

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Government of Canada is increasing its eyes in the sky with a new aircraft for its marine surveillance program

On January 30, 2020, the Minister of Transport, the Honourable Marc Garneau announced that Transport Canada has acquired a new addition to its National Aerial Surveillance Program's aircraft fleet. Through the Government of Canada's Oceans Protection Plan and the Whales Initiative, a De Havilland Dash 8 aircraft was acquired to increase the capacity of the National Aerial Surveillance Program. This Program's marine surveillance missions include detecting oil spills and other marine pollution, and monitoring ship and endangered whale movements.

### 2. Air Canada Is Named a Top Employer in Montreal for the Seventh Consecutive Year

Air Canada on January 30, 2020 was named one of "Montreal's Top Employers" for the seventh consecutive year in Mediacorp Canada Inc's annual employer survey. The 2020 survey recognizes companies in Montreal with exceptional human resources programs and forward-thinking workplace policies, and includes a comparison of others in their industry and region.

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

The six Canadian Level I air carriers flew 6.1 million passengers on scheduled and charter services in November 2019, up 0.9% from November 2018. This represents the first year-over-year monthly increase after four consecutive declines. There was a 0.1% decrease in October 2019. November marked the lowest monthly volume of passengers by these carriers combined, as was the case the previous four years. Traffic grew 2.9% year over year to 15.3 billion passenger-kilometres in November 2019. Capacity also rose 2.9% to 19.0 billion available seat-kilometres. This resulted in a passenger load factor of 80.8% in November 2019, unchanged from the same month a year earlier, as capacity growth advanced at the same pace as traffic growth.

### 4. Aircraft movement statistics: Major airports, November 2019

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations increased 1.0% in November 2019. Combined, 90 airports reported 433,312 movements, compared with 91 airports reporting 429,144 movements in November 2018.

### 5. Air freight market is likely to remain weak this year

Hindered by overcapacity and weak growth around the world, the air freight market is likely to remain weak this year, industry leaders believe, reports *London's Air Cargo News*. "We see 2020 not improving significantly. There will be some capacity coming out of the market, so there is some balance coming, but the price pressure will continue," Cargolux finance chief Maxim Straus said at the Airline Economics Growth Frontiers conference in Dublin. "There are lots of areas of the world that are shaky," he added, noting weakness in South America and Hong Kong.

### 6. Air Canada jet makes emergency landing in Madrid after reporting engine trouble, blown tire

Engine trouble and a blown tire forced an Air Canada Boeing 767 bound for

## AIR TRANSPORTATION Canada

1. Government of Canada is increasing its eyes in the sky with a new aircraft for its marine surveillance program, January 30, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

2. Air Canada Is Named a Top Employer in Montreal for the Seventh Consecutive Year, January 30, 2020, [www.aircanada.ca](http://www.aircanada.ca)

3. Monthly civil aviation statistics, November 2019, January 30, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

4. Aircraft movement statistics: Major airports, November 2019, January 30, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

5. Air freight market is likely to remain weak this year, February 3, 2020, [www.transportweekly.com](http://www.transportweekly.com)

6. Air Canada jet makes emergency landing in Madrid after reporting engine trouble, blown tire, February 3, 2020, February 2020, [www.globeandmail.ca](http://www.globeandmail.ca)

7. The power of choice for cargo customers with new airline partnership, February 3, 2020, [www.ajot.com](http://www.ajot.com)

8. 2019 Worst Year for Air Freight Demand Since 2009, February 5, 2020, [www.iata.org](http://www.iata.org)

9. Air Canada to offer Customers the Convenience of PayPal for Purchasing Tickets in Canada, February 6, 2020, [www.aircanada.ca](http://www.aircanada.ca)

10. Flair Airlines offers three-month unlimited travel pass for \$700 as discount competition heats up, February 5, 2020, [www.nationalpost.ca](http://www.nationalpost.ca)

11. Below-trend but still solid air passenger growth in 2019, February 6, 2020, [www.iata.org](http://www.iata.org)

12. Annual global freight volumes decline but pressures are easing, February 5, 2020, [www.iata.org](http://www.iata.org)

13. Quebec premier says returns will fly high with \$30 million airship investment, February 6, 2020, [www.ctl.ca](http://www.ctl.ca)

14. Slower but Steady Growth in 2019, February 6, 2020, [www.iata.org](http://www.iata.org)

15. New study on airline investor returns, February 7, 2020, [www.iata.org](http://www.iata.org)

16. WestJet announces 90 new and expanded travel opportunities from Calgary this summer, January 7, 2020, [www.westjet.ca](http://www.westjet.ca)

17. Air cargo carriers face belly-hold shortages following flight cuts tied to virus, February 10, 2020, [www.transportweekly.com](http://www.transportweekly.com)

18. Bombardier exits commercial aviation as Airbus, Quebec take remaining A220 stake, February 13, 2020, [www.globeandmail.ca](http://www.globeandmail.ca)

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

Toronto to make an emergency landing in Madrid, Spain, on February 3, 2020. The passenger jet carrying 128 passengers and crew members experienced a ruptured tire on takeoff and “an engine issue” shortly after departing Adolfo Suarez-Barajas international airport, Air Canada said in an e-mail.

#### **7. The power of choice for cargo customers with new airline partnership**

Air France-KLM Cargo, Delta Air Lines Cargo and Virgin Atlantic Cargo are promising cargo customers more connections, greater shipment routing flexibility, improved trucking options, aligned services and innovative digital solutions with the launch of their expanded trans-Atlantic Joint Venture (JV). The new partnership, which represents 23% of total trans-Atlantic cargo capacity or more than 600,000 tonnes annually, will enable the airlines to offer the best-ever customer experience, and a combined network of up to 341 peak daily trans-Atlantic services – a choice of 110 nonstop routes with onward connections to 238 cities in North America, 98 in Continental Europe and 16 in the U.K.

#### **8. 2019 Worst Year for Air Freight Demand Since 2009**

The International Air Transport Association (IATA) released full-year 2019 data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), fell by 3.3% compared to 2018 while capacity (AFTK) rose by 2.1%. This was the first year of declining freight volumes since 2012, and the weakest performance since the global financial crisis in 2009 (when air freight markets contracted by 9.7%). In the month of December 2019, cargo volumes contracted 2.7% year-on-year while capacity rose 2.8%. Air cargo’s performance in 2019 was dampened by weak growth in global trade of just 0.9%. The sector’s underperformance was also due in particular to slowing GDP growth in manufacturing-intensive economies. Softer business and consumer confidence, along with falling export orders, also contributed to air freight struggles.

#### **9. Air Canada to offer Customers the Convenience of PayPal for Purchasing Tickets in Canada**

Air Canada has introduced a new payment option for customers by enabling them to use PayPal when purchasing tickets online at aircanada.com in Canada. The popular online payment system offers a secure and convenient means to buy tickets, with customers able to pay for their flights with their preferred payment method – bank account, credit cards or Visa Debit card – linked to their PayPal account.

#### **10. Flair Airlines offers three-month unlimited travel pass for \$700 as discount competition heats up**

Flair Airlines is offering a three-month unlimited travel pass as competition in the discount air space heats up. Flair’s Go Travel Pass, which runs from Feb.

13 to May 13, offers two options. The basic pass for \$499 allows unlimited travel for three months with Fridays and Sundays excluded and some blackout days. The unlimited pass offers unlimited travel for all days of the week at \$699 with no blackout dates. The airline travels to Vancouver, Abbotsford, Kelowna, Calgary, Edmonton, Winnipeg and Toronto. It does not fly to Quebec.

#### **11. Below-trend but still solid air passenger growth in 2019**

IATA indicates that the major highlights of air passenger growth in 2019 were as follows: 1) Industry-wide revenue passenger kilometres (RPKs) expanded by 4.2% in 2019. This marks the first year since the Global Financial Crisis with passenger demand below long-term trend (~5.5%). 2) The 2019 air travel demand outcome was impacted by a softer (but still supportive) global economic backdrop and weaker business confidence amidst international trade tensions. 3) Capacity expanded by 3.4% in 2019 as a whole, a slower pace compared to that of demand. As a result, the industry wide passenger load factor reached a new record high of 82.6%.

#### **12. Annual global freight volumes decline but pressures are easing**

IATA indicates that the major highlights for global freight in 2019 were as follows: 1) Industry-wide freight tonne

19. CTA opens inquiry into complaints regarding reasons for flight delays or cancellations, February 13, 2020, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

20. Passenger Air Services Price Index, 2018, February 13, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

21. Estimated January 2020 U.S. Airline Traffic Data, February 13, 2020, [www.bts.gov](http://www.bts.gov)

22. Air Canada Reports 2019 Annual Results, February 18, 2020, [www.aircanada.ca](http://www.aircanada.ca)

23. Air Canada profit misses as costs rise amid 737 MAX grounding, February 18, 2020, [www.financialpost.ca](http://www.financialpost.ca)

24. Airlines and Posts Cooperate Globally for a Sustainable and Reliable Cross-border Airmail Network, February 18, 2020, [www.iata.org](http://www.iata.org)

25. U.S. Transportation Secretary Elaine L. Chao Announces \$520.5 Million to 287 Airports in 41 States, February 19, 2020, [www.dot.gov](http://www.dot.gov)

26. Air Travel Consumer Report: December 2019, Full Year 2019 Numbers, February 19, 2020, [www.bts.gov](http://www.bts.gov)

27. December 2019 U.S. Passenger Airline Employment Data, February 19, 2020, [www.bts.gov](http://www.bts.gov)

28. Quarterly civil aviation statistics, third quarter 2019, February 20, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

29. COVID-19 Cuts Demand and Revenues, February 20, 2020, [www.iata.org](http://www.iata.org)

30. Air Canada announces establishment of Airframe Maintenance Centres of Excellence with AAR in Trois-Rivières and Avianor in Mirabel, February 24, 2020, [www.aircanada.ca](http://www.aircanada.ca)

31. Airports Council Celebrates 25 Years of Transborder Growth through 1995 Canada-U.S. Open Air Agreement, February 24, 2020, [www.cacairports.ca](http://www.cacairports.ca)

32. U.S. Transportation Secretary Elaine L. Chao Announces \$12.2 Million in Grants to Help Small Communities Improve Air Service, February 24, 2020, [www.dot.gov](http://www.dot.gov)

33. U.S. Department of Transportation Announces Final Rule to Enhance Air Carrier Pilot Development, February 25, 2020, [www.dot.gov](http://www.dot.gov)

34. Monthly civil aviation statistics, December 2019, February 27, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

35. Aircraft movement statistics: Major airports, December 2019, February 27, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

kilometres (FTKs) fell by 1.1% over the year to November 2019, the 13th consecutive month of year-on-year decline. Seasonally adjusted (SA) volumes moved slightly higher this month but remained on the broadly sideways trend observed since the first quarter of 2019. 2) The larger European market was the main positive contributor to this month's year-on-year growth improvement (+0.6ppts), followed by Africa (+0.3ppts). All of the remaining regions contracted, with Asia Pacific accounting for the bulk of the industry-wide decline (-1.3ppts). 3) With air freight capacity continuing to outpace demand, the freight load factor eased by 2.0 percentage points over the past twelve months.

### **13. Quebec premier says returns will fly high with \$30 million airship investment**

Quebec Premier Francois Legault is dismissing naysayers who are accusing his government of wasting \$30 million on a company that wants to build giant airships to transport heavy cargo around the province's far north. *The Journal de Montreal* reported on February 4, 2020 that the previous Liberal government had rejected the project as too risky. That led the opposition to suggest someone at the province's investment arm must have been sniffing helium when they accepted the pitch from the French company, called *Flying Whales*. But not only is the science behind the idea of cargo airships sound, the technology has been around for nearly 100 years, said professor Barry Prentice at University of Manitoba's Asper School of Business. "There is no question the technology works," Prentice said in an interview on February 5, 2020. Prentice, a transportation and supply chain management expert, also runs a research institute studying airship technology.

### **14. Slower but Steady Growth in 2019**

The International Air Transport Association (IATA) announced full-year global passenger traffic results for 2019 showing that demand (revenue passenger kilometers or RPKs) rose by 4.2% compared to the full year of 2018. The 2019 result is a slowdown compared to 2018's annual growth of 7.3% and marked the first year since the global financial crisis in 2009 with passenger demand below the long-term trend of around 5.5% annual growth. Full-year 2019 capacity climbed 3.4%, and the load factor rose 0.7 percentage point to a record high of 82.6%. The previous high was 81.9% set in 2018. December 2019 RPKs increased 4.5% against the same month in 2018. That was an improvement over the 3.3% annual growth recorded in November, primarily due to solid demand in North America.

### **15. New study on airline investor returns**

A new study for IATA sheds light on airline financial sustainability. The highlights of the study were: Despite headwinds, the return on invested capital has improved; Only a few airlines create value consistently; North American & European airlines are value creators; Regional gaps in value creation impacts overall industry outcome; and Airlines are generating value for the supply chain.

### **16. WestJet announces 90 new and expanded travel opportunities from Calgary this summer**

On February 7, 2020, WestJet announced its summer schedule featuring more than 90 new flights from Calgary including new non-stop WestJet Link service to Dawson Creek, B.C. "WestJet is focused on investing in Alberta to build and strengthen our Calgary hub," said Arved von zur Muehlen, WestJet Chief Commercial Officer. "As WestJet continues on its strategic path of becoming a global network airline, we are pleased to offer our guests the ability to conveniently connect for business or pleasure across Canada, Europe and beyond this summer."

### **17. Air cargo carriers face belly-hold shortages following flight cuts tied to virus**

A marked reduction in passenger flights to China means that belly-hold space is in tight supply following the outbreak of the respiratory coronavirus, which has continued to claim more lives and rapidly infect more victims. Millions of Chinese in Wuhan and other cities have effectively been placed under regional quarantine, providing further impetus for shelving flights.

### **18. Bombardier exits commercial aviation as Airbus, Quebec take remaining A220 stake**

Bombardier Inc. is pulling out of its joint venture with Airbus SE in a bid to save cash, closing the book on its failed big-league commercial aerospace ambitions as it reported a US\$1.7-billion net loss for its latest quarter.

### **19. CTA opens inquiry into complaints regarding reasons for flight delays or cancellations**

The Canadian Transportation Agency (CTA) on February 13, 2019 opened an inquiry into complaints from air passengers alleging that airlines are not accurately communicating the reasons for flight delays or cancellations. Multiple complaints have been filed after the flight delay and cancellation provisions of the *Air Passenger Protection Regulations* (APPR) came into force on December 15, 2019.

### **20. Passenger Air Services Price Index, 2018**

The Passenger Air Services Price Index declined 1.8% in 2018 compared with 2017. Both domestic (-2.0%) and international (-1.7%) fares decreased.

### **21. Estimated January 2020 U.S. Airline Traffic Data**

U.S. airlines carried an estimated 78.6 million systemwide (domestic and international) scheduled service passengers in January 2020, reaching a new seasonally-adjusted all-time high, according to the Bureau of Transportation Statistics' (BTS) first estimate, up 0.1% from the December 2019 second estimate. BTS estimated 68.9 million domestic passengers and 9.7 million international passengers on U.S. airlines flights in January 2020. The domestic passenger

numbers were a seasonally-adjusted all-time high.

## **22. Air Canada Reports 2019 Annual Results**

Air Canada on February 18, 2020 reported 2019 EBITDA (earnings before interest, taxes, depreciation, amortization and impairment) of \$3.636 billion compared to 2018 EBITDA of \$3.213 billion, an increase of \$423 million or 13 per cent. The airline reported operating income of \$1.650 billion in 2019 compared to operating income of \$1.496 billion in 2018. Calin Rovinescu, President and Chief Executive Officer of Air Canada said "I am very pleased to report strong fourth quarter and full year results for 2019, a year in which we generated record revenues in excess of \$19 billion and reached record levels of unrestricted liquidity,..."

## **23. Air Canada profit misses as costs rise amid 737 MAX grounding**

Canada's largest airline said it expects aircraft maintenance expenses to increase by about \$150 million this year from 2019. Air Canada missed analysts' estimates for quarterly profit on February 18, 2020, as the airline spent more on maintaining older aircraft in its fleet amid the grounding of Boeing Co's 737 MAX jet. Canada's largest airline said it expects aircraft maintenance expenses to increase by about \$150 million this year from 2019.

## **24. Airlines and Posts Cooperate Globally for a Sustainable and Reliable Cross-border Airmail Network**

The International Air Transport Association (IATA) and the International Post Corporation (IPC) on February 18, 2020 signed a Memorandum of Understanding (MoU) to reinforce cooperation between the two organizations. The aim for both IATA and IPC is to promote the development and expansion of safe, secure, accessible and high-quality airmail and air cargo services to help their respective members provide quality solutions aligned to consumer needs. IATA's Director General and CEO, Alexandre de Juniac said "International e-commerce is growing at around 20% per year, leading to rapidly changing market conditions for airlines and posts. Ensuring customers get their packages on time while safety and security in postal air transport is maintained is the main priority for posts and air transport operators alike. Cooperation across the supply chain is a must and our MoU with IPC is an important step toward strengthening our activity in this area."

## **25. U.S. Transportation Secretary Elaine L. Chao Announces \$520.5 Million to 287 Airports in 41 States**

U.S. Secretary of Transportation Elaine L. Chao announced on February 19, 2020 that the U.S. Department of Transportation will award \$520.5 million in airport infrastructure grants to 287 airports in 41 states. With this announcement, the Trump Administration has invested a historic \$11.4 billion to more than two thousand airports across the United States for safety and infrastructure improvements since January 2017.

## **26. Air Travel Consumer Report: December 2019, Full Year 2019 Numbers**

The U.S. Department of Transportation on February 19, 2020 released its February 2020 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of December 2019 and calendar year 2019. Some of the performance indicators in the report are as follows: *On-Time Performance* - For the full year 2019, marketing carriers posted an on-time arrival rate of 79.0%, a slightly lower rate than 79.2% in 2018; *Cancellations* - For the full year 2019, marketing carriers cancelled 1.9% of their scheduled domestic flights, compared to a rate of 1.7% in 2018; *Tarmac Delays* - In 2019, airlines reported 302 tarmac delays of more than three hours on domestic flights, an increase from the 202 such tarmac delays reported in 2018. In 2019, airlines reported 26 tarmac delays of more than four hours on international flights, compared to 61 such tarmac delays reported in 2018; and *Mishandled Baggage* - In calendar year 2019, the reporting marketing carriers posted a mishandled baggage rate of 5.85 mishandled bags per 1,000 checked bags. Carriers did not report mishandled bags per 1,000 checked bags in previous years.

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

The 21 U.S. scheduled passenger airlines employed 3.1% more workers in December 2019 than in December 2018. December's 453,976 full-time equivalents (FTEs) was the highest employment total since March 2003 (458,598 FTEs).

## **28. Quarterly civil aviation statistics, third quarter 2019**

Total operating revenue for the 26 largest Canadian air carriers totalled \$8.1 billion in the 2019 third quarter, a record high, up 3.6% from the third quarter of 2018. The gain was largely attributable to higher operating revenue for passenger transportation. The increase in passenger revenue was driven by a 4.4% increase in yield (passenger revenue per passenger-kilometre), partly offset by a traffic decrease of 1.7%. It was the largest year-over-year quarterly increase in the last eight years. The average international base fare on major Canadian airlines was up 6.2% to \$300.60 over the same period. Passenger revenue accounted for 89.3% of total operating revenue in the third quarter of 2019, while goods revenue comprised 5.0%. Total operating expenses grew 0.9% to \$6.7 billion. The number of air carriers increased from 25 in 2018 to 26 in 2019, as one Level III air carrier was reclassified to Level II. The operating ratio for the largest airlines—operating expenses expressed as a proportion of operating revenue—was 0.84 in the third quarter, a slight improvement from 0.86 in the third quarter of 2018. Overall, this means that these airlines incurred expenses of roughly 84 cents to generate one dollar in revenue.

## **29. COVID-19 Cuts Demand and Revenues**

The International Air Transport Association (IATA) announced that its initial assessment of the impact of the Novel Coronavirus 2019 outbreak (COVID-19) shows a potential 13% full-year loss of passenger demand for carriers in the Asia-Pacific region. Considering that growth for the region's airlines was forecast to be 4.8%, the net impact will be an 8.2% full-year contraction compared to 2019 demand levels. In this scenario, that would translate into a \$27.8 billion revenue loss in 2020 for carriers in the Asia-Pacific region—the bulk of which would be borne by carriers registered in China, with \$12.8 billion lost in the China domestic market alone.

### **30. Air Canada announces establishment of Airframe Maintenance Centres of Excellence with AAR in Trois-Rivières and Avianor in Mirabel**

Air Canada has entered into letters of intent with each of AAR Aircraft Services Trois-Rivières ULC ("AAR") and Avianor Inc ("Avianor") regarding long-term agreements for airframe maintenance, subject to completion of its planned merger with Transat, A.T. These long-term agreements would enable each of AAR and Avianor to develop Airframe Maintenance Centres of Excellence in Quebec for the aircraft types within their areas of expertise, both stimulating new investment in aerospace in Quebec and creating more high-quality aircraft maintenance jobs.

### **31. Airports Council Celebrates 25 Years of Transborder Growth through 1995 Canada-U.S. Open Air Agreement**

Airports Council International – North America (ACI-NA) on February 24, 2020 marked the 25th anniversary of the 1995 Canada-U.S. Air Transport Agreement, the liberalized air services agreement entered into on February 24, 1995, that led directly to more choices for travelers and a more competitive and price-conscious market. The agreement served as the foundation for the expanded Open Skies agreement in 2007. Joyce Carter, President and CEO of Halifax International Airport Authority, and Chair of ACI-NA's Canadian Policy Council said "Looking at it 25 years later, it's difficult to describe what a game changer the agreement was at the time..."

### **32. U.S. Transportation Secretary Elaine L. Chao Announces \$12.2 Million in Grants to Help Small Communities Improve Air Service**

U.S. Transportation Secretary Elaine L. Chao on February 24, 2020 announced that the U.S. Department of Transportation is providing \$12.2 million from the Small Community Air Service Development Program to help 18 communities in 18 states develop their own solutions to local air service needs. The Department received 57 applications from 30 states. This follows last week's announcement of \$520.5 million in airport infrastructure grants to 287 airports in 41 states.

### **33. U.S. Department of Transportation Announces Final Rule to Enhance Air Carrier Pilot Development**

The U.S. Department of Transportation's Federal Aviation Administration (FAA) on February 25, 2020 announced a final rule aimed at enhancing the professional development of air carrier pilots. The Pilot Professional Development rule requires specific training for newly-hired pilots and supplemental training for captains.

### **34. Monthly civil aviation statistics, December 2019**

The six Canadian Level I air carriers flew 7.2 million passengers on scheduled and charter services in December 2019, up 3.5% from December 2018. This marks the second year-over-year monthly increase after four consecutive declines. There was a 0.9% increase in November 2019. Traffic increased 4.2% year over year to 18.4 billion passenger-kilometres in December 2019. Capacity rose 2.5% to 22.0 billion available seat-kilometres. Operating revenue for these airlines totalled \$2.2 billion in December 2019, up 5.8% from the same month a year earlier.

### **35. Aircraft movement statistics: Major airports, December 2019**

Aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased 4.0% in December 2019. Combined, 90 airports reported 371,561 movements, compared with 91 airports totalling 387,152 movements in December 2018.

## **WATER TRANSPORTATION**

### **1. East coast ports see growth slow to 3-year low in US-China trade war**

The leading ten US east coast ports achieved combined throughput growth of 2.5 per cent to 16.17 million TEU in the first 11 months of 2019, down from 5.1 per cent growth over the same period a year earlier. Slowing global economic growth and the US-China trade war weighed down on containerised cargo traffic, pulling growth at US east coast ports down to its lowest level in three years, reported *IHS Media*.

### **2. East Coast port momentum still rising in 2020**

The container industry has seen major developments in the past month: the mandate to use more expensive low-sulfur fuel, the Phase One trade deal between the U.S. and China, and most recently, the coronavirus outbreak.

## **WATER TRANSPORTATION Canada**

1. East coast ports see growth slow to 3-year low in US-China trade war, January 31, 2020, [www.transportweekly.com](http://www.transportweekly.com)
2. East Coast port momentum still rising in 2020, January 31, 2020, [www.americanshipper.com](http://www.americanshipper.com)
3. Most US ports boost container traffic in 2019 despite high tariffs, February 3, 2020, [www.transportweekly.com](http://www.transportweekly.com)
4. Container shipping sector to remain on same course, February 3, 2020,

Amid all this change, how is the ongoing rivalry for Asian cargo faring between the U.S. West Coast and East Coast ports? In 2019, New York, Charleston and Savannah were gaining ground at the expense of Los Angeles and Long Beach. Is the eastward momentum rising or falling? The latest data implies that the move to the East is accelerating.

### **3. Most US ports boost container traffic in 2019 despite high tariffs**

US top ports either surpassed or came close to topping 2018's record-breaking figures, in spite of the weaker trade environment, triggered by the US-China trade war. The nation's busiest port, Los Angeles, finished the year with near-record cargo volumes despite the tariffs, which port officials claim hurt business, especially in the second half, reported *Global Net Logistics of Flower Mound*, north Texas. The port handled 9,337,632 TEU in 2019, representing a **decrease of 1.28%** compared to 2018's record of 9,458,748 TEU. However, container traffic in December was down 17.3 per cent year-on-year to 746,749 TEU. The nearby Port of Long Beach saw its container throughput tumble 10.3 per cent year on year in December to 665,261 TEU. For the full year, the port handled 7,632,032 TEU, compared with 8,091,023 in 2018, a **decline of 5.67%**. The Northwest Seaport Alliance, which operates ports in Seattle and Tacoma, Washington, reported 2019 TEU volume is **down 0.6%** as those gateways processed 3,775,303 TEU compared with 3,797,635 TEU in 2018. At the Port of Oakland, container volume in December dropped 12.2%, to 193,963 containers in 2019. For the year, volume **dipped 1.9%** to 2,497,355 TEU. On the east coast, the nation's third-busiest port, the Port of New York and Jersey, finished the year **4.1% ahead** of 2018's record pace, but the facility saw a four per cent decline in volume in December, handling 584,743 TEU. On an annual basis, the port processed 7,471,131 TEU in 2019 compared with 7,179,788 TEU a year earlier.

### **4. Container shipping sector to remain on same course**

Drewry expects container shipping to continue much the same in 2020 as it did last year with ocean liners again remaining price-takers, though staying profitable if they keep costs in check. The port sector celebrated the reduction in the global trade tension. Index gained four per cent in the last quarter of 2019. Now with the US and China finalising the phase one of trade deal and phase two moving towards the end of 2020 (post the US presidential election), "we believe other policy decisions and geopolitical agendas to take the centre stage, shaping the direction of the global trade," said Drewry.

### **5. A second consecutive record year for the Port of Trois-Rivières**

The Port of Trois-Rivières ended 2019 with a new record for goods handled. A total of 4.2 million metric tonnes (MMT) transited through the Port, surpassing by 10 per cent the record of 3.8 MTM in 2018. Solid bulk traffic increased from 3.2 to 3.6 MMT. Liquid bulk remained stable at 0.3 MMT, which is comparable to the average for the past five years for this industry. General cargo also remained stable at 0.3 MMT, representing an increase of 36% compared to the average for the past five years. A total of 260 vessels docked at the Port, including 25 cruise ships.

### **6. Port of Toronto moves record 2.3 MMT of cargo in 2019**

It was a record year for the Port of Toronto which moved 2.3 million metric tonnes (MMT) of cargo in 2019, marking the highest recorded cargo levels in 15 years. The number of ships visiting the Port of Toronto increased by nearly 20 per cent, with 213 ships visiting the Port of Toronto in 2019 versus 179 ships in 2018. Overall, the Port moved 2,297,029 MMT of cargo.

### **7. New York/New Jersey port tops Long Beach for loaded containers**

The port of New York and New Jersey has become the second busiest container port in terms of loaded container volumes, pushing the port of Long Beach down a notch for the first time in two decades. The New York and New Jersey port complex handled a record 7.47 million TEU in 2019, an

[www.transportweekly.com](http://www.transportweekly.com)

5. A second consecutive record year for the Port of Trois-Rivières, February 3, 2020, [www.ctl.ca](http://www.ctl.ca)

6. Port of Toronto moves record 2.3 MMT of cargo in 2019, February 5, 2020, [www.ctl.ca](http://www.ctl.ca)

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8. Port of Los Angeles January box volume slips 5.4pc to 806,144 TEU, February 10, 2020, [www.transportweekly.com](http://www.transportweekly.com)

9. Hapag-Lloyd launches remote reefer supply chain monitoring tool, January 7, 2020, [www.ctl.ca](http://www.ctl.ca)

10. Port of Baltimore reports record-breaking year for tonnage, February 12, 2020, [www.americanshipper.com](http://www.americanshipper.com)

11. SC Ports handles record box volumes in January, February 14, 2020, [www.transportweekly.com](http://www.transportweekly.com)

12. Maritime Administration Announces More Than \$280 Million in Grants for Nation's Ports, February 14, 2020, [www.dot.gov](http://www.dot.gov)

13. FMC proposes rule to eliminate publication of service contract essential terms, February 14, 2020, [www.americanshipper.com](http://www.americanshipper.com)

14. Canadian ports impacted by pipeline protesters blocking rail lines, February 17, 2020, [www.americanshipper.com](http://www.americanshipper.com)

15. The Government of Canada supports a global ban on heavy fuel oil in the Arctic, February 20, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

16. Port of Prince Rupert, Accumulated container traffic – January 2020, February 18, 2020, [www.rupertport.com](http://www.rupertport.com)

17. Port of Metro Vancouver, Accumulated container traffic – January 2020, February 18, 2020, [www.portmetrovancouver.com](http://www.portmetrovancouver.com)

18. Port of Montreal, Accumulated container traffic – January 2020, February 18, 2020, [www.portofmontreal.ca](http://www.portofmontreal.ca)

19. Hapag-Lloyd full-year earnings leap \$384 million, February 19, 2020, [www.americanshipper.com](http://www.americanshipper.com)

20. A.P. Moller - Maersk to acquire the warehousing and distribution company Performance Team, February 20, 2020, [www.transportweekly.com](http://www.transportweekly.com)

21. Rail blockade forces Halifax ship diversions, February 20, 2020, [www.joc.com](http://www.joc.com)

22. Seaspan 2019 profit up 77.3pc, February 21, 2020, [www.transportweekly.com](http://www.transportweekly.com)

23. Shanghai No 1 box port with Singapore as No 2 and Shenzhen as No 3, February 24, 2020, [www.transportweekly.com](http://www.transportweekly.com)

24. DP World completes acquisition of Fraser Surrey Docks, February 25, 2020, [www.ctl.ca](http://www.ctl.ca)

25. Shipping industry disappointed by delay of Seaway opening, February 26, 2020, [www.ctl.ca](http://www.ctl.ca)

26. Government of Canada unveils 2020 North Atlantic right whales protection measures, February 27, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

27. Vancouver records second-highest cargo volume despite trade 'challenges', February 27, 2020, [www.americanshipper.com](http://www.americanshipper.com)

28. Big 4 European carriers plan to tackle greenhouse gas emissions, February 27, 2020, [www.transportweekly.com](http://www.transportweekly.com)

increase of 4.1 per cent against 2018. It also set a new all-time record for cargo handled by rail, which rose by three per cent to 664,987 TEU, reported *Port Technology*. However, the port of New York-New Jersey remains the third busiest box port when empty containers are taken into account.

#### **8. Port of Los Angeles January box volume slips 5.4pc to 806,144 TEU**

The Port of Los Angeles lifted 806,144 TEUs in January 2020, a 5.4 per cent decrease compared to the same month last year. Imports in January 2020 decreased 3.5 per cent to 414,731 TEU compared to the previous year. After 14 months of consecutive declines due to tariffs on US goods, exports increased 2.2 per cent to 148,206 TEU. Empty containers declined 12.4 per cent to 243,207 TEU, reports AJOT.

#### **9. Hapag-Lloyd launches remote reefer supply chain monitoring tool**

Container shipping company Hapag-Lloyd is adding near real-time monitoring of its reefer containers to their product portfolio. “Hapag-Lloyd LIVE” increases the transparency of the cold chain by offering customers a number of data sets about the condition and location of their reefer containers. The product will initially be launched to a selected group of customers and will gradually be made available as the reefer fleet of some 100,000 containers is being outfitted with the monitoring devices.

#### **10. Port of Baltimore reports record-breaking year for tonnage**

The Helen Delich Bentley Port of Baltimore reported another record-breaking year in 2019, with new high marks for cargo tonnage passing through the public and private marine terminals as well as new benchmarks for containers and the number of vehicles handled. The Port of Baltimore handled a record 43.6 million tons of cargo, including more than 11 million tons of general cargo at the state-owned public terminals for the first time ever. In addition, the number of vehicles — 857,890 — ranked first among all U.S. ports in that category for the ninth consecutive year.

#### **11. SC Ports handles record box volumes in January**

South Carolina Ports Authority saw steady container volumes in January 2020, after moving a record 211,020 TEU across the Wando Welch and North Charleston container terminals, according to *Shipping Gazette*. SCPA has handled 1.44 million TEUs thus far in fiscal year 2020, from July 2019 through January 2020. As measured by the total number of boxes handled, SCPA moved 118,943 pier containers in January for a total of 813,599 pier containers in fiscal year 2020. Vehicle volumes are up 32 per cent year on year with a total of 131,153 vehicles handled thus far in fiscal year 2020. The port moved 15,546 vehicles at Columbus Street Terminal in January 2020.

#### **12. Maritime Administration Announces More Than \$280 Million in Grants for Nation’s Ports**

The U.S. Department of Transportation’s (USDOT) Maritime Administration (MARAD) on February 14, 2020 announced that it has awarded more than \$280 million in discretionary grant funding through the new Port Infrastructure Development Program. This funding is designed to improve port facilities at or near coastal seaports. U.S. Transportation Secretary Elaine L. Chao said “Ports are gateways to the world and port infrastructure investments will improve the regional economy, increase productivity and economic competitiveness, and create more jobs.”

#### **13. FMC proposes rule to eliminate publication of service contract essential terms**

The U.S. Federal Maritime Commission (FMC) on February 14, 2020 published a proposed rule that will eliminate a *Shipping Act* requirement for ocean container carriers to publish the essential terms of their service contracts with shippers. Essential terms are currently provided to the FMC by the ocean container carriers in tariff format when they file their service contracts. They include the origin and destination port ranges, commodities involved, minimum volumes and the service contract duration. During a Sept. 26, 2019 meeting, the commission agreed with the World Shipping Council’s September 2018 Petition P3-18 that publication of essential terms no longer serves a purpose in the competitiveness of ocean container shipping and on Dec. 20, 2019 approved an order to proceed with a proposed rule. Public comments related to the proposed rule are due to the FMC by April 14, 2020.

#### **14. Canadian ports impacted by pipeline protesters blocking rail lines**

Protesters in support of a First Nations’ group’s objections to the location of a proposed pipeline in British Columbia have been blocking portions of Canada’s rail network over the past week, causing Canadian National to shut down its eastern operations and VIA Rail to cancel much of its passenger rail service. These protests that have been blocking portions of the rail network in Canada are affecting port operations on both coasts. The blockades have also disrupted service on Canadian National’s western operations. At the Port of Vancouver, offshore vessels are waiting to dock so they can unload their goods, according to port spokespeople. The blockades have also delayed the loading and unloading of cargo that occurs between ships and the railways.

#### **15. The Government of Canada supports a global ban on heavy fuel oil in the Arctic**

On February 18, 2020, the Minister of Transport, the Honourable Marc Garneau, and the Minister of Foreign Affairs, the Honourable François-Philippe Champagne, announced the Government of Canada’s support for a ban on heavy fuel oil in Arctic waters. Ministers also announced they will be seeking a phased-in approach to the ban as Canada discusses with IMO countries ways to help balance the environmental benefits with the economic realities of northern, Indigenous and Inuit communities.

#### **16. Port of Prince Rupert, Accumulated container traffic – January 2020**

Container traffic reported by the Port of Prince Rupert begins 2020 by reporting a decline in container traffic (TEUs). Total container traffic for January 2020 was 81,487 TEUs, a 19% decline from the same month a year ago (100,868 TEUs). Total exports for the month were 32,340.25 TEUs, a 30% decline compared to January 2019 (46,383 TEUs). Total imports were 49,147.50 TEUs, a 10% decline compared to the same month a year ago (54,486.25 TEUs).

#### **17. Port of Metro Vancouver, Accumulated container traffic – January 2020**

Container traffic reported by the Port of Metro Vancouver also begins the year with a decline in container traffic (TEU's). Total container traffic for January 2020 was 260,254 TEUs, a 17% decline from the same month a year ago (313,527 TEUs). Total exports for the month were 118,426 TEUs, a 15.8% decline compared to January 2019 (140,671 TEUs). Total imports were 141,828 TEUs, a 18% decline compared to the same month a year ago (172,856 TEUs).

#### **18. Port of Montreal, Accumulated container traffic – January 2020**

The Port of Montreal begins 2020 on a positive note. Total container traffic for January 2020 was 136,589 TEUs, a 2.7% increase from the same month a year ago. Total exports for the month were 67,513 TEUs and total imports were 69,076 TEUs.

#### **19. Hapag-Lloyd full-year earnings leap \$384 million**

Hapag-Lloyd said on February 19, 2020 that it had improved its year-over-year operating results by a whopping 80%. Hapag-Lloyd's earnings before interest and taxes (EBIT) for 2019 "significantly increased" to 811 million euros (US\$908 million) from 444 million euros (\$524 million) in 2018, according to preliminary figures released. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose to 1.98 billion euros (\$2.22 billion) from 1.14 billion euros (\$1.34 billion) in 2018.

#### **20. A.P. Moller - Maersk to acquire the warehousing and distribution company Performance Team**

Maersk announces that it has reached an agreement to acquire Performance Team, a US-based warehousing and distribution company, to further strengthen its capabilities as an integrated container logistics company, offering end-to-end supply chain solutions to its customers. As a leader in North America Warehousing & Distribution, Performance Team specializes in B2B and B2C distribution solutions within retail, wholesale and e-commerce with 24 warehousing sites. It has a track record of profitable growth of 17% per year for the last four years, and revenue for 2019 of USD 525m.

#### **21. Rail blockade forces Halifax ship diversions**

Blockades of Canadian National Railway lines have prompted Atlantic Container Line to divert two vessels from the Port of Halifax so the cargo can move through other East Coast ports instead.

#### **22. Seaspan 2019 profit up 77.3pc**

Seaspan, Hong Kong's non-operating containership owner, posted a 77.3 per cent year-on-year increase in net profit to US\$368 million, drawn on revenues of \$1.13 billion, up 3.6 per cent, according to *Shipping Gazette*. Seaspan's fourth quarter posted a 20.3 per cent year-on-year increase in net profit to \$53.9 million, drawn on revenues of \$288 million, down two per cent. Seaspan executed agreements to acquire three 10,700-TEU and three 9,200-TEU ships on long-term charters; increasing, on a fully delivered fleet basis, Seaspan's contracted revenue to \$4.3 billion and average remaining contract term to 4.2 years. The company achieved vessel utilisation of 99.1 per cent for the fourth quarter and 98.9 per cent for the full year, its highest level since 2014.

#### **23. Shanghai No 1 box port with Singapore as No 2 and Shenzhen as No 3**

China has seven of the 10 busiest container ports in the world with Shanghai coming in as No 1, Singapore and Shenzhen coming in as No 2 and No 3, reports *London's Port Technology International*. This list of the top ports in China has been measured by 2018's containerised cargo traffic, but up-to-date figures have been included when they are available. Shanghai is the top port in China and the busiest in the world with an annual box volume of 42 million TEU. Its traffic is six million TEU higher than its closest competitor, Singapore. The port of Shenzhen is one of the top ports in China and third in the world behind Singapore with annual container volumes of 27.7 million TEU. Shenzhen port's traffic has risen steadily over the past four years, surging from 24 million TEU in 2014.

#### **24. DP World completes acquisition of Fraser Surrey Docks**

DP World, announced it has completed the acquisition of Fraser Surrey Docks from Macquarie Infrastructure Partners (MIP) alongside its partner Caisse de dépôt et placement du Québec (CDPQ). This acquisition complements DP World's footprint in Canada, which also includes terminal operations in Vancouver, Nanaimo, Prince Rupert and Saint John. The integrated coast-to-coast platform provides customers with bulk, breakbulk and general cargo services.

#### **25. Shipping industry disappointed by delay of Seaway opening**

The marine shipping industry has been working with stakeholders to find technical and operational solutions to help lower Lake Ontario levels to prevent flooding and maintain navigation and is disappointed that the opening of the navigation season in the Montreal-Lake Ontario (MLO) section of the St. Lawrence Seaway has been delayed to April 1, 2020 to allow more outflow from Moses-Saunders dam. The Welland Canal will open on March 24, 2020.



## 26. Government of Canada unveils 2020 North Atlantic right whales protection measures

On February 27, 2020, the Minister of Fisheries, Oceans and the Canadian Coast Guard, the Honourable Bernadette Jordan, along with the Minister of Transport, the Honourable Marc Garneau, announced the [enhanced 2020 measures](#) that will help reduce the risks to North Atlantic right whales during the 2020 season from April to November. To help prevent entanglements with fishing gear, Fisheries and Oceans Canada will: 1) implement new season-long fishing closures in areas where whales are aggregating in the Gulf of St. Lawrence; 2) expand temporary fishing closure areas into the Bay of Fundy; 3) impose new gear marking requirements; and, 4) work with the fishing industry on implementing other gear modifications to be phased in starting in 2021. This year, the Department is also authorizing ropeless fishing gear trials in closed areas. To help prevent whale collisions with vessels, Transport Canada will: 1) re-implement the mandatory speed limit to 10 knots in the western Gulf of St. Lawrence; and, 2) continue to allow vessels to travel at safe operational speeds in parts of the shipping lanes north and south of Anticosti Island when no North Atlantic right whales are detected in the area. New measures also include two seasonal management areas: 1) a restricted area in the Shediac Valley where vessels will be required to avoid the area or reduce their speed to 8 knots; and 2) the Cabot Strait where a trial voluntary speed limit of 10 knots will apply for parts of the season. All measures apply to vessels longer than 13 metres.

## 27. Vancouver records second-highest cargo volume despite trade ‘challenges’

The Vancouver Fraser Port Authority reported on February 27, 2020 that 144 million metric tonnes of cargo moved through the Port of Vancouver in 2019, down 2% from the record-setting 147 million metric tonnes in 2018. Record growth in potash, grain and containers offset declines in foreign petroleum and Canadian forest products, pushing the port to its second-highest year for cargo volumes. Robin Silvester, president and CEO of the Vancouver Fraser Port Authority in British Columbia, Canada said “We saw strong trade growth through the port during the first half of 2019 that reached record levels and a softening in the back half due to various issues affecting global markets.”

## 28. Big 4 European carriers plan to tackle greenhouse gas emissions

Maersk, CMA CGM, Mediterranean Shipping Company (MSC) and Hapag-Lloyd aim to team up to accelerate progress with the decarbonisation of ocean shipping. As such, they are now collectively lobbying regulators to support a controversial US\$5 billion research and development fund. Sustainability and regulatory chiefs from these four world leading containership operators, sat together for a rare common outing during an event at European Shipping Week, during which they pushed for coordinated R&D efforts through a new international body, reported London's Lloyd's List.

## RAIL TRANSPORTATION

### 1. Labour groups want independent investigation into deaths of CP Railway workers

Two labour groups are calling for an independent investigation into the deaths of three Canadian Pacific Railway employees in a British Columbia train crash almost a year ago. Conductor Dylan Paradis, engineer Andrew Dockrell and trainee Daniel Waldenberger-Bulmer died in February 2019 after a two-kilometre-long runaway grain train fell more than 60 metres from a bridge. The train took off near Field, B.C., about 15 kilometres west of the Alberta boundary, when its air brakes failed. After the crash, Transport Canada ordered that all railway companies must use handbrakes when trains are stopped on a mountain grade after an emergency use of their air brakes.

### 2. VIA rail issues request for qualifications to modernize its Montréal and Toronto maintenance centres

As part of its Québec City – Windsor Corridor Fleet Replacement Program, VIA Rail Canada (VIA Rail) launches the first phase of a procurement process to construct new buildings and make upgrades to its maintenance centres in Montréal and Toronto, ahead of the arrival of its new fleet expected in 2022. This process follows the contract granted to Siemens to build and supply 32 train sets to replace the current fleet.

### 3. AAR: U.S. Rail Traffic Still Down; Canada, Mexico See Gains

Total carloads for the week ended Jan. 25 were 232,317 carloads, down 6.7% compared with the same week in 2019, while U.S. weekly intermodal volume was 252,965 containers and trailers, down 7.4% compared to 2019. Canadian railroads reported 80,758 carloads for the week, down 0.4%, and

## RAIL TRANSPORTATION

### Canada

1. Labour groups want independent investigation into deaths of CP Railway workers, January 30, 2020, [www.ctl.ca](http://www.ctl.ca)
2. VIA rail issues request for qualifications to modernize its Montréal and Toronto maintenance centres, January 30, 2020, [www.viarail.ca](http://www.viarail.ca)
3. AAR: U.S. Rail Traffic Still Down; Canada, Mexico See Gains, January 30, 2020, [www.railwayage.com](http://www.railwayage.com)
4. CN Named One of Montreal's Top Employers, January 30, 2020, [www.cn.ca](http://www.cn.ca)
5. CN conductors in Canada ratify new labour agreements, January 31, 2020, [www.cn.ca](http://www.cn.ca)
6. CP sets January record for Canadian grain movements, February 5, 2020, [www.cpr.ca](http://www.cpr.ca)
7. AAR: “Glimmers of Hope” in U.S. Rail Traffic, February 5, 2020, [www.railwayage.com](http://www.railwayage.com)
8. Statement by Minister of Transport following the Canadian Pacific Rail accident in Guernsey, Saskatchewan on February 6, 2020, February 6, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
9. CP statement on Guernsey, Sask. Derailment, February 6, 2020, [www.cpr.ca](http://www.cpr.ca)
10. Transportation board investigation into deadly B.C. derailment enters next phase, February 6, 2020, [www.ctl.ca](http://www.ctl.ca)
11. Will slower trains impact crude-by-rail capacity in Canada?, October 10, 2020, [www.americanshipper.com](http://www.americanshipper.com)

68,925 intermodal units, up 3.6% compared with the same week in 2019. For the first four weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 561,844 carloads, containers and trailers, down 5%.

#### **4. CN Named One of Montreal's Top Employers**

CN is pleased to be recognized as one of Montreal's Top Employers for 2020 by Canada's Top 100 Employers for the fourth consecutive year. Dorothea Klein, Senior Vice-President and Chief Human Resources Officer said "We are delighted to have been selected again for this honour."

#### **5. CN conductors in Canada ratify new labour agreements**

CN is pleased to announce that the Teamsters Canada Rail Conference – Conductors, Trainpersons and Yardpersons (TCRC-CTY) union that represents the company's train conductors and yard crews in Canada has ratified its collective agreements with the company. The three-year agreements retroactive to July 23, 2019, provide wage increases and benefit improvements to approximately 3,200 conductors represented by the union that initiated strike action in November 2019, severely impacting the Canadian economy. "We are pleased to have completed these agreements," said JJ Ruest, president and Chief Executive officer at CN.

#### **6. CP sets January record for Canadian grain movements**

Canadian Pacific (CP) moved 2.09 million metric tonnes of Canadian grain and grain products in January 2020, breaking the January 2019 record by 200,000 metric tonnes. "CP's commitment to providing our customers with safe and efficient service continues to create positive momentum across the Canadian grain supply chain," said Joan Hardy, CP's Vice-President Sales and Marketing, Grain and Fertilizers. "This record-setting performance was achieved through close collaboration across the supply chain and the efforts of our world-class operating team."

#### **7. AAR: "Glimmers of Hope" in U.S. Rail Traffic**

"U.S. rail volumes fell again in January, reflecting continued softness in manufacturing and global economic weakness made worse by trade uncertainties," said AAR Senior Vice President John T. Gray. "But there were glimmers of hope. Nine of the 20 carload categories we track had year-over-year gains in January 2020, the most in a year, and several other commodities had carload declines in January 2020 that were less pronounced than they've been in recent months. It's too early to say if the worst is behind us, but railroads are hopeful that 2020 will see an improved business climate and rising volumes across much of their traffic base." Year-to-Date total U.S. carload traffic for the first month of 2020 was 1,165,733 carloads, down 5.9%, or 73,110 carloads, from the same period last year; and 1,245,080 intermodal units, down 5.4%, or 71,081 containers and trailers, from last year. Total combined U.S. traffic for the first five weeks of 2020 was 2,410,813 carloads and intermodal units, a decrease of 5.6% compared to last year. For the week ending February 1, 2020, total U.S. weekly rail traffic was 510,161 carloads and intermodal units, up 2.4% compared with the same week last year, total carloads for the week ended Feb. 1 were 241,339 carloads, down 0.6% compared with the same week in

2019, while U.S. weekly intermodal volume was 268,822 containers and trailers, up 5.2% compared to 2019. Canadian railroads reported 84,949 carloads for the week, up 10.6%, and 73,106 intermodal units, up 18% compared with the same week in 2019. For the first five weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 719,899 carloads, containers and trailers, down 1.4%. **8. Statement by Minister of Transport following the Canadian Pacific Rail accident in Guernsey, Saskatchewan on February 6, 2020**

On February 6, 2020, the Minister of Transport, the Honourable Marc Garneau, issued the following statement on his issuing a Ministerial Order to immediately slow down trains carrying dangerous goods across the country: "I am very concerned about the derailments of railway cars containing dangerous goods in the past 12 months. That is why I am issuing an immediate order to slow trains carrying significant quantities of dangerous goods on federally regulated railway tracks across Canada. "This Ministerial Order under the *Railway Safety Act*, requires the slowdown of key

12. Government of Canada invests in transportation infrastructure at the Alberta Industrial Heartland to move goods to market, February 10, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

13. Canada invests in rail infrastructure in energy-producing Alberta, February 11, 2020, [www.americanshipper.com](http://www.americanshipper.com)

14. CN Forced to Shut Down Parts of Network Due to Blockades, February 11, 2020, [www.cn.ca](http://www.cn.ca)

15. CN files shelf prospectus for C\$6 billion of debt securities, February 11, 2020, [www.cn.ca](http://www.cn.ca)

16. Statement by Minister of Transport on protests disrupting rail service, February 12, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

17. US rail traffic maintains slump amid global trade uncertainties, February 12, 2020, [www.americanshipper.com](http://www.americanshipper.com)

18. CN shuts down eastern rail network, VIA service due to anti pipeline blockades, February 13, 2020, [www.ctl.ca](http://www.ctl.ca)

19. VIA rail cancels most of its services, February 13, 2020, [www.viarail.ca](http://www.viarail.ca)

20. CN Supportive of the Amendment to the Ministerial Order on Train Speed, February 17, 2020, [www.cn.ca](http://www.cn.ca)

21. Statement by Minister of Transport on unsafe behaviour around railways, February 17, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

22. Minister of Transport updates Ministerial Order to reduce the risks of derailment of trains transporting dangerous goods, February 16, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

23. U.S. Rail Traffic Keeps Falling, February 19, 2020, [www.railwayage.com](http://www.railwayage.com)

24. Canadian Transit Update: Edmonton and Ontario, February 19, 2020, [www.railwayage.com](http://www.railwayage.com)

25. Barry Prentice: The high costs of railroad blockades to Canada's economy and reputation, February 21, 2020, [www.nationalpost.ca](http://www.nationalpost.ca)

26. Rail blockade sparks 'uncharted' logjam for Canada grain exports, February 21, 2020, [www.ajot.com](http://www.ajot.com)

27. Canadian National 'pleased' as rail blockade ends, Feb. 24, 2020, [www.americanshipper.com](http://www.americanshipper.com)

28. BNSF's fourth-quarter and annual profits rise, Feb. 24, 2020, [www.americanshipper.com](http://www.americanshipper.com)

29. US rail employment tumbles, February 24, 2020, [www.americanshipper.com](http://www.americanshipper.com)

30. Railway carloadings, December 2019, February 26, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

31. Rail Traffic Down Across North America, February 26, 2020, [www.railwayage.com](http://www.railwayage.com)

32. BNSF customers again pump \$1 billion-plus into projects near rail network, February 27, 2020, [www.americanshipper.com](http://www.americanshipper.com)

trains (which contain 20 or more cars carrying dangerous goods). In metropolitan areas, these trains will be limited to 20 mph. Outside these areas, trains will be limited to 25 mph. “The Order will be in effect at midnight on Friday, February 7th, and will be in place for 30 days. It may be altered at any time based on new information...”

#### **9. CP statement on Guernsey, Sask. derailment**

Canadian Pacific Railway Limited (CP) on February 6, 2020 responded to a crude oil derailment near Guernsey, Sask. There were no injuries to the crew and CP emergency response teams are at the scene working closely with local first responders to contain the fire. There is no impact to waterways. Immediately after the derailment, CP implemented a slow order on its crude trains as a precautionary measure as it gathers facts related to this incident.

#### **10. Transportation board investigation into deadly B.C. derailment enters next phase**

The Transportation Safety Board says a year after a fatal train derailment near the Alberta-British Columbia boundary, it is ready to compile the information it has gathered into a report. A Vancouver-bound Canadian Pacific grain train was stopped on a mountain slope in the frigid early-morning hours of Feb. 4, 2019, when it began moving on its own and plummeted from a bridge.

#### **11. Will slower trains impact crude-by-rail capacity in Canada?**

As the rail industry awaits the preliminary investigation findings on what caused the February 6, 2020 derailment of a Canadian Pacific (CP) crude oil train, observers also are mulling how a temporary federal mandate to slow down trains carrying dangerous goods will affect the broader Canadian economy. Transport Canada last week ordered all freight trains hauling 20 or more cars of dangerous goods to limit their speed to 20 miles per hour in metropolitan areas and 25 mph outside of metropolitan areas. The mandate, which went into effect on February 7, 2020, will last for 30 days, although that could change based on what new information becomes available. In issuing the order, Transport Minister Marc Garneau alluded to potential economic impacts that could result from the order. Investment firm Morgan Stanley estimated that the order could potentially reduce the current crude-by-rail capacity by up to 10%.

#### **12. Government of Canada invests in transportation infrastructure at the Alberta Industrial Heartland to move goods to market**

On February 10, 2020, the Minister of Transport, the Hon. Marc Garneau, and the Hon. Chrystia Freeland, Deputy Prime Minister and Minister of Intergovernmental Affairs announced an investment of \$15 million to increase transport capacity and efficiency by reducing bottlenecks on the Western Canadian rail network. This will help move more Canadian goods to international markets. The project increases the efficiency of shipping from the Alberta Industrial Heartland with the construction of a new 1,930 car rail storage yard in Sturgeon County, northeast of Edmonton. The project lowers costs and increases the volume of products available for export from the Alberta Industrial Heartland.

#### **13. Canada invests in rail infrastructure in energy-producing Alberta**

The Canadian government plans to invest C\$15 million in rail-related improvements in Alberta to reduce bottlenecks on the western Canadian rail network, Transport Canada announced on February 10, 2020. The funding will go toward the construction of a 1,930-car rail storage yard in Sturgeon County, northeast of Edmonton. The project will also include a large loop track, 32 parallel storage tracks to store railcars and assemble trains, and a connection to Canadian National’s Rock Yard’s rail siding. Transport Canada said the project will lower costs and increase the volume of products available for export from the Alberta Industrial Heartland, a region that is home to dozens of companies in the chemical, petrochemical, oil and gas, and fertilizer industries. The region has a land-use initiative supported by local municipalities. According to the initiative’s website, future development in the region will include increasing the region’s bitumen-upgrading capacity, pipeline network and petrochemical-processing capabilities.

#### **14. CN Forced to Shut Down Parts of Network Due to Blockades**

CN announced that it will be forced to shut down significant parts of its Canadian network imminently unless the blockades on its rail lines are removed. A public statement from the individuals blocking the lines explained that their actions are in solidarity with the pipeline opposition movement and are unrelated to CN's activities. The blockades near Belleville, ON, on CN’s only eastern link between Western Canada and Eastern Canada and between Eastern Canada and the US Mid-West and on CN’s northern mainline in B.C. between Prince George and Prince Rupert, are impacting all Canadians’ ability to move goods and enable trade. There are currently no movements of any trains, freight or passenger, at both those locations. Hundreds of trains have been cancelled since the blockades began five days ago. The impact is also being felt beyond Canada’s borders and is harming the country’s reputation as a stable and viable supply chain partner

#### **15. CN files shelf prospectus for C\$6 billion of debt securities**

CN on February 11, 2020 filed a final shelf prospectus with Canadian securities regulators and a registration statement with the United States Securities and Exchange Commission, pursuant to which CN may issue up to C\$6 billion of debt securities in Canadian and U.S. markets over the next 25 months. CN expects to use net proceeds from the sale of debt securities under the shelf prospectus for general corporate purposes, including the redemption and refinancing of outstanding debt, share repurchases, acquisitions, and other business opportunities.

#### **16. Statement by Minister of Transport on protests disrupting rail service**

The Minister of Transport, the Honourable Marc Garneau, issued the following statement on February 12, 2020. “The federal government is closely monitoring the protests that are disrupting rail service across our country. We are working with our provincial counterparts; ministers across our government to continue to engage with their colleagues, and our officials to have an open line of communication with the provinces. Canada’s rail network connects our country and Canadians. It is how Canadians get to work, and back home to their loved ones. It transports the food and goods we all depend on in our day-to-day lives. Ports on our coasts are central to getting the goods that hardworking Canadians sell and produce to market. “The right to peaceful protest is a fundamental right in Canada, but individuals who choose to use this right must do so in accordance with the law. There are active court injunctions in place that were taken by CN to ensure service can resume, and they must be respected...”

#### **17. US rail traffic maintains slump amid global trade uncertainties**

Continued trade headwinds are putting pressure on year-to-date U.S. rail volumes, with overall traffic down nearly 6% from the same period in 2019. Traffic for the first six weeks of 2020 totaled nearly 2.9 million carloads and intermodal units for the week ending February 7, 2020, a 5.8% drop from the same period a year ago, according to the Association of American Railroads. Of this total, U.S. carloads year-to-date are 5.6% lower than a year ago, at 1.4 million, while intermodal units are down 6% to 1.5 million intermodal containers and trailers. Meanwhile, year-to-date North American volumes, at nearly 4 million carloads and intermodal units, are 3.9% lower than last year despite weekly gains for both Canadian and Mexican rail volumes last week.

#### **18. CN shuts down eastern rail network, VIA service due to anti pipeline blockades**

Canadian National Railway Co. says it must shut down its entire train network in Eastern Canada due to protesters blockades. The company says that means stopping all transcontinental trains across its Canadian network and it may lead to temporary layoffs for eastern Canadian staff. VIA Rail says that also means shutting all its passenger service in Canada, which mostly uses CN track.

#### **19. VIA rail cancels most of its services**

Following a notice from the infrastructure owner, CN Rail, that they are no longer in a position to fulfill their obligations under the Train Service Agreement between VIA Rail and CN Rail, VIA Rail has no other option but to cancel all of its services on the network with the exception of Sudbury-White River (CP Rail) and Churchill-The Pas (Hudson Bay Railway), until further notice.

#### **20. CN Supportive of the Amendment to the Ministerial Order on Train Speed**

CN is supportive of the decision by Canada’s Transport Minister to amend the Ministerial Order issued on February 7, 2020. That Order restricted the speed of trains carrying dangerous goods on all parts of the railway networks in Canada, the consequence of which was a reduction in at least a third of CN’s overall network capacity for all trains, even those not carrying dangerous goods. By revising the order to take into account substantial investments made to equip mainline tracks with automated signaling technology, which represents the vast majority of CN’s network, the Company will be able to recover more efficiently from the illegal blockades. JJ Ruest, president and chief executive officer at CN said “Safety is a core value at CN, and we are supportive of the Minister of Transportation’s decision.”

#### **21. Statement by Minister of Transport on unsafe behaviour around railways**

The Minister of Transport, the Honourable Marc Garneau, issued the following statement today: As Minister of Transport, I have a duty to ensure that our rail system and its infrastructure are as safe as possible. I take this responsibility very seriously. Our railway companies are also working to make their operations as safe as possible. Consequently, I am very preoccupied by the recent activities in and around rail lines and rail yards across our country...” He therefore called “for all Canadians to respect the *Railway Safety Act* and be conscious of the danger associated with recent demonstrations.”

#### **22. Minister of Transport updates Ministerial Order to reduce the risks of derailment of trains transporting dangerous goods**

On February 16, 2020, following the derailment of a key train on February 6th, 2020, in Guernsey Saskatchewan, a Ministerial Order was issued for the immediate slowdown of key trains. A key train is one carrying 20 or more cars containing dangerous goods; or a train carrying one or more cars of toxic inhalation gas. Since then, Transport Canada officials have worked diligently with large railway companies to further assess the causes of recent derailments, and to develop plans to address the areas of greatest concern. As a result of this work, new measures are being implemented effective immediately to reduce the speed of the higher risk key trains traveling through areas of greatest concern. Accordingly, the Ministerial Order has been updated to provide a more targeted risk-based approach. The speed limit for key trains is now limited to 35 mph in metropolitan areas. Outside of metropolitan areas where there are no track signals, the speed is limited to 40 mph.

#### **23. U.S. Rail Traffic Keeps Falling**

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended Feb. 15, 2020, and, for this

week, total U.S. weekly rail traffic was 479,137 carloads and intermodal units, down 8.6% compared with the same week last year. Total carloads for the week ended Feb. 15 were 227,447 carloads, down 9.1% compared with the same week in 2019, while U.S. weekly intermodal volume was 251,690 containers and trailers, down 8% compared to 2019. For the first seven weeks of 2020, U.S. railroads reported cumulative volume of 1,625,296 carloads, down 6.1% from the same point last year; and 1,749,983 intermodal units, down 6.3% from last year. Total combined U.S. traffic for the first seven weeks of 2020 was 3,375,279 carloads and intermodal units, a decrease of 6.2% compared to last year. Canadian railroads reported 75,421 carloads for the week, up 3.2%, and 55,059 intermodal units, down 12.1% compared with the same week in 2019. For the first seven weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 988,692 carloads, containers and trailers, down 1.1%.

#### **24. Canadian Transit Update: Edmonton and Ontario**

Work is progressing fairly satisfactorily on Edmonton, Alberta's eight-mile Valley Line LRT, the city's first low-floor operation. Meanwhile, LRV deliveries to major LRT projects in Ontario are proceeding more or less on schedule.

#### **25. Barry Prentice: The high costs of railroad blockades to Canada's economy and reputation**

Railways move about half the freight in this country and the blockades couldn't come at a worse time. So far CN Rail has cancelled 400 to 500 trains but operations were already slowing. There is also a temporary speed limit on all trains carrying dangerous goods, cutting normal speeds in half. Transportation is a service. It cannot be stockpiled. A return to full operating capacity will take longer than most people realize — months probably rather than weeks. Lost opportunities have real costs both to railways and to the Canadian economy. The economic pain is magnified by the intangible costs to Canada's reputation as a reliable supplier to world markets. If the flow of products can be interrupted, especially without a healthy lead time, then foreign buyers will protect their interests by buying elsewhere. These are the harsh realities. Let's wish the government well in pursuing a speedy, peaceful and lasting end to the rail blockades.

#### **26. Rail blockade sparks 'uncharted' logjam for Canada grain exports**

Canada's grain movement is grinding to a near halt, sparking millions of dollars in losses a day after a series of rail blockades left shipments of wheat and canola stranded in the nation's prairies. "We're in uncharted waters here," said Mark Hemmes, president of Edmonton, Alberta-based Quorum Corp., a company hired by the federal government to monitor Canada's grain transportation system. "I cannot recall ever seeing a situation that's as strange and bad as this one." In the last three weeks, grain shipments to Canadian ports dropped by 475,000 metric tons from a year earlier, costing the industry as much as C\$130 million (\$98 million) from lost sales, contract penalties and demurrage, Hemmes estimates. There are 53 ships waiting for grain in Vancouver and Prince Rupert, just two shy of the all-time record set in the 2013-14 crop year when bin-busting harvests clogged rail lines, he said.

#### **27. Canadian National 'pleased' as rail blockade ends**

Canadian National expressed relief on February 24, 2020 that a rail blockade that had prevented freight trains from moving between Toronto and Montreal is over. Canadian National (CN) "is pleased that the illegal blockade in Tyendinaga has come to an end. The track is currently being inspected for the safety of the public and our employees," CN said in a statement. "We are also monitoring our network for any further disruptions at this time." Protesters began blocking portions of the freight rail network after Feb. 6, 2020 in support of a First Nations group's objections to a proposed pipeline location in British Columbia. A blockade in Mohawk territory near Belleville, Ontario, began in solidarity with efforts by the hereditary leaders of the Wet'suwet'en First Nation in British Columbia to fight the proposed route of the Coastal Gaslink pipeline through their territory in British Columbia.

#### **28. BNSF's fourth-quarter and annual profits rise**

A reduction in operating expenses helped Western U.S. railroad BNSF achieve a 4% increase in fourth-quarter net profit and a 5% increase in annual net profit despite lower revenues on both a quarterly and annual basis. Fourth-quarter net income totalled \$1.42 billion, compared with \$1.37 billion for the fourth quarter of 2019, BNSF reported on February 21, 2020. On an annual basis, BNSF reported a net profit of \$5.48 billion in 2019, a 5% increase from \$5.22 billion in 2018 as lower operating expenses offset a 1.4% decline in revenues. BNSF is a subsidiary of Berkshire Hathaway. Total revenue in the fourth quarter fell 6% to \$5.84 billion amid a 6% drop in unit volumes, but a 1% increase in average revenue per car/unit helped offset the revenue decline, BNSF. On an annual basis, BNSF's revenue totalled \$23.5 billion in 2019, compared with \$23.9 billion in 2018. Average revenue per car/unit rose 3.6% year-over-year amid increased rates per car/unit and a favorable outcome for an arbitration hearing, according to Berkshire Hathaway's 2019 annual report. Factors that negatively affected revenues were severe winter weather and flooding on parts of BNSF's network.

#### **29. US rail employment tumbles**

Employment at the Class I railroads fell to its lowest in years, with January's totals tumbling over 12% year-over-year. Headcount among the Class I railroads in January totalled 128,311 employees, a 12.4% decrease from January 2019's total of 146,556, according to data from the Surface Transportation Board (STB). That overall total is the lowest since

January 2012, which is the earliest STB data that *FreightWaves* has available. Meanwhile, the headcount within the train and engine category, which tends to be more sensitive to the rail market and rail demand, dropped 17.3% year-over-year in January, to 51,709 employees from 62,545 in January 2019. January's total in the train and engine category is also the lowest total since January 2012.

### **30. Railway carloadings, December 2019**

Canadian railways transported 32.4 million tonnes of freight in December 2019, down slightly (-0.8%) from December 2018. This marked the fourth consecutive month of a year-over-year decline and the first decrease reported for the month of December in 10 years. The non-intermodal operations accounted for all of the decline, decreasing 3.8% year over year to 26.1 million tonnes. Despite the overall decline in freight volume, intermodal traffic remained steady, rising 1.7% from the same period in 2018 to 2.9 million tonnes in December 2019. Freight traffic coming from US rail connections rose significantly by 26.7% to 3.3 million tonnes.

### **31. Rail Traffic Down Across North America**

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended Feb. 22, 2020, and, for this week, total U.S. weekly rail traffic was 482,690 carloads and intermodal units, down 7.6% compared with the same week last year. Total carloads for the week ended Feb. 22 were 232,869 carloads, down 9.3% compared with the same week in 2019, while U.S. weekly intermodal volume was 249,821 containers and trailers, down 6% compared to 2019. For the first eight weeks of 2020, U.S. railroads reported cumulative volume of 1,858,165 carloads, down 6.5% from the same point last year; and 1,999,804 intermodal units, down 6.2% from last year. Total combined U.S. traffic for the first eight weeks of 2020 was 3,857,969 carloads and intermodal units, a decrease of 6.4% compared to last year. Canadian railroads reported 76,331 carloads for the week, up 1.9%, and 56,299 intermodal units, down 14.9% compared with the same week in 2019. For the first eight weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 1,121,322 carloads, containers and trailers, down 1.7%.

### **32. BNSF customers again pump \$1 billion-plus into projects near rail network**

Western U.S. railroad BNSF said its customers invested approximately \$1.2 billion last year in capital projects near BNSF's network. For nine consecutive years, BNSF's customers and local development organizations have invested over \$1 billion collectively for new or expanded facilities, BNSF said. BNSF is a subsidiary of Berkshire Hathaway.

## **HIGHWAY TRANSPORTATION**

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

Total operating revenues (excluding subsidies) for urban transit companies were \$362.8 million in November, up 7.1% from November 2018. Over the same period, ridership increased 1.3% to 161.8 million passenger trips.

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

The Couriers and Messengers Services Price Index (CMSPI) increased 0.5% in December 2019, following a 0.6% rise in November 2019. The couriers component rose 0.7%, while the local messengers and local delivery component decreased 0.6%. Year-over-year the CMSPI rose 3.2% in December 2019 from the same month in 2018. Both the couriers (+3.4 %) and the local messengers and local delivery (+2.1%) components increased.

### **3. Connecting People and Places in Northern Ontario**

The Province of Ontario is developing a transportation plan that will get people moving, connect communities and bring more economic opportunities to the people of Northern Ontario. In the last week of January 2020, Parliamentary Assistant to the Minister of Transportation, Vijay Thanigasalam was in Northern Ontario to meet with officials from municipalities, Indigenous communities, transportation agencies, non-profit organizations and businesses to listen to the transportation challenges and opportunities that are unique to the region.

### **4. Globe & Mail Highlights Need for Oversight Review of Trucking Industry**

The *Globe & Mail* this weekend highlighted longstanding industry concerns over the need to improve focused enforcement oversight in the trucking sector across Canada with specific emphasis on carriers who show a significant need for enforcement attention. The *Globe & Mail* article stated that a number of commercial carriers in British Columbia had an

## **HIGHWAY TRANSPORTATION**

### **Canada**

1. Monthly Passenger Bus and Urban Transit, November 2019, January 30, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Couriers and Messengers Services Price Index, December 2019, January 31, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Connecting People and Places in Northern Ontario, February 3, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
4. Globe & Mail Highlights Need for Oversight Review of Trucking Industry, February 3, 2020, [www.ontruck.ca](http://www.ontruck.ca)
5. C.A.T. buys Penner International, February 3, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
6. C.A.T. acquires Penner International, February 4, 2020, [www.ctl.ca](http://www.ctl.ca)
7. Panel: Trucking Has Cause for Optimism Despite Headwinds, February 4, 2020, [www.cantruck.ca](http://www.cantruck.ca)
8. Ontario Moving Forward with Plans to Widen Highway 17 in Kenora, February 5, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
9. TFI International Announces 2019 Fourth Quarter and Full-Year Results, February 10, 2020, [www.tfiintc.com](http://www.tfiintc.com)
10. U.S. Secretary of Transportation Elaine L. Chao Announces \$8.9 Million in Transportation Grants to Improve Highway Safety in Indian Country, February 11, 2020, [www.dot.gov](http://www.dot.gov)
11. Mullen's trucks help buoy 'difficult' fourth quarter, February 12, 2020, [www.freightwaves.com](http://www.freightwaves.com)

“unsatisfactory-unaudited” safety rating as of Dec. 31, 2019, yet these carriers have yet to receive the mandatory audit required. “The Canadian Trucking Alliance believes the article underscored a well-known need our organization has been drawing attention to, nationally – that in order to maximize limited enforcement resources, all provincial transportation authorities should focus enforcement strategies on carriers and drivers who exhibit systemic behaviour of safety non-compliance,” said CTA president Stephen Laskowski.

#### **5. C.A.T. buys Penner International**

C.A.T. has announced its purchase of 300-plus truck fleet Penner International. C.A.T. says the move will contribute to its continued development of its business in Western Canada.

#### **6. C.A.T. acquires Penner International**

Coteau-du-Lac, QC – C.A.T. Inc announced the acquisition of Penner International, a 300-plus truck operation based out of Steinbach, Manitoba. C.A.T. President, Daniel Goyette commented: “We have taken significant steps in the recent years to grow our business. The acquisition of SLH in 2018 offered C.A.T. an entrance into Western Canada which is an area we hadn’t been before. Once we understood the business in the west, we recognized great potential for us to continue to grow. We spent 2019 putting the right team in place, then we searched for where we could invest to continue to develop our western business.” Both Penner and C.A.T., are third-generation family-run businesses, similar in size and customer base and most importantly, similar in culture, added Goyette.

#### **7. Panel: Trucking Has Cause for Optimism Despite Headwinds**

Trucking and logistics executives at National Industrial Transportation League’s 2020 Summit discussed the contract environment, trucking capacity, truck parking, driver retention, delivery demands and hours-of-service regulations. With a down market in 2019 behind them, the execs were unanimous in being cautiously optimistic in 2020, despite prevailing challenges, reports *Freightwaves*. “Obviously 2019 was a challenging market to say the least, and I’m glad it’s in the rearview mirror from a truckload operator perspective,” said Justin Harness, chief marketing officer of U.S. Xpress. “It’s still to be determined what 2020 shakes out to be — I do believe we will see some inflection in the supply-and-demand equilibrium at some point midyear.”

#### **8. Ontario Moving Forward with Plans to Widen Highway 17 in Kenora**

On February 5, 2020, Caroline Mulroney, Minister of Transportation, and Greg Rickford, Minister of Energy, Northern Development and Mines and Indigenous Affairs took further steps to deliver on the government's commitment to widen and twin Highway 17 between Kenora and the Manitoba border by signing a Memorandum of Understanding with Niiwin Wendaanimok, a partnership of four First Nations with interests in the project area. Widening Highway 17 will reduce travel times through highway corridors, critical trade links and international gateways, while promoting economic development and safety.

#### **9. TFI International Announces 2019 Fourth Quarter and Full-Year Results**

TFI International Inc. (TFI), a North American leader in the transportation and logistics industry, on February 10, 2020 announced its results for the fourth quarter and full year ended December 31, 2019. Alain Bédard, Chairman, President and Chief Executive Officer said “We produced record fourth quarter operating income which jumped 20% the past year, and once again produced robust net cash from operating activities. Similar to the prior quarter, three of our four segments produced higher operating income than a year earlier, with double-digit increases for Truckload and Logistics. We were also pleased to return \$50 million to shareholders during the quarter through dividends and share repurchases. In summary, we’re pleased with our performance throughout 2019 and remain committed to strong execution to create and unlock value in the new year, returning excess capital to our valued shareholders whenever possible.” The statistics for the 2019 fourth quarter were: 1) Total revenue of \$1.31 billion was down 1% and, net of fuel surcharge, revenue of \$1.17 billion was flat compared to the prior year period. 2) Operating income grew 20% to \$124.3 million from \$103.3 million the prior year period. 3) Net income from continuing operations was \$76.5 million, in line with net income of

12. December 2019 Freight Transportation Services Index (TSI), February 12, 2020, [www.bts.gov](http://www.bts.gov)

13. Ontario-Toronto Take the Next Step Towards Building the Largest Subway Expansion in Canadian History, February 14, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

14. Government of Canada launches school bus seatbelt pilots in the District of Sudbury, Ontario and British Columbia, February 14, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

15. Working Together to Build Better, More Reliable Transportation, February 14, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

16. Transportation indicators, Transport Canada, November 2019, February 17, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

17. New Road Safety Observatory for the Asia-Pacific region, February 18, 2020, [www.transportweekly.com](http://www.transportweekly.com)

18. Ontario Moving Forward to Deliver Subways Faster, February 18, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

19. Province Working with Utilities to Improve Coordination for Priority Transit Projects, February 20, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

20. Freightliner Manitoba’s new facility opens at CentrePort Canada, February 20, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

21. Load volumes rise for fourth consecutive month: Loadlink, February 20, 2020, [www.ctl.ca](http://www.ctl.ca)

22. Monthly Passenger Bus and Urban Transit, December 2019, February 25, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

23. December 2019 North American Transborder Freight Numbers, February 25, 2020, [www.bts.gov](http://www.bts.gov)

24. 70% of supply chain leaders plan to invest in circular economy: Gartner, February 26, 2020, [www.ctl.ca](http://www.ctl.ca)

25. Province Moving Forward to Widen and Improve Safety on Highway 401 Between Tilbury and London, February 26, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

26. CTA Asks for ‘Fair and Sensible’ Approach to Carbon Pricing Application, February 26, 2020, [www.ontruck.ca](http://www.ontruck.ca)

27. Global consensus achieved for road safety, February 26, 2020, [www.itf-oecd.org](http://www.itf-oecd.org)

\$76.7 million the prior year period, and net income from continuing operations of \$0.92 per diluted share was up relative to \$0.85 per diluted share the prior year period. 4) Adjusted net income, a non-IFRS measure, was \$79.2 million, or \$0.95 per diluted share, as compared to \$86.3 million, or \$0.96 per diluted share, the prior year period.

#### **10. U.S. Secretary of Transportation Elaine L. Chao Announces \$8.9 Million in Transportation Grants to Improve Highway Safety in Indian Country**

U.S. Secretary of Transportation Elaine L. Chao announced over \$8.9 million for 91 projects to 80 Federally recognized American Indian Tribal Nations during her remarks at the National Congress of American Indians on February 11, 2020. “These Federal funds will go to American Indian Tribes to improve traffic safety and improve the quality of life for tribal communities,” said U.S. Secretary of Transportation Elaine L. Chao.

#### **11. Mullen’s trucks help buoy ‘difficult’ fourth quarter**

Mullen Group’s trucking and logistics units gave a small but important boost during the 2019 fourth quarter, helping offset continued weakness in the Canadian firm’s oil services business. Mullen reported adjusted net income of C\$5.6 million, or C\$0.08 per share, on C\$314.6 million in revenue during the fourth quarter of 2019. Revenue fell by 5.6% and net income by 66.9% compared to the same period of 2018. Despite the declines, Mullen’s trucking and logistics business performed well during the quarter. Trucking and logistics revenue increased by 2.2% compared to a year earlier to a record C\$224.6 million while operating income jumped by 13% to C\$33.2 million. Mullen CEO Murray Mullen said he was “pleased with the results” but painted a dour picture of the freight environment. He pointed to “weak shipper demand, accompanied by changes to the supply chain, an inventory overhang as suppliers ramped up shipments earlier in the year and excessive truck capacity.” Acquisitions and strong less-than-truckload performance help bring record revenue to Mullen Group’s trucking and logistics business and offset declines from its struggling oil services.

#### **12. December 2019 Freight Transportation Services Index (TSI)**

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 0.9% in December 2019 from November 2019, falling for the second consecutive month to its lowest level since August 2018, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics (BTS). For the year, the index fell 0.8% from December 2018 to December 2019, the first annual decline since 2015. The decline in 2019 followed a rise of 2.9% from December 2017 to December 2018.

#### **13. Government of Canada launches school bus seatbelt pilots in the District of Sudbury, Ontario and British Columbia**

The safety of Canada’s road users is a priority for federal, provincial, and territorial governments, and that starts with the safe transportation of our school children. On February 14, 2020, the Minister of Transport, the Honourable Marc Garneau, announced that the Government of Canada is launching a pilot project introducing seatbelts in some school buses with the District of Sudbury, Ontario, and at a second location in British Columbia, which will be announced at a later date. The pilot projects will involve a limited number of new school buses, equipped with three-point seatbelts that follow the latest federal safety standards. School buses are the safest way to transport an estimated 2.2 million Canadian children to school. Recognizing that seatbelts can provide an additional layer of safety in rare, but severe school bus collisions, these pilots are an important step in examining the optimal and most efficient use of this safety feature in Canada.

#### **14. Ontario-Toronto Take the Next Step Towards Building the Largest Subway Expansion in Canadian History**

Following the signing of the "Ontario-Toronto Transit Partnership Preliminary Agreement" with the City of Toronto, Caroline Mulroney, Minister of Transportation issued the following statement: "Today, the Province of Ontario and the City of Toronto signed a Preliminary Agreement to deliver on our unified plan to significantly expand and modernize the subway network across the Greater Toronto Area (GTA). This agreement forms the foundation for our continued partnership and represents another important step forward to build a transit system for the 21st century faster for the people of the GTA.

#### **15. Working Together to Build Better, More Reliable Transportation**

On February 14, 2020, Caroline Mulroney, Minister of Transportation, issued the following statement after the Council of Ministers Responsible for Transportation and Highway Safety annual meeting: "Today, Transportation and Highway Safety Ministers from across Canada met to discuss how we will work together to enhance transportation safety, improve our roads, bridges and transit, and get the people of Ontario and Canada to work on time and home to their loved ones faster. There is broad agreement that we need to build the critical infrastructure that will help communities thrive, get people and goods moving, and drive business investment and job creation."

#### **16. Transportation indicators, Transport Canada, November 2019**

Selected transportation indicators currently available on the Transportation Data and Information Hub are now available on Statistics Canada’s website in three monthly tables, going back to January 2017. The indicators draw from a variety of data sources to provide information on Canada’s transportation system.



### **17. New Road Safety Observatory for the Asia-Pacific region**

The establishment of the first regional Road Safety Observatory in the Asia-Pacific region was announced in Stockholm on the eve of the 3rd Global Ministerial Conference on Road Safety. The conference gathers ministers and policymakers from across the world to set the future direction for road safety action. The Asia-Pacific Road Safety Observatory (APRSO) will support countries of the region in boosting their capacity to collect, analyze, and share reliable road crash data, with the objective to drastically reduce the number of road deaths and crash injuries in the region.

### **18. Ontario Moving Forward to Deliver Subways Faster**

On February 18, 2020, Caroline Mulroney, Minister of Transportation introduced legislation that will help deliver Ontario's four priority subway projects on-time and on-budget. The proposed legislation demonstrates Ontario's real commitment to delivering transit faster for the people in the Greater Toronto Area, reducing congestion, and connecting people to places and jobs. Minister Mulroney said "In order to keep up with the tremendous growth in the region, we have to build modern, efficient rapid transit. It will not only generate years of employment, it will allow us to better connect a world-class city and develop transit-oriented communities." *The Building Transit Faster Act* would provide the province with the tools to expedite the planning, design and construction process that has delayed major projects in the past. If passed, the legislation would remove roadblocks and give the Province the ability needed to deliver projects faster.

### **19. Province Working with Utilities to Improve Coordination for Priority Transit Projects**

Following the signing of Memoranda of Understanding with select utility companies, Caroline Mulroney, Minister of Transportation issued the following statement: "As a key step that supports the objectives of the *Building Transit Faster Act*, the Province of Ontario and Toronto Hydro, Hydro One and Enbridge, signed Memoranda of Understanding (MOUs) to improve coordination as we move forward in implementing the four priority transit projects outlined in our New Subway Transit Plan for the Greater Toronto Area (GTA)..."

### **20. Freightliner Manitoba's new facility opens at CentrePort Canada**

Freightliner Manitoba has opened a new, state-of-the-art, 78,000 sq-ft facility at CentrePort Canada in Winnipeg, Man. Ken Talbot, president and dealership principal for Freightliner Manitoba, purchased 13.5 acres of land at the inland port in 2018 with the vision of building the new heavy-duty truck dealership. The company says the additional space will help it hold true to its mission to provide first-class transportation solutions to the commercial vehicle market in Manitoba.

### **21. Load volumes rise for fourth consecutive month: Loadlink**

Loadlink's Canadian spot market started the year off strong with freight volumes up 13 percent compared to December 2019. Average daily load postings rose two percent and year-over-year, total load volumes were down only three percent compared to January 2019.

### **22. Monthly Passenger Bus and Urban Transit, December 2019**

Total operating revenues (excluding subsidies) for urban transit companies were \$338.8 million in December 2020, up 5.2% from December 2018. Over the same period, ridership increased 5.3% to 153.7 million passenger trips.

### **23. December 2019 North American Transborder Freight Numbers**

Transborder freight between the U.S. and other North American countries (Canada and Mexico) in December 2019 was \$96.3 billion by all modes of transportation, up 4.0% compared to December 2018. Trucks moved \$57.2 billion of freight, down 0.3% compared to December 2018. Railways moved \$14.4 billion of freight, up 1.9% compared to December 2018. Total U.S.-Canada trade by mode is as follows: Truck: \$25.7b; Rail: \$8.0b; Pipeline: \$6.0b; Air:\$3.3b; and Vessel: \$2.8b

### **24. 70% of supply chain leaders plan to invest in circular economy: Gartner**

Seventy percent of supply chain leaders are planning to invest in the circular economy in the next 18 months, according to a recent survey by Gartner, Inc. However, only 12% of those have linked their digital and circular economy strategies so far. Gartner defines the circular economy as an economic model that separates the ability to achieve economic growth from the consumption of natural resources. Those business models encourage continuous reuse of materials to minimize waste and the demand for additional natural resource consumption. The circular economy starts with good design, with end of life and raw material reuse in mind.

### **25. Province Moving Forward to Widen and Improve Safety on Highway 401 Between Tilbury and London**

On February 26, 2020, the province took the next step to deliver on its commitment to improve safety on Highway 401 between Tilbury and London. Ontario is proceeding with an Expression of Interest to procure a contractor to widen and install concrete median barriers on the first 11 km of the project between Tilbury and Merlin Road in Chatham-Kent. This is part of the government's plan to build safer and better highways to get people and goods moving to support Ontario's economy and quality of life.

### **26. CTA Asks for 'Fair and Sensible' Approach to Carbon Pricing Application**

The Canadian Trucking Alliance (CTA) on February 26, 2020 called on the federal government to take a fair and sensible approach to how carbon pricing applies to Canada's trucking industry and work in partnership with the private sector as it transitions to the green economy. While CTA and Environment and Climate Change Canada continue to work on the details of a potential green incentive fund for the trucking industry, trucking and its supply chain customers are preparing for a hike in the carbon price on diesel with no offsetting carbon equipment purchasing program in place.

### **27. Global consensus achieved for road safety**

Halving the number of people killed on the world's roads over the next decade is the central target agreed by the international community at the 3rd Global Ministerial Conference on Road Safety, held in Sweden on 18-19 February, 2020. Known as the "Stockholm Declaration", this seminal commitment to address the 1.3 million lives lost every year on the world's roads, and the tens of millions who are seriously injured, was agreed by some 1 700 delegates from around 140 countries. Given its scope and wide uptake, it has been compared to the road safety crisis' equivalent of the 2016 Paris Agreement tackling the global climate emergency.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. House Democrats unveil \$760 billion infrastructure strategy**

Democrats in the U.S. House of Representatives announced a five-year, \$760 billion framework for a transportation reauthorization bill on January 29, 2020 following the failure last year by Congress and the Trump administration to work out a long-term infrastructure package. Details of the climate-friendly plan — including how it will be paid for — still need to be worked out.

#### **2. Canadian Trade deficit shrinks more than expected on oil recovery**

Canada unexpectedly ran one of its smallest trade deficits in recent years in December 2019 on a sharp recovery in oil shipments after the completion of repairs on a pipeline. The December gap fell to C\$370 million (\$279 million), down from a revised deficit of C\$1.2 billion in November, *Statistics Canada* said on February 5, 2020 in Ottawa. Economists had forecast a deficit of C\$610 million. It was largely an energy story, with shipments of crude up 18% during the month. It's the best trade reading since the country recorded a small surplus in May 2019. Canada has averaged monthly trade deficits of C\$1.8 billion over the past three years.

#### **3. Meet the International Transport Forum at the 3rd UN Global Ministerial Road Safety Conference in Stockholm**

More than 1.3 million people are killed in road crashes around the world every year. An estimated 50 million suffer injuries, often life-changing. Crashes are the leading cause of death for young people aged 5 to 29. Road Safety is one of the priority areas of work of the International Transport Forum (ITF) at the OECD, an intergovernmental organisation that acts as a transport policy think tank for its 60 member countries. The ITF will contribute to the 3rd UN Global Road Safety Conference in Stockholm in the week of 17 February 2020 in a wide variety of ways and be available for questioning.

#### **4. China reneges on commodity deals, worsens global trade chaos**

Global commodity trade plunged deeper into chaos as Chinese companies started walking away from purchase contracts because of the spread of the deadly coronavirus. A Chinese buyer of liquefied natural gas and a copper importer declared what's known as force majeure—meaning they are reneging on deals as the virus constrains their ability to take deliveries. The cancellations are among the first known cases of the legal clause being invoked in commodity contracts due to the epidemic. "Everything that we were afraid of, from trade wars or global growth, doesn't compare," said Jan Stuart, global energy economist at Cornerstone Macro. "This virus is an entirely different risk, especially in commodities where China's role dominates."

#### **5. Statement from USDOT on Presidential Executive Order on Positioning, Navigation, and Timing**

On February 12, 2020, President Donald J. Trump signed an Executive Order (EO) establishing the first comprehensive national policy promoting the responsible use of positioning, navigation, and timing (PNT) services by the Federal

## **GENERAL TRANSPORTATION**

### **Canada**

1. House Democrats unveil \$760 billion infrastructure strategy, Jan. 29, 2020, [www.americanshipper.com](http://www.americanshipper.com)
2. Canadian Trade deficit shrinks more than expected on oil recovery, January 5, 2020, [www.ajot.com](http://www.ajot.com)
3. Meet the International Transport Forum at the 3rd UN Global Ministerial Road Safety Conference in Stockholm, February 10, 2020, [www.itf-oecd.org](http://www.itf-oecd.org)
4. China reneges on commodity deals, worsens global trade chaos, February 6, 2020, [www.ajot.com](http://www.ajot.com)
5. Statement from USDOT on Presidential Executive Order on Positioning, Navigation, and Timing, February 12, 2020, [www.dot.gov](http://www.dot.gov)
6. Slump in global goods trade to deepen with coronavirus, WTO says, September 17, 2020, [www.ajot.com](http://www.ajot.com)
7. CTA Appears Before Standing Committee on CUSMA Ratification, February 19, 2020, [www.ontruck.ca](http://www.ontruck.ca)
8. U.S. Secretary of Transportation Elaine L. Chao Announces Availability of \$1 Billion to Upgrade American Infrastructure, February 19, 2020, [www.dot.gov](http://www.dot.gov)
9. Travel between Canada and other countries, December 2019, February 21, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
10. Travel and tourism statistics portal, February 21, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
11. Freeland agrees to NDP trade pitch in return for new NAFTA support: letter, February 21, 2020, [www.ctl.ca](http://www.ctl.ca)
12. China, North American trade deals cut risks of recession, Feb. 25, 2020, [www.transportweekly.com](http://www.transportweekly.com)
13. EU trade chief warns virus may delay China trade deal beyond fall, February 26, 2020, [www.transportweekly.com](http://www.transportweekly.com)

Government and critical infrastructure owners and operators to strengthen critical infrastructure resilience. With this EO, the Trump Administration is strengthening American resilience by identifying and promoting approaches to manage the risks to critical transportation systems and supporting commercial infrastructure from the disruption and manipulation of PNT services.

#### **6. Slump in global goods trade to deepen with coronavirus, WTO says**

Global trade in goods will likely stay weak in coming months as disruptions from coronavirus in China stanch the movement of international commerce already slowed by tariffs and uncertainty, according to the World Trade Organization. The Geneva-based body's latest forward-looking Goods Trade Barometer stood at 95.5, compared with a level of 96.6 in November 2019. Readings of 100 indicate growth over the next quarter in line with medium-term trends, while those higher or lower than 100 point to growth above or below the recent trend. "The slow start could be dampened further by global health threats and other recent developments in the first few months of the year, which are not yet accounted for in the barometer's best-available historical data," the WTO said in the report. The volume of world merchandise trade was down 0.2% in the third quarter last year compared with a year earlier, according to the organization. "The latest barometer reading provides no indication of a sustained recovery," it said. "Indeed, year-on-year trade growth may fall again in the first quarter of 2020, though official statistics to confirm this will only become available in June."

#### **7. CTA Appears Before Standing Committee on CUSMA Ratification**

Appearing before the House of Commons' Standing Committee on International Trade regarding Bill C-4, CTA called for the Agreement to be unanimously endorsed by the Committee and ratified by the House of Commons as soon as possible.

#### **8. U.S. Secretary of Transportation Elaine L. Chao Announces Availability of \$1 Billion to Upgrade American Infrastructure**

The U.S. Department of Transportation (DOT) on February 19, 2020 published a Notice of Funding Opportunity (NOFO) to apply for \$1 billion in Fiscal Year (FY) 2020 discretionary grant funding through the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants program. U.S. Transportation Secretary Elaine L. Chao said "BUILD grants will upgrade infrastructure across America, making our transportation systems safer and more efficient."

#### **9. Travel between Canada and other countries, December 2019**

Number of tourists to Canada continues upward, surpassing the previous record in 2018. Canada received a record 22.1 million international tourists from abroad in 2019, surpassing the previous year's record of 21.1 million. This marked the sixth consecutive year of increased tourist arrivals to Canada, with growth in tourist arrivals from both the United States and overseas.

#### **10. Travel and tourism statistics portal**

On February 21, 2020 Statistics Canada released the Travel and tourism statistics portal in keeping with its commitment to making data more accessible to Canadians. The portal serves as a central location where data users can easily find information on travellers travelling to, from and within Canada, information on the characteristics of travellers and their spending as well as data from the Canadian System of Macroeconomic Accounts on travel and tourism expenditures, employment and gross domestic product. It also highlights the most recent and relevant information on travel and tourism available from Statistics Canada.

#### **11. Freeland agrees to NDP trade pitch in return for new NAFTA support: letter**

Deputy Prime Minister Chrystia Freeland says she wants to make Canada's trade negotiations more "transparent," by agreeing to proposals from the New Democrats to provide more details of future deals. Freeland offers that view in a letter to the New Democrats, a promise that secured the party's support for a speedier ratification of the new North American trade deal, which is still before Parliament.

#### **12. China, North American trade deals cut risks of recession**

America's China trade deal, plus the free trade pact with Mexico and Canada has "helped reduce downside risks and buoys business sentiment," said the US Federal Reserve minutes from the January 28-29 policy meeting. Fed officials said the risk of a US recession in the next year has "fallen notably", according to the minutes, reported Agence France-Presse.

#### **13. EU trade chief warns virus may delay China trade deal beyond fall**

European Union Trade Commissioner Phil Hogan told the international trade committee of the European Parliament that a planned March 2020 meeting with Chinese officials would now probably not happen, reports *Aljazeera*. A planned European Union-China investment agreement looks unlikely to be struck by September 2020 as planned because of the coronavirus outbreak, said Mr Hogan. The European Commission chief and other senior EU officials were to meet Chinese counterparts in Beijing in late March 2020 before an EU-Chinese summit to be held in Leipzig, Germany, in September - ideally to sign a deal.