

Transportation Information Update*

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AIR TRANSPORTATION

1. Montreal airport refuellers to resume negotiation process

The union representing employees who refuel the planes at two Montreal airports will return to the negotiating table on January 2, 2020 morning after a second straight day on the picket lines, though there was uncertainty on January 1, 2020 around the timeline for relaunching formal talks. Union spokesman Michel Richer initially said the two sides had agreed to meet the following morning. However, Swissport Canada said late January 1, 2020 that it had received a call by mediators to "stand by" for the moment and that "we will not be at the table at 10 a.m. tomorrow" for the initial meeting between the union and the mediator.

2. Joyce Carter, President and CEO, Halifax International Airport Authority Elected Chair of the Canadian Airports Council

The Canadian Airports Council (CAC) on January 2, 2019 announced that Joyce Carter, President and CEO of Halifax International Airport Authority (HIAA), has been elected as its new Chair, the first woman to assume the role in CAC's history. Ms. Carter, who has served as CAC's Vice Chair since 2018, succeeds Sam Samaddar, Airport Director of the Kelowna International Airport.

3. World air cargo volumes shrinkage shrinks

Data from analyst WorldACD showed that cargo demand in chargeable weight declined by 2.5 per cent in November 2019, an improvement on declines of 6.9 per cent in August, 5.3 per cent in September and 4.7 per cent in October. Load factors have climbed steadily since August, improving by 2 to 2.5 percentage points in September, October and November, reported *London's Air Cargo News*. "Does this mean we are going to end the year on a - relatively - high note?" said WorldACD. "If the trend continues, the month of December may be the first month in 2019 showing no year-on-year decline. But even if December would turn out to be 'neutral', the worldwide volume for the full year 2019 will be 4.3 per cent lower than 2018."

4. Flair Airlines warns customers to beware of fraudsters impersonating its website

Canadian budget carrier Flair Airlines Ltd. issued a fraud warning on January 3, 2020 saying customers should beware of fake websites impersonating its employees and services. Kelowna, B.C.-based Flair said it has become aware of false sites requesting potential passengers to call into a toll-free number to complete transactions, which Flair does not do. "Should a window appear with a phone number to call please be advised you may be experiencing fraud," the carrier said in a statement.

5. Lockheed Martin and Canadian UAVs partner to develop unmanned traffic management for drones

Canadian UAVs and Lockheed Martin Canada CDL Systems have signed a memorandum of understanding to provide an unmanned traffic management solution to meet the challenge of flying unmanned aerial vehicles (UAVs) beyond the visual line of sight (BVLOS). This solution will build a complete

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1. Montreal airport refuellers to resume negotiation process, December 31, 2019, www.ctl.ca
2. Joyce Carter, President and CEO, Halifax International Airport Authority Elected Chair of the Canadian Airports Council, January 2, 2020, www.cacairports.ca
3. World air cargo volumes shrinkage shrinks, January 6, 2020, www.transprweeky.com
4. Flair Airlines warns customers to beware of fraudsters impersonating its website, January 3, 2019, www.natkionalpost.ca
5. Lockheed Martin and Canadian UAVs partner to develop unmanned traffic management for drones, January 6, 2020, www.ctl.ca
6. Air Freight Demand Down 1.1% in November 2019, January 8, 2020, www.iata.org
7. Stable Passenger Demand Growth in November, January 9, 2020, www.iata.org
8. China, Hong Kong air freight traffic push up global volumes, January 10, 2020, www.transportweeky.com
9. Statement on Ukrainian International Airlines (PS 752), January 10, 2020, www.iata.org
10. Less than half of EU travellers are aware of EU Passenger Rights, January 13, 2020, www.europa.eu
11. Global airfreight market set for rebound in 2020, January 14, 2020, www.transportweeky.com
12. European airlines report cargo declines for 2019, January 13, 2020, www.americanshipper.com
13. Munich Airport reports 10th consecutive record-setting year, January 15, 2020, www.transportweeky.com
14. Drones Make the Medicine Go Down, January 15, 2020, www.inboundlogistics.com
15. Air Canada Celebrates the Arrival of its First Airbus A220, Continuing its Fleet Modernization Program, January 15, 2020, www.aircanada.ca
16. Air Canada, Transat may face competition hurdles over growing winter sun travel market, January 14, 2020, www.nationalpost.ca
17. US bans airlines from flying over Gulf of Oman, Persian Gulf, January 16, 2020, www.transportweeky.com
18. WestJet strengthens Atlantic gateway with new Halifax-Manchester service, January 17, 2020, www.westjet.ca

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

airspace picture necessary to conduct unmanned operations beyond visual line of sight in Canada and beyond. The increased range of BVLOS operations requires real-time airspace situational awareness for the UAV pilot and support crew to ensure safe, repeatable operations.

6. Air Freight Demand Down 1.1% in November 2019

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), decreased by 1.1% in November 2019, compared to the same period in 2018. This marks the thirteenth consecutive month of year-on-year declines in freight volumes. Despite the decline in demand, November's performance was the best in eight months, with the slowest year-on-year rate of contraction recorded since March 2019. In part, November's outcome reflects the growing importance of large e-commerce events such as Singles Day and Black Friday. While international e-commerce continues to grow, overall air cargo demand continued to face headwinds from the effects of the trade war between the US and China, the deterioration in world trade, and a broad-based slowing in global economic growth. Freight capacity, measured in available freight tonne kilometers (AFTKs), rose by 2.9% year-on-year in November 2019. Capacity growth has now outstripped demand growth for the 19th consecutive month.

7. Stable Passenger Demand Growth in November

The International Air Transport Association (IATA) announced global passenger traffic results for November 2019 showing that demand (measured in revenue passenger kilometers or RPKs) rose 3.3% compared to the same month in 2018. This was unchanged from October's result and below the long-term trend. Capacity (available seat kilometers or ASKs) increased by 1.8%, and load factor climbed 1.1 percentage points to 81.1%, which was a record for any November. All regions saw annual increases in traffic.

8. China, Hong Kong air freight traffic push up global volumes

Global air cargo load factors continued to rise during the first 11 months of 2019, setting the scene for a potential market rebound in 2020. According to the latest analysis from *WorldACD*, load factors have increased steadily since August 2019, up 2-2.5 per cent during September, October and November 2019. The most notable factor in the November 2019 results was the continuing growth in air freight volumes in China and Hong Kong. The two locations together increased their outgoing volumes by 4.6 per cent in October and November, reported *American Shipper*.

9. Statement on Ukrainian International Airlines (PS 752)

It is an outrage that a civil aircraft—an instrument of peace—is downed even inadvertently by military action. To honor the memories of the 176 innocent souls aboard PS 752 no effort should be spared to make sure that such a tragedy is never repeated. A thorough and transparent investigation is critical. An article in *The Globe and Mail* reports that airlines rely heavily on safety advice provided to them by the Montreal-based International Civil Aviation

Organization, or ICAO. Further, ICAO failed in its duties in 2014, and again on Jan. 8 when Flight 752 was shot down shortly after taking off from Tehran. As an additional comment, it is time that ICAO or IATA should get its members to agree on **prohibiting** airlines flying in aero spaces where there are safety concerns (eg. aero zones where conflicts are occurring, volcanoes are spewing ash into the skies, aircraft that are raising concern, etc).

10. Less than half of EU travellers are aware of EU Passenger Rights

The European Commission on January 13, 2020 released the results of a Eurobarometer survey on passenger rights in the European Union (EU). According to the survey, 43% of EU citizens who have travelled by air, long-distance rail, coach, ship or ferry in the previous 12 months ('travellers') know that the EU has put in place rights for passengers. Commissioner for Transport Adina Vălean said: "The European Union is the only area in the world where citizens are protected by a full set of passenger rights. However, these rights need to be better known and easier to understand and enforced. Our rules should also provide more legal certainty to passengers and the industry. This is why the

19. Aircraft movement statistics: Small airports, September 2019, January 26, 2020, www.statcan.gc.ca
20. Air Travel Consumer Report: November 2019 Numbers, January 16, 2020, www.dot.gov
21. WestJet drives increased domestic tourism with new flight bridging Charlottetown and Calgary, January 17, 2020, www.westjet.ca
22. Air Canada's new made-in-Quebec A220 aircraft won't relieve capacity crunch from Boeing Groundling, January 20, 2020, www.financialpost.ca
23. Scheduled air passenger origin and destination: Canada–United States, 2018, January 17, 2020, www.statcan.gc.ca
24. Estimated Full Year 2019 and December 2019 U.S. Airline Traffic Data, January 17, 2020, www.bts.gov
25. Delta's Q4 cargo revenue drops 13pc, but 2019 total revenue up, January 20, 2020, www.transportweekly.com
26. Problems in Air Canada's reservation system may not be fixed for months, January 20, 2020, www.financialpost.ca
27. WestJet statement on Boeing 737 MAX, January 21, 2020, www.westjet.ca
28. November 2019 U.S. Passenger Airline Employment Data, January 21, 2020, www.bts.gov
29. United Airlines posts strong profits despite MAX headwinds, January 21, 2020, www.americanshipper.com
30. Air Canada and Cirque du Soleil announce international partnership, January 22, 2020, www.aircanada.ca
31. Air Canada shares slump after China coronavirus reported in U.S. patient, January 22, 2020, www.nationalpost.ca
32. Third Quarter 2019 Air Fare Data, January 22, 2020, www.bts.gov
33. Rival accuses WestJet discount airline Swoop of predatory pricing with \$1 fares, January 23, 2020, www.globeandmail.ca
34. WestJet is one of Canada's Best Employers, January 29, 2020, www.westjet.ca
35. Swissport reaches tentative deal with striking Montreal aircraft refuellers, January 29, 2020, www.americanshipper.com
36. UPS's Unmanned Drones Will Soon Deliver Medical Products Within the UC San Diego Health System, January 30, 2020, www.inboundlogistics.com

Commission proposed to modernise air and rail passenger rights. We now need Council and the European Parliament to swiftly reach agreement on them to ensure that people travelling in the EU are effectively protected."

11. Global airfreight market set for rebound in 2020

The International Air Transport Association's (IATA) latest air freight market analysis for November 2019 shows that industry-wide freight tonne kilometres (FTKs) dipped by 1.1 per cent year on year for a 13th straight month of volume declines. However, November's performance was also the best in eight months, because it showed the slowest year-on-year rate of contraction since March 2019, *London's Air Cargo News* reported. IATA suggested that the slowdown in decrease in November 2019 could have been due to massive e-commerce events, such as Single's Day in Asia and Black Friday, which both took place that month. IATA director general Alexandre de Juniac believes the peak season was hindered by factors such as the US-China trade war. "That's better than the 3.5 per cent decline posted in October, but it is a big disappointment considering that the fourth quarter is usually air cargo's peak season. "Looking forward, signs of a thawing in US-China trade tensions are good news, but trading conditions at present remain very challenging."

12. European airlines report cargo declines for 2019

A number of Europe's largest airlines suffered year-over-year declines in cargo in 2019 as freight traffic failed to keep pace with passenger growth. Lufthansa Group carriers, which includes Lufthansa, Lufthansa Cargo, SWISS and Austrian Airlines, saw cargo traffic, as measured in revenue cargo tonne (metric ton) kilometers, decline 3.6% in December 2019 and 2.1% for the full year when compared with 2018. The company's full-year cargo traffic was 10.66 billion cargo tonne kilometers. Cargo capacity for the year increased 6.3% and cargo load factor dropped 5.3 points to 61.4% for the year. The International Airlines Group (IAG), which includes British Airways, Iberia, Aer Lingus, LEVEL and Vueling, said its cargo traffic fell 7.8% last month from December 2018 and was down 2.4% for the full year to 5.58 billion CTks. Air France KLM Group said its December traffic was down 4.1% and that its full-year traffic declined 2.2% to 8.47 billion revenue tonne kilometers. Air France's cargo traffic was down 0.5% for the year and 1.5% in December 2019. KLM's cargo traffic was down 3.5% for the year and 6.3% in December 2019.

13. Munich Airport reports 10th consecutive record-setting year

Munich Airport continues to pile up records. In 2019 total traffic increased by 1.7 million, or 4 percent, to 47.9 million passengers. That was the largest increase posted by any German airport last year. For the Bavarian hub, this result represents the tenth consecutive record-setting year for total passenger traffic. The number of take-offs and landings was up by around 1 percent to over 417,000 aircraft movements. Airlines substantially increased the number of destinations served especially in the intercontinental segment, which saw a year-on-year rise of over 6 percent in take-offs and landings to a total of approximately 34,000 and an impressive 9 percent increase in total passengers. In European traffic, the passenger numbers were around 4 percent higher. Meanwhile, the number of passengers on domestic routes within Germany again declined by around 1 percent.

14. Drones Make the Medicine Go Down

UPS Flight Forward Inc. and CVS Pharmacy have successfully completed the first revenue-generating drone delivery of a medical prescription from a CVS pharmacy directly to a consumer's home. This was followed by another delivery of a medical prescription to a second customer in a nearby retirement community. Both flights used the M2 drone system by UPS partner and drone systems developer Matternet. The deliveries mark another milestone in collaboration between UPS and CVS to develop a variety of drone delivery use cases, including business-to-consumer operating models. The companies plan ongoing drone delivery program development in order to bring to market the speed and convenience advantages of UAVs.

15. Air Canada Celebrates the Arrival of its First Airbus A220, Continuing its Fleet Modernization Program

Air Canada on January 15, 2020 unveiled the newest member of its fleet, the Airbus A220-300, before employees and special guests at the airline's Montreal headquarters. Built in Mirabel, Quebec, the Bombardier-designed aircraft continues Air Canada's fleet modernization. The A220's state-of-the-art design and cabin is destined to be extremely popular with customers, and this new aircraft will also help Air Canada reduce its carbon footprint through a 20 per cent reduction in fuel consumption per seat. It is a historic moment for Air Canada as they welcome the Airbus A220 into their fleet. Its commercial flight departs from Montreal for Calgary January 16, 2020 offering customers a modern, spacious new cabin interior.

16. Air Canada, Transat may face competition hurdles over growing winter sun travel market

Canadian airlines are increasing the number of seats available to sunnier destinations this winter, although the capacity growth will be muted compared to last year due in part to constraints from the grounded Boeing 737 Max aircraft. The sun destination market is expected to grow 2.2 per cent between Nov. 1 and Apr. 30, 2020 according to a National Bank analysis based on data from Transat and OAG, a provider of airline scheduling data. That's down from 8.7 per cent growth last winter. While an increase in charter flights could bump the expansion up to 4.4 per cent, the grounded Boeing 737 Max aircraft remains a "wildcard" for growth plans and could limit growth to only 0.9 per cent if the fleet

remains grounded past April, 2020 National Bank analyst Cameron Doerksen noted to clients. Three of the four major players in the market — Air Canada, WestJet Airlines Ltd. and Sunwing Airlines Ltd. — operate the 737 Max jets.

17. US bans airlines from flying over Gulf of Oman, Persian Gulf

US airlines, including freighter operators, have been banned from flying over airspace in Iran, Iraq (Baghdad region), the Persian Gulf and the Gulf of Oman by the US Federal Aviation Administration in a Notice to Airmen (NOTAM). In response, US cargo carriers have been filing requests for exemptions to the notice, outlining the steps they have taken to mitigate risks and stating that they believe they can operate safely in the region, reported *London's Air Cargo News*.

18. WestJet strengthens Atlantic gateway with new Halifax-Manchester service

On January 17, 2020, WestJet is forging another connection across the Atlantic into the United Kingdom with the announcement of new non-stop service between Halifax, N.S., and Manchester U.K. beginning June 5, 2020. This summer, WestJet will operate more than 300 seasonal departures from Halifax to London (Gatwick) and Glasgow, Scotland. "WestJet is continuing to invest in our Atlantic gateway, connecting Nova Scotia to the world and the world to Nova Scotia in new ways," said Charles Duncan, WestJet Chief Strategy Officer. "The U.K. is Nova Scotia's largest in-bound tourism market and our newest investment connects the province to new sources of tourists."

19. Aircraft movement statistics: Small airports, September 2019

Take-offs and landings at 137 Canadian airports without air traffic control towers reached 59,321 movements in September 2019. Ten airports accounted for 39.5% of the month's activity: Peterborough, Ontario (4,401 movements); Drummondville, Quebec (3,324); Trois-Rivières, Quebec (3,038); Goose Bay, Newfoundland and Labrador (2,495); Barrie-Orillia-Lake Simcoe Regional, Ontario (2,343); Collingwood, Ontario (2,336); Red Lake, Ontario (1,702); Island Lake, Manitoba (1,306); Tillsonburg, Ontario (1,256); and Muskoka, Ontario (1,250).

20. Air Travel Consumer Report: November 2019 Numbers

The U.S. Department of Transportation (DOT) on January 16, 2020 released its January 2020 Air Travel Consumer Report (ATCR), reporting marketing and operating air carrier data compiled for the month of November 2019. The consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>. On a few important matters the findings were as follows: 1. November On-Time Performance - In November 2019, reporting marketing carriers posted an on-time arrival rate of 84.4%, up from both the 82.2% on-time rate in October 2019 and 79.7% in November 2018; 2. November Cancellations - In November 2019, reporting marketing carriers cancelled 0.8% of their scheduled domestic flights, a lower rate than both 0.9% in October 2019 and 1.1% in November 2018; 3. November Tarmac Delays - In November 2019, airlines reported five tarmac delays of more than three hours on domestic flights, compared to five such tarmac delays reported in October 2019 and 21 tarmac delays reported in November 2018.

21. WestJet drives increased domestic tourism with new flight bridging Charlottetown and Calgary

WestJet on January 17, 2020 is bridging new domestic connections between the east and the west with the introduction of new non-stop seasonal service between Charlottetown, P.E.I., and Calgary beginning June 25, 2020. The airline announced a 35 per cent increase in flights to YYG with new non-stop service connecting Prince Edward Island to Western Canada.

22. Air Canada's new made-in-Quebec A220 aircraft won't relieve capacity crunch from Boeing Grounding

Air Canada will fly its first commercial flight on an Airbus A220-300 on January 16, 2020, although the made-in-Quebec addition to its fleet isn't expected to ease the capacity crunch caused by the prolonged Boeing 737 Max grounding. Canada's largest airline showcased the new jet, formerly known as the Bombardier CSeries and built at Bombardier's Mirabel facilities, at a hangar ceremony near Montreal-Trudeau International Airport on January 15, 2020 in advance of the plane's inaugural flight from Montreal to Calgary. Air Canada plans to add 17 of the fuel efficient, spacious planes to its fleet by the end of the year, with 11 deliveries expected before the busiest summer season, Mark Galardo, Air Canada's vice president of network planning, said in an interview.

23. Scheduled air passenger origin and destination: Canada–United States, 2018

More than 26.4 million passengers travelled on scheduled air services between Canada and the United States in 2018, a 7.3% increase compared with 2017. This was the ninth consecutive year-over-year increase since the economic downturn of 2009. The top four provincial markets accounted for 92.2% of the volume of passengers travelling between Canada and the United States in 2018. Most provinces showed gains, with Ontario experiencing the largest increase (+688,000 passengers), followed by British Columbia (+400,000), Quebec (+307,000) and Alberta (+285,000). Prince Edward Island was an exception, with transborder traffic decreasing 3.8%. Transborder travel continued to be primarily to/from the States of California and Florida. Together, these states accounted for 37.6% of all traffic, with California reporting 19.2% and Florida reporting 18.4%.

24. Estimated Full Year 2019 and December 2019 U.S. Airline Traffic Data

The Bureau of Transportation Statistics (BTS) estimates that U.S. airlines carried more passengers in 2019 than in any previous year. For the full year 2019, January through December, U.S. airlines carried 925.5 million passengers, the

highest total based on comparable records since 2003. The annual number has reached a new high for five consecutive years. The 2019 estimated passenger total is up 4.1% from 2018, up 9.0% from 2017 and up 12.3% from 2016. The numbers are unadjusted.

25. Delta's Q4 cargo revenue drops 13pc, but 2019 total revenue up

Delta Air Line's operating revenue for cargo operations declined by 13 per cent in the fourth quarter to US\$187 million and to \$753 million for the full year compared to the same periods in 2018. The carrier saw a seven per cent boost in revenue to \$11.4 billion, adjusted for the sale of a former unit, the unwinding of the codeshare partnership with Brazilian carrier Gol following the new joint venture with LATAM Airlines, and \$315 million in lower fuel costs, *FreightWaves, New York* reported. Strong holiday travel helped increase total unit revenue by 2.4 per cent on an adjusted basis. Nonfuel operating expenses rose by 4.4 per cent year on year. On a full-year basis, Delta achieved record revenue of \$47 billion, up 7.5 per cent, excluding sales from its refinery. Total expenses were up 3.9 per cent with cost-per-available-seat mile up two per cent. The company generated \$8.4 billion of operating cash flow and \$4.2 billion of free cash flow.

26. Problems in Air Canada's reservation system may not be fixed for months

Problems with Air Canada's reservation system, which have frustrated myriad customers of the airline, may not be fixed until May 2020, *The Logic* has learned. The airline rolled out its new Passenger Service System (PSS) in November 2019, just before the holiday travel season. Designed by Spanish firm Amadeus, it was meant to streamline Air Canada's reservation process, allow the airline to communicate with the systems of its partner airlines in the Star Alliance group and otherwise improve the travel experience of its more than 50 million passengers annually. Yet the system, known as Altéa, has been beset by problems, including the inability to change bookings and redeem Aeroplan points online. The airline's call centres have been overloaded as a result, with some passengers waiting up to six hours to speak with an agent.

27. WestJet statement on Boeing 737 MAX

Following Boeing's announcement regarding the 737-MAX aircraft, WestJet on January 21, 2020 announced it will be updating its schedule to remove the aircraft through to June 24, 2020. Any affected guests will be proactively contacted once work is complete. "We thank our guests for their patience and our WestJetters for their commitment to keeping our airline moving safely and on time as we continue to adjust our schedule," said Ed Sims, WestJet President and CEO. "We remain confident in the regulatory process undertaken by the Federal Aviation Authority (FAA) and Transport Canada to ensure the safe return of the aircraft." WestJet has completed more than 98 per cent of its planned departures even while its 13 MAX aircraft remain on the ground.

28. November 2019 U.S. Passenger Airline Employment Data

The 21 U.S. scheduled passenger airlines employed 2.9% more workers in November 2019 than in November 2018: 1) November's 452,668 full-time equivalents (FTEs) was the highest employment total since March 2003 (458,598 FTEs). 2) November was the 73rd consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year.

29. United Airlines posts strong profits despite MAX headwinds

United Airlines' (UAL) 2019 fourth-quarter cargo revenue fell 5.4% from a year ago to \$316 million, but overall revenue was up 3.8% to \$10.9 billion and the carrier reported diluted earnings per share of \$2.53, which was up nearly 50% from the same period a year ago. The company reported operating income of \$861 million, an increase of nearly 36% from a year ago, and net income of \$641 million. For the full year, United posted operating revenue of \$43.26 billion, net income of just under \$3.01 billion and earnings per share of \$11.58. The carrier's 2019 cargo revenue declined 4.7% to just under \$1.18 billion. Cargo ton miles, a measure of cargo traffic, were down 1.4% in the quarter and 2.8% for the year.

30. Air Canada and Cirque du Soleil announce international partnership

Air Canada and Cirque du Soleil announced on January 22, 2020 an exclusive partnership designating Air Canada as Official Airline for Big Top and Arena shows for Canada, the U.S., Europe, and select countries around the world. As the most recent major international marketing sponsorship for the airline, the multi-year agreement will see the two brands bringing the world of Cirque du Soleil wonder to millions around the globe and delighting customers with unforgettable experiences.

31. Air Canada shares slump after China coronavirus reported in U.S. patient

Air Canada's shares sank by the most in 15 months as the Centers for Disease Control and Prevention said the first case of the Wuhan coronavirus has appeared in the U.S. The stock fell as much as 6.6 per cent, its biggest drop since October 2018 amid reports that a person in Washington state had the virus. The CDC later confirmed the news and said that the person was recently travelling in China. This is the latest development in China's mysterious respiratory virus that has caused six deaths and infected a number of medical workers. The outbreak is reminiscent of the severe acute

respiratory syndrome, or SARS, pandemic that killed more than 800 people in Asia. Toronto had the most deaths from the illness outside Asia.

32. Third Quarter 2019 Air Fare Data

U.S. domestic air fares in the third quarter of 2019 of \$345 were the lowest on record, inflation adjusted, based on Bureau of Transportation Statistics (BTS) records dating from 1995. The third-quarter 2019 fares were down 1.2% from the previous low of \$349 in the third quarter of 2018. Adjusted for inflation, (constant 2019 dollars) the 3Q 2019 air fare was: 1. Down 1.2% from 3Q 2018 (\$349); 2. Down 3.6% from 2Q 2019 (\$358). The second-quarter fare was revised from \$364 in the previous release after Frontier Airlines refiled second-quarter data. Frontier's revised second-quarter and third-quarter data are included in this release. 3. Down 18.3% from 3Q 2014 (\$422)

33. Rival accuses WestJet discount airline Swoop of predatory pricing with \$1 fares

Swoop Airlines, the discount wing of WestJet Airlines Group, has embarked on an aggressive expansion, adding new flights and selling tickets for as low as \$1, sparking new accusations of predatory pricing by a rival airline. The federal Competition Bureau launched an investigation of WestJet and Swoop in November, 2018, after allegations by Kelowna-based Flair Airlines that the Calgary-based carriers were selling seats below their costs in an attempt to win market share. The Competition Act prohibits a company from abusing its market dominance by making "predatory acts" to "eliminate, discipline, or deter entry or expansion of a competitor." Swoop recently began selling 100,000 new seats for a base fare of \$1 on existing routes, adding capacity in such destinations as Winnipeg, Hamilton and London, Ont. "Flair's position is that there's definitely predatory pricing," Jim Scott, chief executive officer of Flair Airlines, said in an interview this week. Two other discount carriers, Canada Jetlines and Enerjet, have announced plans to begin flying but have failed to launch. Barry Prentice, a transportation professor at the University of Manitoba's Asper School of Business, said low-cost carriers serve a purpose, by providing cheap alternatives to the big airlines while offering checks on the abilities of the legacy carriers to overcharge. But Swoop, as part of WestJet, functions differently in the market, he said. "Swoop is kind of like the guy that's going to come along and make sure none of these other [small] airlines" can become established and compete by undercutting the fares, Prof. Prentice said. He said the complaint before the competition watchdog of deep fare discounts has "some legitimacy. ... That does sound pretty predatory to me." "Consumers love price wars, but of course the goal of a price war is to put the competition out of business, and take over the market again," Prof. Prentice said.

34. WestJet is one of Canada's Best Employers

WestJet on January 29, 2020 announced it has been named by Forbes as one Canada's Best Employers. This is WestJet's fifth time in as many years. Mark Porter, WestJet Executive Vice-President, People and Culture said "WestJet is a place where people build careers, life-long friendships and amazing experiences. Ranking among Canada's best employers is a testament of our continued commitment to making WestJet a great place to work. I thank all 14,000 WestJetters for their many contributions to our great culture and growing network."

35. Swissport reaches tentative deal with striking Montreal aircraft refuellers

Swissport Canada Inc. has reached a second agreement in principle with airplane refuellers after a nearly one-month strike in Montreal. The company and the International Association of Machinists and Aerospace Workers union say a tentative deal was reached early January 29, 2020 following a mediation session. An initial tentative agreement reached on Dec. 21, 2019 was rejected by union members, leading to a strike on Dec. 31, 2019 by more than 100 union employees.

36. UPS's Unmanned Drones Will Soon Deliver Medical Products Within the UC San Diego Health System

UPS Flight Forward, the company's drone airline subsidiary, will use unmanned drones to deliver medical products between health centers and labs at the University of California (UC) San Diego Health system. The flights, which will begin in February 2020, will take only minutes to complete and will be monitored by remote operators. Medical professionals at UC San Diego's Jacobs Medical Center in La Jolla will load medical products, such as blood samples and documents, into a secure drone container that attaches to one of Matternet's M2 rechargeable, battery-powered drones. The drones will follow predetermined flight paths measuring less than one mile and within visual line of sight under the Federal Aviation Administration's rules.

WATER TRANSPORTATION

1. ARO 2020: US West Coast ports competing through infrastructure, technology

Seaports on the US West Coast aim to regain some of the market share they have lost over the past five years to the East and Gulf coasts by building infrastructure and implementing technology needed to move cargo cheaper and faster.

2. 2019 Recap: A tale of two container-shipping trades

The split between the world's two largest container-shipping trade routes has grown even more acute as this year comes to a close. The cost to transport eastbound boxes across the Pacific from Asia to the U.S., as tracked by the Freightos Baltic Daily Index, has continued to slump, whereas the price to ship westbound boxes via the Indian Ocean from Asia to Northern Europe has continued to rise. The price to ship a 40-foot-equivalent unit (FEU) container on the China-North Europe route (CNER) is up 30% year-on-year. The price from China to North America West Coast (CNAW) is down 20% over the same period. In terms of U.S. imports, the pendulum continues to swing more towards the East Coast at the expense of the West Coast. Container rates from China via the Panama Canal to the U.S. East Coast are down by just 6%, less than a third of the decline in rates to the West Coast over the same period.

3. 'Phase one' deal can't stop Asia-US container flow changes

Despite an easing of trade tensions between the United States and China, shippers will continue to diversify their sourcing options to mitigate risk.

4. Outlook 2020: Top questions for ocean shipping

Ocean shipping begins the year with unusually high optimism in the crude-tanker sector and very strong sentiment in the product-tanker and liquefied petroleum gas (LPG) segments. But fundamentals in markets outside of petroleum transport are not nearly as firm, and in general, ocean shipping boasts a long history of surprises to the downside. As Robert Bugbee, president of Scorpio Tankers (STNG) and Scorpio Bulkers (SALT), once said in an interview: "There have always been events in shipping you can't foresee ... wonderful and terrifying things. World events smash us to the floor and inflict amazing pain, then we have great things happen and we're back to making money again." In a high-stakes business that's this unpredictable, it's vital to keep a sharp watch on the top variables and wild cards you can foresee, and mentally prepare yourself to be surprised by those you can't. Following are some of the most important "devil's advocate" questions for ocean shipping to consider in 2020: 1) What will happen with demand?; 2) Will geopolitics be a positive or negative?; 3) Will IMO 2020 play out as predicted?; and 4) Will newbuilding orders remain

5. East China port sees robust growth in sea-rail transport

The container throughput in sea-rail transport at Ningbo-Zhoushan Port in east China's Zhejiang Province increased over 33.3 percent year on year in 2019, according to the port. The container throughput exceeded 800,000 twenty-foot equivalent units in 2019, making the port the second largest in the country's sea-rail transport industry after east China's Qingdao port.

6. Container-line consolidation has failed to increase freight rates

The start of a new year is prime time to reflect upon not just the prior year, but the longer-term journey. In the container-shipping sector, a central question is: With all of the ownership consolidation and alliances, has the industry been able to charge more over time to move a container from port A to port B? The answer is no. Mergers may have cut liner costs, but they've yet to provide pricing power. The price to move a container on various trade lanes is tracked by the Freightos Baltic Daily Index, which also compiles a global index. Over the three years between Jan. 1, 2017, and Jan. 1, 2020, the

WATER TRANSPORTATION Canada

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4. Outlook 2020: Top questions for ocean shipping, January 6, 2020, www.americanshipper.com
5. East China port sees robust growth in sea-rail transport, January 7, 2020, www.transportweekly.com
6. Container-line consolidation has failed to increase freight rates, January 8, 2020, www.americanshipper.com
7. Eight more companies pledge to not ship goods through the Arctic Ocean, January 9, 2020, www.ctl.ca
8. Nearly 30 Million Tonnes Of Cargo Moved In 2019, January 10, 2020, www.rupertport.com
9. SC Ports reports best volumes yet in 2019, January 10, 2020, www.ajot.com
10. Pre-Chinese New Year box spike fails to take off, January 13, 2020, www.transportweekly.com
11. Port of Prince Rupert – Accumulated Year-to-date Container traffic (TEU), January 13, 2020, www.rupertport.com
12. Port of Virginia sets new annual volume record, January 13, 2020, www.ajot.com
13. PSA container throughput performance for 2019, January 14, 2020, www.transportweekly.com
14. Shippers' group put forward new criteria for EC liner consortia block exemption, January 13, 2020, www.ctl.ca
15. Overcapacity will continue to dog container shipping in 2020, January 13, 2020, www.americanshipper.com
16. Shanghai remains world's busiest container port in 2019, January 15, 2020, www.transportweekly.com
17. Chamber of Marine Commerce releases its 2020 government wish list, January 15, 2020, www.ctl.ca
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19. Initial agreement reached on sale of Rotterdam terminal to Hutchison Ports, January 16, 2020, www.transportweekly.com
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21. Shipping industry needs to responsibly protect environment, January 17, 2020, www.transportweekly.com
22. Port of Metro Vancouver: Accumulated Container statistics – January to December 2019, January 2020, www.portmetrovancover.com
23. Port of Virginia ends 2019 on high with

global index is effectively unchanged (down 1%).

7. Eight more companies pledge to not ship goods through the Arctic Ocean

The Ocean Conservancy announced that eight more companies agreed this week not to ship goods through the Arctic Ocean by signing the Arctic Corporate Shipping Pledge launched by in October 2019. The new signatories include Ralph Lauren Corporation, Kuehne + Nagel, PUMA, International Direct Packaging, Allbirds, Arizia, Hudson Shipping Lines and Bureo.

8. Nearly 30 Million Tonnes Of Cargo Moved In 2019

The Prince Rupert Port Authority (PRPA) announced on January 10, 2020 another record year in volume. A grand total of 29.9 million tonnes of cargo moved through the Port of Prince Rupert in 2019 – 12% more than the 26.7 million tonnes handled the previous year and the highest total volume to date for the Port. Supporting the overall positive trend was strong performance at DP World's Fairview Container Terminal with over 1.2 million TEUs at an increase of 17% over 2018, the addition of propane volume through AltaGas' Ridley Island Propane Export Terminal, and growth in coal handled at Ridley Terminal where cargo levels were up 18% over the previous year. Northland Cruise Terminal also saw a year-over-year increase in passenger volumes of 35%, totalling over 12,400 visitors to Prince Rupert through cruise travel. "The Port of Prince Rupert's consistent record-breaking annual volumes confirms the Port's growing role in Canadian trade," said Shaun Stevenson, President and CEO of the Prince Rupert Port Authority. "The Port of Prince Rupert has a reputation for offering strategic advantages to shippers. The 2019 volumes illustrate the growing market demand for the Prince Rupert gateway and further validates our plans for growth and expansion over the next several years.

9. SC Ports reports best volumes yet in 2019

South Carolina Ports Authority had its best calendar year in its history, handling 2.44 million twenty-foot equivalent container units (TEUs) in 2019, a 5% increase year-over-year. S.C. Ports handled 1.38 million pier containers — as measured by the total number of boxes handled — in 2019 at the Wando Welch and North Charleston terminals. Of those, more than 1.1

million containers went across the docks of the Wando terminal whilst major renovations were ongoing to enhance the terminal's big-ship readiness capabilities. Breakbulk cargo grew in 2019 with 725,828 pier tons handled, up nearly 10% from a year ago. The Port also handled 225,191 vehicles, up 4%, and 262,776 cruise passengers, up 24%, in 2019.

10. Pre-Chinese New Year box spike fails to take off

US containerised imports from Asia have seen some increased activity at the start of the year but it pales in comparison to years previously. FreightWaves Maritime market expert Henry Byers opined: "The continued tariff threats from the Trump administration, coupled with an earlier-than-normal Chinese New Year, which officially begins January 25, has likely led many US importers to move much of their volume in 2019. This means that US container ports are not likely to receive the typical bump in volumes they're used to." If pricing is a rough proxy for demand, Freightos' trans-Pacific indices covering the late 2019-early 2020 period should not rise as much as in prior years, *American Shipper* reported.

11. Port of Prince Rupert – Accumulated Year-to-date Container traffic (TEU)

The Port of Prince Rupert reported its year-to-date container traffic on January 13, 2020. Total container traffic (TEU) for 2019 increased 17% compared to 2018 i.e. to 1,210,776.00 TEU from 1,036,009.00. Total container imports (TEU) for 2019 increased 19% compared to 2018 i.e. to 678,907.50 TEUs from 569,070.50. Total container imports (TEU) for 2019 increased 14% compared to 2018 i.e. to 531,868.75 TEUs from 466,938.50. Total passenger cruise traffic increased 36% for 2019 compared to 2018 i.e. to 12,138 passengers from 8,928 passengers.

12. Port of Virginia sets new annual volume record

The Port of Virginia set a new annual record for container cargo volume having handled more than 2.93 million twenty-foot equivalent units, or TEUs, in calendar year 2019, a 3 percent increase over last year's total. The port saw increases in the movement of loaded imports, up 3 percent; empty export TEUs, up 10 percent; growth in barge volume, up more than 18 percent; and the amount of cargo moving over Richmond Marine Terminal, up 19.5 percent. Truck volumes were up 2 percent and rail volume was static.

record box throughput of 2.9m TEU, January 20, 2020, www.transportweekly.com

24. Legal challenge brews in backlash against extending EU block exemption, January 2020, www.joc.com

25. Port of Montreal: Accumulated Container statistics – January to December 2019, January 20, 2020, www.portofmontreal.ca

26. 2019 cargo volumes at Port of Los Angeles fall short of record levels, January 21, 2020, www.transportweekly.com

27. New Orleans boasts another record, January 21, 2020, www.transportweekly.com

28. Port of Halifax: Accumulated Container statistics – January to December 2019, January 21, 2020, www.portofhalifax.ca

29. Port of Montreal continues record cargo pace and expansion projects, January 22, 2020, www.ajot.com

30. US East Coast port growth dragged to three-year low in 2019, January 22, 2020, www.joc.com

31. Hong Kong loses million TEU as mainland re-orders Pearl River Delta, January 23, 2020, www.transportweekly.com

32. Port Miami has now surpassed 1 million TEU for five consecutive years, January 24, 2020, www.transportweekly.com

33. Montreal terminal orders four ship-to-shore cranes, January 24, 2020, www.ctl.ca

34. Mexican port volumes in 2019 lowest in six years on slowing economy, January 24, 2020, www.joc.com

35. Vancouver port, Burnaby planning rail overpass, January 28, 2020, www.ctl.ca

36. Overpass proposed in Burnaby: \$145 million investment to support trade growth and improve safety and community access, January 28, 2020, www.portmetrovancouver.ca

37. Container lines face intensifying cost squeeze, January 29, 2020, www.americanshipper.com

13. PSA container throughput performance for 2019

PSA International Pte Ltd (PSA) handled 85.2 million Twenty-foot Equivalent Units (TEUs) of containers at its port projects around the world for the year ending 31 December 2019. The Group's volume increased by 5.2% over 2018, with flagship PSA Singapore contributing 36.9 million TEUs (+1.6%) and PSA terminals outside Singapore handling 48.3 million TEUs (+8.1%).

14. Shippers' group put forward new criteria for EC liner consortia block exemption

The Global Shippers' Forum (GSF) has called on the European Commission to change the criteria it uses to assess the effectiveness of a key exemption for shipping lines from EU competition rules. The EU Consortia Block Exemption Regulation (CBER) allows shipping lines to exchange information and to co-operate so that they can provide Consortia services to and from EU ports. The Regulation is due to expire in April 2020 and the Commission is currently assessing responses to a proposal to extend it for a further four years. In its response, GSF called for the use of different evaluation criteria to those used by the Commission in its review. GSF claims the Commission's chosen criteria did not adequately assess the evidence of poor service levels and other shortcomings provided by shippers.

15. Overcapacity will continue to dog container shipping in 2020

The shipping research and consulting firm Drewry says supply is expected to continue to outstrip demand in the container shipping industry but that carriers are "battle-hardened to cope with yet another challenging and unpredictable year." "Much like last year, carriers should be able to return solid if unspectacular results and continue to prepare the ground for a better future," Drewry predicted in an article in the current issue of *Container Insight Weekly*.

16. Shanghai remains world's busiest container port in 2019

Shanghai port maintained the top position in the world in terms of container throughput in 2019, according to Shanghai Mayor Ying Yong on January 15, 2020. The container throughput of Shanghai port totalled 43.3 million twenty-foot equivalent units last year, ranking it the first in the world for 10 consecutive years, Ying said when delivering his government work report at the ongoing annual session of the municipal people's congress. "Shanghai will serve as a crucial port for international container transportation and an aviation hub in the Asia Pacific region," said Ying, noting that shipping freight index futures will be launched this year to facilitate the establishment of a modern shipping service system.

17. Chamber of Marine Commerce releases its 2020 government wish list

Chamber of Marine Commerce President Bruce Burrows unveiled a 2020 wish list for legislative and policymakers to support the growth of Great Lakes-St. Lawrence and coastal shipping with climate resiliency to deal with high-water levels as a top priority. Others include: Ensure that U.S. and Canadian governments continue to invest in maritime infrastructure and advance Coast Guard asset renewal; Pursue a harmonized and practical approach to ballast water regulations aimed at domestic fleets; and Urge the Canadian government to form a 'National Advisory Board' to gain stakeholder input into the ongoing reform of policies and supporting regulations.

18. Port Performance Freight Statistics Annual Report

Port Performance Freight Statistics in 2018, Annual Report to Congress 2019, a congressionally-mandated report, is now available from the Bureau of Transportation Statistics (BTS). This edition is the fourth annual report from the BTS Port Performance Freight Statistics Program established by the Fixing America's Surface Transportation Act of 2015. This annual report presents nationally-consistent port capacity and throughput measures for the top 25 ports by tonnage, 20-foot equivalent unit (TEU), and dry bulk tonnage.

19. Initial agreement reached on sale of Rotterdam terminal to Hutchison Ports

Danish shipping giant, A P Moller-Maersk's port operations arm, APM Terminals, says it has reached an initial agreement to sell one of its two Rotterdam container terminals to Hong Kong's Hutchison Ports, the world's largest independent terminal operator.

20. Port of NY and NJ posts record volume for container and rail in November

The Port of New York and New Jersey (PNYNJ) hit record volumes in both rail cargo and overall container throughput for November 2019, handling 599,626 TEU, a 2.7 per cent increase over the 583,880 TEU posted the previous year. The increase brings the yearly total to 6.90 million TEU, reports AJOT. Imports totalled 302,460 TEU in November 2019, a 0.5 per cent decrease over the 303,881 TEU in November 2018. From January through November, imports at PNYNJ reached 3.50 million TEU against 3.37 TEU recorded during the same period of 2018, a 3.7 per cent increase. Exports totalled 297,166 TEU, a 6.1 per cent increase over the 279,963 TEU posted in November 2018. From January through November 2019, exports at the PNYNJ reached 3.39 million TEU versus 3.20 million TEU recorded during the same period of 2018, a 6.0 per cent increase.

21. Shipping industry needs to responsibly protect environment

IMO 2020 is a necessary but unwelcome burden for container shipping stakeholders, according to shipper representatives. Global Shippers Forum (GSF) secretary-general James Hookham said importers and exporters face a wide range of challenges in the early part of this year, as shipping lines seek to recover the cost of compliance with new

IMO 2020 low sulphur rules by passing on extra surcharges. "With the container shipping industry in a trough of depression, the additional burden of complying with tough new rules on emissions from vessels is a necessary but unwelcome start to 2020," he said. "The shipping industry has widely assumed that the costs of cleaning up its environmental act can simply be passed onto its customers (shippers) in the form of surcharges.

22. Port of Metro Vancouver: Accumulated Container statistics – January to December 2019

The Port of Metro Vancouver released its container statistics (TEUs) for the year 2019. Total traffic increased 0.1%, i.e. from 3,396,449 TEUs to 3,398,860 TEUs. Total exports increased 2.6%, i.e. from 1,615,380 TEUs to 1,657,992 TEUs. Total imports decreased -2.3%, i.e. from 1,781,069 TEUs to 1,740,869 TEUs. Total revenue passengers for 2019 increased 20.4%, i.e. from 889,162 to 1,070,915 passengers.

23. Port of Virginia ends 2019 on high with record box throughput of 2.9m TEU

The US port of Virginia handled a record-breaking 2.93 million TEU in 2019, a year-on-year increase of three per cent, as loaded imports were up three per cent; empty exports up 10 per cent; barge volumes rose 18 per cent; and the amount of cargo moving over Richmond Marine Terminal grew by 19.5 per cent.

24. Legal challenge brews in backlash against extending EU block exemption

Opponents of the European Commission's plan to extend Europe's liner shipping block exemption regulation for another four years have ratcheted up their challenge to the proposal.

25. Port of Montreal: Accumulated Container statistics – January to December 2019

The Port of Montreal released its container statistics (TEUs) for the year 2019 on January 20, 2020. Total traffic increased 3.9%, i.e. from 1,679,351 TEUs to 1,745,244 TEUs. Total exports increased 4.6%, i.e. from 845,294 TEUs to 883,901 TEUs. Total imports increased 3.3%, i.e. from 834,057 TEUs to 861,343 TEUs.

26. 2019 cargo volumes at Port of Los Angeles fall short of record levels

The Port of Los Angeles fell short of record year in 2019 at 9,337,632 TEU, making it the second-best year in the harbour's 113-year history, according to *Shipping Gazette*. "In the face of lagging exports due to international trade, the Port of Los Angeles maintained strong momentum and kept cargo flowing," port executive director Gene Seroka told the annual State of the Port gathering. "It's time for the courage and long-range vision to imagine what this port will look like in the years ahead and set a course in that direction," Mr Seroka said.

27. New Orleans boasts another record

The Port of New Orleans moved more containers in 2019 than at any time in its history, totalling 648,538 TEU, up 10 per cent year on year, reported the *American Journal of Transportation*. The record marks the sixth consecutive year the port surpassed the half million TEU mark at its Napoleon Avenue Container Terminal, which is operated by New Orleans Terminal and Ports America. "Port NOLA has now seen double-digit growth in total container volumes for two consecutive years, primarily driven by the Panama Canal expansion, exports from Louisiana's booming petrochemical industry and a growing market for imports," said port president and CEO Brandy Christian.

28. Port of Halifax: Accumulated Container statistics – January to December 2019

The Port of Halifax released its container statistics (TEUs) for the year 2019 on January 21, 2020. Total traffic changed -0.1%, i.e. from 547,445 TEUs to 546,691 TEUs. Total exports increased 2.5%, i.e. from 266,750 TEUs to 273,511 TEUs. Total imports changed -2.7%, i.e. from 280,695 TEUs to 273,180 TEUs.

29. Port of Montreal continues record cargo pace and expansion projects

As 2020 begins, there are no signs that Montreal, Canada's second biggest port after Vancouver, strategically located deep inland in relation to the industrial heartland of North America, is slowing down in terms of both capacity and cargo expansion. Last year marked the first time the Port of Montreal surpassed 40 million metric tons in total cargo handled – with the tally attaining 40.5 million tons versus 39 million tons in 2018. And another record was set in container volume, which rose by 4.4% to 1.75 million TEUs. "In 2020, we are projecting that container traffic could increase another 3%," said Tony Boemi, VP growth and development at the Montreal Port Authority (MPA). In an interview, he attributed the overall cargo growth in 2019 in part to the resumption of activity at the Viterro grain terminal hit by a nine-month lockout in 2018. Highlights on the cargo front in 2019, noted Boemi, included a resurgence of U.S. Midwest cargo which had been on a steady decline. "The increase in Midwest business is spread amongst most of the major carriers calling Montreal." "Emerging markets continue to have a positive impact on the Port of Montreal," he continued. "This is the result of transshipment ports being used as hubs to trans-load cargo from the mega containerships to the right size vessels needed for market access."

30. US East Coast port growth dragged to three-year low in 2019

Container cargo growth at the 10 busiest ports on the US East Coast in the first 11 months of 2019 fell to its lowest level since 2016 as the US-China trade war and slowing global economic growth dampened demand.

31. Hong Kong loses million TEU as mainland re-orders Pearl River Delta

Hong Kong's container volumes fell by over a million TEU in 2019, or by 6.3 per cent, to 18.36 million TEU, landing the port in eighth place in global rankings, according to the Hong Kong Marine Department. Shanghai maintained its

top position with a 3.1 per cent increase in volumes, to 43.3 million TEU and second-place as Singapore's volumes increased 1.6 per cent, to 37.2 million TEU. Meanwhile Qingdao was up 8.7 per cent to 21 million TEU. Hong Kong Shippers Council executive director Sunny Ho, executive director said Hong Kong was the only one in the top 10 with negative growth last year - "although the growth of Shenzhen, Singapore and Busan were far from impressive."

32. Port Miami has now surpassed 1 million TEU for five consecutive years

Florida's Port Miami container volume increased 3.4 per cent year on year in 2019 to 1,120,000 TEU, said port officials, reported *Milwaukee's Progressive Railroading*. The numbers marked the fifth consecutive year the port has surpassed the one million TEU mark. Port officials attributed the growth to a diverse balance of global trade and more than US\$1 billion of infrastructure improvements that equipped the port to handle larger vessels.

33. Montreal terminal orders four ship-to-shore cranes

Montreal Gateway Terminals Partnership (MGT) have ordered four Liebherr ship-to-shore (STS) cranes for its Cast Container Terminal in Montreal to help with increased container traffic. With the increase in container traffic expected to continue, as it has at the port for a number of years, MGT has said that investment in quality infrastructure is key to handling this demand in the future. The cranes will be able to easily handle the largest container vessels currently visiting at the Port of Montreal and are future proofed to handle much larger vessels of up to 21 container rows across the deck.

34. Mexican port volumes in 2019 lowest in six years on slowing economy

The combination of Mexico's economic woes and weakness among key trading partners pulled down the volume of cargo moving through Mexican ports in 2019, the first year volumes have fallen since 2013.

35. Vancouver port, Burnaby planning rail overpass

Planning for a future overpass along Holdom Avenue over the rail line in Burnaby is officially underway, as the Vancouver Fraser Port Authority signed a memorandum of understanding with the City of Burnaby to guide the planning, design, and construction of a proposed Holdom overpass and closure of Douglas Road to vehicles at the rail crossing, starting in spring 2020. The Holdom overpass is part of the Burnaby Rail Corridor Improvements Project—a series of improvements identified as a priority for upgrades to improve the flow of trains to and from port terminals in North Vancouver. The port authority, CN, and the Government of Canada (through the National Trade Corridors Fund) are funding the \$145 million proposed project. Upon completion, the City of Burnaby will assume ownership of the overpass.

36. Overpass proposed in Burnaby: \$145 million investment to support trade growth and improve safety and community access

Planning for a future overpass along Holdom Avenue over the rail line in Burnaby is officially underway, as the Vancouver Fraser Port Authority signed a memorandum of understanding with the City of Burnaby to guide the planning, design, and construction of a proposed Holdom overpass and closure of Douglas Road to vehicles at the rail crossing. This is the first of many steps, and the port authority, in partnership with the City of Burnaby, will undertake public engagement and Indigenous consultation for the project starting in spring 2020. The Holdom overpass is part of the Burnaby Rail Corridor Improvements Project—a series of improvements identified as a priority for upgrades to improve the flow of trains to and from port terminals in North Vancouver.

37. Container lines face intensifying cost squeeze

If you want to make money in container shipping, better to lease out mega-ships to the liner companies than to be a liner company operating those vessels, paying the fuel bills and catering to cargo customers. Container-ship lessor Costamare is a case in point. On the quarterly analyst call, Gregory Zikos, Costamare's chief financial officer, reported that "larger vessels have enjoyed a rising charter market and today there's a limited supply. Charter rates for larger vessels have been rising faster than those of smaller vessels." Costamare cited data from Clarksons showing that one-year time-charter rates have reached \$30,000 a day for container ships with capacity to carry 8,500 twenty-foot-equivalent units (TEU).

RAIL TRANSPORTATION

1. CN and CP under their Maximum Grain Revenue Entitlements for Crop Year 2018–2019

In a determination issued on December 30, 2019, the Canadian Transportation Agency (CTA) ruled that revenues of the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) were below their maximum grain revenue entitlements for the crop year 2018–2019. CN's grain revenue of \$933,357,710 was \$371,116 below its entitlement of \$933,728,826. CP's grain revenue of \$862,734,965 was \$764,101 below its entitlement of \$863,499,066. As both railway companies' revenues did not exceed their respective maximum revenue entitlements (MRE), no overage-related payouts or penalties were assessed for this crop year. CN and CP moved 13.4% more grain this crop year. In the 2018–2019 crop year, 46,060,737 tonnes of Western grain were moved under the MRE program, 13.4% more than the volume moved during the previous crop year. The average length of haul of 979 miles was 2.7% higher than the previous crop year.

2. Acquisition of short line railroad Genesee & Wyoming completed

Genesee & Wyoming, Inc. (GWR) announced that the sale of the company to affiliates of infrastructure asset management firms Brookfield Infrastructure (BIP) and GIC has been completed. The deal results in each share of GWR common stock converted into a right to receive \$112 in cash. The stock ceased trading on the NYSE prior to the December 30, 2019 session with a final closing price of \$111.88. “This transaction is an excellent outcome for all G&W stakeholders. For our customers, employees and Class I partners, the long-term investment horizon of Brookfield and GIC is perfectly aligned with the long lives of G&W railroad assets. We look forward to building on G&W’s track record of safety, service excellence and commercial growth as we become an important component of a portfolio of global infrastructure assets,” said G&W’s CEO Jack Hellmann.

3. November rail employment hits new low

Headcount totals among the U.S. operations of the Class I railroads reached their lowest levels for 2019 in November, according to data from the Surface Transportation Board. The number of employees working at the U.S. Class I railroads totaled 133,225 in November 2019, the lowest monthly total for 2019 and also the lowest total within at least the last five years. November’s total is a 10.6% decline from November 2018 and a 1% drop from October 2019. In November 2019, two categories showed double-digit percentage declines year-over-year. Headcount levels among equipment maintenance and stores fell 15% in November to 23,370, while headcount levels among train and engine employees slipped 13.7% to 54,636. The category of train and engine (T&E) employees tends to be sensitive to market demands for rail service.

4. 2019 rocks the railroads

A slump in North American rail volumes, record Canadian grain rail shipments and an active Surface Transportation Board were just some of the prominent themes in 2019. Here’s a list — far from exhaustive — of some of the key issues that faced the rail industry this year. 1. Lower rail volumes in North America - Perhaps the most visible theme in 2019 was the weekly year-over-year decline in rail volumes, which resulted in the readjusting of earnings guidance by some of the Class I railroads. Two factors are noteworthy: Trade uncertainty and Loose truck capacity. 2. An active Surface Transportation Board - The addition of two board members to the Surface Transportation Board (STB) this year has brought about a renewed interest to review longstanding rail rate-related issues, such as revenue

RAIL TRANSPORTATION Canada

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2. Acquisition of short line railroad Genesee & Wyoming completed, December 30, 2019, www.americanshipper.com
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23. CN executing on its long-term strategic agenda for sustainable growth, January 28, 2020, www.cn.ca
24. CN executing on its long-term strategic agenda for sustainable growth, January 28, 2020, www.cn.ca
25. CN Q4 earnings drop but CEO cautiously optimistic about second half of 2020, January 29,

adequacy and whether some commodities should remain exempt from being regulated by the board. The tenor of the debates between the railroads and shippers has caused some to question whether the relationship has broken down and needs to be repaired. 3. Operational ratios reach record lows. 4. Canadian grain shipments reach record highs. 5. Strike at Canadian National and labor relations. 6. Mergers and acquisitions within the short line industry i.e. Genesee & Wyoming by Brookfield Infrastructure (BIP) and GIC in a deal worth \$8.4 billion and acquisitions by short line operator OmniTRAX. Experts anticipate that more M&A activity might occur in 2020.

5. Canadian Pacific completes acquisition of Atlantic Canada short line

Canadian Pacific (CP) has completed its acquisition of the Central Maine & Quebec (CMQ) Railway. The U.S. portions of the CMQ network still need approval from the Surface Transportation Board. The CMQ will give CP's

customers access to ports at Seaport, Maine, and Saint John, New Brunswick, via two other short lines, the Eastern Maine Railway and the New Brunswick Southern Railway, CP said Dec. 30, 2019. CP announced its plan to acquire the CMQ in November 2019. The railway said then that the acquisition would boost its footprint in the Eastern U.S. and establish a coast-to-coast network in Canada. CMQ has 481 miles of rail lines in Quebec and Maine. CMQ also owns the track that was involved in a July 2013 fatal accident at Lac Mégantic, Quebec. Transport Canada has also cited the line as having numerous defects, but the short line has told the agency that those defects have been addressed, according to CBC.ca.

6. AAR: Trade Disputes, Economic Uncertainty Main Culprits for “Challenging” 2019

It's no secret that U.S. rail traffic had a rough go in 2019—numbers were down pretty much across the board. And while the Association of American Railroads (AAR) blames a number of offenders, it's hopeful that 2020 can bring some much-needed certainty to the industry. “No question, 2019 was a challenging year for rail traffic, thanks mainly to the macroeconomy and continued years-long changes in energy markets,” said AAR Senior Vice President John T. Gray. “Trade disputes and the general economic uncertainty they spawned harmed rail-served industries much more than the overall economy. With recent progress on USMCA and in the China trade talks, railroads are hopeful that these lingering issues will be resolved in 2020 and create the certainty rail customers need to invest.” Total U.S. carload traffic for the first 12 months of 2019 was 12,972,404 carloads, down 4.9%, or 668,075 carloads, from the same period last year; and 13,732,570 intermodal units, down 5.1%, or 740,240 containers and trailers, from last year. Total combined U.S. traffic for the first 52 weeks of 2019 was 26,704,974 carloads and intermodal units, a decrease of 5% compared to last year. For all of 2019, Canadian railroads reported cumulative rail traffic volume of 7,829,717 carloads, containers and trailers, down 0.4%.

7. CP and CN Rail move record 15.4 million tonnes grain in fourth quarter

Canada's two largest railways moved a record 15.4 million tonnes of grain in the final three months of 2019. Calgary-based Canadian Pacific set a new quarterly record by moving 7.9 million tonnes of grain and grain products. That's up from 7.5 million tonnes a year earlier and 100,000 tonnes more than Canadian National Railway's shipment record in the fourth quarter of 2018. Canada's second-largest railway had more than 2,170 new high-capacity hopper cars that can carry 44 per cent more grain and plans to have 3,300 by the end of 2020. The company plans to spend about \$500 million on acquiring 5,900 new hopper cars over four years. “2019 has been a banner year for CP and the Canadian grain supply chain despite the challenging economic and environmental conditions,” said Joan Hardy, CP's vice-president sales and marketing, grain and fertilizers.

8. Canadian Pacific sets record quarter for Canadian grain movements

Canadian Pacific (CP) moved more Canadian grain and grain products in 2019's final quarter than any prior quarter in the company's history. Shipping totals came in at 7.9 million metric tonnes (MMT) of Canadian grain and grain products, breaking the company's prior quarterly record from the 2018 fourth quarter by 400,000 metric tonnes. Highlights of the 2019 fourth quarter's months were: 1) October - 2.66 MMT (second-best month on record); 2) November - 2.74 MMT (an all-time monthly record); and 3) December - 2.50 MMT (the best-ever December). As of Dec. 31, 2019, CP's movement of grain for the 2019-2020 crop year was 12.17 MMT, up 2.1 percent over last year. The 2019 calendar year, which includes portions of two separate crop years, was a record at 27 MMT.

9. TTC Bids Farewell to the CLRV

Year-end 2019 saw the retirement of a unique, Canadian-designed and built streetcar: the Toronto Transit Commission (TTC) Canadian Light Rail Vehicle (CLRV) after 40 years of service, a near-record in today's transit industry. As Autumn descended on Toronto, the once 196-car fleet had dwindled to about 40 serviceable units. The end came on

2020, www.ctl.ca

26. CN announces new normal course issuer bid for share repurchase and 7 per cent dividend increase, January 28, 2020, www.cn.ca

27. CP reports record fourth-quarter and full-year results; carries momentum into 2020, January 29, 2020, www.cpr.ca

28. Canadian Pacific Railway Limited declares dividend, January 28, 2020, www.cpr.ca

29. NS: “Our Momentum Will Support Continued Value Creation”, January 29, 2020, www.railwayage.com

30. CP Rail follows Canadian National to beat earnings expectations, January 30, 2020, www.financialpost.ca

31. Railway carloadings, November 2019, 29, 2020, www.statcan.gc.ca

Sunday, Dec. 29, 2019 which was 40 years to the day after the arrival of the first CLRV in Toronto, from Switzerland. CLRVs were in service on part of the Queen crosstown route, providing free rides to the public.

10. CN, NorFalco sign agreement for freight transport of chemicals

CN and NorFalco Sales announced they have signed a new multi-year agreement that will provide freight transportation of sulphuric acid from NorFalco's rail served production facilities in Sudbury, Ont.; Rouyn-Noranda, Que.; and Valleyfield, Que.

11. AAR: 2020 Picks Up Where 2019 Left Off

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended Jan. 4, 2020, and, for this week, total U.S. weekly rail traffic was 414,014 carloads and intermodal units, down 5.1% compared with the same week last year. Total carloads for the week ended Jan. 4 were 215,564 carloads, down 2.8% compared with the same week in 2019, while U.S. weekly intermodal volume was 198,450 containers and trailers, down 7.4% compared to 2019. Canadian railroads reported 75,918 carloads for the week, down 1.3%, and 56,430 intermodal units, up 4.4% compared with the same week in 2019. For the first week of 2020, Canadian railroads reported cumulative rail traffic volume of 132,348 carloads, containers and trailers, up 1%.

12. US rail traffic starts off new year in a slump

U.S. rail volumes kicked off the new year by continuing a months long slump, with traffic down 5.1% compared with the same period a year ago. U.S. rail volumes totaled 414,014 carloads and intermodal units for the first week of the year that ended on Jan. 4, 2020 according to the Association of American Railroads. Of that, U.S. carloads slipped 2.8% to 215,564 carloads, while U.S. intermodals units fell 7.4% to 198,450 containers and trailers. The wider drop in intermodal units could be due in part to the pull-ahead in volumes as a result of U.S. tariffs on certain goods from China.

13. CP to report fourth-quarter 2019 earnings results on January 29, 2020

Canadian Pacific (CP) will release its fourth-quarter 2019 financial and operating results at 8 a.m. eastern time (6 a.m. mountain time) on Jan. 29, 2020. CP will discuss its results with the financial community in a conference call beginning at 10 a.m. eastern time (8 a.m. mountain time) on Jan. 29, 2020.

14. Eglinton Crosstown Behind Schedule

Toronto's 12-mile Eglinton Avenue Crosstown LRT project is in danger of not opening until seven months past the announced date (Sept. 30, 2021), and is exceeding its budget by more than C\$330 million. Metrolinx, the provincial transit agency for the GTHA (Greater Toronto Hamilton Area), has projected the total cost to be C\$12.58 billion; the current approved budget is C\$12.24 billion. This amount includes operation and maintenance for 30 years of the completed line; actual construction costs are an estimated C\$5.3 billion. This is largely due to the fact that about three quarters of the line is underground, with the balance being a surface alignment. The Crosslinx Transit Solutions consortium is constructing the project. The causes for the delay include work related to passing beneath a Canadian Pacific line at the LRT's Mount Dennis western terminal; the discovery of groundwater at the site of the Avenue underground station; and unanticipated work needed to remedy defects in caissons at Eglinton Station. This is where the LRT passes beneath the existing TTC Yonge subway, opened in 1954; the caissons date from that time, and require replacement.

15. Gauging rail's key themes in 2020

The period when the Class I railroads and rail equipment manufacturers unveil their fourth-quarter financial results is upon us. Rail volumes are still down from a year ago, but recent actions regarding U.S. trade relations with China and, separately, with Canada and Mexico could start to provide clarity to industry stakeholders. Here are some themes that might arise during earnings calls and throughout 2020: 1. Regain volumes; 2. Improve service and pricing; 3. Expect a more active Surface Transportation Board; 4. Improve guidance on capital budgets; and 5. Expect labour employment to trend downwards.

16. CSX's fourth-quarter profit dips on lower revenue

CSX's (CSX) net profit for the fourth quarter of 2019 slipped 8.5% amid declining revenues due to lower volumes and coal market headwinds, the company said on January 16, 2020. Net earnings for the fourth quarter totaled \$771 million, or 99 cents a share, compared with \$843 million, or \$1.01 a share for the fourth quarter of 2018. Fourth-quarter revenue slipped 8% to \$2.89 billion. For the 2019 full year, net profit was 1% higher compared to 2018, \$3,331 million compared to \$3,309 million. The Eastern railroad also said it reached a fourth-quarter record operating ratio of 60%, compared with 60.3% in the fourth quarter of 2018. CSX's full-year operating ratio was a record 58.4%, compared with 60.3% for 2018. Operating ratio can be an indicator of a company's profitability.

17. Kansas City Southern Reports Strong Fourth Quarter and Full-Year 2019 Results

Kansas City Southern (KCS) reported strong fourth quarter and full year 2019 results, driven by implementation of Precision Scheduled Railroading (PSR) principles. Fourth quarter 2019 revenues were \$729.5 million, an increase of 5% primarily led by a 13% increase in Chemicals and Petroleum and a 11% increase in Industrial & Consumer Products

as compared to fourth quarter 2018. Carloads were down 1%, as declines in Automotive and Intermodal offset carload growth in all other business units. Fourth quarter operating expenses were \$493.5 million, including \$38.3 million of restructuring charges related to PSR initiatives. Operating income was \$236.0 million and the reported operating ratio was 67.6%. Fourth quarter net income was \$127.9 million, or \$1.30 per diluted share. Full year 2019 revenues were \$2.9 billion, an increase of 6% on a 1% decline in carloads. Operating income was \$886.3 million and the reported operating ratio was 69.1%. Full year 2019 net income was \$540.8 million, or \$5.40 per diluted share.

18. Grain groups in Canada want assurances for rail option

Canadian grain groups are taking a fresh look at pressing government officials to enact legislation that would address how the country can continue shipping grain and grain products in the event of a strike or other work stoppage. One option the groups have mentioned is finding a legislator to introduce a bill declaring rail an essential service. The *Public Service Labor Relations Act* defines an essential service as “a service, facility or activity of the Government that is or will be, at any time, necessary for the safety or security of the public of a segment of the public.” “The significance of declaring [rail] as an essential service is that strikes or lockouts would become unlawful. They would have to resolve their collective bargaining agreement through binding arbitration instead, but goods would continue to flow,” said Wade Sobkowich, executive director for the Western Grain Elevator Association (WGEA).

19. U.S. Rail Traffic Struggles, Mexico Thrives

2020 is showing no signs of improvement in the United States. Total carloads for the week ended Jan. 18, 2020, were 237,394 carloads, down 8.4% compared with the same week in 2019, while U.S. weekly intermodal volume was 262,338 containers and trailers, down 7.7% compared to 2019, according to the Association of American Railroads (AAR). For the week ended Jan. 18, total U.S. weekly rail traffic was 499,732 carloads and intermodal units, down 8% compared with the same week last year. North American rail volume for the week ended Jan. 18, 2020, on 12 reporting U.S., Canadian and Mexican railroads totaled 327,670 carloads, down 9.6% compared with the same week last year, and 342,771 intermodal units, down 8.1% compared with last year. Total combined weekly rail traffic in North America was 670,441 carloads and intermodal units, down 8.8%. North American rail volume for the first three weeks of 2020 was 1,930,076 carloads and intermodal units, down 7.2% compared with 2019. Canadian railroads reported 69,368 carloads for the week, down 18.3%, and 61,451 intermodal units, down 13.3% compared with the same week in 2019. For the first three weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 412,161 carloads, containers and trailers, down 7.2%.

20. Union Pacific fourth-quarter net profit slips 10%

Union Pacific’s (UNP)’s fourth-quarter net profit dipped 10% amid a drop in operating revenue. Net income for the fourth quarter of 2019 totaled \$1.44 billion, or \$2.02/diluted share, compared with \$1.55 billion, or \$2.12/diluted share. Operating revenue in the fourth quarter was \$5.2 billion, a 9% drop from the same period in 2018. Fourth-quarter operating revenue slipped amid fewer shipments of agricultural, premium (including intermodal) and energy products, although industrial volumes were flat, Union Pacific (UP) said on January 23, 2020. Freight revenue dipped 10% to \$4.89 billion amid lower volumes and a decreased fuel surcharge revenue. Although revenue was down, operating expenses also fell in the fourth quarter. Operating expenses totaled \$3.11 billion, a 12% decline from the fourth quarter of 2018. Its operating revenue for the fourth quarter of 2019 declined 1.9 points to 59.7 from 61.6 points for the fourth quarter. For the entire year total revenue, operating revenue, total operating expenses, net profits and the operating ratio all fell by 5%, 5%, 8%, 1% and 2.1 points.

21. Union Pacific seeks to eke out efficiencies

Longer trains and headcount reductions are among the initiatives that Union Pacific (UNP) expects to deploy to improve its operating ratio in 2020. Operating ratio (OR), a measure of a company’s financial health, can be calculated by dividing operating expenses by revenue. Union Pacific’s (UP) full-year OR for 2019 was 60.6%, compared with 62.7% for 2018. The company is eyeing an OR of “sub-60” for 2020. The operating efficiencies that UP has laid out for the year follow expectations for rail volumes to grow by about 1% in 2020 amid gains for its agricultural and intermodal segments and despite anticipated declines for coal and frac sand.

22. AGTC’s Friedmann says BNSF & Union Pacific need to support U.S. West Coast ports’ competitiveness

Peter Friedmann, executive director of the Washington, D.C. Agriculture Transportation Coalition, says better and cheaper rail service will help U.S. West Coast ports and agricultural exporters reverse lost market share and increase competitiveness: “The two Class 1 railroads, Burlington Northern and Santa Fe (BNSF) and The Union Pacific (UP), are facing growing challenges due to competition from Canada, and the shift of some import cargoes away from the U.S. West Coast and to East and Gulf Coast ports.” “Our members tell us that imports going through the Canadian Port of Prince Rupert and delivered by the Canadian National Railway (CN) to Chicago are arriving at a lower rate and faster timeline than is available from the UP and the BNSF. As a result, the shift in production to Southeast Asia and away from China causes more import containers to be delivered to Gulf and East Coast ports. The BNSF and the UP are

our partners but they need to recognize that the shift in U.S. imports through Canada, Gulf and East Coast ports adversely impacts them and us...Hopefully, we will see lower freight rates.”

23. CN executing on its long-term strategic agenda for sustainable growth

CN on January 28, 2020 reported its financial and operating results for the fourth quarter and year ended December 31, 2019. The financial highlights for the fourth-quarter 2019 compared to fourth-quarter 2018 were as follows: 1) Revenues were C\$3,584 million, a decrease of six per cent. 2) Diluted earnings per share (EPS) were C\$1.22, a decrease of 22 per cent, and adjusted diluted EPS were C\$1.25, a decrease of 16 per cent. 3) Operating ratio was 66.0 per cent, an increase of 4.1 points, and adjusted operating ratio was 65.2 per cent, an increase of 4.0 points. 4) Operating income was C\$1,218 million, a decrease of 16 per cent, and adjusted operating income was C\$1,249 million, a decrease of 16 per cent. CN’s results were impacted by the 8-day labour strike and weak freight demand. JJ Ruest, president and chief executive officer of CN said “We remain focused on executing our strategy of long-term sustainable growth at low incremental cost. Our strategic deployment of technology, the next step in our Precision Scheduled Railroading model and our next driver of value, is well underway. At the same time, we continue to closely monitor the freight volume environment and rightsize our resources and costs to demand.”

24. CN executing on its long-term strategic agenda for sustainable growth

CN’s results for the full-year of 2019 compared to full-year 2018, were as follows: revenues was C\$14,917 million, an increase of four per cent; diluted EPS was C\$5.83, a decrease of one per cent and adjusted diluted EPS of C\$5.80, an increase of five per cent; operating ratio was 62.5 per cent, an increase of 0.9 points, and adjusted operating ratio was 61.7 per cent, an increase of 0.2 points; operating income was C\$5,593 million, an increase of two per cent, and adjusted operating income was C\$5,708 million, an increase of three per cent; and adjusted return on invested capital (adjusted ROIC) was 15.1 per cent, a decrease of 0.6 points.

25. CN Q4 earnings drop but CEO cautiously optimistic about second half of 2020

Canadian National Railway Co. saw its profits plunge last quarter with a week-long strike and thinner freight demand denting revenues, though CEO JJ Ruest expressed cautious optimism about the second half of 2020. “The trade environment, when you look at how negative it was last year and how things seem to be at least turning, in the quarters to come we will start to see some of the positives of that. I know at the same time nothing is guaranteed,” he said on January 28, 2020 during a conference call with analysts. The pending ratification of the new North American free trade pact “can only be positive — it’s not going to be a huge positive, but rather than going backwards we’re going to be moving forwards,” Ruest added.

26. CN announces new normal course issuer bid for share repurchase and 7 per cent dividend increase

CN announced on January 28, 2020 that its Board of Directors has approved the repurchase of its shares under a new normal course issuer bid (Bid) and approved a 7 per cent increase in the 2020 dividend on the Company’s common shares outstanding. The Bid permits CN to purchase, for cancellation, over a 12-month period up to 16 million common shares, representing 2.70 per cent of the 593,521,565 common shares issued and outstanding of the Company not held by insiders on January 20, 2020. On that date, 713,505,561 CN common shares were issued and outstanding.

27. CP reports record fourth-quarter and full-year results; carries momentum into 2020

Canadian Pacific Railway Limited (CP) on January 29, 2020 announced its fourth-quarter results, including record revenues of \$2.07 billion, an operating ratio (“OR”) of 57.0 percent, improved diluted earnings per share (“EPS”) of \$4.82 and record adjusted diluted EPS of \$4.77. The highlights for the fourth- quarter of 2020 are: Revenues increased 3 percent to \$2.07 billion, from \$2.01 billion in Q4 2018; OR increased by 50 basis points (bps) to 57.0 percent; and Diluted EPS improved 26 percent to \$4.82, from \$3.83 in Q4 2018. Adjusted diluted EPS rose 5 percent to \$4.77, from \$4.55 in Q4 2018. Keith Creel, CP President and CEO said “CP’s strong operational performance and commitment to controlling costs enabled the railway to be successful despite headwinds to our bulk franchise. We continue to take a disciplined approach to sustainable, profitable growth – a plan rooted in the foundations of precision scheduled railroading. This approach in 2019 enabled CP to once again deliver its highest-ever revenues and the lowest-ever yearly operating ratio.” For the full-year of 2019 the highlights were as follows: Revenues increased 7 percent to a record \$7.79 billion; Diluted EPS increased 29 percent to a record \$17.52 from \$13.61, while adjusted diluted EPS rose 13 percent to \$16.44, from \$14.51; OR improved to 59.9 percent, a 140 bps improvement year over year. Creel said “Global economic uncertainty caused by geopolitical and macroeconomic challenges slowed rail volumes across North America. By leveraging our unique growth opportunities and applying our precision scheduled railroading operating model, CP led the industry in volume growth for the second year in a row and, once again, delivered on its guidance.”

28. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited (TCP) on January 28, 2020 declared a quarterly dividend of \$0.83 per share on the outstanding Common Shares.

29. NS: “Our Momentum Will Support Continued Value Creation”

Norfolk Southern (NS) reported 4Q19 and full-year 2019 financial results, with a net income of \$666 million and a diluted earnings per share of \$2.55 for 4Q19 and \$2.72 billion and \$10.25, respectively, for the full year. During the first year of a three-year strategic plan, NS produced a record operating ratio of 64.7% while managing the headwinds of a 5% decline in carload volumes. For the year, its operating revenues of \$11.3 billion declined 1% as overall volumes were down 5%, reflecting carload declines in all major commodity categories. NS's operating ratio was a record 64.7% for the year. James A. Squires, NS Chairman, President and CEO said "Norfolk Southern's strong financial performance in a year of macroeconomic headwinds is underpinned by the hard work of our team to expeditiously implement productivity initiatives throughout the year."

30. CP Rail follows Canadian National to beat earnings expectations

Canadian Pacific Railway Ltd beat analysts' estimates for quarterly profit on January 29, 2020, as the railroad operator benefited from higher freight revenues. The company's results come a day after larger rival Canadian National Railway Co said it sees crude shipments as a growth driver in the year and reported a better-than-expected fourth-quarter profit. CP's Chief Executive Officer Keith Creel said the company was able to control costs which allowed the railway to be successful despite headwinds to its bulk franchise, adding that global economic uncertainty had slowed rail volumes across North America.

31. Railway carloadings, November 2019

Canadian railways carried 30.0 million tonnes of freight in November 2019, down 11.7% compared with November 2018. This was the largest decline for the month of November in the past five years and the third consecutive year-over-year monthly decrease in tonnage. Overall, the sharp drop was led by widespread volume declines in freight loadings, coinciding with a labour disruption in Canadian rail transportation in November 2019. The non-intermodal freight tonnage fell sharply from November 2018, 12.8% to 24.1 million tonnes, reflecting broad-based declines for many commodities. Over the same period, intermodal freight loadings decreased 5.0% to 3.0 million tonnes. Likewise, freight traffic from US rail connections fell 8.4% to 2.9 million tonnes

HIGHWAY TRANSPORTATION

1. Need Speed Across the Supply Chain? It's All About the Barcode

Barcode labels are a smart and cost-effective way to make productivity gains in your warehouse. The Amazon effect has upended the retail industry and wreaked havoc on supply chains. Speed has emerged as the critical success factor. Every extra minute it takes your team to locate a product or validate a shipment makes it harder for you to compete. One of the smartest places to start upping your competitive game is also one of the simplest. Barcode labels. They're recognized as the lowest hanging fruit and the logical place to begin improving productivity—and something as simple as the right label printer can help speed up your internal processes. Barcode labels already play an essential role in your supply chain. They are also a smart and cost-effective way to start making productivity gains in your warehouse. Barcoding saves valuable time and ensures accurate information at every key warehouse station, including: 1) Receiving; 2) Picking; 3) Packaging; 4) Shipping and Returns; and 5) Cross-docking.

2. Monthly Passenger Bus and Urban Transit, October 2019

Total operating revenues (excluding subsidies) for urban transit companies were \$359.4 million in October 2019, up 5.4% from October 2018. Over the same period, ridership increased 3.0% to 166.5 million passenger trips.

3. Matthew Lau: Uber might lower wages, but it's small-scale pain for widespread gain

Does the sharing economy, including such services as Uber and Airbnb, make our lives better or does it drive down wages? In 2016, respondents to an EKOS Research poll on this question were split: 47 per cent believed the sharing economy drives down wages while 45 per cent said it makes our lives better. The rest didn't know. But now, according to new data from EKOS president Frank Graves, Canadians believe 56 per cent to 40 per cent that the sharing economy drives down wages. An economic report on taxi

HIGHWAY TRANSPORTATION Canada

1. Need Speed Across the Supply Chain? It's All About the Barcode, January 3, 2020, www.inboundlogistics.com
2. Monthly Passenger Bus and Urban Transit, October 2019, January 3, 2020, www.statcan.gc.ca
3. Matthew Lau: Uber might lower wages, but it's small-scale pain for widespread gain, January 7, 2020, www.nationalpost.ca
4. Government of Canada invests in rail safety improvement in Canada, January 7, 2020, www.tc.gc.ca
5. NACFE: Fleets Saved Almost \$900 Million in Fuel Costs, January 7, 2020, www.ontruck.ca
6. U.S. Department of Transportation Unveils Interactive Map to Encourage Investment in Underserved Rural and Urban Communities, January 6, 2020, www.dot.gov
7. Trump Administration Releases "Ensuring American Leadership in Automated Vehicle Technologies: Automated Vehicles 4.0", January 8, 2020, www.dot.gov
8. Freight Facts and Figures Winter 2020 Update, January 8, 2020, www.bts.gov
9. November 2019 Freight Transportation Services Index (TSI), January 9, 2020, www.bts.gov
10. Uber has changed its pricing structure in California in light of a new gig-working law, January 9, 2020, www.nationalpost.ca
11. Trimble to acquire Kuebix, January 10, 2020, www.ctl.ca

and private transportation companies (such as Uber) done by a consultancy for the City of Toronto indicates that from 2011 to 2016, despite Uber making producers in the taxi industry worse off, the combined consumer and producer economic surplus across the taxi and private transportation industries increased by 39 per cent.

4. Government of Canada invests in rail safety improvement in Canada

On January 7, 2020, the Honourable Marc Garneau, Minister of Transport, announced \$225,330 in funding to educate communities and raise awareness about rail safety and the safe transportation of dangerous goods in Canada. The Chemistry Industry Association of Canada will receive \$219,750 over three years and Safe Rail Communities Inc. will receive \$5,580 over three years

5. NACFE: Fleets Saved Almost \$900 Million in Fuel Costs

The North American Council for Fuel Efficiency's 2019 Annual Fleet Fuel Study found that overall fuel efficiency for Class 8 trucks in long-haul applications continues to improve, thanks to a host of new technologies and operational practices. However, the study also found that there is a "significant" performance gap between the numbers being posted by most fleets and the best-in-class performers on the fuel efficiency front, reports Heavy Duty Trucking magazine. The study encompassed Class 8 tractors and trailers in regional and long-haul applications. Its primary goal was to study the fleets' levels of adoption of 85 technologies and practices, and the results those drove in each organization.

6. U.S. Department of Transportation Unveils Interactive Map to Encourage Investment in Underserved Rural and Urban Communities

The U.S. Department of Transportation (DOT) on January 6, 2020 announced a new interactive map highlighting federal investment in major infrastructure projects located in and around Opportunity Zones. The detailed information about vital infrastructure resources located in and near Opportunity Zones is intended to encourage further economic investment.

7. Trump Administration Releases "Ensuring American Leadership in Automated Vehicle Technologies: Automated Vehicles 4.0"

The White House and the U.S. Department of Transportation (USDOT) on January 8, 2020 released 'Ensuring American Leadership in Automated Vehicle Technologies: Automated Vehicles 4.0' (AV 4.0). The initiative was announced by U.S. Transportation Secretary Elaine L. Chao in a keynote speech at CES in Las Vegas. AV 4.0 unifies efforts in automated

vehicles across 38 Federal departments, independent agencies, commissions, and Executive Offices of The President, providing high-level guidance to state and local governments, innovators, and all stakeholders on the U.S. government's approach towards AVs. "AV 4.0 will ensure American leadership in AV technology development and integration by providing unified guidance for the first time across the Federal government for innovators and stakeholders," said U.S. Transportation Secretary Elaine L. Chao. AV 4.0 establishes federal principles for the development and integration of automated vehicles, consisting of three core focus areas: prioritize safety and security, promote innovation, and ensure a consistent regulatory approach.

8. Freight Facts and Figures Winter 2020 Update

The Freight Facts and Figures winter update was released on January 8, 2020 with new freight flow estimates from the Freight Analysis Framework (FAF). According to the latest FAF estimates, the leading commodities by weight are bulk goods, including fossil fuel products (termed "other fossil fuel products") such as natural gas, coke, and asphalt; gravel; gasoline; cereal grains; and crude petroleum. The leading commodities by value, with the exception of energy products, are high value-per-ton goods, such as electronics, motorized vehicles, mixed freight (largely food), gasoline, and machinery.

9. November 2019 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.1% in November 2019 from October 2019, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From November 2018 to November 2019, the index fell 0.8% compared to a rise of 5.8% from November 2017 to November 2018

10. Uber has changed its pricing structure in California in light of a new gig-working law

12. Effects of e-commerce delivery need to be addressed: World Economic Forum, January 13, 2020, www.ctl.ca

13. U.S. Transportation Secretary Elaine L. Chao Announces Availability of More Than \$900 Million for Infrastructure Investments across America, January 13, 2020, www.dot.gov

14. Transplace acquires transportation collaboration company Lanehub, January 14, 2020, www.ctl.ca

15. When will electric trucks enter production?, January 14, 2020, www.todaystrucking.com

16. U.S. Transportation Secretary Elaine L. Chao Announces New Initiatives to Improve Safety on America's Roads, January 15, 2020, www.dot.gov

17. FTR: Soft Market Ahead, January 2020, www.ontruck.ca

18. Ontario Releases First Regional Transportation Plan - Province Connecting People and Places in Southwestern Ontario, January 17, 2020, www.mto.gov.on.ca

19. Commentary: The top three opportunities for the trucking industry in 2020, January 20, 2020, www.americanshipper.com

20. President's Choice: Loblaw prepares for a future with electric vehicles, January 21, 2020, www.todaystrucking.com

21. Ontario Appoints Hamilton Transportation Task Force, January 23, 2020, www.mto.gov.on.ca

22. Federal Training, Immigration Support Needed to Slow Truck Driver Shortage: CTA, January 27, 2020, www.ontruck.ca

23. Trade deal sets new standards for domestic truck content, January 27, 2020, www.todaystrucking.com

24. Electric vehicles to transform the aftermarket ... eventually, January 28, 2020, www.todaystrucking.com

25. November 2019 North American Transborder Freight Numbers, January 28, 2020, www.bts.gov

26. Government of Ontario Continues Commitment to Trucking Industry in Northern Ontario, January 29, 2020, www.ontruck.ca

Passengers will no longer see trip prices upfront; instead, they'll get an estimate with the final price, depending on time and distance. Drivers will see more information before accepting trips, like time, destination and estimated fare. They can also reject trip requests without penalty.

11. Trimble to acquire Kuebix

Trimble announced it has signed a definitive agreement to acquire privately-held Kuebix, a leading transportation management system (TMS) provider. This acquisition will enable Trimble to bring together its network of private fleet and commercial carrier customers, which collectively represent more than 1.3 million commercial trucks in North America, with Kuebix's extensive community of more than 21,000 shipping companies, creating a powerful new platform for planning, execution and freight demand-capacity matching, says Trimble.

12. Effects of e-commerce delivery need to be addressed: World Economic Forum

A new analysis released by the World Economic Forum estimates that urban last-mile delivery emissions are on track to increase by over 30% by 2030 in the top 100 cities globally. Without intervention, these emissions could reach 25 million tons of CO2 emitted annually by 2030. Along with increased carbon emissions, traffic congestion is expected to rise by over 21%, the equivalent of adding 11 minutes to each passenger's daily commute. *The Future of the Last-Mile Ecosystem* analysis suggests that growing demand for e-commerce delivery will result in 36% more delivery vehicles in inner cities by 2030, leading to a rise in both emissions and traffic congestion without effective intervention.

13. U.S. Transportation Secretary Elaine L. Chao Announces Availability of More Than \$900 Million for Infrastructure Investments across America

U.S. Department of Transportation (USDOT) Secretary Elaine L. Chao on January 13, 2020 announced the latest round of the Infrastructure for Rebuilding America (INFRA) discretionary grant program, which is making available more than \$900 million for American infrastructure investments. The Department's Notice of Funding Opportunity (NOFO) is available here. The INFRA program is expected to award \$906 million to significant projects that support the Administration's focus on infrastructure improvements as outlined in the NOFO.

14. Transplace acquires transportation collaboration company Lanehub

Transplace announced the acquisition of Lanehub, a cloud-based platform and community that encourages shipper-carrier collaboration by automatically identifying and connecting companies with complementary freight lanes to save on shipping expenses. The software focuses on matching recurring freight lanes on a consistent basis, in an effort to reduce transportation cost, increase fleet revenue, and improve overall carrier service and performance.

15. When will electric trucks enter production?

Upstart electric truck manufacturers might be overly aggressive when announcing production timelines — largely in a bid to secure venture capital. And it's led to a lot of confusion for would-be buyers who want to know when the vehicles will actually be available. The observation comes as the North American Council for Freight Efficiency (NACFE) unveiled an extensive report that tries to define exactly when a truck can be described as entering "production". What emerged, however, is a broad range of definitions that mean different things to different people. About 250 start-ups involved in some level of electrification have attracted more than \$20 billion in venture capital, Reuters reported in 2019. There are more than 50 electric vehicle start-ups across the world. Some of their production timelines appear to be a fluid concept, too. Tesla is now promising to produce its Class 8 Semi truck beginning this year; Nikola promises to produce its hydrogen-electric truck by 2021. Even established OEMs have adjusted timelines. "With billions of investment comes great expectation of cash flow," NACFE concludes. "The longer the investment is tied up in development, the more pressure to get products into the commercial market space."

16. U.S. Transportation Secretary Elaine L. Chao Announces New Initiatives to Improve Safety on America's Roads

U.S. Department of Transportation (USDOT) Secretary Elaine L. Chao on January 15, 2020 spoke at the 99th Annual Meeting of the Transportation Research Board (TRB) where she announced new transportation initiatives aimed at harnessing new and existing technologies to improve safety for the traveling public and first responders. "These safety initiatives will make a difference in saving lives and help prevent injuries among first responders and all road users," said U.S. Secretary of Transportation Elaine L. Chao. Secretary Chao also announced the next phase of the Partnership for Analytics Research in Traffic Safety (PARTS) program. PARTS II expands participation in the PARTS program to include almost 70% of the U.S.

17. FTR: Soft Market Ahead

Freight market analyst firm FTR is predicting a flattish, but stable freight market for 2020. "Our latest forecast is for spot rates to hold, or perhaps rise by 1%. Contract rates probably would be a bit lower again, but probably only by 1% or so," said Avery Vise, vice-president of trucking. "Technically, our forecast is for a (overall) decline of 0.2%, but let us call it flat," Vise told FTR's first State of Freight webinar of the year on January 16, 2020. But he added that there are risks, most of them pointing in the direction of weaker freight demand.

18. Ontario Releases First Regional Transportation Plan - Province Connecting People and Places in

Southwestern Ontario

Ontario's government is delivering on its commitment to develop regional transportation plans that will connect people and places across the province. On January 17, 2020, Caroline Mulroney, Minister of Transportation, announced that the government is releasing its first draft plan to build a better transportation system that will connect individuals, families and businesses in southwestern Ontario.

19. Commentary: The top three opportunities for the trucking industry in 2020

The trucking industry is facing technological and business headwinds that will require a fresh vision in the near future. Increasing operating costs, complex federal regulations and an aging workforce remain top priorities in 2020. However, technology offers a new promise for trucking in a way that hasn't been realized before. Here are three realities that will need to be addressed over the next 12 months and what the industry can do to maintain a competitive edge. 1. Emerging tech to offset increasing operating costs; 2. Performance targets will demand a bigger focus on big data and analytics; 3. A younger and diverse workforce will introduce new technical expectations.

20. President's Choice: Loblaw prepares for a future with electric vehicles

Canada's largest grocer is shopping for something that doesn't exist. Not yet. But that has hardly slowed Loblaw in a bid to electrify its private fleet within the decade. It was one of the first Canadian operations to pre-order Tesla Semis, long before production dates were actually established, and has been actively exploring pre-production electric trucks from the likes of Freightliner and BYD. The focus isn't even limited to the power units themselves. Other tests are exploring everything from solar-powered reefers to battery-electric Terberg yard tractors. It's all part of a corporate goal to ensure 2030 greenhouse gas emissions are 30% lower than those generated in 2011.

21. Ontario Appoints Hamilton Transportation Task Force

On January 23, 2020, Minister of Transportation Caroline Mulroney announced the membership of the Hamilton Transportation Task Force, which will work with the Ontario government to help shape the future of transportation in Hamilton. The Task Force will provide recommendations on how to spend the \$1 billion the government has committed to build transportation infrastructure in the City of Hamilton to get people to work, move families and keep the economy growing. It will report back to the Minister by the end of February 2020 with its initial recommendations. The Task Force is composed of four representatives from the Hamilton region and a representative of the City of Hamilton. The five members are:

22. Federal Training, Immigration Support Needed to Slow Truck Driver Shortage: CTA

The Canadian Trucking Alliance and other trade associations met with Minister Carla Qualtrough, Minister of Employment, Workforce Development and Disability Inclusion, to address the growing labour shortage in the trucking industry – the mode of transportation that moves the North American economy. “CTA highlighted the need to develop plans to attract domestic and foreign workers to our industry, as well as addressing the need for federal investment in training programs in the trucking sector,” said CTA director of Policy, Jonathan Blackham. “Our members move the nation's economy. As our labour crisis really starts to boil over, those in the Canadian supply chain will soon feel the fallout if it's not addressed.”

23. Trade deal sets new standards for domestic truck content

The Canada-U.S.-Mexico Agreement (CUSMA) is nearing final approval — and the trade deal means a larger share of the trucks you buy will be sourced in North America. It was a key topic of discussion this week as representatives of the truck aftermarket participated in the annual Heavy-Duty Aftermarket Dialogue conference, and it was a timely discussion at that. Minority Liberals are scheduled to table a related bill on January 29, 2020. U.S. President Donald Trump is expected to sign the agreement on the same day.

24. Electric vehicles to transform the aftermarket ... eventually

Electric vehicles are eventually going to change the automobile aftermarket. Those who sell parts and repair trucks might feel uneasy when reports emerge about a coming generation of electric trucks. There are reportedly about 33% fewer parts to consider when internal combustion engines and transmissions are replaced by electric motors. Features such as regenerative braking are expected to dramatically reduce brake wear. As for many of the fluids needed to keep components moving? They can remain in their tanks and drums.

25. November 2019 North American Transborder Freight Numbers

Transborder freight between the U.S. and other North American countries (Canada and Mexico) in November 2019 reached \$99.0 billion down 3.9% compared to November 2018. Trucks were most-used mode, moving \$62.7 billion of freight, down 4.1% compared to November 2018. U.S.-Canada (both directions) movement of freight were as follows: Truck: \$28.3b.; Rail: \$7.2b; Pipeline: \$4.8b; Air: \$2.8b; and Vessel: \$2.7b.

26. Government of Ontario Continues Commitment to Trucking Industry in Northern Ontario

Making good on a pledge made in the 2019 Ontario Budget, the province reinforced its commitment to conducting a review of transportation in northern Ontario by identifying opportunities for a modern, sustainable transportation system, and reviewing initiatives to better meet passenger transportation needs. This week, the province, led by Vijay

Thanigasalam, Parliamentary Assistant to the Minister of Transportation, has acted on the Ford Government's commitment to make all northern communities in the province a better place to invest, live and work. Government stakeholders will be hosting a series of meetings with the trucking industry and other segments of the northern Ontario economy, including in Thunder Bay, to generate ideas that could achieve these laudable objectives.

GENERAL TRANSPORTATION

Canada

1. US, China to sign 'phase one' trade deal Jan. 15

The "phase one" trade deal has eased tensions between the US and China and prompted Washington to cancel some tariffs and reduce others, a move welcomed by US retailers, who say the tariffs have been a drag on the US economy. The deal is to be signed on January 15, 2019 and negotiations on Phase 2 should begin in 2020.

2. 'Doomsday' scenario of mass layoffs due to AI unlikely, federal documents say

Newly released documents show that top government officials believe there is no imminent threat that artificial intelligence and robots will displace large segments of the Canadian workforce. In work done last year, federal experts found the likelihood of a "doomsday" scenario where automation eliminates half of Canadian jobs to be "overstated." But officials warned there were early indications of challenges in parts of the economy that the government should do something about, such as the way online streaming services are reshaping music, television and movie production.

3. US-Japan trade deal takes effect with second round in doubt

A trade deal between the U.S. and Japan that cuts tariffs on some agricultural products and industrial goods took effect January 1, 2020, with little indication the two sides would meet a pledge to soon start a new round of talks broadening the pact. Under the deal, Japan reduced tariffs on beef, pork and additional U.S. agricultural products to the same levels it grants other trading partners in the Trans-Pacific Partnership regional trade agreement. Japan failed to secure its goal of reduced tariffs on the cars and auto parts it exports to America. President Donald Trump had threatened the close U.S. ally with punitive tariffs on a \$50 billion-a-year sector that is a cornerstone of its economy. While there has been no written pledge from Trump to halt extra tariffs on autos, Japan's government has said U.S. officials—including the president—gave assurances that they would not be introduced. In one concession to Prime Minister Shinzo Abe, Japan's politically sensitive rice industry was excluded from the agricultural market opening with the U.S. Trump was eager to make a deal with Japan to boost his re-election campaign by appeasing U.S. farmers who have been largely shut out of the Chinese market as a result of his trade war with Beijing. American agricultural producers, also reeling from bad weather and low commodity prices, are a core component of Trump's political base.

4. USMCA: The 3 most important changes in the new NAFTA and why they matter

President Donald Trump and Democratic leaders agreed on a deal to pass a new trade agreement between the U.S., Mexico and Canada that will update NAFTA. So how is the USMCA different from the North American Free Trade

GENERAL TRANSPORTATION

Canada

1. US, China to sign 'phase one' trade deal Jan. 15, December 31, 2019, www.joc.com
2. 'Doomsday' scenario of mass layoffs due to AI unlikely, federal documents say, January 1, 2019, www.ctl.ca
3. US-Japan trade deal takes effect with second round in doubt, December 31, 2019, www.ajot.com
4. USMCA: The 3 most important changes in the new NAFTA and why they matter, January 3, 2020, www.ctl.ca
5. Cleaner Air in 2020: 0.5% sulphur cap for ships enters into force worldwide, January 2, 2020, www.europa.eu
6. National tourism indicators, third quarter 2019, January 9, 2020, www.statcan.gc.ca
7. US trade deficit reaches lowest level since 2016 as imports plunge, January 10, 2020, www.transportweekly.com
8. Report on the protection and enforcement of IPR in third countries, January 9, 2020, www.europa.eu
9. Amazon, FedEx, UPS join U.S. customs e-commerce data pilot, January 14, 2020, www.ctl.ca
10. China faces stepped-up calls to slash trade-distorting subsidies, January 14, 2020, www.ajot.com
11. US and China sign Phase One trade deal in White House ceremony, January 15, 2020, www.americanshipper.com
12. Even as Trump claims two victories on trade, doubts remain, January 2020, www.ctl.ca
13. Canada to start ratifying new NAFTA next week following U.S. approval: Trudeau, January 21, 2020, www.ctl.ca
14. Japan, EU and US seek new WTO rules to curb Chinese subsidies, January 23, 2020, www.transportweekly.com
15. High hopes: US, EU and UK all aim for trade deals this year%, January 23, 2020, www.americanshipper.com
16. Deputy prime minister asks Opposition not to delay new NAFTA deal, January 24, 2020, www.ctl.ca
17. National Transportation Atlas Database Winter 2020 Update, January 24, 2020, www.bts.gov
18. Feds to fund blockchain solutions for Canadian steel supply chain, January 27, 2020, www.ctl.ca
19. EU, China, 15 others form alliance to settle trade disputes, January 24, 2020, www.ajot.com
20. Trump signs new USMCA bill into law, clearing way for Commons debate, January 29, 2020, www.ctl.ca

Agreement, and why should you care? The deal as detailed in May 2019 contains numerous tweaks from its predecessor, both big and small. Three changes are especially noteworthy. 1) Curbing protectionist policies, such as subsidizing dairy farmers and setting import quotas on milk. Canadian tariffs on some products can be as high as 300%. Under the new accord, Canada will curb some of the ways it protects its dairy industry, such as allowing more American milk, butter, cheese and other dairy products to enter Canada duty-free, with reciprocal treatment for Canadian dairy exports to the U.S. 2) Starting as early as 2020, to qualify for zero tariffs when crossing borders, a car or truck must have 75% of its components manufactured in Canada, the U.S. or Mexico, up from 62.5% currently. Further, 40% to 45% of a vehicle's components must be made by workers earning at least US\$16 per hour. 3) Including stronger protections for patents and trademarks in areas such as biotech, financial services and domain names – all of which have advanced considerably over the past quarter-century. It also contains new provisions governing the expansion of digital trade and investment in innovative products and services.

5. Cleaner Air in 2020: 0.5% sulphur cap for ships enters into force worldwide

From 1 January 2020, the maximum sulphur content of marine fuels is reduced to 0.5% (down from 3.5%) globally – reducing air pollution and protecting health and the environment. Sulphur Oxide (SOx) emissions from ships' combustion engines cause acid rain and generate fine dust that can lead to respiratory and cardiovascular diseases, as well as reduced life expectancy. Commissioner for Transport Adina Vălean said: "Maritime transport is a global business, and reducing its emissions requires global solutions. The entry into force of the global sulphur cap is an important milestone for the entire maritime sector; it will contribute to further reduce emissions of harmful air pollutants, directly benefiting cities and communities around the globe, including important ones on our Southern European shores. It also shows that concerted effort from the EU and the IMO, together with strong commitment from the industry can deliver important benefits to the environment and the health of our citizens."

6. National tourism indicators, third quarter 2019

Tourism spending in Canada edged down 0.2% in the 2019 third quarter following a 0.6% gain in the second quarter. The decline was led by lower transportation spending by Canadians in Canada, while spending by international visitors was flat. Tourism spending in Canada of \$24.2 billion represented 2.0% of GDP and 3.9% of the Canadian workforce employment in the 2019 third quarter. Tourism spending by Canadians in Canada edged down 0.3% in the 2019 third quarter, following a 0.2% increase in the second quarter. Tourism spending by Canadians accounted for roughly 80% of total tourism spending in Canada. Tourism spending by international visitors to Canada was unchanged in the third quarter, following a 2.4% increase in the previous quarter.

7. US trade deficit reaches lowest level since 2016 as imports plunge

The gap between US imports and exports shrank to its lowest level in three years in November 2019 following a 15 per cent decline in the country's annual trade deficit with China. The US trade deficit fell more than expected in November ahead of negotiations with China that cooled the simmering tariff battle between the two sides. The shortfall in goods and services declined to US\$43.09 billion for the month, below the \$43.6 estimate from economists surveyed by Dow Jones. That was down sharply from \$46.9 billion in October 2019, which was revised lower from an initially reported \$47.2 billion, according to *CNBC*.

8. Report on the protection and enforcement of IPR in third countries

The European Commission has published its biannual Report on the protection and enforcement of intellectual property rights in third countries (Third Country Report). The Third Country Report identifies countries outside of the European Union in which the state of intellectual property protection and enforcement gives rise to the greatest concern and provides an update of the existing Commission's list of priority countries. It aims to improve intellectual property rights protection and enforcement worldwide, as well as inform rights holders, including SMEs, of the potential risks when conducting business in certain countries. For the first time, the Third Country Report contains a dedicated section on the protection of plant variety rights.

9. Amazon, FedEx, UPS join U.S. customs e-commerce data pilot

U.S. Customs and Border Protection (CBP) announced the selection of nine companies, including FedEx, UPS, DHL and Amazon, for the Section 321 Data Pilot. The Section 321 Data Pilot is a voluntary collaboration with online marketplaces, carriers, technology firms and logistics providers to secure e-commerce supply chains and protect American consumers. In December, CBP expanded the scope of the pilot by accepting data for shipments arriving by ocean and international mail, and extended the pilot through August 2021.

10. China faces stepped-up calls to slash trade-distorting subsidies

China came under greater international pressure to reduce industrial subsidies after the U.S., Europe and Japan agreed to push for stronger World Trade Organization rules against market-distorting government aid. The top trade officials of the U.S., the European Union and Japan struck a deal on January 14, 2020 in Washington to expand the kinds of subsidies prohibited by the WTO. The announcement came on the eve of a planned signing ceremony at the White House for phase one of a U.S.-China trade deal, which doesn't address Beijing's support for domestic companies that

compete internationally. The subsidies accord—a breakthrough after years of deliberations—targets Chinese practices that have been a source of growing tensions between China and the rest of the world including the U.S., the EU and Japan. This “is an important step toward addressing some of the fundamental issues distorting global trade,” EU Trade Commissioner Phil Hogan said in a statement. The accord “is also a symbol of a constructive strategic collaboration between three major players.”

11. US and China sign Phase One trade deal in White House ceremony

President Donald Trump and Chinese Vice Premier Liu He signed the Phase One trade deal on January 15, 2020 during a ceremony at the White House. Trump said the deal will result in China greatly expanding imports from the U.S. “This increase will make important progress in rebalancing the United States-China trade relationship,” said a statement from the White House. “As a part of the new agreement, China has pledged to increase imports of American goods and services by at least \$200 billion. China’s increase in United States imports will take place over the next 2 years, and the trajectory is expected to continue even after 2021.” Trump said China has made commitments to purchase more than \$200 billion in U.S. goods. That includes \$50 billion in farm products, \$75 billion in manufactured goods, \$50 billion in energy commodities and \$40 billion to \$50 billion in services, including financial services. The deal also has strong and enforceable agreements in the areas of forced technology transfer and intellectual property theft, he added.

12. Even as Trump claims two victories on trade, doubts remain

President Donald Trump’s trade deal with China last week opened up export opportunities for American farmers, manufacturers and energy producers. And his trade pact with Canada and Mexico, approved on January 16, 2020 by the Senate, could help restore some auto production in the United States. Yet perhaps more than anything, last week’s twin breakthroughs on trade provided a breather from two chaotic years of Trumpian policymaking — involving threats, truces and heavy U.S. tariffs imposed on friend and foe alike on a scale unseen since the 1930s. The uncertainty had been clouding the economy, causing businesses to delay investments until they knew how the trade turmoil would shake out. “We got trade peace,” said Mary Lovely, an economist who studies trade at Syracuse University. At least for now.

13. Canada to start ratifying new NAFTA next week following U.S. approval: Trudeau

Canada will move swiftly next week to formally approve North America’s new, long-delayed free trade pact, Prime Minister Justin Trudeau said on January 21, 2020. The government will introduce a motion to apply some of its elements Jan. 27, 2020 when Parliament resumes, and will table legislation to ratify the deal two days later, he said. “Passing the new NAFTA in Parliament is our priority,” Trudeau said at the end of a cabinet retreat in Winnipeg.

14. Japan, EU and US seek new WTO rules to curb Chinese subsidies

Japan, the EU and the US have ramped up pressure on Beijing over its model of state-sponsored capitalism, calling for tougher World Trade Organisation curbs on government subsidies, reports *London's Financial Times*. The three issued a joint statement on a proposal for more stringent global rules to prevent Chinese companies relying on state support to gain advantage over foreign rivals. The proposed changes call for governments to prove that subsidies do not distort trade and for the closing of loopholes in the WTO rule book.

15. High hopes: US, EU and UK all aim for trade deals this year

The United States, the European Union and what will soon be post-Brexit Britain have all raised the prospect of concluding trade deals between themselves by the end of this year, setting up an intense few months of negotiations. High-level representatives said on January 23, 2020 at the World Economic Forum in the Swiss resort of Davos that it’s possible that those discussions, operating in parallel, could be wrapped up by the end of the year. That would be some achievement given that most trade deals take years as they get bogged down in minutiae of rules and regulations.

16. Deputy prime minister asks Opposition not to delay new NAFTA deal

The minority Liberals made another pitch on January 26, 2020 for cross-partisan co-operation on a key priority for the government in the upcoming sitting of the House of Commons: passing the new U.S.-Mexico-Canada free trade deal. Deputy Prime Minister Chrystia Freeland called passage of the new NAFTA a pivotal moment for Canada in a letter she sent on January 26, 2020 to leaders of the Opposition parties. She said while no one expects anything other than a “full, frank, and vigorous debate,” she urged them not to hold up the deal.

17. National Transportation Atlas Database Winter 2020 Update

The Winter 2020 update to the National Transportation Atlas Database (NTAD) was released on January 24, 2020 with one new dataset and 11 updated datasets. NTAD is a Bureau of Transportation Statistics (BTS) compilation of geospatial datasets representing the nation’s transportation infrastructure, containing roadways, railways, waterways, and airports.

18. Feds to fund blockchain solutions for Canadian steel supply chain

Two Canadian companies will develop a proof of concept for a digital tracing system enabled by blockchain and artificial intelligence for the Canadian, and possibly North American, steel supply chain. Peer Ledger Inc., based in Halifax, and Mavennet Systems Inc., based in Toronto, will each receive an investment of up to \$150,000 through

Innovative Solutions Canada, a Government of Canada program that invites Canadian small businesses to develop innovative solutions to address government challenges.

19. EU, China, 15 others form alliance to settle trade disputes

The European Union and a group of 16 nations that includes China and Brazil are forming an alliance to settle their trade disputes using an appeals and arbitration system at the World Trade Organization to replace temporarily a process stymied by the U.S. “We will work towards putting in place contingency measures that would allow for appeals of WTO panel reports in disputes among ourselves,” according to the joint declaration posted by the European Commission. The development marks an advance of the EU’s backup plan for settling international trade disputes now that the WTO appellate body is paralyzed. The deal was reached among WTO delegates meeting at the sidelines of the World Economic Forum in Davos, Switzerland. Canada, Australia and New Zealand are also part of the alliance.

20. Trump signs new USMCA bill into law, clearing way for Commons debate

President Donald Trump signed off January 29, 2020 on the new road map for the U.S.-Mexico-Canada Agreement, clearing the way for the House of Commons to debate the merits of the next era of North American trade. Trump signed the implementation bill, which cleared Congress two weeks ago, during a lengthy ceremony on the South Lawn of the White House that featured Vice-President Mike Pence, U.S. trade ambassador Robert Lighthizer and a lengthy roster of Republican lawmakers. “This is something we really put our heart into — it’s probably the number 1 reason I decided to lead this crazy life I’m leading right now, as opposed to that beautiful, simple life of luxury that I led before this happened,” Trump said to laughter.