grain hopper cars now serving in CP's fleet helped to enable the record by increasing the amount of grain carried in each railcar. "This record is a testament to ongoing collaboration with our customers and innovation within the grain supply chain," said Joan Hardy, CP Vice-President Sales and Marketing, Grain and Fertilizers. "I thank our customers for their efforts, and the hard-working men and women of CP for delivering safely and efficiently for shippers, farmers and the broader economy." The October 2019 haul is the second time in calendar year 2019 that CP has set a monthly record for grain handled. In April 2019, CP moved 2.64 MMT of Canadian grain and grain products to market, breaking the prior record.

#### **11. Rail's priorities for the European Green Deal**

The EU and its Member States should implement a number of policy measures to set transport on a path to full decarbonisation by 2050, with a modal shift to rail, effective tools to implement 'user pays' and 'polluter pays' principles and proper funding for clean mobility. European railways are therefore proposing priority measures for the upcoming European Green Deal. European railways are calling on the European Commission, Parliament and Member States to agree on a strong European Green Deal, one that will help to progressively reduce to net-zero the greenhouse gas emissions from transport and from the wider economy by 2050 at the latest. As the existing green mode of motorised transport – thanks to very low externalities, high degrees of electrification and increasingly zero-carbon operation – they can greatly help greening transport. The European Green Deal should support their contribution.

#### **12. AAR: 45 Straight Weeks of U.S. Traffic Downturn**

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended Nov. 9, 2019, and, for this week, total U.S. weekly rail traffic was 515,269 carloads and intermodal units, down 5.9% compared with the same week last year. More "sensible actions" are certainly needed, as total carloads for the week ended Nov. 9 were 248,905 carloads, down 5.1% compared with the same week in 2018, while U.S. weekly intermodal volume was 266,364 containers and trailers, down 6.7% compared to 2018. One of the 10 carload commodity groups posted an increase compared with the same week in 2018. It was grain, up 342 carloads, to 21,855. Commodity groups that posted decreases compared with the same week in 2018 included commodities such as coal, down 9,577 carloads, to 75,180; miscellaneous carloads, down 843 carloads, to 10,944; and petroleum and petroleum products, down 741 carloads, to 12,617. Canadian railroads reported 83,174 carloads for the week, down 5.5%, and 68,361 intermodal units, down 5.9% compared with the same week in 2018. For the first 45 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 6,824,664 carloads, containers and trailers, up 0.4%.

#### **13. CN to cut jobs as trade wars, shaky North American economy take toll**

Canadian National Railway Co. is potentially cutting hundreds of jobs due to a slowdown in freight shipments that it blames on the wobbling North American economy and global trade wars. Canada's largest railway on November 15, 2019 confirmed it will lay off an undisclosed number of people. CN would not confirm reports that suggested it will cut 1,600 employees, but said layoffs have already started in both management and union jobs. "The company is adjusting its resources to demand. This includes the difficult decision of adjusting its workforce to demand levels ... due to a weakening of many sectors of the economy," CN spokesman Alexandre Boulé said in a statement.

#### **14. CN union gives Tuesday strike notice amid weekend contract talks**

Canadian National (CN) conductors, train persons and yard persons have given strike notice ahead of a November 19, 2019 deadline. The union, which represents 3,200 workers, provided the 72-hour notice on November 16, 2019 as contract negotiations continue during the weekend of November 15, 2019. The Teamsters Canada Rail Conference warned in October it was prepared to launch job action after over six months of unsuccessful talks. A strike could begin at 12:01 a.m. ET November 19, 2019 now that the notice has been given. The workers, mostly in major urban centres across Canada, have been without a contract since July 23, 2019. Union spokesperson Christopher Monette said the two sides hit a wall on safety issues and the union felt it had to take a stand.

#### **15. Canadian ministers meet with CN Rail, union in effort to avert strike**

Canada's Liberal government sent two ministers on November 18, 2019 to meet with representatives of Canadian National Railway and its largest union, as already hard-hit shippers pleaded for government intervention to avert a strike planned for early on November 19, 2019. The threatened strike by 3,000 workers with Teamsters Canada comes after CN, the country's largest railroad operator, said on November 15, 2019 that it would cut management and union jobs, as it grapples with softer economic conditions. Labour Minister Patty Hajdu and Transportation Minister Marc Garneau were to meet with representatives from CN and the union in Montreal, Hajdu's press secretary Veronique Simard said, following a stalemate in contract talks. CN said it believes a strike can be averted "with the assistance of

federal mediators," after Teamsters declined to submit to binding interest arbitration.

#### **16. More than 3,000 CN workers on strike, shutting down Canada's biggest rail network**

More than 3,000 Canadian National Railway Co. train operators went on strike just past midnight on November 19, 2019 morning, shutting down Canada's largest rail network. The workers, represented by Teamsters Canada Rail Conference, and CN failed to reach an agreement on a new contract after several months of mediated talks, the union said. "We're on strike," said Christopher Monette, a spokesman for the Teamsters. Talks to replace an agreement that expired in July are scheduled to continue today at a downtown Montreal hotel.

#### **17. VIA Rail, Canada Infrastructure Bank look to hire engineering team for new Quebec City-Toronto line**

Plans for a new multibillion-dollar passenger rail link between Toronto and Quebec City are taking another step as documents show March 31, 2021, is now the deadline for completing all engineering work before a final cabinet decision. The Canada Infrastructure Bank and VIA Rail are looking to hire a team of engineers by Dec. 19, 2019 to complete the detailed work. The new timelines and other details are in a request for proposal for engineer services recently posted on a contracting tender website. The search for help comes as VIA, an independent Crown corporation, launches a new marketing campaign for its plan, which it calls "high-frequency rail." VIA's promotional materials – including a video and an updated map – promise that dedicated passenger tracks "would completely change the way we travel."

#### **18. Talks to resume after union strikes against CN**

Canadian National Railroad said it will continue talks with the Teamsters Canadian Rail Conference despite the union's decision to launch a strike at 12.01 a.m. Eastern time on November 19, 2019.

#### **19. 'It is so critical to the economy': Industry leaders urge Trudeau to end CN Rail strike**

Pressure is mounting on the federal government to reconvene Parliament ahead of schedule and put a stop to the CN Rail strike, as industry groups tally up potential losses resulting from the work stoppage and raise concerns about the harm caused to the country's reputation abroad. About 3,200 conductors, trainpersons and yard workers walked off the job on November 19, 2019 after negotiations on a new contract with the railway were unsuccessful. The workers, who have been without a contract since July 23, say they're concerned about long hours, fatigue and what they consider dangerous working conditions. Talks continue between CN Rail and Teamsters Canada Rail Conference, although the impact is already being felt by many industries that rely on rail service. Leaders from a variety of sectors, such as agriculture and manufacturing, are urging the federal government to bring in back-to-work legislation.

#### **20. Labour negotiations update**

CN is advocating voluntary binding arbitration in its dispute with the Teamsters Canadian Rail Conference (TCRC-CTY), which represents approximately 3,200 of CN employees working as train conductors and railyard coordinators in Canada. For the last several months, CN has been working with the TCRC-CTY to negotiate a new collective agreement. Despite our efforts, the union leadership has rejected our offers and called a strike that is impacting our employees, our customers, and the Canadian economy. We have proposed to present our arguments to a neutral arbitrator to end this dispute, and we hope the union will be willing to do the same. Through binding arbitration, a neutral arbitrator would hear our positions and make a decision.

#### **21. CP to acquire Central Maine & Quebec Railway from FTAI**

Canadian Pacific and Fortress Transportation and Infrastructure Investors LLC announced they have entered into a definitive agreement whereby CP will acquire the Central Maine & Quebec Railway ("CMQ"). CMQ owns 481 miles (774 kilometres) of rail lines primarily in Quebec and Maine. The end-to-end transaction will provide CP customers with seamless, safe and efficient access to ports at Searsport, Maine and to Saint John, New Brunswick, via Eastern Maine Railway Company (EMRY) and New Brunswick Southern Railway (NBSR), thereby preserving and enhancing competition. "This strategic acquisition gives CP a true coast-to-coast network across Canada and an increased presence in the eastern U.S.," said CP President and CEO Keith Creel.

#### **22. U.S. Rail Traffic Still Waiting on Those "Sensible Actions"**

U.S. freight traffic could still use some help—which has been the case for some time now—as total carloads for the week ended Nov. 16, 2019 were 239,647 carloads, down 8.9% compared with the same week in 2018, while U.S. weekly intermodal volume was 261,602 containers and trailers, down 7.9% compared to 2018. For the first 46 weeks of 2019, U.S. railroads reported cumulative volume of 11,577,275 carloads, down 4.4% from the same point last year; and 12,249,836 intermodal units, down 4.6% from last year. Total combined U.S. traffic for the first 46 weeks of 2019 was 23,827,111 carloads and intermodal units, a decrease of 4.5% compared to last year. Canadian railroads reported 82,975 carloads for the week, down 4.4%, and 65,188 intermodal units, down 6.8% compared with the same week in 2018. For the first 46 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 6,972,827 carloads, containers and trailers, up 0.3%.

#### **23. CN strike could leave \$3.1-billion hole in the Canadian economy: TD**

The rail strike that began this week would take a multibillion dollar toll on Canada's economy if it's not resolved by the

time parliament resumes sitting next month. Conductors and yard operators at Canadian National Railway Co. walked off the job November 12, 2019, snarling shipments of key exports. Were the disruption to last until Dec. 5, 2019 when lawmakers resume work in Ottawa after an election in October 2019, it could crimp output by as much as \$3.1 billion (US\$2.3 billion), according to an analysis by Toronto-Dominion Bank economists Brian DePratto and Derek Burleton. That's equivalent to a nearly one-quarter percentage point loss in the fourth quarter.

#### **24. Deal gives CP access to eastern deep water seaport**

With a new connection to the deepwater port in Saint John, New Brunswick, Canadian Pacific Railway is ramping up the competition with rival Canadian National for inland intermodal cargo from the east coast of Canada.

#### **25. Why Freight Rail Needs Reform**

A lack of competition, outdated regulations, and a handicapped federal agency allow poor delivery service, failure to provide notice of fee changes, and inadequate customer service, making it harder for shippers to depend on freight rail. Those shippers include a substantial percentage of National Association of Chemical Distributors (NACD) members, such as Univar Solutions, who receive product via rail cars and depend on timely shipments to meet their customers' needs. Questionable demurrage policies and charges and the move toward Precision Scheduled Railroading (PSR) are making freight rail a less desirable option. Chemical distributors have been concerned about demurrage charges for years, but in the past 18 months some railroads have worsened the problem by reducing the time allowed to unload rail cars before being subject to demurrage fees.

#### **26. Tensions rise as CN Rail strike enters 5th day, talks still underway**

The strike at [CN Rail](#) is entering its fifth day with tensions rising — and still no end in sight. Meantime, the federal government is urging the railway and its striking workers to continue talks, suggesting it's the fastest, and fairest, way to resolve a dispute that has stopped freight trains across the country. Federal Transport Minister Marc Garneau told reporters in Montreal where the talks are going on that bargaining with the help of a mediator is the way to go. He says the legislation would be both undesirable and would take longer to get workers back on the job.

#### **27. Prolonged rail strike will impact trucking industry**

The effect of the current CN Rail strike could have both positive and negative impacts on the trucking industry in Western Canada when it comes to the movement of grain products like wheat, barley, and canola. Though trucking and rail can often be competing modes of transportation, Howard August, executive vice-president of Canadian operations for KAG Canada, said the two work more in tandem when it comes to hauling grain. "We cannot compete with rail's ability to move large volumes of grain long distances," said August. "We, of course, are not restricted by rail tracks, so our strength is the shorter distance moves." August said his trucking business will be impacted by a prolonged CN Rail strike — now in its fourth day — when the plants they haul into fill up but have no ability to move the product to the end user.

#### **28. CP extending its reach with new Montreal multi-commodity transportation and distribution terminal; TYT Group to operate it**

Canadian Pacific is leveraging its unique real estate holdings in establishing a new multi-commodity transload terminal that offers transportation and distribution services from CP's existing and strategically located Côte Saint-Luc yard in Montreal. In close collaboration with TYT Group, a proven Quebec-based freight transportation service provider, the transload terminal will offer reliable multi-commodity transload services and logistics solutions to customers in key urban centres along the east coast, helping further extend CP's reach to markets not directly served by rail.

#### **29. CP seeks to expand East Coast reach with Montreal transload facility**

Canadian Pacific Railroad is looking to enhance the services offered at its facility in Montreal, starting with the construction of a transload terminal that will open next year. It is planning to expand its reach to the East Coast from Montreal.

#### **30. CN strike triggers layoffs in Halifax as rail activity hits the brakes**

The ongoing CN strike has cost scores of Halifax rail workers their jobs — at least for now — as the labour stoppage continues to impact shipping across the country, the union representing the employees said on November 23, 2019. More than 250 staff at Canadian National Railway Co.'s Autoport terminal, which handles cars shipped in and out of Canada, recently received layoff notices, but CN later rescinded the notices for 180 employees, according to Unifor.

#### **31. CN strike prompts potash mine shutdown, triggering 550 temporary layoffs**

Canada's largest potash mine will temporarily shut down and lay off 550 employees, the latest casualties of a strike at Canadian National Railway Co. that has disrupted industries from fertilizer to farming. Nutrien Ltd. notified workers on November 25, 2019 that its mine in southeastern Saskatchewan will halt operations for two weeks starting Dec. 2, 2019. The vast majority of the Rocanville mine's product is shipped by CN Rail, which is now operating at 10 per cent capacity. The announcement comes two days after news broke of 70 short-term layoffs at CN's auto terminal in the Halifax area due to halted car shipments.

#### **32. CN intermodal generally fluid as strike hits one week**

There have been no serious backlogs yet at Canadian container ports as the Canadian National Railway strike enters its seventh day, but the harsh winter of 2017-18 showed that once a disruption occurs, congestion mounts rapidly.

### **33. CN meets U.S. federal requirement to operate Positive Train Control on all required tracks ahead of schedule**

CN announced on November 25, 2019 that it has successfully met the federal requirement to operate Positive Train Control (PTC) on all 35 of its U.S. subdivisions required to be equipped with PTC. This important achievement comes 13 months ahead of the December 2020 deadline. “This milestone is a testament to the tenacious dedication of our CN railroading family,” said Rob Reilly, executive vice-president and chief operating officer. “It has been a tremendous journey, full of challenges, and obstacles we overcame.”

### **34. CN and Conductors Reach Tentative Agreement**

CN on November 26, 2019 announced that a tentative agreement has been reached with 3,200 CN conductors and yard crews working on CN’s mainline and yards in Canada for a new collective agreement. This agreement will allow for CN employees to return to work at 2:00 p.m. local times today, and yard assignments will start at 06:00 a.m. local times tomorrow morning and there will be no job action during the ratification period. The results of the ratification votes are expected within 8 weeks.

### **35. Tentative deal reached between CN and Teamsters to end rail strike**

CN and the Teamsters Canada Rail Conference announced that a tentative agreement has been reached on behalf of 3,200 CN conductors and yard crews working on CN’s mainline and yards in Canada for a new collective agreement. The strike on Canada’s largest rail network brought to a halt much of Canada’s export commodities, everything from wheat to potash. It also raised fears of a shortage of propane in parts of country, used to heat homes, power hospital back-up generators and by farmers to dry crops after harvest..

### **36. Railway carloadings, September 2019**

The Canadian rail network carried 31.1 million tonnes of freight in September 2019, down 6.0% compared with September 2018. This marked the first decrease for the month of September since 2016. The non-intermodal operations accounted for all of the drop in the volume of cargo carried, declining 8.5% year over year to 24.6 million tonnes, driven by a sharp decline in shipments of iron ores and concentrates (-24.7% or -1 235 000 tonnes). This decrease came on the heels of a temporary shutdown of iron production at a Quebec-Labrador mine site in mid-September. Despite the overall drop in freight volumes, intermodal traffic in Canada remained steady, rising 1.7% from the same period last year to 3.0 million tonnes in September. Likewise, freight traffic coming from US rail connections increased 8.0% to 3.5 million tonnes

### **37. Five things to know about the CN Rail strike**

The week-long strike of about 3,200 workers at the Canadian National Railway Co. is set to end after the Teamsters Canada union reached a tentative agreement with the company. The work stoppage had [prompted an outcry from the agricultural sector](#), as well as politicians, demanding Ottawa end the impasse. Here are five things to know about the freight rail industry in Canada, CN’s role in it, and why the strike was causing such alarm. 1) The industry runs from coast to coast to coast, but also reaches internationally; 2) The railway carries mostly everything; 3) The domino effects of the strike were already being felt; 4) The striking workers asked for improvements in several areas; and 5) The pressure to end it was either binding arbitration or back to work legislation but fortunately bargaining ended it.

### **38. AAR: U.S. Rail Traffic Sees Gain—But It’s Just Timing**

For the week, ended Nov. 23, 2019, and [for the first time in a long time](#), traffic saw a healthy uptick. Total U.S. weekly rail traffic was 521,927 carloads and intermodal units, up 10.6% compared with the same week last year. Total carloads for the week ended Nov. 23 were 251,901 carloads, up 7.6% compared with the same week in 2018, while U.S. weekly intermodal volume was 270,026 containers and trailers, up 13.5% compared to 2018. For the first 47 weeks of 2019, U.S. railroads reported cumulative volume of 11,829,176 carloads, down 4.2% from the same point last year; and 12,519,862 intermodal units, down 4.3% from last year. Total combined U.S. traffic for the first 47 weeks of 2019 was 24,349,038 carloads and intermodal units, a decrease of 4.2% compared to last year. Canadian railroads reported 70,768 carloads for the week, down 16.4%, and 65,247 intermodal units, down 5.4% compared with the same week in 2018. For the first 47 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 7,108,842 carloads, containers and trailers, up 0.0%.

### **39. CN has plans to return rail network ‘back to normal operations’**

CN announced that it is implementing a recovery plan following the end of the eight-day long strike. “CN remains focused on growth and is already in recovery mode as our employees return to their normal shifts,” said JJ Ruest, president and chief executive officer of CN. “Overriding emphasis will be placed on safety as we implement a disciplined and progressive ramp up to avoid congestion that can overwhelm parts of the supply chain that are the most vulnerable.” According to CN, the strike caused its network to run at approximately 10 per cent capacity.

## HIGHWAY TRANSPORTATION

### 1. Couriers and Messengers Services Price Index, September 2019

The Couriers and Messengers Services Price Index (CMSPI) increased 0.1% in September 2019, following a 1.0% decline in August 2019. The couriers' component rose 0.3%, while the local messengers and local delivery component fell 0.2%. While fuel surcharges fell in September 2019, base prices increased. This led to a slight rise in the total index. Year-over-year the CMSPI rose 2.2% in September 2019 from the same month in 2018. Both the couriers (+2.2%) and the local messengers and local delivery (+2.1%) components increased.

### 2. Monthly Passenger Bus and Urban Transit, August 2019

Total operating revenues (excluding subsidies) for urban transit companies totalled \$324.8 million in August 2019. Ridership amounted to 140.5 million passenger trips over the same period.

### 3. CTA Lauds Report Calling for Tampering Enforcement, Champions Trucking's Enviro Record

The Canadian Trucking Alliance applauded a recent University of Toronto study calling for a crackdown on tampering of heavy truck emissions control technology but also pointed out the trucking industry should be proud of being the only freight mode that has virtually eliminated air pollutants from diesel engines and is the only one to use mandated carbon-reducing equipment. The two-year study published in the journal *Environmental Science & Technology* and involving researchers at the University of Toronto's Faculty of Applied Science & Engineering, claims large trucks are the greatest contributors to black carbon emissions close to major roadways. While it's the industry's mission to get any outstanding polluting trucks off the roadways, CTA points out that any trucks manufactured after 2007 virtually eliminate cancer-causing particulates. Since then, the industry has embraced the reduction of carbon emissions from the trucking industry and supported Phase I and Phase II Environment Canada regulations governing carbon reductions from heavy trucks. These regulations led to the "near zero emissions" diesel engine – as it's been dubbed by the Environmental Protection Agency – which will reduce carbon emissions from 241.1 megatonnes between 2020-2029 at a cost of \$6.1 billion to the industry.

### 4. Uber Freight expands into Canada

Online load broker Uber Freight is expanding into Canada, the company announced on October 30, 2019. The move comes on the heels of Uber Freight's recent expansion into Germany, the Netherlands and Poland as the company continues to scale its global operations. Uber said "Today, Uber Freight is facilitating loads in Ontario and Quebec, and across the border to Midwestern and Northeastern states in the U.S., with future plans to expand to the rest of Canada." It said carriers and their drivers based in the U.S. and Canada can use the Uber Freight app to run and grow their businesses with ease.

### 5. \$1.8B Regina Bypass project officially opened

The Government of Saskatchewan announced the completion of the Regina Bypass – the largest transportation infrastructure project in the province's history. "The opening of the Regina Bypass is an important milestone for our province and will greatly improve the transportation of goods in and out of our province's capital city," Premier Scott Moe said. "More importantly, the Regina Bypass will greatly improve the safety of our roads and highways for our families and industries." A ceremony was held on the Bypass to mark the opening. Crews completed a few finishing touches before the route opened to traffic on October 29, 2019. The Bypass will boost the provincial economy through the efficient movement of goods,

## HIGHWAY TRANSPORTATION Canada

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2. Monthly Passenger Bus and Urban Transit, August 2019, October 31, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. CTA Lauds Report Calling for Tampering Enforcement, Champions Trucking's Enviro Record, October 30, 2019, [www.ontruck.ca](http://www.ontruck.ca)
4. Uber Freight expands into Canada, October 30, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
5. \$1.8B Regina Bypass project officially opened, October 31, 2019, [www.ctl.ca](http://www.ctl.ca)
6. CTA Lauds Sask for Seeking Trucking Training Dollars, October 31, 2019, [www.ontruck.ca](http://www.ontruck.ca)
7. B.C. rolls out program to reduce GHG emissions from heavy-duty vehicles, October 31, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
8. J&R Hall Transport to open facility at CentrePort, November 1, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
9. UPS is ready for holiday volumes, November 7, 2019, [www.transportweekly.com](http://www.transportweekly.com)
10. Ontario Making Life Easier for People and for Businesses, November 8, 2019, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
11. Ontario Releases Visionary Consultation Blueprint for Improving Safety & Operational Performance of Trucking Sector, November 8, 2019, [www.ontruck.ca](http://www.ontruck.ca)
12. Rates remain under pressure: ACT, November 12, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
13. U.S. Secretary of Transportation Elaine L. Chao Announces \$900 Million Historic Investment in American Infrastructure, November 12, 2019, [www.dot.gov](http://www.dot.gov)
14. Purolator opens state-of-the-art Toronto facility, November 12, 2019, [www.todaysrucking.com](http://www.todaysrucking.com)
15. Driver Detention Worsening, say Carriers Polled in Study, November 13, 2019, [www.ontruck.ca](http://www.ontruck.ca)
16. September 2019 Freight Transportation Services Index (TSI), November 14, 2019, [www.dot.gov](http://www.dot.gov)
17. DHL invests \$136 million in new logistics hub, Nov. 16, 2019, [www.americanshipper.com](http://www.americanshipper.com)
18. CTA Supports Modernizing Labour Code but Cautions Feds Need to Mind Methods and Pace of Change, November 18, 2019, [www.ontruck.ca](http://www.ontruck.ca)
19. Quebec to allow LCVs in winter, November 18, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
20. September 2019 North American Transborder Freight Numbers, November 19, 2019, [www.bts.gov](http://www.bts.gov)
21. U.S. truck tonnage slid in October, November 20, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
22. Shippers continue to enjoy favorable conditions: FTR, November 21, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
23. TCA panel offers view from the top, November 21, 2019, [www.todaystrucking.com](http://www.todaystrucking.com)
24. Government of Ontario to Expand Use of Off-Road Vehicles, November 22, 2019, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)



reduce traffic congestion and improve safety. It is estimated that reduced collision rates because of the Bypass will result in \$2 to \$3 million in annual cost savings from property damage, injuries and fatalities. The savings in terms of human suffering are incalculable

#### **6. CTA Lauds Sask for Seeking Trucking Training Dollars**

The Canadian Trucking Alliance (CTA) is applauding the move by the Government of Saskatchewan to pursue federal training dollars for truck driver training. The Government of Saskatchewan wants Ottawa to include truck driver training as an eligible program as part of the federal government's required legislative changes to enable the Canada Student Loans Program to pilot potential variations across the country. "When it comes to training dollars, CTA wants to see its prospective students given

the same level of financial support as other sectors, and applauds the leadership shown by the Government of Saskatchewan in seeking this equity from Ottawa," said CTA president Stephen Laskowski.

#### **7. B.C. rolls out program to reduce GHG emissions from heavy-duty vehicles**

The B.C. Trucking Association (BCTA) has partnered with the provincial government to offer the new Heavy-duty Vehicle Efficiency Program. Under CleanBC, the joint initiative is intended to lower greenhouse gas (GHG) emissions, while helping fleets spend less money on fuel. "Heavy-duty vehicles produce approximately 35% of GHG emissions from road transportation in B.C., and fuel is one of the highest operating costs for our industry," said Dave Earle, BCTA president and CEO. "The CleanBC Heavy-duty Vehicle Efficiency Program will help industry tackle both challenges, putting fuel-saving technologies and practices within reach of more companies. BCTA strongly supports this program and the benefits it will bring to the environment and fellow British Columbians." The government will contribute \$1.4 million annually for up to three years for the new program.

#### **8. J&R Hall Transport to open facility at CentrePort**

CentrePort Canada welcomed nine new companies at its Winnipeg, Man., location, including trucking company J&R Hall Transport. Companies have either established operations or are in the process of building new facilities in the Brookside Business Park, a 15-acre, mixed-use industrial park at CentrePort within the rural municipality of Rosser.

#### **9. UPS is ready for holiday volumes**

Profit at United Parcel Service (UPS) has been increasingly partly because next-day and second-day deliveries in the US are booming as online shopping continues to grow in popularity and big e-tailers and retailers want to get packages shipped by air to customers within 24 hours. The company's next-day volume of core shipments is up 24 per cent, its second-day deliveries is up 17 per cent, leading to its best quarterly profit in the firm's 112-year history, UPS chief executive David Abney told *The Associated Press* during an interview. UPS has invested heavily in new, highly automated sorting facilities to handle the growing volume. The company will get a big test of that investment during the upcoming holiday season, when it expects to process 32 million packages daily and the number of shipments is likely to rise 50 per cent above the volume it normally handles. To prepare for the peak delivery season the company has "opened our new buildings early, so they're operating now, ready to go. We have the new aircraft in place. We've announced we're hiring 100,000 employees. But the big thing is because the machine, which is our network, is running so effectively right now, we believe that that carries right into peak. So, we are in solid shape," said Mr. Abney.

#### **10. Ontario Making Life Easier for People and for Businesses**

The Ontario government is continuing to connect people and businesses to places by reducing regulatory burdens and removing barriers to job creation and income growth. On October 8, 2019, Kinga Surma, Associate Minister of Transportation and Deepak Anand, MPP for Mississauga-Malton, met with leaders from Ontario's trucking industry to discuss a proposed multi-year action plan that will make life easier for professional truck operators to do business in Ontario while remaining focused on safety.

#### **11. Ontario Releases Visionary Consultation Blueprint for Improving Safety & Operational Performance of Trucking Sector**

The Province of Ontario on November 8, 2019 announced a visionary, two-year comprehensive blueprint which will lead the trucking industry through a series of consultations that will make highways safer by introducing modern techniques and approaches that expand the perspective and reach of enforcement to deal with non-compliant carriers, including Driver Inc. operators. The Action Plan, which outlined the process for this consultation, also included additional significant measures previously introduced in a Red Tape Bill by Prabmeet Singh Sarkaria, Associate Minister of Small Business and Red Tape Reduction, such as the introduction of an *integrated vehicle safety and emissions inspection program* and *long combination vehicle enhancements*.

#### **12. Rates remain under pressure: ACT**

ACT Research reports contract truckload rates fell to US\$2.28 per mile in the 2019 third quarter, down 2% year-over-

25. Trump restores \$7.6 billion for state highway projects, November 22, 2019, [www.americanshipper.com](http://www.americanshipper.com)

26. Uber loses license to operate in London over safety issues, November 25, 2019, [www.cargonews.com](http://www.cargonews.com)

27. FedEx delivery robots seen in New York City, November 25, 2019, [www.inboundlogistics.com](http://www.inboundlogistics.com)

28. Ontario Announces E-Scooter Pilot to Help Grow Ontario's Economy, November 27, 2019, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

29. BCTA opposes tunnel option to replace existing George Massey Tunnel, November 27, 2019, [www.todaysrucking.com](http://www.todaysrucking.com)

year. In its ACT Freight Forecast, U.S. Rate and Volume Outlook, the industry forecaster suggested further declines are in data,” said Tim Denoyer, ACT Research’s vice-president and senior analyst. “It will be gradual, but we think spot rates will turn positive in mid-2020. Meanwhile, for-hire freight volume continues to be soft, pressured by ongoing private fleet capacity additions, so we don’t think we’ve seen the worst of the contract rate pressure yet.”

### **13. U.S. Secretary of Transportation Elaine L. Chao Announces \$900 Million Historic Investment in American Infrastructure**

U.S. Secretary Elaine L. Chao on November 12, 2019 announced that the Trump Administration will invest \$900 million in American infrastructure through the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants program. The funding has been awarded to 55 projects in 35 states. “The Administration is targeting BUILD Transportation grants to repair, rebuild, and revitalize significant infrastructure projects across the country,” said U.S. Secretary of Transportation Elaine L. Chao.

### **14. Purolator opens state-of-the-art Toronto facility**

On November 12, 2019, Purolator held the official opening of its new state-of-the-art terminal in the city, part of the company’s network expansion that will help process an estimated 35 million packages this holiday season. The terminal – the first of five new facilities across Canada – is a complement to Purolator’s national super hub, which it announced in June 2019 and is planned to open in 2021. The company is expected to announce additional phases of its network expansion in 2020. According to John Ferguson, Purolator’s president and CEO, who was on hand for the opening along with Toronto Mayor John Tory, the expansion will increase capacity, speed and consumer convenience and help the company prepare for future growth.

### **15. Driver Detention Worsening, say Carriers Polled in Study**

Carriers, shippers and brokers agree that driver detention is a major problem in the supply chain, but solving the issue requires a “delicate balancing act with no side willing to take full blame,” states a report examining the detention issue, released by the Transportation Intermediaries Association in the U.S.

### **16. September 2019 Freight Transportation Services Index (TSI)**

The US Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 2.5% in September 2019 after reaching a new all-time high in August 2019, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS). From September 2018 to September 2019, the index fell 0.1% compared to a rise of 7.2% from September 2017 to September 2018

### **17. DHL invests \$136 million in new logistics hub**

DHL Express has opened a new logistics center in western Germany that will help meet the rising demand across Europe for express e-commerce shipments. Located at Cologne-Bonn Airport, the 15,000-square meter (m<sup>2</sup>) hub features cutting edge sorting technology and entailed an investment by DHL of 123 million euros (\$136 million). “We expect continued growth in the coming years, especially in cross-border e-commerce trade,” explained Travis Cobb, DHL Express’ Executive Vice President of Global Network Operations.

### **18. CTA Supports Modernizing Labour Code but Cautions Feds Need to Mind Methods and Pace of Change**

With the federal election now behind us, the Canadian Trucking Alliance is urging Ottawa to work with the industry to preserve exemptions to new labour provisions and to continue efforts to modernize the Canada Labour Code in a balanced way that considers the operational realities of the trucking industry. With a new cabinet set to be announced on November 20, 2019 CTA is encouraging Ottawa to solidify into regulation the exemptions related to the scheduling of workers while also working with the trucking industry as it consults on other proposed changes, such as the introduction of a new Administrative Monetary Penalty (AMPs) regime, efforts relating to new pay equity and pay transparency rules, and new requirements relating to accessibility. “CTA agrees the Canada Labour Code should reflect the values of a modern Canadian society and supply chain – the two are not mutually exclusive,” says CTA president Stephen Laskowski. “At the same time, though, the government must recognize the complexity, scale, and diversity of our industry. Applying monolithic solutions to such a diverse and unique sector does not always work.”

### **19. Quebec to allow LCVs in winter**

The Quebec Ministry of Transport (MTQ) was quick to follow the trend towards more flexible traffic regulations for long combination vehicles (LCVs) recently observed in Ontario. The MTQ officially announced on November 18, 2019 that changes to the traffic conditions of LCVs in Quebec will come into force on Nov. 28, 2019. The authorities say they have taken into account economic developments to update the standards dating back to 2014. The most significant change is related to the winter period, specifically the months of December, January and February, when LCVs will be allowed to circulate, with the exception of holidays and Dec. 26. LCV traffic will also be allowed on Sundays.

### **20. September 2019 North American Transborder Freight Numbers**

The Bureau of Transport Statistics on November 19, 2019 released its transborder freight statistics between the U.S. and other North American countries (Canada and Mexico) for September 2019. For the North American countries: 1.

Total Transborder Freight was \$101.4 billion by all modes of transportation, down 0.2% compared to September 2018. 2. Trucks moved \$64.0 billion of this total freight, up 1.1% compared to September 2018. 3. Railways moved \$14.8 billion of this total freight, down 1.9% compared to September 2018. The U.S.-Canada total freight (in both directions) by mode was: Truck: \$28.9b; Rail: \$8.0b; Pipeline: \$5.5b; Air: \$3.1b; and Vessel: \$2.5b

#### **21. U.S. truck tonnage slid in October**

U.S. for-hire truck tonnage slipped 0.3% in October 2019, according to the latest data from the American Trucking Associations (ATA). That comes on the heels of a 1% bump in September 2019. "October's tonnage change, both sequentially and year-over-year, fits with an economic outlook for more moderate growth in the fourth quarter," said ATA chief economist Bob Costello. "The ongoing slowdown in manufacturing activity also weighed on truck tonnage last month." Compared to October 2018, tonnage was up 1.7% seasonally-adjusted, marking the smallest year-over-year gain since June 2019. The index is up 3.9% year-to-date over the same period last year.

#### **22. Shippers continue to enjoy favorable conditions: FTR**

Conditions in the U.S. continued to favor shippers in September 2019. FTR's Shippers Conditions Index remained in positive territory at a 6.4 reading. While fuel pricing rose, freight volumes, capacity utilization and logistics cost factors all favored shippers. FTR projects the index to trend towards neutral through 2020, as freight demand softens and capacity utilization firms. "Shippers' place in the freight market remains solidly positive as the year moves into its final quarter," said Todd Tranausky, vice-president, rail and intermodal with FTR. "We expect shippers' position in the marketplace to slowly deteriorate in 2020 as capacity tightens and freight demand recovers."

#### **23. TCA panel offers view from the top**

Canadian Trucking Alliance (CTA) chief Stephen Laskowski is encouraged that increased regulatory scrutiny is being paid to the trucking industry, and hopes it will continue to be targeted at the bad actors. "If we are going to change, whether it be truck safety or the image of the industry, there is no point in asking government to continue to focus on the top," Laskowski said at the Truckload Carriers Association's Bridging Border Barriers conference Nov. 20. "They're motivated by their own business ethics to do that. The great opportunity is, government is now waking to the reality we do have a bottom to the industry and that is where we should focus our attention."

#### **24. Government of Ontario to Expand Use of Off-Road Vehicles**

The Ontario government is putting people first by reducing regulatory burdens and removing barriers that will make life easier for off-road vehicle riders. Caroline Mulroney, Minister of Transportation, was at Edge Performance in Bradford to announce plans to allow off-road vehicle riders easier access to roadways, connecting them to more trail networks in more communities across the province. "We know that municipalities are in the best position to decide how these types of off-road vehicles can be safely integrated into their communities," said Mulroney. "This is another example of how our government wants to get out of the way and support local decision making to further encourage tourism and economic prosperity."

#### **25. Trump restores \$7.6 billion for state highway projects**

President Donald Trump has signed off on legislation blocking a planned cut of \$7.6 billion worth of Highway Trust Fund (HTF) money set aside for state highway projects. The Further Continuing Appropriations Act, signed on Nov. 21, keeps money flowing to federal agencies through Dec. 20, thus avoiding a pre-Thanksgiving government shutdown. The bill, which extends funding for programs such as Medicare and Medicaid, also includes a measure eliminating a billion-dollar rescission of HTF contract authority within each of the 50 states that was set to occur on July 1, 2020.

#### **26. Uber loses license to operate in London over safety issues**

London's transit authority said on November 25, 2019 it is not renewing Uber's license to operate in the British capital, dealing a major setback to the ride-hailing company. The non renewal decision was due to safety issues. Uber vowed to appeal the decision and has 21 days to do so. The company can continue operating while the appeals process is under way.

#### **27. FedEx delivery robots seen in New York City**

As part of a promotion, FedEx sent out its' SameDay Bots — also known as Roxos — on the streets of New York City in the third week of November 2019. FedEx stated, "The Bot was visiting New York for a special event. Future testing plans are not yet determined." The SameDay Bots are undergoing testing in other markets. They use artificial intelligence, motion sensors and stair-climbing wheels to travel on sidewalks and along roads.

#### **28. Ontario Announces E-Scooter Pilot to Help Grow Ontario's Economy**

As part of the government's plan to help businesses expand and allow consumers and commuters more choice, Vijay Thanigasalam, Parliamentary Assistant to Caroline Mulroney, Minister of Transportation, announced a 5-year e-scooter pilot that will begin on January 1, 2020. E-scooters have the potential to help hundreds of thousands of commuters get to transit connections, reduce congestion and open the Ontario market to a new and growing sector. Under the pilot, municipalities can choose whether to allow e-scooters on their roadways. "Ontario's five-year e-scooter pilot will give people a new, clean and green way to get from point A to point B in their communities," said Thanigasalam. "This pilot

is another way that our government is giving consumers more choice and making Ontario open for business."

### **29. BCTA opposes tunnel option to replace existing George Massey Tunnel**

The B.C. Trucking Association (BCTA) believes the proposed eight-lane tunnel which would replace the existing George Massey Tunnel (GMT) is not only a less safe and costlier option than a bridge, but would also be more harmful to the environment. BCTA president and CEO Dave Earle voiced his opposition to the replacement tunnel, saying it would not address one of the most concerning issues with the current tunnel – congestion. The Metro Vancouver Board gave the thumbs up to the proposed replacement tunnel Nov. 1, 2019 a recommendation that will now go the province for review and public consultation.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. Pelosi calls USMCA ‘easiest trade deal,’ Sees vote when ready**

House Speaker Nancy Pelosi said President Donald Trump’s new NAFTA deal is the “easiest trade deal that we’ve ever done.” “We’re on a path to yes, and I think every day brings us closer to agreement,” Pelosi told a roundtable with Bloomberg reporters and editors on November 1, 2019. “I’d like to have it done as soon as it’s ready. I wouldn’t rule it out next year. Hopefully we can do it sooner, but I said when it’s ready we’ll do it.” Democratic negotiators and the Trump administration are close to finalizing fixes to the U.S.-Mexico-Canada Agreement, Pelosi said on November 1, 2019, adding that she believes the deal could serve as a template for future trade agreements if they get it right.

#### **2. Inside Supply Chain Innovation**

What are the top supply chain differentiators and innovation drivers? According to the findings of BluJay Solutions' Research on Supply Chain Priorities and Investments, the following are important: 1. Customer experience (reigns supreme). 2. Growing demand for real-time visibility and BI/analytics. 3. Connecting the ecosystem. 4. Making supply chain a C-suite conversation.

#### **3. European Autos Surge to Six-Month High on Trade Optimism**

European automotive stocks soared to the highest level in six months after U.S. Commerce Secretary Wilbur Ross said the White House may not need to put tariffs on imported cars later this month. The Stoxx 600 Automobiles & Parts Index jumped as much as 3.1% on November 4, 2019 and was the best-performing sector in Europe after Ross told Bloomberg Television on November 3, 2019 that the U.S. has had “good conversations” with automakers in the European Union, Japan and elsewhere. Progress on a U.S.-China trade deal also emerged from a meeting between Ross and Chinese Premier Li Keqiang, further boosting investors’ sentiment on the tariff-sensitive car industry. Ross met with Li Monday during a regional summit in Bangkok, according to a person familiar with the discussion, hours after the U.S. cabinet member said a first phase of a trade deal between the countries is “very far along.” The threat of U.S. tariffs on cars from the EU has been holding back stocks for awhile, so, “these comments are a welcome boost at a time when the sector appears to be stabilizing,” Michael Hewson, chief market analyst at CMC Markets UK, said by email. Other trade-sensitive sectors including mining and steel also rallied on November 4, 2019.

#### **4. GDP in US increases 1.9pc in Q3 as consumer spending rises 2.9pc**

Gross domestic product in the US rose at an annual rate of 1.9 per cent in the third quarter, according to data compiled by the Department of Commerce's Bureau of Economic Analysis (BEA). "The US economy continues its steady growth in defiance of media sceptics calling for a

## **GENERAL TRANSPORTATION**

### **Canada**

1. Pelosi calls USMCA ‘easiest trade deal,’ Sees vote when ready, November 1, 2019, [www.ajot.com](http://www.ajot.com)
2. Inside Supply Chain Innovation, November 4, 2019, [www.inboundlogistics.com](http://www.inboundlogistics.com)
3. European Autos Surge to Six-Month High on Trade Optimism, November 4, 2019, [www.ajot.com](http://www.ajot.com)
4. GDP in US increases 1.9pc in Q3 as consumer spending rises 2.9pc, November 6, 2019, [www.transportweekly.com](http://www.transportweekly.com)
5. Artificial intelligence will be good for workers: study, November 5, 2019, [www.ctl.ca](http://www.ctl.ca)
6. Transport Innovations from the Global South, November 6, 2019, [www.itf-oecd.org](http://www.itf-oecd.org)
7. House Democrat Neal talks new NAFTA with Trudeau, Freeland and Hadju, November 6, 2019, [www.ctl.ca](http://www.ctl.ca)
8. China says U.S. agrees to phased tariff rollback if deal reached, November 7, 2019, [www.ajot.com](http://www.ajot.com)
9. Trump and Powell Put Trade, Fed Center Stage, November 9, 2019, [www.ajot.com](http://www.ajot.com)
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11. US imports from China crash 25% as trade diversification accelerates, November 8, 2019, [www.americanshipper.com](http://www.americanshipper.com)
12. A Greener Supply Chain, November 12, 2019, [www.inboundlogistics.com](http://www.inboundlogistics.com)
13. Driving ITF engagement beyond transport, November 14, 2019, [www.itf-oecd.org](http://www.itf-oecd.org)
14. Walmart Canada and DLT Labs™ launch world’s largest full production blockchain solution for industrial application, November 14, 2019, [www.inboundlogistics.com](http://www.inboundlogistics.com)
15. Joe Biden wants to launch low-carbon transportation strategy, November 14, 2019, [www.americanshipper.com](http://www.americanshipper.com)
16. Statistics Canada Releases New Publications, November 15, 2019, [www.statcan.gc.ca](http://www.statcan.gc.ca)
17. Kudlow feeds optimism that a China trade deal is within reach, November 15, [www.ajot.com](http://www.ajot.com)
18. Integrated transport for regional development, November 18, 2019, [www.itf-oecd.org](http://www.itf-oecd.org)
19. OECD GDP growth slows to 0.3% in the third quarter of 2019, November 20, 2019, [www.transportweekly.com](http://www.transportweekly.com)
20. Federal Government Announces New Cabinet; Hon. Marc Garneau Remains Minister of Transport, November 20, 2019, [www.westac.com](http://www.westac.com)
21. Alberta’s Transportation Minister underlines the importance of a western trade corridor at WESTAC’s Fall Forum, November 21, 2019, [www.westac.ca](http://www.westac.ca)
22. U.S. Department of Transportation Seeks Public Input for Innovation Council, November 26, 2019, [www.dot.gov](http://www.dot.gov)
23. Global trade continues at moderate pace,

recession," US Commerce Secretary Wilbur Ross told the American *Journal of Transportation*. "Since President Trump took office wages have surged, unemployment has hit record lows and poverty has fallen

November 28, 2019, [www.transportweekly.com](http://www.transportweekly.com)  
24. Freeland in a divided Washington for new NAFTA talks with U.S. and Mexico, November 28, 2019, [www.canadianshipper.com](http://www.canadianshipper.com)

for all Americans, including the country's most vulnerable," said Mr. Ross.

#### **5. Artificial intelligence will be good for workers: study**

Are machines going to steal our jobs? That is the question that keeps popping up in light of the rapid progress of artificial intelligence (AI). Research shows, however, that such fears about the adverse impact of AI on employment are largely exaggerated, according to a study published by the Montreal Economic Institute (MEI). "There is no doubt that artificial intelligence will transform the labour market, and we should certainly not disregard the plight of affected workers. We must keep in mind, though, that more jobs will be created than destroyed," says Gaël Campan, Senior Associate Researcher at the MEI and co-author of the publication.

#### **6. Transport Innovations from the Global South**

Innovative mobility solutions do not always originate in technologically advanced countries. Poorer countries' need to organise mobility with limited means has spawned many creative solutions to help citizens to get from A to B or transport goods. Many of these practices can inspire better transport solutions in the developed world - but often the Global South is overlooked as a hub of good ideas. A new report released by the International Transport Forum highlights solutions emanating from the Global South and encourages policy makers to look at them as sources of inspiration for innovation. "Transport Innovations from the Global South: Case Studies, Insights, Recommendations" discusses benefits and challenges of implementing these solutions in the Global North.

#### **7. House Democrat Neal talks new NAFTA with Trudeau, Freeland and Hadju**

An influential American Democratic lawmaker affirmed his party's commitment to push the ratification of the new North American free trade deal during a visit on November 6, 2019 with the newly-re-elected Trudeau Liberals. "We want to see this implemented," said Democrat Rep. Richard Neal, chairman of the U.S. House of Representatives ways and means committee. The committee he leads oversees trade which means he will play a key role in bringing ratification of the new United States-Mexico-Canada-Agreement to the floor of Congress.

#### **8. China says U.S. agrees to phased tariff rollback if deal reached**

China and the U.S. have agreed to roll back tariffs on each other's goods in phases as they work toward a deal between the two sides, a Ministry of Commerce spokesman said. "In the past two weeks, top negotiators had serious, constructive discussions and agreed to remove the additional tariffs in phases as progress is made on the agreement," spokesman Gao Feng said on November 7, 2019. "If China, U.S. reach a phase-one deal, both sides should roll back existing additional tariffs in the same proportion simultaneously based on the content of the agreement, which is an important condition for reaching the agreement," Gao said. If confirmed by the U.S., such an understanding could help provide a road-map to a deal de-escalating the trade war that's cast a shadow over the world economy. China's key demand since the start of negotiations has been the removal of punitive tariffs imposed by President Donald Trump, which by now apply to the majority of its exports to the U.S. Stocks rallied, with Hong Kong's Hang Seng Index climbing 0.6%. European shares and U.S. stock futures jumped. The yuan strengthened.

#### **9. Trump and Powell Put Trade, Fed Center Stage**

The two biggest players in the U.S. economy will take the stage in the second week of November 2019, as President Donald Trump and Federal Reserve Chairman Jerome Powell speak amid signs the nation's trade war with China may be thawing. Trump will deliver a speech at the Economic Club of New York on November 12, 2019, with investors hoping he sheds light on a planned initial deal with China. Any comments on trade from the president could prove key to Powell's outlook when he testifies before lawmakers in Washington on November 13 and 14, 2019—his first major appearances since the U.S. central bank cut rates last month and signaled its easing plans were now on hold. "While the current warming trend on the trade front and favorable market response may be mitigating the need for a December 2019 rate cut, we continue to expect a need for further accommodation—simply executed at a slightly later date. Powell will have the opportunity to reiterate such a message this week."

#### **10. EU's competition commissioner is optimistic about artificial intelligence article**

Margrethe Vestager said she sees "no limit to how AI can support what we do as humans", adding that human supervision will play a crucial role in regulating the technology. She also reiterated that she is not looking to break up Big Tech companies, arguing that doing so would not only be unnecessary from a competition standpoint, it could create more problems than it solves.

#### **11. US imports from China crash 25% as trade diversification accelerates**

After the United Nations criticized U.S. trade policy protectionism and the damage it is doing to the multilateral trading system last week, a follow-up report published November 5, 2019 claims U.S. consumers and Chinese exporters are the primary losers in the ongoing U.S.-China trade war. It argues that "consumers in the U.S. are bearing the heaviest brunt

of the U.S. tariffs on China, paying higher prices for imported goods.” China is also “losing billions due to the raging trade war,” while Mexico, Taiwan, the European Union and Vietnam are gaining as manufacturers switch production and Chinese exporters target new markets — trends that are accelerating. “United States tariffs against China have resulted in a reduction in imports of the tariffed products by more than 25%,” noted the report by trade analyst Alessandro Nicita in a paper commissioned by the Switzerland-based U.N. Conference on Trade and Development.

## **12. A Greener Supply Chain**

Much has been written about the recent US-based Business Roundtable event, where 181 CEOs announced their commitment “to lead for the benefit of all stakeholders,” not just shareholders. The implications will ripple through boardrooms around the country, as the event redefined the purpose of a corporation as one that serves — equally — shareholders, communities and suppliers, among others. As expressed by attendees, this means that traditional practices must be measured against the impact on others, with corporate social responsibility elevated to executive decision making (and not simply promoted in one’s press release materials). The announcement coincides with a global corporate shift towards sustainable transportation practices. While most maintain that reducing carbon emissions is the responsibility of all corporate citizens (as well as private), it should be noted that the socially responsible move also makes — in many instances — sound economic sense.

## **13. Driving ITF engagement beyond transport**

Engaging beyond the transport sector is central to Secretary-General Young Tae Kim’s strategic vision for the ITF (International Transport Forum). Developing relationships in areas including energy, urban development, tourism and telecommunications will allow the transport sector to transform. With this aim, the ITF, represented by Pierpaolo Cazzola (Advisor on Energy, Technology and Environmental Sustainability) and Jari Kauppila (Head of Quantitative Policy Analysis and Foresight), participated for the first time in the G20 Transport Task Group (TTG) meeting, held in Tokyo, Japan, from 28 to 31 October 2019. The TTG was established in 2015 by the G20 to identify and exchange best practices among G20 countries on the implementation of cost-effective energy efficiency and emission control measures. It provides domestic support and enhances capability for action to reduce the energy and environmental impacts of motor transport, especially heavy-duty vehicles. It is hosted by the International Partnership for Energy Efficiency Cooperation (IPEEC), an autonomous partnership of nations founded in 2009 by the Group of 8 (G8) to promote collaboration on energy efficiency.

## **14. Walmart Canada and DLT Labs™ launch world’s largest full production blockchain solution for industrial application**

Walmart Canada and DLT Labs™ on November 14, 2019 announced the launch of Walmart Canada’s blockchain-based freight and payment network, the world’s largest full production blockchain solution for any industrial application. The new system uses distributed ledger technology to track deliveries, verify transactions, and automate payments and reconciliation among Walmart Canada and its carriers which deliver inventory to over 400 retail stores across Canada annually. All Walmart Canada’s third-party carriers are scheduled to be live by February 1, 2020. The solution is accessible using a web portal and an easy to use mobile application.

## **15. Joe Biden wants to launch low-carbon transportation strategy**

Former vice president and Democrat presidential candidate Joe Biden is promoting a “new generation” of low-carbon trucking, shipping and aviation technologies through a plan to invest \$400 billion over 10 years in a federal clean energy research program. The proposal is part of a 10-year, \$3 trillion infrastructure plan announced on Nov. 14, 2019 that he says his administration would roll out if he’s elected president in 2020.

## **16. Statistics Canada Releases New Publications**

Statistics Canada has released three publications. These publications are: 1. Transportation Data and Information Hub: "Activity indicators - Transportation Data and Information Hub", Catalogue number [Catalogue number50-502-X2018001](#), (HTML); 2. Transportation Data and Information Hub: "Selected components of the transportation system in Canada", Catalogue number [Catalogue number50-502-X2018002](#), (HTML); and 3. Transportation Data and Information Hub: "Performance indicators - Transportation Data and Information Hub", Catalogue number [Catalogue number50-502-X2018003](#), (HTML). They are available on its website [www.statcan.gc.ca](http://www.statcan.gc.ca)

## **17. Kudlow feeds optimism that a China trade deal is within reach**

Investors are dissecting every utterance from the U.S. and China for signs of progress or imminent failure of phase one of a big trade deal. The latest commentary from the Chinese side put hardly any emphasis on how close they are to a signing ceremony date. The two are talking and “China is willing to work with the U.S. to address each other’s core concerns and to create conditions for reaching a phase-one agreement,” Ministry of Commerce spokesman Gao Feng said on November 14, 2019. White House economic adviser Larry Kudlow, speaking to reporters after an event late on November 14, 2019 in Washington, injected a little more color and optimism on the timetable. He said the U.S. is communicating “every single day now” with their counterparts in Beijing. While it’s not a done deal yet, “we’re coming down to the short strokes,” he said.

### **18. Integrated transport for regional development**

Economic growth, environmental sustainability and social inclusion...the goals of a truly integrated transport system which serves regional development were at the heart of ITF Secretary-General Young Tae Kim's opening plenary speech at the 48th APEC Transportation Working Group. The Group, meeting in Moscow, Russia, from 18 to 21 November, aims to achieve the liberalisation of transport services and works to enhance the safety of APEC (Asia-Pacific Economic Cooperation) transport systems to encourage economic development. It also seeks to balance security, safety and environmental requirements with trade facilitation.

### **19. OECD GDP growth slows to 0.3% in the third quarter of 2019**

Growth of real gross domestic product (GDP) in the OECD area slowed marginally to 0.3% in the third quarter of 2019, compared with 0.4% in the previous quarter, according to provisional estimates. Among the Major Seven economies, GDP growth slowed markedly in Japan (to 0.1%, compared to 0.4% in the previous quarter). GDP growth was stable in the United States (at 0.5%) and it remained stable in France (at 0.3%) and Italy (at 0.1%) for the third and fourth consecutive quarter, respectively. GDP growth picked-up in the United Kingdom and Germany (to 0.3% and 0.1%, respectively, following a contraction of 0.2% in both countries in the previous quarter). GDP growth was stable in the euro area (at 0.2%) while it picked-up marginally in the European Union (to 0.3% compared with 0.2% in the previous quarter). Year-on-year GDP growth for the OECD area was stable at 1.6% in the third quarter of 2019. Among the Major Seven economies, the United States recorded the highest annual GDP growth (2.0%), while Italy recorded the lowest annual growth (0.3%).

### **20. Federal Government Announces New Cabinet; Hon. Marc Garneau Remains Minister of Transport**

Prime Minister Trudeau announced changes to the Federal Cabinet on November 20, 2019. Marc Garneau retains his portfolio as Minister of Transport. Since his initial appointment in 2015, Minister Garneau has worked to move forward with important measures to improve safety across all modes of transportation like Canada's new Passenger Bill of Rights and the Oceans Protection Plan. WESTAC congratulates Minister Garneau and looks forward to continuing to work with him and the Government of Canada.

### **21. Alberta's Transportation Minister underlines the importance of a western trade corridor at WESTAC's Fall Forum**

The Honourable Ric McIver, Minister of Transportation, Government of Alberta opened WESTAC's Fall Member Forum in Calgary in the second week of November 2019 with a reminder that Canada's western provinces cumulatively exported in excess of \$211 billion (merchandise value), the equivalent of 36.2% of Canada's total exports. "It's pretty clear that trade is a critical aspect to all four western provinces, and this underlines the need for infrastructure and good policy that enables the movement of goods and services. As such we have no shortage of work ahead," he said.

### **22. U.S. Department of Transportation Seeks Public Input for Innovation Council**

The U.S. Department of Transportation on November 26, 2019 published a Request for Comment (RFC) inviting the public and stakeholders to share public comments on how the Non-Traditional and Emerging Transportation (NETT) Council can be responsive to the needs of the public and industry. U.S. Transportation Secretary Elaine L. Chao said "The NETT council was established to provide a common portal to the Department's decentralized modes to better engage with new technologies which are cross-modal; the Department is seeking input on how to make the NETT council work more effectively to prepare for the transportation system of the future."

### **23. Global trade continues at moderate pace**

The DHL Global Trade Barometer (GTB) indicates a further contraction in world trade for the next three months. The overall trade outlook is reduced by -2 points, to a new index value of 45. That means that global trade continues to lose momentum, albeit mildly. Against the previous updates, the downward tendency is largely moderate and steady, neither indicating an acceleration of the decline nor a bottoming out. Except India, all surveyed countries are affected by the deceleration and record indexes below the 50-points-threshold of no growth. The overall decline was driven by minor decreases in both, air and containerized ocean trade. Air trade declined by -3 to 42 points, and containerized ocean trade by -2 to 46 index points. "According to the DHL Global Trade Barometer the year will probably end with moderate world trade. However, we've to bear in mind where we come from: The rapid growth world trade has undergone in recent years was like climbing the Mount Everest. Now, we are on the descent, but we are still breathing altitude air", Tim Scharwath, CEO of DHL Global Forwarding, Freight, says.

### **24. Freeland in a divided Washington for new NAFTA talks with U.S. and Mexico**

Deputy Prime Minister Chrystia Freeland wrapped up a meeting on November 27, 2019 in the American capital aimed at finding the bipartisan agreement needed to finalize a new North American trade deal saying they continue to make progress. The session involved U.S. Trade Representative Robert Lighthizer and Mexican Undersecretary for North America Jesus Seade. "Today it was a good meeting, good work has been done," Freeland said after a session that lasted about an hour. Freeland said she will continue to be in close communication with her counterparts during the next few days, but suggested no talks were planned on Nov. 28, 2019, when Americans celebrate Thanksgiving Day.