

Transportation Information Update*

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AIR TRANSPORTATION

1. Air Canada Named 2019 Airline of The Year by Global Traveler

Air Canada has been recognized as the 2019 Airline of the Year by *Global Traveler*, the leading magazine for luxury business and leisure travellers. Calin Rovinescu, President and Chief Executive of Air Canada said "I am very pleased that Air Canada has been named the 2019 Airline of The Year by *Global Traveler*. The success we have had transforming our airline into a leading global carrier is being recognized worldwide and we continue to invest in new aircraft, onboard services, airport amenities and a new Loyalty program to build on our leading position. Mostly, however, this award recognizes the hard work of our employees and their commitment to deliver customer service excellence every day, for which I thank them."

2. Air Canada to Increase Service to Paris From Montreal and Toronto for Summer 2020

Air Canada on December 3, 2019 announced that it will increase service to Paris from Montreal and Toronto for the upcoming summer season. Between July 2 and August 28, 2020 Air Canada will operate three additional flights per week from Montreal and four additional flights from Toronto to Paris-Charles De Gaulle Airport.

3. Air Cargo Peak Season off to Slow Start, Annual Demand down 3.5% in October

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), decreased by 3.5% in October 2019, compared to the same period in 2018. This marks a weak start to the traditional peak season for air cargo and the twelfth consecutive month of year-on-year declines in freight volumes. Freight capacity, measured in available freight tonne kilometers (AFTKs), rose by 2.2% year-on-year in October 2019. Capacity growth has now outstripped demand growth for the 18th consecutive month. Over the past year, air cargo has suffered from the effects of the trade war between the US and China, the deterioration in global trade, and a broad-based slowing in economic growth.

4. Moderate Slowdown in Passenger Demand Growth

The International Air Transport Association (IATA) announced global passenger traffic data for October 2019 showing that demand (measured in total revenue passenger kilometers or RPKs) climbed 3.4% compared to the year-ago period. This was a modest slowdown from 3.9% growth recorded in September 2019, owing to softer traffic performance in domestic markets. October 2019 capacity (available seat kilometers or ASKs) increased by 2.2% and load factor climbed 0.9 percentage point to 82.0%, which was a record for October. "Traffic growth continues to be depressed compared to historical long-term growth levels, reflecting continued moderating economic activity in some key markets and sagging business confidence. However, the

AIR TRANSPORTATION Canada

1. Air Canada Named 2019 Airline of The Year by Global Traveler, December 2, 2019, www.aircanada.ca
2. Air Canada to Increase Service to Paris From Montreal and Toronto for Summer 2020, December 3, 2019, www.aircanada.ca
3. Air Cargo Peak Season off to Slow Start, Annual Demand down 3.5% in October, December 4, 2019, www.iata.org
4. Moderate Slowdown in Passenger Demand Growth, December 5, 2019, www.iata.org
5. Aircraft movement statistics: Small airports, August 2019, December 5, 2019, www.statcan.gc.ca
6. Air Canada Named Best North American Airline for International Travel by Business Traveler USA, December 9, 2019, www.aircanada.ca
7. Third Quarter 2019 U.S. Airline Financial Data, December 6, 2019, www.bts.gov
8. Aviation Safety: Commission adopts new EU Air Safety List, December 8, 2019, www.europa.eu
9. Onex's Proposed Acquisition of WestJet and Swoop: Canadian Transportation Agency issues determination, December 10, 2019, www.otc.gc.ca
10. WestJet acknowledges issuance of CTA Canadian status determination for its proposed transaction with Onex, December 10, 2019, www.westjet.ca
11. Air Canada Announces New U.S. Transborder Routes and Services from Montreal, Calgary and Vancouver next Summer, December 10, 2019, www.aircanada.ca
12. After Challenging Year, Improvement Expected for 2020, December 11, 2019, www.iata.org
13. The Onex Group Completes Acquisition of WestJet, December 11, 2019, www.westjet.ca
14. Transat profit climbs as higher ticket prices offset rising costs, December 12, 2019, www.globeandmail.ca
15. Carbon Emissions Per Passenger Decrease More Than 50% Since 1990, December 12, 2019, www.iata.org
16. Air cargo industry steps up efforts for safe transport of lithium batteries, December 12, 2019, www.ctl.ca
17. WestJet adds Boston to Calgary hub, December 12, 2019, www.westjet.ca

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

fact that traffic is growing is a positive, and the industry continues to do an excellent job of maximizing asset efficiency, as shown in the record load factor,” said Alexandre de Juniac, IATA’s Director General and CEO.

5. Aircraft movement statistics: Small airports, August 2019

Take-offs and landings at 135 Canadian airports without air traffic control towers reached 67,193 movements in August 2019. Ten airports accounted for 38.5% of the month’s activity. These were: Peterborough, Ontario (4,372 movements); Trois-Rivières, Quebec (4,084); Drummondville, Quebec (2,694); Goose Bay, Newfoundland and Labrador (2,492); Collingwood, Ontario (2,469); Barrie-Orillia-Lake Simcoe Regional, Ontario (2,434); Red Lake, Ontario (2,051); Muskoka, Ontario (1,930); Pickle Lake, Ontario (1,808); and Comox, British Columbia (1,562).

6. Air Canada Named Best North American Airline for International Travel by Business Traveler USA

Air Canada was named Best North American Airline for International Travel for the 12th consecutive year at the 2019 Best in Business Travel Awards by readers of leading frequent business traveller magazine *Business Traveler USA*.

7. Third Quarter 2019 U.S. Airline Financial Data

U.S. scheduled passenger airlines reported a third-quarter 2019 after-tax net profit of \$4.6 billion, a 21.5 % increase from the same quarter in 2018, the 26th consecutive quarterly after-tax profit, and a pre-tax operating profit of \$6.4 billion, the 34th consecutive quarterly pre-tax profit.

8. Aviation Safety: Commission adopts new EU Air Safety List

The European Commission on December 8, 2019 updated the EU Air Safety List, the list of airlines that do not meet international safety standards, and are therefore subject to an operating ban or operational restrictions within the European Union. The EU Air Safety List seeks to ensure the highest level of air safety for Europeans and all other passengers travelling in the European Union.

9. Onex's Proposed Acquisition of WestJet and Swoop: Canadian Transportation Agency issues determination

The Canadian Transportation Agency (Agency) issued on December 10, 2019 its determination that WestJet and Swoop Inc. would continue to meet the Canadian ownership and control requirements following the proposed acquisition of WestJet Airlines Ltd. by an affiliate of Onex. The Agency's determination that WestJet and Swoop Inc. would remain Canadian is on the condition that Onex amends its by-laws to ensure that any matters pertaining to and affecting WestJet Airlines Ltd, WestJet and Swoop Inc, are voted on at Board of Directors' meetings where a majority of Canadian directors are present. The Agency has directed Onex to provide copies of any document, previously submitted as draft, in their final executed form, within 60 days of the completed transaction. The Agency reminded Onex that the requirement to be Canadian is an ongoing requirement, and that for WestJet and Swoop Inc. to remain Canadian, Onex must remain Canadian. WestJet and Swoop Inc. must notify the Agency of any change to their Canadian status.

10. WestJet acknowledges issuance of CTA Canadian status determination for its proposed transaction with Onex

WestJet Airlines Ltd. acknowledges the issuance on December 10, 2019 by the Canadian Transportation Agency of its Canadian status determination in respect of WestJet's proposed transaction with Onex Corporation and is in the process of reviewing the determination.

11. Air Canada Announces New U.S. Transborder Routes and Services from Montreal, Calgary and Vancouver next Summer

Air Canada on December 10, 2019 announced two new seasonal summer routes and added service to major U.S.

18. Air Canada Inaugurates the Only Non-Stop Service from Montreal to São Paulo, December 12, 2019, www.aircanada.ca

19. IATA to Improve Efficiency of Cargo Handling Audits, December 12, 2019, www.iata.org

20. Estimated November 2019 U.S. Airline Traffic Data, December 12, 2019, www.bts.gov

21. New provisions mean travellers will have full rights when things don't go as expected, December 13, 2019, www.tc.gc.ca

22. New provisions of Air Passenger Protection Regulations coming into force, December 13, 2019, www.cta-otc.gc.ca

23. WestJet lands in Roatán, December 16, 2019, www.westjet.ca

24. Kia Ora Auckland! Air Canada Inaugurates Seasonal Service From Vancouver, December 13, 2019, www.aircanada.ca

25. October 2019 U.S. Passenger Airline Employment Data, December 13, 2019, www.bts.gov

26. Air fares, second quarter 2019, December 16, 2019, www.statcan.gc.ca

27. Air Canada Completes Installation of Satellite Connectivity Across Full Air Canada Rouge Fleet

28. Aircraft movement statistics: Major airports, October 2019, December 17, 2019, www.stacan.gc.ca

29. Transport Canada suspends the Certificates of Ottawa Aviation Services and Ottawa Aviation Services Inc., December 17, 2019, www.tc.gc.ca

30. Air Travel Consumer Report: October 2019 Numbers, December 17, 2019, www.dot.gov

31. California ports collaborate to fight the threat posed by rising sea levels, December 18, 2019, www.transportweekly.com

32. Air Canada's Calin Rovinescu to be Inducted Into 2020 Canadian Business Hall of Fame, December 18, 2019, www.aircanada.ca

33. IATA forecast 2020 air cargo growth of 2pc on profit of US\$29 billion, December 20, 2019, www.transportweekly.com

34. Monthly civil aviation statistics, October 2019, December 20, 2019, www.statcan.gc.ca

35. U.S. Department of Transportation Issues Proposed Rule on Remote ID for Drones, December 26, 2019, www.dot.gov

36. Drones need huge tracking network for expanded flights, FAA says, December 26, 2019, www.ajot.com

37. Boeing discloses 'very disturbing' messages on Max to FAA, December 24, 2019, www.ajot.com

38. Baggage Liability Limits Increase for Air Travellers, December 27, 2019, www.cta-otc.gc.ca

39. Commentary: Air cargo looks for lift in 2020, December 27, 2019, www.americanshipper.com

destinations from Montreal, Calgary and Vancouver. New daily, non-stop services linking Montreal and Nashville, and Calgary and Boston, as well as the addition of a second daily flight between Vancouver and Newark, will give customers more choice and added convenience when travelling transborder beginning in June 2020.

12. After Challenging Year, Improvement Expected for 2020

The International Air Transport Association forecast that the global airline industry will produce a net profit of \$29.3 billion in 2020, improved over a net profit of \$25.9 billion expected in 2019 (revised downward from a \$28 billion forecast in June). If achieved, 2020 will mark the industry's 11th consecutive year in the black. Some highlights of expected 2020 performance include: 1) The return on invested capital is forecast to be 6.0% (improved from 5.7% expected in 2019); 2) The net profit margin is forecast at 3.4% (up from 3.1% for 2019); and 3) Overall industry revenues are forecast to reach \$872 billion (+4.0% on \$838 billion in 2019).

13. The Onex Group Completes Acquisition of WestJet

Onex Corporation and its affiliated funds (the "Onex Group") and WestJet Airlines Ltd. on December 11, 2019 announced they have completed their transaction (the "Arrangement") valued at approximately \$5 billion including assumed debt. The closing comes following the receipt of the final regulatory approval by the Canadian Transportation Agency of its determination under the *Canada Transportation Act*. Pursuant to the Arrangement, shareholders of WestJet are entitled to receive \$31.00 in cash for each share held at the effective time of the Arrangement. A form of letter of transmittal pursuant to which registered shareholders of WestJet can submit their share certificates in order to receive the cash consideration under the Arrangement is being mailed to all registered shareholders. A copy of the letter of transmittal has been filed on WestJet's profile at www.sedar.com and is being posted on WestJet's website. Shareholders of WestJet who hold their shares through a broker are not required to submit a letter of transmittal; rather they will receive the cash consideration through their brokerage account.

14. Transat profit climbs as higher ticket prices offset rising costs

Montreal-based airline and tour operator Transat AT Inc. posted a bigger profit in the 2019 fourth quarter as higher ticket prices offset rising costs. Transat's revenue rose by almost 4 per cent to \$690-million in the three months ending Oct. 31, 2019 compared with a year ago. Profit rose to \$20-million, or 54 cents a share, from \$6.8-million (18 cents), Transat said on December 12, 2019.

15. Carbon Emissions Per Passenger Decrease More Than 50% Since 1990

The International Air Transport Association (IATA) published information confirming that carbon emissions per passenger have declined by more than 50% since 1990. Much of the improvement has occurred because the industry has achieved an annual fuel efficiency improvement of 2.3% over the period since 2009, some 0.8 percentage points ahead of target. This progress is a combination of investments in more efficient aircraft and operational efficiencies.

16. Air cargo industry steps up efforts for safe transport of lithium batteries

The International Air Transport Association (IATA), in partnership with the Global Shippers Forum (GSF), the International Federation of Freight Forwarders Associations (FIATA) and the International Air Cargo Association (TIACA), are amplifying their efforts to ensure the safe air transport of lithium batteries. The organizations are also renewing calls for governments to crack down on manufacturers of counterfeit batteries and of mis-labeled and non-compliant shipments introduced into the supply chain, by issuing and enforcing criminal sanctions on those responsible. The campaign includes three specific initiatives: 1) New incident reporting and alert system for airlines; 2) Industry awareness campaign on the dangers of shipping undeclared and misdeclared lithium batteries; and 3) Facilitation of a joined-up industry approach.

17. WestJet adds Boston to Calgary hub

WestJet guests will get the chance to pack more business and leisure into their travel itineraries with new seasonal daily non-stop service between the airline's home in Calgary and Boston, Mass., starting May 14, 2020.

18. Air Canada Inaugurates the Only Non-Stop Service from Montreal to São Paulo

Air Canada inaugurated the only non-stop service between Montreal and São Paulo, Brazil on December 12, 2019. The departure of AC96 which arrived in São Paulo marks the beginning of three weekly flights from Montreal until March 27, 2020.

19. IATA to Improve Efficiency of Cargo Handling Audits

The International Air Transport Association (IATA) has launched a new programme to raise global standards in cargo handling operations. The Smart Facility Operational Capacity programme aims to reduce audit complexity and duplication for cargo handling facilities. This new IATA initiative has two components: 1) Standardised Global Audit Program; and 2) Committed Audit Reduction:

20. Estimated November 2019 U.S. Airline Traffic Data

U.S. airlines carried an estimated 78.3 million systemwide (domestic and international) scheduled service passengers in November 2019, reaching a new seasonally-adjusted all-time high, according to the Bureau of Transportation Statistics' (BTS) first estimate, up 4.6% from the previous year and 0.2% from the October second estimate. BTS estimated 68.5

million domestic passengers and 9.8 million international passengers on U.S. airlines flights in November 2019. The domestic and international passenger numbers were both seasonally-adjusted all-time highs.

21. New provisions mean travellers will have full rights when things don't go as expected

The Honourable Marc Garneau, Minister of Transport, issued this statement on December 13, 2019 to mark the coming into effect of Phase 2 of the new *Air Passenger Protection Regulations*. “As Canada’s Minister of Transport, I am pleased to see the second and final phase of the Air Passenger Protection Regulations come into effect on December 15, 2019. Air travellers will now have full rights when things don’t go as expected. With input from air travellers and the air industry, we have created a world-leading approach to air passenger rights that is clear, consistent, transparent and fair. “Starting on December 15, airlines will be required to follow new regulations related to delays, cancellations and the seating of children near a parent or guardian. Full details will be available on the CTA’s website on December 15. “Phase 1 of the Air Passenger Protection Regulations, related to communication, tarmac delays, denied boarding, lost and damaged luggage, and transporting musical instruments, came into effect on July 15, 2019...”

22. New provisions of Air Passenger Protection Regulations coming into force

Starting this Sunday, December 15, 2019 air passengers will have new rights under the Canadian Transportation Agency’s (CTA) *Air Passenger Protection Regulations* (APPR). Airlines flying to, from and within Canada will need to provide passengers with: 1) compensation of up to \$1,000 for flight delays or cancellations for reasons within the airlines’ control (except for safety reasons); and 2) amenities when there is a flight delay or cancellation within the airline’s control (reasonable food and drink; access to communication; and hotel accommodations for overnight delays). In addition, airlines will have to take steps to seat children under the age of 14 near their accompanying adult, at no extra cost. A child must be seated near their accompanying adult at a proximity that depends on their age: 1) under 5 years, in an adjacent seat; 2) 5 to 11 years, in the same row, and separated by no more than one seat; and 3) 12 or 13 years, separated by no more than a row.

23. WestJet lands in Roatán

WestJet is celebrating carrying guests for the first time to the snorkeling and diving paradise of Roatán, Honduras following its December 15, 2019 inaugural flight between Toronto and Roatán.

24. Kia Ora Auckland! Air Canada Inaugurates Seasonal Service From Vancouver

Air Canada’s inaugural flight AC51, 787 Dreamliner service which departed last night from Vancouver arrived in Auckland, marking the carrier’s launch of seasonal service between Canada and New Zealand. Flights operate four times weekly until the end of March 2020.

25. October 2019 U.S. Passenger Airline Employment Data

The 21 U.S. scheduled passenger airlines employed 2.6% more workers in October 2019 than in October 2018. October’s 452,440 full-time equivalents (FTEs) was the highest employment total since March 2003 (458,598 FTEs); and October was the 72nd consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year.

26. Air fares, second quarter 2019

Base air fares in Canada, domestic and international combined flights, averaged \$239.30 in the 2019 second quarter, up 8.1% from the same quarter in 2018, marking the second consecutive quarterly increase. This was the highest level for a second quarter since 2013, when base air fares averaged \$247.10. The rise in average domestic air fares was widespread across all selected cities where passengers boarded the plane (enplanement). Increases ranged from 5.1% in Montréal to 13.9% in Halifax. Toronto (\$203.20) remained the city with the highest average domestic air fare, followed by Vancouver (\$198.90), Winnipeg (\$181.10) and Ottawa (\$178.30). These four cities recorded average domestic fares above the national average.

27. Air Canada Completes Installation of Satellite Connectivity Across Full Air Canada Rouge Fleet

Air Canada said on December 17, 2019 that Rouge Wi-Fi high-speed satellite-based connectivity provided by Gogo is now available across the entire Air Canada Rouge fleet of 65 aircraft that fly globally and across North America.

28. Transport Canada suspends the Certificates of Ottawa Aviation Services and Ottawa Aviation Services Inc.

On December 17, 2019, Transport Canada suspended Ottawa Aviation Services’ Approved Maintenance Organization Certificate, and the Flight Training Unit Operating Certificate of Ottawa Aviation Services Inc. Transport Canada took this safety action against these companies for not meeting the requirement of appointing key senior safety personnel to their organizations, which is one of the Conditions of Issuance of their Certificates.

29. Aircraft movement statistics: Major airports, October 2019

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 3.2% in October, 2019. Combined, 90 airports reported 516,624 movements, compared with 91 airports totalling 500,413 movements in October 2018. Domestic itinerant movements (within Canada) rose 1.9% in October to reach 297,701. Transborder movements (between Canada and the United States) declined 2.2% to 41,855, and other international traffic fell 2.7% to 13,249 movements. In October 2019, 10 airports accounted for 37.9% of

total activity.

30. Air Travel Consumer Report: October 2019 Numbers

The U.S. Department of Transportation (DOT) on December 17, 2019 released its December 2019 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of October 2019. Some consumer aviation matters are reported hereafter. *On-Time Performance*: In October 2019, reporting marketing carriers posted an on-time arrival rate of 82.2%, down from the 84.1% on-time rate in September 2019 and down slightly from 82.3% in October 2018. *Tarmac Delays*: In October 2019, airlines reported five tarmac delays of more than three hours on domestic flights, compared to 11 such tarmac delays reported in September 2019 and two tarmac delays reported in October 2018. *Mishandled Baggage*: In October 2019, the reporting marketing carriers posted a mishandled baggage rate of 4.77 mishandled bags per 1,000 checked bags, a slightly higher rate than the September 2019 rate of 4.70 per 1,000 checked bags. *Complaints About Airline Service*: In October 2019, DOT received 1,139 complaints about airline service from consumers, down 8.5% from the total of 1,245 filed in October 2018 and down 9.5% from the 1,258 received in September 2019.

31. California ports collaborate to fight the threat posed by rising sea levels

The majority of California ports are uniting to improve their combined defenses against rising sea levels, recognising that climate change poses a serious threat to US ports and coastal communities, according to *Shipping Gazette*. The "Storms, Flooding and Sea Level Defense" conference was coordinated by the Propeller Club of northern California and was held at Scott's Seafood in Oakland, California.

32. Air Canada's Calin Rovinescu to be Inducted Into 2020 Canadian Business Hall of Fame

Canada and the Canadian Business Hall of Fame announced on Dec. 17, 2019 that Air Canada President and Chief Executive Officer Calin Rovinescu will be inducted as a Companion into the 2020 Canadian Business Hall of Fame. "Calin's exceptional business and leadership achievements have been widely recognized by several influential organizations both in Canada and globally."

33. IATA forecast 2020 air cargo growth of 2pc on profit of US\$29 billion

The International Air Transport Association (IATA) anticipates that cargo traffic will grow by two per cent in 2020, director general Alexandre de Juniac said. IATA is expecting a two per cent increase over the 61.2 million tonnes carried in 2019, as world trade rebounds. The 2019 tally represents the lowest aggregate tonnage figure in three years. The IATA forecast values international trade shipped by air next year at US\$7.1 trillion, New York's *FreightWaves* reported. Cargo revenues will slip for a third year in 2020, with revenues expected to total \$101.2 billion, down 1.1 per cent from 2019, according to IATA.

34. Monthly civil aviation statistics, October 2019

The six Canadian Level I air carriers flew 6.6 million passengers on scheduled and charter services in October 2019, down 0.1% from October 2018. This marks the fourth consecutive year-over-year monthly decline. There was a 0.5% decrease in September 2019. Operating revenue for these airlines totalled \$1.8 billion in October 2019, down 2.2% from the same month a year earlier, and reversing the upward year-over-year monthly trend that began in June 2016.

35. U.S. Department of Transportation Issues Proposed Rule on Remote ID for Drones

The U.S. Department of Transportation's Federal Aviation Administration (FAA) on December 26, 2019 announced a proposed rule <https://www.federalregister.gov/documents/2019/12/31/2019-28100/remote-identification-of-unmanned-aircraft-systems> that would continue the safe integration of Unmanned Aircraft Systems (UAS), commonly called drones, into the nation's airspace by requiring them to be identifiable remotely. "Remote ID technologies will enhance safety and security by allowing the FAA, law enforcement, and Federal security agencies to identify drones flying in their jurisdiction," said U.S. Transportation Secretary Elaine L. Chao.

36. Drones need huge tracking network for expanded flights, FAA says

All but the smallest civilian drones would have to broadcast radio tracking data to ensure greater safety and prevent terrorism under a sweeping proposal unveiled by U.S. regulators on December 26, 2019. The long-awaited draft rules call for a massive new tracking network for everything from toys to larger commercial drones so that law enforcement can spot the devices flying anywhere, from congested urban areas to the most rural zones. The controversial measure by the Federal Aviation Administration, which is subject to public comment and could change before it becomes final, is a key foundation to advance drone-driven commerce, including deliveries of consumer goods by companies such as Alphabet Inc.'s Wing and Amazon.com Inc.'s Prime Air.

37. Boeing discloses 'very disturbing' messages on Max to FAA

A new batch of messages between Boeing Co. employees on the development of the 737 Max paints a "very disturbing picture" of concerns about the plane, according to an aide to a House committee. The documents were turned over to the Federal Aviation Administration on December 23, 2019, the agency said in a statement. The disclosure came the same day that Boeing ousted its chief executive officer. At least some of them were written by the same Boeing pilot whose 2016 messages were released in October 2019 and were the subject of sharp questioning by lawmakers,

according to a person familiar with their contents who wasn't authorized to discuss them. The communications haven't been released publicly. The staff of the Transportation and Infrastructure Committee are still reviewing the messages and didn't provide specific details about what they contain.

38. Baggage Liability Limits Increase for Air Travellers

Starting December 28, 2019, limits of liability of the Montreal Convention will increase. Based on this rise, air passengers who travel internationally will now have the right to compensation for damages for lost or damaged baggage of up to 1,288 Special Drawing Rights (the International Monetary Fund's unit of accounting) or approximately CAN \$2,300. Airline international obligations for lost, damaged or delayed baggage are set out in Montreal Convention, a treaty that has the force of law for most international carriage to and from Canada. As the CTA's Air Passenger Protection Regulations (APPR) apply the same baggage rules and liability limits as those set out in the Montreal Convention, all airlines offering domestic services are required to update their liability limits in their tariffs to up to \$2,300. The APPR stipulate airlines' obligations on communication, denied boarding, tarmac delays, lost or damaged baggage, the transportation of musical instruments, flight disruptions and the seating of children. The regulations provide for clearer and more consistent air passenger rights by imposing certain minimum airline requirements in air travel – including standards of treatment and, in some situations, compensation for passengers.

39. Commentary: Air cargo looks for lift in 2020

Air cargo industry forecasts for 2020 are now out and company revenue budgets are locked in. Air cargo is cautiously looking for a mild 2% turnaround on volumes in 2020, according to the International Air Transport Association (IATA), after its worst year since 2009. A rebound would be welcome news for air cargo stakeholders – airlines, air cargo handlers, airports, freight forwarders, trucking and expedited delivery companies. Some recent developments would appear positive for air cargo – a long-awaited U.S.-China “Phase One” agreement is taking firmer shape, more clarity on the U.K. political situation and Brexit, and continued strength in the U.S. economy. At the same time, other developments, such as Boeing halting production on its 737 MAX aircraft, may actually have negative traffic impacts on supply chains. There could be some surprises for the industry and it will have to grow and re-grow itself.

WATER TRANSPORTATION

1. Russia set to dominate the Arctic unless Canada acts quickly to address shipping concerns

David J. Bercuson in his article in the *National Post* indicates that the Canadian Coast Guard and the Royal Canadian Navy need investment in order for the country to prepare for maritime security and crisis management in the Arctic. He indicates that Russia is far ahead of Canada in ice-breaking technology and will dominate everyone in the Arctic sea.

2. COSCO SHIPPING moves up from fourth to third place

COSCO SHIPPING Lines has had a big year in 2019 as it became widely acknowledged that it was now the world's third biggest international container carrier having moved up from fourth place, according to the *Shipping Gazette*. This came about when all the calculations were in with the acquisition of Hong Kong's Orient Overseas (International) Ltd (OOIL), the parent company of Orient Overseas Container Line (OOCL). Shanghai-based COSCO SHIPPING Lines, affiliated with COSCO SHIPPING Group, was born with the integrated container businesses of CSCL (China Shipping Container Line) and its predecessor Cosco, which has been up for business since March, 2016.

3. US east coast ports enjoy accelerated cargo volume

US east coast ports are enjoying accelerated cargo volume at the expense of the west coast because of infrastructure improvements, expanded sea routes and the China-American trade war, reports Washington DC-area *Transport Topics* (TTNews). "Shippers have been shifting their sourcing of certain commodities from China to southeast and southwest Asian countries," Mercator International vice president Steve Rothberg told TTNews. "Many of the east coast ports have lower port charges, lower terminal charges than

WATER TRANSPORTATION Canada

1. Russia set to dominate the Arctic unless Canada acts quickly to address shipping concerns, December 1, 2019, www.nationalpost.ca
2. COSCO SHIPPING moves up from fourth to third place, December 2, 2019, www.transportweekly.com
3. US east coast ports enjoy accelerated cargo volume, December 3, 2019, www.transportweekly.com
4. Montreal container port project gets \$300M shot in the arm from CIB, December 4, 2019, www.ctl.ca
5. Prince Rupert Port Authority Unveils New Harbour Patrol Vessel, December 4, 2019, www.rupertport.com
6. Towards 25,000 TEU vessels? Port Newsletter, November 2019, www.porteconomics.com
7. East Coast ports poised to poach even more boxes from West, December 9, 2019, www.americanshipper.com
8. The Montreal Port Authority is using artificial intelligence to improve the flow of port trucking and reduce GHG emissions, December 10, 2019, www.portofmontreal.ca
9. Terminal automation will progress, slowly: analyst, December 11, 2019, www.joc.com
10. US east coast ports continue to win

west coast ports and ocean carriers find themselves more inclined to favour those routes," he said. The Port of New York and New Jersey on November 25 2019, announced that it processed a record 666,381 TEU in October, a 1.1 per cent year-on-year increase, and volume was up five per cent in the first 10 months to 6,286,762 TEU. East coast facilities are taking advantage of new sea routes created by the recent expansions of both the Panama Canal and the Suez Canal. Some facilities have spent billions of dollars on infrastructure so they can dock the bigger ships that can come through both channels.

4. Montreal container port project gets \$300M shot in the arm from CIB

The Canada Infrastructure Bank announced that it is committing up to \$300 million in financing to the Port of Montreal's project to build a new container terminal in Contrecoeur. The Canada Infrastructure Bank's (CIB) financing demonstrates significant support for the expansion of the largest port in Eastern Canada, which must expand its activities to fully participate in national economic growth. This project will enable the port to meet the needs of the market in the coming decades. Pierre Lavallée, President and CEO of the CIB said "The Contrecoeur expansion will strengthen and diversify our trade with other countries. Given the Port's central role in the Canadian economy, this wealth creation will have an impact on the entire country."

5. Prince Rupert Port Authority Unveils New Harbour Patrol Vessel

The Prince Rupert Port Authority (PRPA) held a vessel blessing celebration on December 4, 2019 in honour of its newest harbour patrol vessel, the AMWAAL. The vessel and the harbour safety team that crew her are a mainstay of PRPA's commitment to marine safety. The new vessel features industry-leading equipment including navigation, communications, surveillance, marine fire fighting and high-speed jet-drive manoeuvrability, all of which will serve to greatly enhance PRPA's marine safety capabilities.

6. Towards 25,000 TEU vessels?

The introduction of ever-larger containerships is a much-discussed topic in academic and business circles. The largest containership size has evolved from about 5,500 TEU in 1995 to more than 23,000 TEU in 2019. The economic rationale for further scale increases in ship size is largely dependent on the current and future market conditions in the container shipping market, the adaptive capacity of ports and terminals (both economically and technologically) and, as of late, environmental requirements and considerations. The latest paper of PortEconomics member Theo Notteboom et. al evaluates under which economic, operational and environmental conditions and expectations, shipping companies are likely to push the ultra large containership (ULCS) size from 18,000-20,000 TEU to 25,000 TEU. Differences in both annual container slot cost and more comprehensive cost-benefit measures are assessed under different key market-based and operational conditions. The basic cost parameters for 20,000 TEU and 25,000 TEU vessels were estimated using a regression analysis applied to actual data of vessels up to 18,000 TEU. Their findings show that a further scale increase to a 25,000 TEU ULCS still generates economies of scale. However, very low freight rates, i.e. even below the poor freight rates of 2016-2017, and low load factors would not be conducive to the economic viability of 25,000 TEU ships, compared to smaller ULCSs.

7. East Coast ports poised to poach even more boxes from West

The shift of container shipping services toward U.S. East and Gulf Coast ports and away from West Coast ports is far from over, according to industry veteran John McCown, founder of Blue Alpha Capital and former CEO of liner company Trailer Bridge. During a discussion presented by investment bank Stifel on Dec. 6, McCown noted that the East/Gulf Coast share of container imports among the top 10 U.S. ports has risen from 43% in 2015 to 47% this year. "I see that trend continuing to play out," he asserted. Two factors are fueling the transition: the larger locks of the Panama Canal, which opened in June 2016, and the location density of the U.S. population.

8. The Montreal Port Authority is using artificial intelligence to improve the flow of port trucking and reduce GHG emissions

On December 10, 2019, the Montreal Port Authority (MPA) was proud to launch an upgrade of the Trucking PORTal application, which now includes predictive data on processing times at the Port of Montreal's various container terminals. This new tool helps port truck drivers plan their routes better and improves traffic flow on Port territory, thereby reducing greenhouse gas (GHG) emissions. The MPA teamed up with Element AI, a global supplier of artificial intelligence (AI) products, to develop, test and deploy this enhanced technological solution, which consists of a predictive model added to the Trucking PORTal app.

9. Terminal automation will progress, slowly: analyst

The benefits of automated port terminals go beyond lower labor costs and are likely to drive an increase in their use

container market share, December 13, 2019, www.transportweekly.com

11. Georgia ports to lift record 4.6m TEU in 2019, December 13, 2019, www.transportweekly.com

12. Great Lakes Ports Stay on Course, December 16, 2019, www.inboundlogistics.com

13. Seaway facing challenging conditions as shipping season winds down, December 18, 2019, www.ctl.ca

14. Hutchison Ports moves closer to acquiring APM Terminals Rotterdam, December 19, 2019, www.transportweekly.com

15. Qingdao port hits 20m TEU container volume in 2019, December 19, 2019, www.transportweekly.com

16. Hong Kong exports expected to slide 2pc in 2020, December 20, 2019, www.transportweekly.com

17. ARO 2020: Regulatory pressure key to zero-carbon fuel effort, December 26, 2019, www.joc.com

worldwide, according to an industry expert.

10. US east coast ports continue to win container market share

Container shipping services will continue to switch from the US west coast to the east and Gulf coast, says Blue Alpha Capital founder John McCown. During a discussion presented by investment bank Stifel, Mr. McCown noted that the east/Gulf coast share of container imports among the top 10 US ports has grown from 43 per cent in 2015 to 47 per cent this year. "I see that trend continuing to play out," he asserted. Two factors are fuelling the transition: the expansion of the Panama Canal and location density of the US population, reported New York's *FreightWeek*.

11. Georgia ports to lift record 4.6m TEU in 2019

The Georgia Ports Authority is on track to exceed a milestone annual container handling throughput of 4.6 million TEU for the first time this year. This achievement comes amid the news that the port of Savannah's Mason Mega Rail Terminal Phase I will open in the spring of 2020. According to *Shipping Gazette*, that level of trade would mark a 14 per cent increase over volumes moved through Savannah three years ago, or an additional 550,000 TEU. Over the same period, the port authority has increased the annual capacity at the port of Savannah from five million to 5.5 million TEU.

12. Great Lakes Ports Stay on Course

An increase in overseas wheat exports from the Port of Duluth-Superior is keeping overall tonnage on pace to beat the port's 2018 totals and five-year average. U.S. Great Lakes ports are on pace to beat 2018 cargo volumes following a robust September 2019 handling road salt, cement, stone, petroleum, and wind energy components, and supporting the region's construction activity and energy needs. Overall, St. Lawrence Seaway tonnage for the season (March 22 to September 30) reached 24.8 million metric tons, down 6% from 2018. The figures reflect a combination of factors including the decrease in U.S. corn and soybean exports from earlier in the spring and delays in the Canadian Prairie harvest due to wet field conditions.

13. Seaway facing challenging conditions as shipping season winds down

As the Great Lakes-St. Lawrence Seaway heads into the final weeks of the 2019 shipping season, ports along the Great Lakes are reporting the wins and challenges they're facing at the end of the year, according to the latest figures from the St. Lawrence Seaway. Overall cargo on the St. Lawrence Seaway totaled 34 million metric tons at the end of November 2019 down 6 per cent from 2018. "Tonnage results on the Seaway reflect the more challenging conditions encountered this year as compared to 2018, in which Seaway tonnage was at a 10-year high," said Terence Bowles, President and CEO of The St. Lawrence Seaway Management Corporation.

14. Hutchison Ports moves closer to acquiring APM Terminals Rotterdam

Hong Kong's Hutchison Ports and APM Terminals have signed a letter of intent for the takeover of APM Terminals Rotterdam, the older of APMT's two Rotterdam terminals. The conventional, straddle carrier-direct 2.5 million TEU terminal will be acquired by Hutchison, subject to permission of the works council, trade unions and the Dutch merger and monopolies body, according to *WorldCargo News*, Surrey, UK.

15. Qingdao port hits 20m TEU container volume in 2019

China's northern port of Qingdao handled 20 million TEU in 2019, after the port's inland and sea-rail combined cargo volume rose 20 per cent year on year, reported *Seatrade Maritime News*, Colchester, UK. "The 20 million TEU container volume proved that Qingdao has been developed from a portal to a cargo handling hub," said Shangdong Provincial Port Group general manager Li Fengli. Qingdao port will work with industry players to construct a logistics hub and an intelligent green port, he added.

16. Hong Kong exports expected to slide 2pc in 2020

The latest forecast by the Hong Kong Trade Development Council (HKTDC) shows that the value of Hong Kong exports in 2020 is expected to shrink by 2 per cent, according to *Shipping Gazette*. At the same time, the HKTDC Export Index for the final quarter of 2019 hit a record low of 18.8, down 8.6 points from the previous quarter, indicating that Hong Kong exports are expected to remain sluggish in the coming months.

17. ARO 2020: Regulatory pressure key to zero-carbon fuel effort

The International Maritime Organization (IMO) has concluded that the most effective way to reduce greenhouse gas emissions from ships is a mandatory goal-based approach that provides the incentive needed to drive innovation.

RAIL TRANSPORTATION

1. CN ramps up rail service as grain, propane industries demand priority

Canadian National Railway Co. says it is striving to address grain and propane backlogs as it ramps up service following an eight-day strike, but industry producers are demanding priority treatment that may not come. The country's largest railway ground to a near halt after 3,200 CN rail conductors and yard workers hit the picket lines last week, operating at 10 per cent capacity and stopping shipments of corn and canola, which sat in full silos that prevented further crop harvests for lack of storage space. The delay added to the woes of a late harvest that had already put pressure on the rail network as grain producers fretted over demurrage fees and contract extension penalties. "We don't prioritize any commodities. When you're in recovery mode, you're focused on getting trains moving," said Sean Finn, CN's head of corporate affairs and chief legal officer.

2. CN Continues to Execute Recovery Plan

CN on December 3, 2019 announced that its recovery plan is on track and that it is revising its guidance following the impact of the 8-day strike. JJ Ruest, president and chief executive officer of CN said "Our discipline on our recovery plan is delivering results. While we expect to take some time and we remain dependent on favourable weather, we are pleased by how things are progressing. Safety is at the heart of everything we are doing as we bring our Canadian Operations back online and we have not experienced any significant setbacks at this point."

3. Canadian Pacific sets new record for monthly grain movements

Canadian Pacific (CP) moved more Canadian grain and grain products in November 2019 than any month in its history. CP delivered 2.74 million metric tonnes (MMT) during November, beating the October 2019 all-time record of 2.66 MMT. In addition to the overall record, CP marked two other key milestones in November: 1) More CP carloads of grain unloaded at the Port of Thunder Bay during the week of Nov. 18-24 than in any prior week. 2) On Nov. 22, CP held an Alberta Agriculture Round Table event at Bowden, Alta., to discuss capacity gains in the grain supply chain, featuring CP's new 8,500-foot High-Efficiency Product (HEP) train model. Joan Hardy, CP's Vice-President Sales and Marketing, Grain and Fertilizers said "CP achieved great things last month for the Canadian grain supply chain in close collaboration with our trusted supply chain enablers. The CP team will keep open the lines of communication with shippers and government leaders as we push to become even more effective and efficient to meet the growing needs of Canada's agricultural sector."

4. VIA Rail: revenues and ridership up for Q3 2019

VIA Rail Canada (VIA Rail) reports an increase in ridership and in passenger revenues for the third quarter of 2019 compared to the same period last year. Between July and September 2019, VIA Rail saw an increase of 6.9% in ridership while passenger revenues grew by 1.1% as compared to the same quarter of 2018. This represents the 15th straight quarter of increased ridership and the 22nd consecutive quarter of revenue growth. VIA Rail's highest percentage increase in ridership is recorded on regional services (26.5%), due in large part to the return of the Winnipeg-Churchill service. Ridership and passenger revenues on the Québec City-Windsor corridor increased by 7.2% and 5.5% respectively, while the Montréal-Halifax service (the Ocean) saw its passengers revenue climb 8.9% versus the third quarter of 2018.

5. Canadian Pacific focuses on customized service and increased capacity opportunities with Teck announcement

Canadian Pacific (CP) will continue to work with Teck Resources Limited

RAIL TRANSPORTATION Canada

1. CN ramps up rail service as grain, propane industries demand priority, December 1, 2019, www.ctl.ca
2. CN Continues to Execute Recovery Plan, December 3, 2019, www.cn.ca
3. Canadian Pacific sets new record for monthly grain movements, December 2, 2019, www.cpr.ca
4. VIA Rail: revenues and ridership up for Q3 2019, December 3, 2019, www.viarail.ca
5. Canadian Pacific focuses on customized service and increased capacity opportunities with Teck announcement, December 4, 2019, www.cpr.ca
6. Teck and CN Announce Significant Rail Shipping Agreement, December 4, 2019, www.cn.ca
7. NS Wants Track Changes, Residents Do Not, December 3, 2019, www.railwayage.com
8. CN signs deal to ship BC coal to west coast ports, December 4, 2019, www.ctl.ca
9. "Rail traffic continues to struggle": AAR, December 4, 2019, www.railwayage.com
10. CN Rail says workers' strike to hurt profit growth in 2019, December 5, 2019, www.nationalpost.ca
11. Canadian Pacific Railway train carrying crude oil derailed in Saskatchewan, December 9, 2019, www.globeandmail.ca
12. North American rail throughput down 20pc, December 10, 2019, www.transportweekly.com
13. OL Canada Unveils New Safety Training, December 9, 2019, www.railwayage.com
14. US rail traffic slumps again, December 11, 2019, www.americanshipper.com
15. Canadian National grain shipments return to pre-strike levels, December 12, 2019, www.cn.ca
16. Derailed train in Saskatchewan released 1.5 million litres of oil: TSB, December 12, 2019, www.ctl.ca
17. VIA rail welcomes the federal government's renewed support for its high frequency rail project, December 13, 2019, www.viarail.ca
18. Canadian Pacific Railway Limited declares dividend, December 17, 2019, www.cpr.ca
19. Ford cancels Hamilton LRT, December 17, 2019, www.railwayage.com
20. CP announces TSX acceptance of new share repurchase program, December 17, 2019, www.cpr.ca
21. Government of Canada is improving rail safety in the City of Chilliwack, December 18, 2019, www.tc.gc.ca
22. Railway carloadings, October 2019, December 18, 2019, www.statcan.gc.ca
23. Rail Traffic Needs a Holiday Miracle, December 18, 2019, www.railwayage.com
24. North American Railroads Call for USMCA Ratification, December 18, 2019, www.railwayage.com
25. CN: Network Performance Recovered, December 19, 2019, www.cn.ca
26. Canadian crude-by-rail shipments poised to surge, spurring investment, December 19, 2019, www.nationalpost.ca
27. Experts predict more short line railroad

("Teck") to develop customized service tailored to meet Teck's future shipping requirements, while maximizing the additional capacity opportunities in light of this announcement. Earlier on December 4, 2019, Teck announced, starting in April 2021, that it would begin moving a higher volume of coal with Canadian National via the interchange with CP at Kamloops, B.C. to the west coast. CP will continue to serve Teck at the respective originating mine sites.

6. Teck and CN Announce Significant Rail Shipping Agreement

CN and Teck Resources Limited announced on December 4, 2019 a long-term rail agreement for shipping of steelmaking coal from Teck's four B.C. operations between Kamloops and Neptune Terminals, and other west coast ports. The agreement runs from April 2021 to December 2026, and will enable Teck to significantly increase shipment volumes through an expanded Neptune Terminals. The agreement also provides for investments by CN of more than \$125 million to enhance rail infrastructure and support increased shipment volumes to Neptune. "This agreement and the associated infrastructure investment will provide us with rail capacity to match the major upgrades underway now at Neptune Terminals," said Don Lindsay, President and CEO of Teck. "We expect this will lower our total transportation costs and improve overall rail and terminal performance."

7. NS Wants Track Changes, Residents Do Not

Norfolk Southern (NS) wants to double-stack its trains as they move through Pittsburgh, but residents in the north side of the city are stacking up arguments and fighting back. A mediator has been appointed to represent the residents in Pittsburgh's north side as talks continue with Norfolk Southern. The Class I railroad company wants to raise bridges at Pennsylvania and West North avenues, lower the tracks at Columbus Avenue Bridge and build a new Merchant Street Bridge. The track is lower in spots along the route through the city, but NS says it cannot go any deeper in some areas. The Pennsylvania Department of Transportation gave NS a \$20 million grant for the work on the bridges. NS will be contributing \$8.2 million. Rail traffic also will be on the rise in the area, from about 25 a day to as many as 50. Residents are concerned about the noise pollution that accommodates more trains and more freight cars. A group tried to get in on the Public Utility Commission's (PUC) consideration of the proposed bridges, but the PUC did not side with the concerns.

8. CN signs deal to ship BC coal to west coast ports

Canadian National Railway announced it has signed a long-term rail agreement with Teck Resources to ship steelmaking coal from Teck's four B.C. operations between Kamloops and Neptune Terminals, and other west coast ports. The agreement runs from April 2021 to December 2026, and will enable Teck to significantly increase shipment volumes through an expanded Neptune Terminals. The agreement also provides for investments by CN of more than \$125 million to enhance rail infrastructure and support increased shipment volumes to Neptune. "This agreement and the associated infrastructure investment will provide us with rail capacity to match the major upgrades underway now at Neptune Terminals," said Don Lindsay, president and CEO of Teck. "We expect this will lower our total transportation costs and improve overall rail and terminal performance."

9. "Rail traffic continues to struggle": AAR

Following a Week 47 gain attributable to timing—Thanksgiving 2018 falling one week earlier than in 2019—U.S. rail traffic fell off a cliff during Week 48—again, attributable to timing, so it's not nearly as bad as it looks. However, all things considered, volumes for November 2019 were dismal, and the first 11 months of 2019 were nothing to write about. "Rail traffic continues to struggle because U.S. manufacturing is soft, trade disputes and the uncertainty they entail are ongoing, and economic growth abroad isn't what it could be," said Association of American Railroads Senior Vice President Policy and Economics John T. Gray. "That said, we're confident that rail volumes will begin to grow again as the manufacturing portion of the economy finds firmer footing." U.S. railroads originated 955,579 carloads in November 2019, down 7.5% or 77,166 carloads, from November 2018. U.S. railroads also originated 1,019,766 containers and trailers in November 2019, down 7.4% or 81,138 units, from the same month last year. Combined U.S. carload and intermodal originations in November 2019 were 1,975,345, down 7.4% or 158,304 carloads and intermodal units from November 2018. Canadian railroads reported 70,684 carloads for the last week of November 2019, down 20.2%, and 68,616 intermodal units, down 3% compared with the same week in 2018.

10. CN Rail says workers' strike to hurt profit growth in 2019

Canadian National Railway is cutting its annual profit forecast after an eight-day strike that brought the country's largest railroad to a near halt during a critical shipment season for farmers. The railway said on December 3, 2019 that

mergers and acquisitions, December 23, 2019, www.americanshipper.com

28. Grain backlog still looms large as CN returns to normal service after strike, December 20, 2019, www.ctl.ca

29. CP releases Sustainably Driven, its 2018 corporate sustainability report and new framework for long-term, sustainable growth, December 23, 2019, www.cpr.ca

30. CP Releases Sustainability Report, December 26, 2019, www.railwayage.com

31. Federal agency launches webpage to report blocked crossings: Railway Age, December 26, 2019, www.americanshipper.com

32. Why are railroads still important in the current era?, December 30, 2019, www.americanshipper.com

33. No injuries in B.C. train derailment, environmental crews assessing impacts: CN, December 29, 2019, www.ctl.ca

34. Nothing Good Under the Tree for Rail Traffic, December 27, 2019, www.railwayage.com

its bottom line will take an estimated hit of 15 cents per share due to the labour action by 3,200 conductors and yard workers represented by Teamsters Canada. The parties reached a tentative deal last week after collective bargaining where worker fatigue and health care were major sticking points. The strike cost an estimated \$140 million, or \$18 million per day, based on CN's estimated hit to earnings per share, Citi analyst Christian Wetherbee said in a note to clients. CN revised its annual financial outlook to expect low to mid single-digit growth in earnings per share, down from its previous prediction of high single-digit growth. Its stock dipped less than 2 per cent on December 3, 2019.

11. Canadian Pacific Railway train carrying crude oil derailed in Saskatchewan

Soaring flames and a thick plume of smoke followed the derailment of a Canadian Pacific Railway train carrying crude oil across central Saskatchewan – a crash that comes as Alberta's government looks to boost oil-by-rail shipments. The fiery derailment around midnight on December 8, 2019 didn't cause any injuries but led to a tangle of train cars burning alongside a highway about 120 kilometres east of Saskatoon. The fire continued to burn on December 9 evening as federal investigators arrived near the community of Guernsey.

12. North American rail throughput down 20pc

Rail volume for the week ending November 30, 2019 on 12 reporting US, Canadian and Mexican railways totalled 305,507 carloads, down 20.3 per cent and 307,219 intermodal units, down 19.7 per cent year on year, reported the Association of American Railroads (AAR). Total combined weekly rail traffic in North America was 612,726 carloads and intermodal units, down 20 per cent. North American rail volume for the first 48 weeks of 2019 was 33,846,755 carloads and intermodal units, down 3.6 per cent compared with 2018. US railways originated 955,579 carloads in November 2019, down 7.5 per cent, or 77,166 carloads, from November 2018. US railroads also originated 1,019,766 containers and trailers in November 2019, down 7.4 per cent, or 81,138 units, from the same month last year

13. OL Canada Unveils New Safety Training

Operation Lifesaver Canada (OL) recently unveiled its new online Rail Safety Ambassador training. OL's latest educational tool to help prevent deaths and injuries from railway crossing and trespassing incidents, the training takes 30 to 45 minutes to complete, depending upon the user's existing rail safety knowledge. The training aims to provide Ambassadors with the key messages and content they need to make presentations and volunteer at events on OL's behalf, and also links to OL's new campaigns and refreshed outreach materials.

14. US rail traffic slumps again

Year-to-date U.S. rail volumes tumbled 4.8% as macroeconomic uncertainty weighs on rail traffic. Rail volumes so far this year totaled 25.3 million carloads and intermodal units for the week ending Dec. 7, 2019 according to the Association of American Railroads (AAR). Of that total, U.S. carloads slipped 4.6% to 12.3 million while U.S. intermodal units fell 4.9% to 13 million containers and trailers. Meanwhile, overall North American rail volumes year-to-date were down 3.7% to nearly 34.6 million carloads and intermodal units among the 12 railroads that report data to AAR. Canadian railroads hauled 0.3% fewer carloads and intermodal units, at 7.4 million units year-to-date, while Mexican railroads hauled 2.8% fewer carloads and intermodal units, at nearly 1.9 million year-to-date.

15. Canadian National grain shipments return to pre-strike levels

Canadian National announced that its shipments of grain are moving at a pace similar to that experienced before some of its workers walked out. "After a tough harvest due to adverse weather and an 8 day labour stoppage, our railroaders have been hard at work to get movements back on track," said CN's vice-president of Bulk Allen Foster in the press release. CN reported that after a weather-induced delay to the harvest, the 2019 crop yielded peak shipments of more than 6,800 hopper cars per week during the first two weeks of November, weeks 14 and 15 of the crop year. The railroad was unable to take in new orders during the strike in week 17 given its limited network capacity. However, by week 19 of the crop year, the second week of December 2019, CN has returned to peak shipment levels and has been able to accept all customer orders requiring a hopper car.

16. Derailed train in Saskatchewan released 1.5 million litres of oil: TSB

The Transportation Safety Board says December 9th's fiery Canadian Pacific Railway freight train derailment in Saskatchewan involved the estimated release of 1.5 million litres of oil. The resulting fire forced the temporary closure of Highway 16 due to thick, black smoke. The TSB says 33 oil tank cars and one hopper car derailed near Guernsey, 115 kilometres southeast of Saskatoon. Of the derailed cars, about 20 were breached and spilled out product "and became engulfed in a large pool fire which burned for approximately 24 hours," the board said on December 11, 2019. "About 19 of the cars lost their entire loads releasing an estimated 1.5 million litres of product to either the ground or atmosphere.

17. VIA rail welcomes the federal government's renewed support for its high frequency rail project

VIA Rail Canada (VIA Rail) is delighted that Prime Minister Justin Trudeau, has renewed the support of his government for the corporation's High Frequency Rail (HFR) project as outlined in the Minister of Transport, Marc Garneau's mandate letter to pursue the implementation of its Transportation 2030 strategic plan.

18. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on December 17, 2019 declared a quarterly dividend of \$0.83 per share on the outstanding Common Shares. The dividend is payable on January 27, 2020 to holders of record at the close of business on December 27, 2019, and is an "eligible" dividend for purposes of the Income Tax Act (Canada) and any similar provincial/territorial legislation.

19. Ford cancels Hamilton LRT

Doug Ford, the Province of Ontario's Progressive Conservative Premier, has axed Hamilton's DBFOM (design, build, finance, operate, maintain) B-Line light rail project, only months after he said publicly that the system was a go, and included in the Province's budget. Ford's Transportation Minister, Caroline Mulroney, made the announcement cancelling the project in a statement—not at a planned press conference at Hamilton's downtown Sheraton hotel. The briefing was cancelled at the last minute due to "safety concerns," according to Ford's staff, after city councillors and transit activists had packed the briefing room when they learned about the cancellation through local media.

20. CP announces TSX acceptance of new share repurchase program

Canadian Pacific on December 17, 2019 announced that the Toronto Stock Exchange ("TSX") has accepted its notice to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 4,800,862 common shares or approximately 3.5 percent of CP's common shares issued and outstanding as at December 9, 2019. The NCIB is scheduled to commence on December 20, 2019 and is due to terminate on December 19, 2020. "This new share buyback program reinforces our confidence in the continued growth prospects of the company," said CP President and CEO Keith Creel. "CP's strong cash flow generation enables us to return cash to shareholders in a disciplined, opportunistic manner."

21. Government of Canada is improving rail safety in the City of Chilliwack

The Government of Canada is committed to improving rail safety education and awareness in collaboration with railway companies, local communities and road authorities. On December 18, 2019, the Honourable Marc Garneau, Minister of Transport, announced \$14,250 in funding to improve rail and road safety for the residents of Chilliwack.

22. Railway carloadings, October 2019

Canadian railways carried 33.0 million tonnes of freight in October 2019, down 5.4% compared with October 2018. The non-intermodal freight loadings were largely responsible for the shortfall in the overall volume, declining 6.0% to 26.6 million tonnes compared with the same period in 2018. Over the same period, freight traffic coming from US rail connections decreased 5.9% to 3.2 million tonnes. Conversely, intermodal freight traffic in Canada continued to hold steady, increasing 0.7% from the same period last year to 3.2 million tonnes.

23. Rail Traffic Needs a Holiday Miracle

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended Dec. 14, 2019, and, for this week, total U.S. weekly rail traffic was 520,589 carloads and intermodal units, down 8.5% compared with the same week last year. In a struggle that has become commonplace this year, total carloads for this week were 243,290 carloads, down 9% compared with the same week in 2018, while U.S. weekly intermodal volume was 277,299 containers and trailers, down 8% compared to 2018. Canadian railroads reported 81,556 carloads for the week, down 3.7%, and 69,669 intermodal units, down 4.2% compared with the same week in 2018. For the first 50 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 7,552,348 carloads, containers and trailers, down 0.4%.

24. North American Railroads Call for USMCA Ratification

Ian Jefferies, President and CEO of the Association of American Railroads, joined with Marc Brazeau, President and CEO of the Railway Association of Canada (RAC), and Iker de Luisa Plazas, Director General, Asociación Mexicana de Ferrocarriles (AMF), in calling for quick ratification of the U.S.-Mexico-Canada Agreement (USMCA). The letter from the three rail organization leaders cited the benefits the trade pact would have for the integrated North American freight rail network.

25. CN: Network Performance Recovered

CN announced on December 19, 2019 that less than a month after the end of the 8-day labour action, performance indicators have normalized to pre-strike ranges indicating that train movements have recovered. The 8-day work disruption caused CN's network to run at approximately 10% capacity. Every strike day can cause several days of backlog, requiring time for the network to be fully current once it has returned to normal operational ranges. JJ Ruest, president and chief executive officer of CN said "I'm pleased to announce that our focused and methodical recovery plan is working and that the performance of our movements has recovered to normal ranges. We will remain focused on safety as we continue to clear the backlog caused by the work stoppage. Our ongoing engagement with our customers and stakeholders as well as the dedication of our employees combined with the favourable weather, has helped this process along in a safe and efficient manner. I would like to thank them all for their patience and understanding as we turn a page on the recovery process and return our focus on long-term profitable growth."

26. Canadian crude-by-rail shipments poised to surge, spurring investment

Canadian shipments of crude by rail are poised to surge next year, spurring investment in new export infrastructure.

Crude-by-rail capacity in Alberta is expected to grow by 100,000 barrels a day in December 2019 after the provincial government eased production limits for oil transported by train, the Energy Ministry said on December 18, 2019. Western Canadian rail loadings had already climbed as high as 411,000 barrels a day in November despite a week-long Canadian National Railway Co. worker strike that disrupted shipments. Now they're set to reach 550,000 barrels a day, Alberta Premier Jason Kenney said earlier this month.

27. Experts predict more short line railroad mergers and acquisitions

The freight rail industry, and short line railroads in particular will likely continue to be the target of mergers and acquisitions in 2020 and beyond because private equity firms are recognizing the long-term value of infrastructure assets, according to industry observers. This year alone the examples have been numerous from the acquisition of short line Genesee & Wyoming by infrastructure investment firms Brookfield Infrastructure and GIC, to OmniTRAX's acquisition of short line assets in Ohio and the acquisition of short line Winchester & Western, among OmniTRAX's many other activities in 2019.

28. Grain backlog still looms large as CN returns to normal service after strike

Canadian National Railway Co. says service is back to normal less than a month after a strike brought it to a screeching halt, but big grain backlogs remain a concern for Western farmers. "Back to normal shipping won't clear up the backlog of over 10,000 cars that weren't shipped during the strike," said Todd Lewis, president of the Agricultural Producers Association of Saskatchewan. "Anecdotally we've heard of contracts from October and November that haven't been shipped," he said. "That costs farmers money. They don't get paid until they're actually able to deliver the product."

29. CP releases Sustainably Driven, its 2018 corporate sustainability report and new framework for long-term, sustainable growth

Canadian Pacific on December 23, 2019 announced the release of Sustainably Driven, its 2018 corporate sustainability report and new framework for sustainability reporting, highlighting the company's successes and achievements in the areas of safety, operational excellence and social impact. Developed based on a comprehensive stakeholder materiality assessment conducted by CP in 2018, Sustainably Driven articulates the company's commitment to aligning business practices with clear sustainability goals and objectives.

30. CP Releases Sustainability Report

CP recently released Sustainably Driven, its 2018 corporate sustainability report and new framework for sustainability reporting, highlighting the company's successes and achievements in the areas of safety, operational excellence and social impact. Developed based on "a comprehensive stakeholder materiality assessment conducted by CP in 2018, Sustainably Driven articulates the company's commitment to aligning business practices with clear sustainability goals and objectives." Key sustainability achievements highlighted in the report include: 1) Safety; 2) Operational Excellence; and 3) Social Participation and Contribution

31. Federal agency launches webpage to report blocked crossings: Railway Age

The Federal Railroad Administration (FRA) has launched a new webpage for the public and law enforcement to report blocked highway-rail grade crossings. The new FRA Blocked Crossings webpage requests specific information from users reporting blocked crossings — including date, time, location and duration. The agency expects it will take an average of three minutes for users to complete the report. FRA notes that this should only be done in a manner that is consistent with the safe operation of their vehicle. FRA will use the information collected to gain a more complete picture of where, when and how long such obstructions occur at the nation's approximately 130,000 public grade crossings, and what impacts result. FRA will share the information with stakeholders, using it to help facilitate local solutions to blocked-crossing issues.

32. Why are railroads still important in the current era?

Railroads are the most efficient transportation mode for moving goods on the earth's surface. Railroads are of particular importance for the movement of commodities that heavy and moved in bulk over long distances where the transportation spend represents a large portion of the total delivered cost. Just a few examples of commodities moved by railroad are coal, grain, fertilizer, chemicals, forest products, finished motor vehicles and metals, among many others. The railroads are no longer in the business of moving passengers, but approximately 70% of the miles that Amtrak runs travel over track owned by the freight railroads for a fee.

33. No injuries in B.C. train derailment, environmental crews assessing impacts: CN

Canadian National says crews responded to a train derailment in eastern British Columbia on December 26, 2019. The railway company said early reports suggest 26 railcars derailed along the track in the Fraser Fort-George region about 30 kilometres east of Mount Robson, near the Alberta boundary. The train involved is part of the potash unit and no other commodities or goods were on board, it said. CN said it believes one or two cars were partially submerged in Moose Lake and the company's environmental experts are working with government officials to assess possible impacts to the environment. No one was injured, there were no fires and no railcars carrying dangerous goods were involved,

the company said.

34. Nothing Good Under the Tree for Rail Traffic

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended Dec. 21, 2019, and, for this week, total U.S. weekly rail traffic was 507,589 carloads and intermodal units, down 10.5% compared with the same week last year. There was no holiday miracle—total carloads for the week ended Dec. 21 were 245,048 carloads, down 11.5% compared with the same week in 2018, while U.S. weekly intermodal volume was 262,541 containers and trailers, down 9.5% compared to 2018. For the first 51 weeks of 2019, U.S. railroads reported cumulative volume of 12,780,814 carloads, down 4.8% from the same point last year; and 13,550,432 intermodal units, down 5.1% from last year. Total combined U.S. traffic for the first 51 weeks of 2019 was 26,331,246 carloads and intermodal units, a decrease of 4.9% compared to last year. Canadian railroads reported 85,789 carloads for the week, down 2.6%, and 67,940 intermodal units, down 5.2% compared with the same week in 2018. For the first 51 weeks of 2019, Canadian railroads reported cumulative rail traffic volume of 7,706,077 carloads, containers and trailers, down 0.4%.

HIGHWAY TRANSPORTATION

1. Couriers and Messengers Services Price Index, October 2019

The Couriers and Messengers Services Price Index (CMSPI) posted no change in October 2019, following a 0.1% increase in September 2019. The couriers component was unchanged, while the local messengers and local delivery component rose 0.1%. While base prices did not change in October 2019, fuel surcharges balanced out, which left the total index unchanged. Year-over-year the CMSPI rose 2.0% in October 2019 from the same month in 2018. Both the couriers (+1.9%) and the local messengers and local delivery (+2.1%) components increased.

2. Construction Begins on Highway 401 Expansion from Mississauga to Milton

Ontario's government is making life easier for drivers by widening 18 kilometres of Highway 401 from Mississauga to Milton. Kinga Surma, Associate Minister of Transportation, announced that the province is putting people first by investing \$640 million to widen Highway 401, which will shorten commute times and encourage investment and job creation.

3. Poll: Distracted Drivers Top Threat to Truckers

Distracted drivers and dangerous driving of other motorists are the top threats to truck drivers on the highway, a recent *Today's Trucking* survey concludes. The monthly Pulse Survey of Today's Trucking readers listed other motorists at the top threat, recorded by 55% of survey participants, followed by distracted drivers at 50%. Locked in a statistical dead heat — identified by between 26% and 23% of respondents — were threats including inadequate training; slips, trips and falls; driver fatigue; and road conditions.

4. Alberta updates oversize and weight regulation to reduce red tape

The Alberta government has updated its Commercial Vehicle Dimension and Weight Regulation to reflect what it called “modern vehicle configurations and equipment.” Having not been updated in nearly 20 years, the provincial government said commercial drivers in Alberta were forced to obtain permits for standard equipment that is allowed in other jurisdictions, including wildlife bumpers, aerodynamic devices, and wide-load signs. Alberta Transportation was granting permits for these pieces of equipment every time they were requested. “Safety is always our top priority, but these outdated permits were not doing anything to improve

HIGHWAY TRANSPORTATION

Canada

1. Couriers and Messengers Services Price Index, October 2019, November 29, 2019, www.statcan.gc.ca
2. Construction Begins on Highway 401 Expansion from Mississauga to Milton, November 29, 2019, www.mto.gov.on.ca
3. Poll: Distracted Drivers Top Threat to Truckers, November 29, 2019, www.cantruck.ca
4. Alberta updates oversize and weight regulation to reduce red tape, December 2, 2019, www.todaystrucking.com
5. Helping warehouse workers prevent injuries with technology, December 2, 2019, www.ctl.ca
6. Study: Sleep Apnea Treatment Can Cut Healthcare Costs, December 4, 2019, www.ontruck.ca
7. Report blasts ministry over truck inspections, December 4, 2019, www.todaystrucking.com
8. Canadians plan to shop smarter this holiday season: UPS, December 5, 2019, www.ctl.ca
9. Fewer inspections keep unsafe commercial vehicles on Ontario's roads: auditor, December 6, 2019, www.ctl.ca
10. AG Highlights Need for Improvement; OTA Continues Push for Modernization of Truck Safety Standards, December 8, 2019, www.ontruck.ca
11. OTA says its working with MTO to tackle truck safety, December 9, 2019, www.todaystrucking.com
12. Parts & Parcel, December 9, 2019, www.inboundlogistics.com
13. NACFE: 'Messy Middle' Ahead for e-Truck Market Growth, December 10, 2019, www.ontruck.ca
14. October 2019 Freight Transportation Services Index (TSI), December 11, 2019, www.bts.gov
15. U.S. Department of Transportation Announces Up to \$502.9 Million Loan for Infrastructure Projects in Hampton Roads, VA, December 12, 2019, www.dot.gov

safety,” said Minister of Transportation Ric McIver.

5. Helping warehouse workers prevent injuries with technology

Third-party logistics provider FM Logistic has unveiled the Ergoskel, an ergoskeleton designed to help warehouse workers lift parcels while reducing physical strain on their bodies. The Ergoskel has been developed and patented by FM Logistic and the University of Technology of Compiègne (UTC), France. According to the French healthcare insurance authority (Assurance Maladie), one out of three workplace injuries and three out of four registered musculoskeletal disorders in France are related to manual handling in the workplace.

6. Study: Sleep Apnea Treatment Can Cut Healthcare Costs

A recent study has found that providing drivers with a sleep apnea treatment program could be good for your fleet’s bottom line. A joint study published in the medical journal SLEEP conducted by Precision Pulmonary Diagnostics, Harvard Medical School, Virginia Tech Transportation Institute and the University of Minnesota-Morris has demonstrated that employer-sponsored sleep apnea screening, diagnosis, and treatment yields significant health cost savings in employee health insurance claim costs. The study, entitled “*Employer-Mandated Obstructive Sleep Apnea Treatment and Healthcare Cost Savings Among Truckers*,” analyzed over 1,200 commercial truck drivers who were diagnosed with sleep apnea through their employer’s sponsored program and compared their non-sleep apnea related health claims over a four-year period.

7. Report blasts ministry over truck inspections

Ontario’s auditor general has sharply criticized the Ministry of Transportation over falling roadside commercial vehicle inspections, saying not enough is being done to ensure road safety. The rebuke came in the Annual Report released on December 4, 2019 by Auditor General Bonnie Lysyk. The audit found that there are many opportunities for the ministry to improve overall safety through its Commercial Vehicle Safety and Enforcement Program. The report said one of the most important activities the ministry performs to ensure safety is its roadside inspections of commercial vehicles. “However, we found that between 2014 and 2018, the number of inspections the ministry conducted decreased by 22%, from over 113,000 in 2014 to fewer than 89,000 in 2018...”

8. Canadians plan to shop smarter this holiday season: UPS

UPS Canada is gearing up for another busy holiday season as 60 per cent of Canadians indicate plans to shop smarter this year. According to a Leger study, commissioned by UPS Canada, online gift purchases are up 33 per cent compared to five years ago and almost 30 per cent more Canadians are doing their holiday shopping earlier. Nicolas Dorget, vice-president, strategic alliances, UPS Canada said “Canadians are relying on online shopping this holiday season and they’re looking for convenient and safe shipping options. Our growing adoption of digital technology, including tools like the UPS My Choice app, provide customers with greater visibility and control of their incoming packages.

9. Fewer inspections keep unsafe commercial vehicles on Ontario’s roads: auditor

As many as 10,000 unsafe commercial vehicles have been allowed to operate on Ontario’s roads because of a drop in the number of government inspections, the province’s auditor general said in the first week of December 2019 in her annual report. Bonnie Lysyk said 89,000 commercial trucks and buses were inspected last year, down from 113,000 in 2014. She called the 22 per cent decrease is a “missed opportunity” to prevent injuries and improve road safety. In the 10 years from 2008 to 2017, commercial vehicles were involved in more than 182,000 collisions that resulted in 1,180 fatalities, Lysyk noted in her report made public on December 4, 2019.

10. AG Highlights Need for Improvement; OTA Continues Push for Modernization of Truck Safety Standards

The Auditor General of Ontario has highlighted several key areas to advance road safety and improve trucking industry compliance in the Annual Auditor General’s report, namely increased oversight and effective enforcement on the small contingent of unsafe, non-compliant operators expanding throughout the industry. The report focused on several issues that OTA has been actively advocating for and is currently working to resolve in partnership with the MTO, which will help improve road safety and enforcement on poor operators in Ontario including: 1) Increasing On-Road Enforcement;

16. Positive trucking activity faces headwinds: MacKay and Co., December 12, 2019, www.todaystrucking.com
17. UPS expands its urgent shipment services to 40 more countries, December 16, 2019, www.transportweekly.com
18. Rail volumes suggest bearish outlook for trucking, December 17, 2019, www.joc.com
19. FedEx cuts 2020 profit forecast, cites ‘significant challenges’, December 17, 2019, www.globeandmail.ca
20. Report says oversight of Manitoba’s trucking industry inadequate, December 18, 2019, www.todaystrucking.com
21. October 2019 North American Transborder Freight Numbers, December 18, 2019, www.bts.gov
22. U.S. Department of Transportation Announces Up to \$501.5 Million Loan for the Complete 540 Project in Raleigh, NC, December 18, 2019, www.dot.gov
23. Canada’s Groupe Morneau grows reefer division with Beacon acquisition, December 19, 2019, www.americanshipper.com
24. For-hire Motor Carrier Freight Services Price Index, third quarter 2019, December 19, 2019, www.statcan.gc.ca
25. 2018 Freight Flow Estimates, December 19, 2019, www.bts.gov
26. Amazon a real threat to parcel carriers: Morgan Stanley, December 19, 2019, www.ctl.ca
27. Ontario defers enforcement of new SPIF axle controls, December 20, 2019, www.todaystrucking.com
28. Truck driver turnover spikes, December 23, 2019, www.todaystrucking.com
29. Couriers and Messengers Services Price Index, November 2019, December 24, 2019, www.statcan.gc.ca
30. Top 10 stories of 2019, December 25, 2019, www.ctl.ca
31. 2019 was a winless season for trucking...2020 will feel like winning the Sugar Bowl, December 27, 2019, www.americanshipper.com

2) Commercial Vehicle Operators Registration (CVOR) Review; 3) Improving Motor Vehicle Inspection Station Programs (MVIS); 4) Facility Audits; and 5) Mandatory Entry-Level Training (MELT).

11. OTA says its working with MTO to tackle truck safety

The Ontario Trucking Association says the Ministry of Transportation has a holistic plan to tackle truck safety that will effectively address the concerns outlined last week by the auditor general. It also noted that the MTO has initiated a consultative process that it believes will conclude in the creation of a truck safety plan. "OTA looks forward to continuing to work with MTO on developing and executing this plan as quickly as possible over the next several months," said OTA president Stephen Laskowski.

12. Parts & Parcel

Driven by an increase in e-commerce, global parcel volume grew from 74.4 billion shipments in 2017 to 87 billion in 2018. On average, 23 parcels per person were shipped globally, and 2,760 parcels were shipped every second, according to the Pitney Bowes Parcel Shipping Index. Collectively, China, the United States, and Japan lead the global growth with the three countries representing 83% of the increase in global parcel volume in 2018. Despite unprecedented global trade uncertainty, the report forecasts this figure will more than double within the next six years and reach 200 billion parcels by 2025.

13. NACFE: 'Messy Middle' Ahead for e-Truck Market Growth

In the long run, electric powertrains will dominate the marketplace, but as the transition occurs, some technologies will bridge the present and the future, according to the fourth Guidance Report on Electric Trucks released by the North American Council for Freight Efficiency (NACFE). This period, dubbed by NACFE as the 'messy middle,'" will enable a quicker electric future, while others might actually delay it, reports *Truck News*. For instance, the diesel-electric hybrid powertrain could accelerate full electrification while expanded use of natural gas might slow down the market for electric. NACFE anticipates moving freight with electric or hydrogen fuel cell trucks in a zero-emission mode – powered well-to-wheel from truly renewable sources, such as hydro, solar and wind – is probable in the next couple of decades.

14. October 2019 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 1.3% in October 2019 from September 2019, rising after a one-month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From October 2018 to October 2019, the index rose 0.5% compared to a rise of 6.8% from October 2017 to October 2018. The level of for-hire freight shipments in October 2019 measured by the Freight TSI (138.6) was exceeded by three previous months and was 1.0% below the all-time high level of 140.0 in August 2019.

15. U.S. Department of Transportation Announces Up to \$502.9 Million Loan for Infrastructure Projects in Hampton Roads, VA

Transportation Secretary Elaine L. Chao on December 12, 2019 announced that the U.S. Department of Transportation's Build America Bureau will provide up to a \$502.9 million Transportation Infrastructure Finance and Innovation Act loan to the Hampton Roads Transportation Accountability Commission (HRTAC) in Virginia to help finance several of HRTAC's Regional Priority Projects.

16. Positive trucking activity faces headwinds: MacKay and Co.

MacKay and Company expects U.S. trucking activity to remain relatively positive during the year to come. While the current U.S. economic expansion has lasted 126 months, which is the longest such period on record, the trucking industry analysts have still identified mounting headwinds – especially when it comes to exports.

17. UPS expands its urgent shipment services to 40 more countries

UPS has expanded its time- and day-definite delivery services to include new locations in 40 countries, meaning its express services are now available across 140 countries and territories. "Cross-border trade continues to present growth opportunities for us and for customers of all sizes," said UPS International president Nando Cesarone who was quoted saying in a report by London's *Air Cargo News*. "By expanding the reach of our industry-leading express services, we're better connecting our customers to where we see continued growth potential. Our time-sensitive services are faster, they speed up time-to-market in high-growth economies and they offer another way for our customers to optimise their cross-border supply chains."

18. Rail volumes suggest bearish outlook for trucking

Year-to-date declines in metal, chemical, and forest product shipments will depress future truck volumes, creating an overhang that will affect pricing, a transportation economist says.

19. FedEx cuts 2020 profit forecast, cites 'significant challenges'

FedEx Corp on December 17, 2019 issued its second warning on fiscal 2020 profit after quarterly earnings fell sharply on lackluster global trade and the end of its relationship with Amazon.com, the world's top online retailer. Shares fell 6.5% in after-hours trade to US\$152.58 after FedEx also said the late arrival of Thanksgiving shifted revenue from the

Cyber Week holiday delivery surge into December, hurting results in its quarter ended Nov. 30.

20. Report says oversight of Manitoba's trucking industry inadequate

Manitoba's Auditor General has concluded that provincial oversight of commercial vehicle safety is inadequate, including insufficient safety fitness program practices, management gaps for on-road inspections, and weak planning and performance measurements. The less-than-glowing review was released on December 18, 2019 in a report that examined the adequacy of the Manitoba Department of Infrastructure's oversight of commercial vehicle safety. The report examined the motor carrier safety fitness program, on-road commercial vehicle inspections, and strategic planning and performance management for the industry, covering the time period from April 2017 to August 2018.

21. October 2019 North American Transborder Freight Numbers

Total Transborder Freight between the U.S. and other North American countries (Canada and Mexico) in October 2019 was \$107.1 billion moved by all modes of transportation, down 3.3% compared to October 2018. Trucks moved \$68.2 billion of freight, down 2.7% compared to October 2018 and Railways moved \$14.5 billion of freight, down 7.9% compared to October 2018. U.S.-Canada freight in both directions by various modes was: Truck: \$30.0b; Rail: \$7.9b; Pipeline: \$5.8b; Air: \$3.6b; and Vessel: \$3.1b.

22. U.S. Department of Transportation Announces Up to \$501.5 Million Loan for the Complete 540 Project in Raleigh, NC

U.S. Transportation Secretary Elaine L. Chao on December 18, 2019 announced that the U.S. Department of Transportation's Build America Bureau (the Bureau) will provide up to a \$501.5 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to the North Carolina Turnpike Authority (NCTA) to help finance the Complete 540 Project in the greater Raleigh area.

23. Canada's Groupe Morneau grows reefer division with Beacon acquisition

Groupe Morneau's refrigerated division has acquired Beacon Transit Lines, strengthening the Canadian carrier's presence in Ontario and Quebec, especially in the vital Toronto-Montreal corridor. Morneau Eskimo's purchase of Toronto-based Beacon, announced Dec. 19, 2019 nearly doubles its fleet from 80 to 140 tractors. It will improve Morneau Eskimo's ability to serve food industry customers throughout the two neighboring provinces.

24. For-hire Motor Carrier Freight Services Price Index, third quarter 2019

The Canadian For-hire Motor Carrier Freight Services Price Index declined 0.4% in the 2019 third quarter, following a 1.5% increase in the second quarter. The general freight trucking component was unchanged, while the specialized freight trucking component decreased 1.4%. Year-over-year the index rose 1.8% in the 2019 third quarter compared with the same quarter in 2018. General freight trucking rose 3.0%, while specialized freight trucking was down 0.8%.

25. 2018 Freight Flow Estimates

Freight shipments in the U.S. grew from 2017 to 2018, up 3.8% by weight to 18.6 billion tons and up 3.1% by value to \$18.9 trillion, according to annual estimates from the *Freight Analysis Framework (FAF)*.

26. Amazon a real threat to parcel carriers: Morgan Stanley

According to analysis from Morgan Stanley, Amazon Logistics parcel volume will surpass UPS and FedEx by 2022. A research note this week from Morgan Stanley estimates Amazon is delivering roughly 46% of the items ordered through its U.S. site — a total of 2.5 billion parcels in 2019. Amazon Logistics' share of its own orders doubled in 2019. Amazon's 2019 parcel volume was still lower than that of FedEx (3 billion) and UPS (4.7 billion), but at the current speed of growth, Morgan Stanley expects Amazon Logistics will overtake the legacy players in 2022.

27. Ontario defers enforcement of new SPIF axle controls

The Ontario Ministry of Transportation will defer the enforcement of new rules that govern the emergency controls for self-steering lift axles in what's known as a SPIF configuration. Regulatory changes introduced last July will allow an in-cab switch to lift self-steering axles in emergency situations, when working with Safe, Productive, Infrastructure-Friendly (SPIF) trucks or tractors. But the vehicle option requires an independent switch that also activates the four-way flashers at the same time. The news came on December 20, 2019 through a letter to the Canadian Transportation Equipment Association (CTEA).

28. Truck driver turnover spikes

Large U.S. fleets saw driver turnover jump 9% in the 2019 third quarter, setting the highest mark since 2018 at 96%. The American Trucking Associations (ATA) reported the churn at small carriers also rose 6% to 73%. "Counterintuitively, we saw turnover rise even as the freight demand was relatively soft," said ATA chief economist Bob Costello. "While turnover rose at both small and large carriers, the reasons were quite different. Large carriers reduced the number of drivers they employed, in keeping with lackluster freight levels, but smaller carriers added to their driver pools, increasing their number of drivers by 1.9%.

29. Couriers and Messengers Services Price Index, November 2019

The Couriers and Messengers Services Price Index (CMSPI) increased 0.6% in November 2019, following no change in October 2019. The couriers component rose 0.7%, while the local messengers and local delivery component was up

0.1%. While base prices did not change in November 2019, fuel surcharges grew overall, and this led to an increase in the total index. Year-over-year the CMSPI rose 2.4% in November 2019 compared with the same month in 2018. Both the couriers (+2.4%) and the local messengers and local delivery (+2.0%) components increased.

30. Top 10 stories of 2019

The top ten news making stories in 2019 according to CTL were: 1. CN Rail Strike; 2. ELD mandate; 3. Uber Freight comes to Canada; 4. CTA investigates shippers' complaints about railways; 5. The digitalization of container shipping; 6. Autonomous trucks; 7. CP derailment in BC kills three; 8. IMO 2020; 9. Amazon and FedEx; and 10. NAFTA 2.0 a done deal.

31. 2019 was a winless season for trucking...2020 will feel like winning the Sugar Bowl

2019 will be remembered as a really tough year for trucking companies. As a whole, the industry did not generate a profit. Largely, this was caused by too much capacity added to the market in 2017 and 2018, after which (2019) the freight market slowed down. Depressed spot rates and pressure from shippers to move freight to cheaper carriers created a ceiling on contract rates in 2019 and caused spot rates to trade near the market floor. All of this combined with the fact that carrier costs jumped double digits in most categories compared with the last freight recession of 2016. Driver wages, equipment and insurance costs have all seen drastic increases in just two years. The spot market will once again heat up as shippers scramble for capacity. Rates will accelerate. This time around we won't see an instant correction with capacity coming back quickly. Bank lenders, freshly burned from 2019 and obsessed with mitigating their exposure to trucking companies, will be reluctant to provide financing.

GENERAL TRANSPORTATION

Canada

1. Mexico's USMCA point man says final details being ironed out to approve pact

Mexico's point man on the new North American free-trade agreement shed some light on the remaining impediments to finalizing the deal by end of year — suggesting everyone could be shaking hands by next week if there's enough political will. Jesus Seade, the Mexican undersecretary for North America, said he expects the deal to cross the finish line soon, but noted the short time left for Congress to go through the approval process when it still hasn't taken the first step towards ratification. Congressional leaders have only three weeks left in their legislative calendar before they disperse until 2020 and their focus shifts to next fall's presidential election.

2. Canadian Transportation Agency launches consultation on Phase II of its Accessible Transportation for Persons with Disabilities Regulations

On this International Day of Persons with Disabilities, the Canadian Transportation Agency (CTA) is launching a second phase of consultations on regulatory reform in the area of accessible transportation. These consultations will focus on: 1) How to apply Accessible Transportation for Persons with Disabilities Regulations (ATPDR) provisions to small transportation providers — with adjustments to reflect their unique operating realities; 2) Whether or not to apply the One Person, One Fare (1p1f) requirement to international travel and to small transportation providers; 3) What, if anything, to require of transportation providers with respect to Emotional Support Animals and service animals other than dogs; and 4) Planning and reporting frameworks for transportation providers, pursuant to the *Accessible Canada Act*, which came into force on July 11, 2019.

3. U.S. Congress has to move on new NAFTA, Trump says before Trudeau meeting

U.S. President Donald Trump says his country's legislators have to ratify the new North American free-trade deal before Mexico and

GENERAL TRANSPORTATION

Canada

1. Mexico's USMCA point man says final details being ironed out to approve pact, December 1, 2019, www.ctl.ca
2. Canadian Transportation Agency launches consultation on Phase II of its Accessible Transportation for Persons with Disabilities Regulations, December 3, 2019, www.cta-otc.gc.ca
3. U.S. Congress has to move on new NAFTA, Trump says before Trudeau meeting, December 3, 2019, www.americanshipper.com
4. Global trade flows decline even as capital and people flows stay resilient, says DHL report, December 5, 2019, www.americanshipper.com
5. China hopes for good trade result with U.S. as soon as possible, Commerce official says, December 9, 2019, www.ajot.com
6. Trump, Dems in tentative deal on North American trade pact, December 9, 2019, www.americanshipper.com
7. Freeland heads to Mexico in effort to finalize new NAFTA revisions, December 9, 2019, www.americanshipper.com
8. Freeland signs amended version of new NAFTA deal with U.S., Mexico, December 10, 2019, www.ctl.ca
9. US President to discuss aging airports, traffic control overhaul with aviation experts, December 11, 2019, www.transportweekly.com
10. CTA applauds signing of new trade deal, December 11, 2019, www.todaystrucking.com
11. At last minute, China suspends tariffs on some U.S. products, December 15, 2019, www.americanshipper.com
12. Supply chain professionals show increased interest in technology in 2019: survey, December 16, 2019, www.ctl.ca
13. What US-China trade progress means for shipping stocks, December 16, 2019, www.americanshipper.com
14. Raise ambitions, take action!, December 17,

Canada lose interest in finalizing it. He and Prime Minister Justin Trudeau met in London on December 3, 2019 afternoon, on the sidelines of a summit of NATO leaders. Beforehand, Trump said he wouldn't blame Trudeau or Mexico's President Andres Manuel Lopez Obrador for walking away while the deal waits for a vote in the U.S. Congress. The Democrats who control the U.S. House of Representatives haven't brought the trade deal up for a vote amid concerns about enforcing environmental and labour standards on Mexican employers. Trump, who faces an impeachment inquiry in the same chamber, has been trying to pressure them for months to move on the treaty.

4. Global trade flows decline even as capital and people flows stay resilient, says DHL report

Executives of freight forwarding giant DHL spoke on its observations of globalization based on DHL's Global Connectedness Index (GCI) that monitors the flows of trade, capital, information and people across the

world. John Pearson, the CEO of DHL Express, initiated the discussion by expressing globalization is "too big to fail" and that DHL's primary motive was to connect people and improve lives through the expansion of trade that transcends borders. Though globalization has taken a battering over the last two years due to protectionist policies, trade wars, and fragmentation of trade along regional lines, Pearson was confident that a global recession was still out of sight. That said, forecasts have continued to downgrade trade growth over the last few weeks of 2019 and a better part of 2020.

5. China hopes for good trade result with U.S. as soon as possible, Commerce official says

China hopes trade talks with the U.S. can produce satisfactory results as soon as possible, according to a Ministry of Commerce official. "We hope that the two sides will advance the negotiations and consultations in accordance with the principles of equality and mutual respect, take into account each other's core concerns and achieve satisfactory results as soon as possible," Assistant Minister of Commerce Ren Hongbin told reporters on December 9, 2019 in Beijing. Ren is not involved in the talks with the U.S. and was speaking at a press conference about developing high-quality trade.

6. Trump, Dems in tentative deal on North American trade pact

House Democrats have reached a tentative agreement with labour leaders and the White House over a rewrite of the U.S.-Mexico-Canada trade deal that has been a top priority for President Donald Trump. That's according to a Democratic aide not authorized to discuss the talks and granted anonymity. Details still need to be finalized and the U.S. Trade Representative will need to submit the implementing legislation to Congress. No vote has been scheduled.

7. Freeland heads to Mexico in effort to finalize new NAFTA revisions

Deputy Prime Minister Chrystia Freeland is to meet American and Mexican officials in Mexico City on December 10, 2019 amid reports that a deal to revise the new North American free-trade agreement is close to completion. The federal government revealed Freeland's itinerary following a day of furious speculation about the state of the United States-Mexico-Canada trade deal and concerns from Canada's aluminum sector about what the agreement could mean for the industry and workers. Prime Minister Justin Trudeau and U.S. President Donald Trump talked directly about the deal on December 9, 2019, Trudeau's office reported, without details. The United States-Mexico-Canada Agreement was signed by the three countries last year, but U.S. ratification has been stalled for months as congressional Democrats and organized labour have bickered with Mexico over labour rights as well as the agreement's treatment of steel and aluminum.

8. Freeland signs amended version of new NAFTA deal with U.S., Mexico

Canada joined the United States and Mexico in heralding a new era of North American prosperity on December 10, 2019 as they formally agreed to changes to the new continental free trade deal first reached last year. The amended deal comes after years of intense, at times bitter, negotiations to update the 25-year-old North American Free Trade Agreement. "This has been a long, arduous and at times fraught negotiation," said Deputy Prime Minister Chrystia Freeland, who was in Mexico City for the elaborate signing ceremony. U.S. trade czar Robert Lighthizer and Mexican undersecretary for North America Jesus Seade signed the document beside her.

9. US President to discuss aging airports, traffic control overhaul with aviation experts

US aviation executives will discuss the industry's aging airports and air traffic control reform at an upcoming meet with President Donald Trump. The meeting comes at a time of heightened tension within the industry after US carriers raised concerns about ongoing trade agreements with foreign carriers. Mr. Trump has vowed to renegotiate or scrap trade deals he sees as unfair between the US and other countries. A source told Reuters the airlines expect last month's executive order barring travel from seven Muslim-majority countries may come up and if so, the carriers in attendance would stress the need for better coordination and planning ahead of announcing such an order instead of having it

2019, www.itf-oecd.org

15. China lowers 2020 growth target to 6pc, December 18, 2019, www.transportweekly.com

16. China marks Jan. 1 with tariff reduction on 850 products, December 24, 2019, www.americanshipper.com

17. Trump Administration supports new rules that industry says will weaken the Jones Act and outsource US jobs, December 22, 2019, www.ajot.com

18. Digitalization and automation to help e-commerce supply chains: DHL, December 25, 2019, www.ctl.ca

19. Commentary: Transportation, trade wars and trade balances are all part of the same equation, December 24, 2019, www.americanshipper.com

20. Retailers to plow e-commerce profits into logistics improvements, forgoing bottom-line growth, firm says, December 26, 2019, www.americanshipper.com

sprung on them.

10. CTA applauds signing of new trade deal

The Canadian Trucking Alliance (CTA) is among groups applauding the signing of the amended U.S.-Mexico-Canada Agreement, sometimes referred to as NAFTA 2.0. Updates to the deal, which still needs to be ratified by all three governments, include dispute resolution mechanisms, labor rights, and a tighter definition of what is considered North American steel when it comes to the minimum content rules for vehicles manufactured in one of the three countries. “CTA believes the government has worked to deliver the best deal possible under this newly amended agreement, which will promote the economic growth of the Canadian economy, through a modernized and progressive agreement,” CTA president Stephen Laskowski says. “We applaud Deputy [Prime] Minister Freeland, Global Affairs Canada, [and] the negotiating team for working proactively with stakeholders to create the best deal possible for the trade community.”

11. At last minute, China suspends tariffs on some U.S. products

On Dec. 15, 2019, the same day Chinese tariffs were set to kick in on some U.S. goods, China agreed to suspend those levies, according to media reports. The suspension covers tariffs on products including corn and U.S.-made cars and auto parts, Reuters reported. The last-minute suspension came two days after the two countries agreed to a Phase I deal that would ease the trade war that has rolled markets for the past 18 months. As part of that deal, the U.S. will halt tariffs on a \$160 billion list of Chinese imports, mostly toys and consumer electronics. The reduction in tariffs will be offset by a substantial increase in Chinese purchases of American farm products, from \$40 billion to \$50 billion annually over the next two years, as *FreightWaves* previously reported. The United States also agreed to cut the tariff rate to 7.5% on a \$120 billion list of Chinese goods including Bluetooth headphones, smart speakers and flat-panel televisions. The deal leaves in place 25% tariffs on \$250 billion worth of Chinese goods.

12. Supply chain professionals show increased interest in technology in 2019: survey

In 2019, the supply chain industry has shown movement in both technology adoption and innovation spending, according to the State of the Supply Chain Innovation Survey. According to the findings, 46% of respondents stated that they are willing to spend 10-24% more on innovation, up from 24% last year. Supply chain professionals are also looking to partners to help with innovation efforts, as 45% expect to co-invest with 3PLs. Investment rates are up in the following technology categories: 1) 56% of supply chain professionals are currently or planning to invest in sensors/IoT, up from 46% in 2018 and 42% in 2017; 2) 34% of respondents are currently or planning to invest in AR/VR (i.e. augmented reality/virtual reality) up from 23% in 2018 and 8% in 2017; and 3) 22% of supply chain leaders are currently or planning to invest in drones, up from 13% in 2018 and 8% in 2017

13. What US-China trade progress means for shipping stocks

The trade war launched by U.S. President Donald Trump has precipitated years of negative sentiment for ocean-shipping stocks. Finally, some relief is in sight. The new phase-one agreement halts new tariffs that were to go into effect on Dec. 15, 2019 and marks a first step toward getting U.S.-China trade flows back to levels seen prior to Trump’s election. Trade tensions have been an ever-present overhang on the performance of U.S.-listed shipping stocks because so much of ocean-shipping demand is contingent on Chinese imports and exports of commodities and containerized goods. What’s bad for China’s economy is bad for shipping stocks. “Phase one ... sets up a positive market backdrop for the shipping sector as we approach 2020, which is in sharp contrast to market dynamics a year ago,” affirmed Clarksons Platou Securities analyst Frode Mørkedal in a client note on Dec. 16, 2019.

14. Raise ambitions, take action!

After the COP25 climate talks in Madrid, what are first take-aways for transport? The public had hoped for progress, experts had demanded it, and the conference motto "Time for Action" had made it the benchmark – yet as the COP25 climate talks in Madrid, Spain, wound up on 15 December 2019, two days later than planned, a broad consensus was that very little has been accomplished. In the run-up, the ITF had highlighted that the objectives of the Paris agreement cannot be met without the decarbonisation of transport. It had pointed out that even if all current and planned transport CO2 mitigation measures were implemented, this would still not suffice to contain global warming. Yet the conference gave no signal of increased ambition or a move from announcements to action. Still, only about 10% of Nationally Determined Contributions (NDCs) set concrete transport CO2 reduction targets and many measures listed are quite unspecific. Not all was gloom, however. The "New Green Deal" announced by the European Commission during COP25 is an ambitious regional decarbonisation agenda, backed by many ITF member countries, for which the ITF can offer support in translating its transport dimension into actions with real impact.

15. China lowers 2020 growth target to 6pc

China switches gear to lower economic growth target to six per cent in 2020, down from this year's 6-6.5 per cent, relying on greater state infrastructure spending to prevent a more marked slowdown, policy sources said, reported Reuters. Chinese heads of state are battling to support growth to limit job losses that could derail social stability, but are facing pressure to tackle debt risks. The proposed target, to be unveiled at China's annual parliamentary session in

early March 2020, was endorsed by top leaders at the annual closed-door Central Economic Work Conference this month, according to three sources with knowledge of the meeting's outcome.

16. China marks Jan. 1 with tariff reduction on 850 products

The Chinese government has announced that it will reduce import tariffs on 850 products starting January 1, 2020. China's State Council Customs Tariff Commission in Beijing approved the reductions on Dec. 23, 2019. "The adjustments will be made to expand imports, promote the coordinated development of trade and environment, advance the high-quality development of the jointly building of the Belt and Road," the Chinese state-run Xinhua News Agency reported. The Customs Tariff Commission said the new import tariffs will be lower than the most-favored-tariff levels currently in place for the 850 products, such as frozen pork and avocados, orange juice, specialty metals for electronics and paper and wood products. Some imports, such as the chemicals used to manufacture asthma and diabetes treatments, will have zero tariffs.

17. Trump Administration supports new rules that industry says will weaken the Jones Act and outsource US jobs

The Trump Administration is supporting new U.S. Customs rules that the Offshore Marine Services Association says will weaken the *Jones Act* and outsource American jobs in the oil, gas and offshore wind farms industries. The rules are due to take effect in February of 2020. The U.S. Customs and Border Protection action is the fourth time that changes have been mounted to weaken the *Jones Act* since President Trump assumed office and appears to break a promise President Trump made to Tom Allegretti, President & CEO of The American Waterways Operators, last May, as reported by AJOT. In an October analysis, appearing in Lexology.com, Charlie Papavizas, a *Jones Act* specialist with the law firm Winston and Strawn, warned that the CBP action threatens to outsource jobs in the U.S. oil, gas and offshore wind industries: "On October 23, 2019, U.S. Customs and Border Protection proposed substantial changes to its interpretations of the *Jones Act* that will affect both the offshore oil and gas and offshore wind industries. The *Jones Act* is a key driver in how offshore structures are constructed and dismantled and so its interpretation is critical to both operational planning and cost analyses..."

18. Digitalization and automation to help e-commerce supply chains: DHL

DHL says it has identified digitalization and automation in the supply chain as an imperative for online retailers looking to grow and compete over the long-term. In its latest white paper, the company, which this year announced an investment of at least USD 2.2 billion in digitalization through 2025, provides new insights on how specific challenges within the e-commerce supply chain can be overcome with the support of new technologies. *Change at the Speed of the Consumer: How E-Commerce is Accelerating Logistics Innovations* was authored by Professor Lisa Harrington, President and CEO of lharrington group llc. It looks at six principal areas where e-commerce is challenging the supply chains of merchants and logistics companies: customer expectations for a perfect buying experience; consumers' desire to buy and receive goods 'anywhere, anytime'; exploding demand for urban delivery; competition for labor and wage inflation; the emergence of new online sales models and unexpected surges in demand; and environmental concerns.

19. Commentary: Transportation, trade wars and trade balances are all part of the same equation

The United States and China have been imposing import tariffs on each other systematically since the first set was announced by the U.S. in March 2018. During subsequent months both countries have also been searching for a trade deal to relieve the pressure. Relief may be in sight now that both countries completed "Phase 1" of a larger prospective deal on Dec. 13, 2019. Current tariffs will remain in place for the near-term, while further punitive tariffs that were set to begin on Dec. 15, 2019 were cancelled. Canada and Mexico went through much shorter tariff disputes with the U.S. The volume of trade resulting from these trade wars needs transportation services. Transportation is a double-edged sword in international trade. It is necessary to facilitate trade but if it is too expensive for the consignor and/or the consignee to bear then the transaction will not take place. Tariffs are a blunt instrument and add to trade frictions between countries. The same can be said for transportation when markets are not competitive or are highly regulated. To paraphrase a famous Chinese curse, when it comes to international trade we are living in interesting times.

20. Retailers to plow e-commerce profits into logistics improvements, forgoing bottom-line growth, firm says

U.S. retailers will sacrifice near-term profits on e-commerce so they can invest increasing revenue streams into the logistics capabilities needed to handle the continued surge in online ordering, according to a report released Dec. 26, 2019 by IT consultancy ABI Research. ABI said e-commerce revenue will reach \$3.52 trillion in 2020, a 19% year-on-year growth rate and a figure equal to about 15% of U.S. GDP, estimated at \$21.5 trillion. Retailers will need to invest in logistics tools that will cost-effectively manage customers' elevated expectations amid the demand deluge, ABI said. Everything will be on the table next year, except for autonomous vehicles, where progress towards implementing such operations will be virtually non-existent, the firm said.