

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Canada's airports are working to maintain operations during this critical time

As community partners, Canada's airports are on the frontlines in the battle against COVID-19. Our teams are working with airlines and the government agencies managing the health crisis and Canada's border to bring people home while adding measures to help stop the virus from spreading further. We owe our workers and colleagues a debt of gratitude for their dedication to keeping our travellers safe. With the sudden decline in passenger volumes and revenues, Canada's airports, like our airline partners, are facing the grim reality of an immediate and dangerous cash flow shortfall. Despite the catastrophic financial impacts, airports must continue to pay fixed costs to maintain safe, secure operations and facilitate safe passage for Canadians. In fact, increased protocols aimed at controlling the spread of COVID-19 have added costs.

### 2. Monthly civil aviation statistics, January 2020

The seven Canadian Level I air carriers flew 7.1 million passengers on scheduled and charter services in January 2020, up 2.5% compared with January 2019, when there were six carriers. This follows a 3.5% increase in December 2019 and represents the third year-over-year monthly increase. The number of air carriers increased from six in 2019 to seven in 2020, as one Level II air carrier was reclassified to Level I.

### 3. Canadian Airports Council Applaud Federal Airport Rent Exemption

The Canadian Airports Council (CAC) is extending thanks to Transport Minister Marc Garneau and the Government of Canada for agreeing to a 10-month waiver of airport rent paid by 21 privately operated National Airports System airports, and of a similar revenue charge paid by the operator of the Billy Bishop Toronto City Airport, in response to the ongoing coronavirus (COVID-19) health pandemic.

### 4. Airlines face \$39 billion in Q2 losses, industry group warns

Air Canada and Lufthansa announced workforce reductions on March 30, 2020 to further reduce costs amid a cash crunch that will result in airlines losing \$39 billion in the second quarter because of global coronavirus restrictions. The International Air Transport Association (IATA) on April 1, 2020 said the financial losses will be greatest in the next quarter when revenue is expected to fall 68% on a 71% drop in passenger demand. The trade group said member airlines are expected to burn through \$61 billion in cash reserves. IATA last week projected a full-year revenue decline of \$252 billion for the industry.

### 5. Air Cargo Demand Slumps in February as COVID-19 Takes Hold

The International Air Transport Association (IATA) released February 2020 data for global air freight markets showing that demand, measured in cargo tonne kilometers (CTKs), decreased by 1.4% compared to the same period in 2019. Adjusting the comparison for the impact of the Lunar New Year, which fell in February in 2019, and the leap year in 2020, which meant an additional day of activity, seasonally-adjusted demand was down 9.1% month-on-month

## AIR TRANSPORTATION Canada

1. Canada's airports are working to maintain operations during this critical time, March 31, 2020, [www.cacairports.ca](http://www.cacairports.ca)
2. Monthly civil aviation statistics, January 2020, March 31, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Canadian Airports Council Applaud Federal Airport Rent Exemption, March 31, 2020, [www.cacairports.ca](http://www.cacairports.ca)
4. Airlines face \$39 billion in Q2 losses, industry group warns, April 1, 2020, [www.americanshipper.com](http://www.americanshipper.com)
5. Air Cargo Demand Slumps in February as COVID-19 Takes Hold, April 1, 2020, [www.iata.org](http://www.iata.org)
6. Passenger Demand Plunges on COVID-19 Travel Restrictions, April 2, 2020, [www.iata.org](http://www.iata.org)
7. January 2020 U.S. Airline Freight Data (Preliminary), April 2, 2020, [www.bts.gov](http://www.bts.gov)
8. Air Canada Announces the Extension of Altitude Status for all Members, April 6, 2020, [www.aircanada.ca](http://www.aircanada.ca)
9. AC Cargo recognized for service as it moves forward during COVID-19 crisis, April 7, 2020, [www.ctl.ca](http://www.ctl.ca)
10. ATAC Seeking Aviation Fuel Excise Tax Relief, April 7, 2020, [www.atac.ca](http://www.atac.ca)
11. Air Canada Announces Intention to Adopt the Canada Emergency Wage Subsidy for the Benefit of its 36,000 Canadian-based Employee Workforce, April 8, 2020, [www.aircanada.ca](http://www.aircanada.ca)
12. Substituting cargo for passengers becomes mainstream business for airlines, April 9, 2020, [www.americanshipper.com](http://www.americanshipper.com)
13. Air cargo community responds to pandemic supply shortage, April 13, 2020, [www.americanshipper.com](http://www.americanshipper.com)
14. Airlines face \$314 billion bath as economy dives, April 14, 2020, [www.americanshipper.com](http://www.americanshipper.com)
15. February 2020 U.S. Airline Traffic Data (Preliminary), April 14, 2020, [www.bts.gov](http://www.bts.gov)
16. February 2020 U.S. Passenger Airline Employment Data, April 15, [www.bts.gov](http://www.bts.gov)
17. Air Travel Consumer Report: February 2020 Numbers, April 15, 2020, [www.dot.gov](http://www.dot.gov)
18. Heathrow cargo flights rise 500% as airport restyles itself as 'vital airbridge', April 15, 2020, [www.iata.org](http://www.iata.org)
19. January 2020 U.S. Airline Traffic Data (Final), April 16, 2020, [www.bts.gov](http://www.bts.gov)

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

in February 2020. By February, the negative impacts of the COVID-19 crisis on air cargo demand were becoming visible. The month witnessed several significant developments.

#### **6. Passenger Demand Plunges on COVID-19 Travel Restrictions**

The International Air Transport Association (IATA) announced global passenger traffic data for February 2020 showing that demand (measured in total revenue passenger kilometers or RPKs) fell 14.1% compared to February 2019. This was the steepest decline in traffic since 9.11 and reflected collapsing domestic travel in China and sharply falling international demand to/from and within the Asia-Pacific region, owing to the spreading COVID-19 virus and government-imposed travel restrictions. February 2020 capacity (available seat kilometers or ASKs) fell 8.7% as airlines scrambled to trim capacity in line with plunging traffic, and load factor fell 4.8 percentage points to 75.9%.

#### **7. January 2020 U.S. Airline Freight Data (Preliminary)**

U.S. airlines carried 0.7% less freight by weight in January 2020 than in January 2019, according to preliminary data filed with the Bureau of Transportation Statistics (BTS) by the 15 airlines that carry the most freight. The 15 airlines carry 97% of the total freight by weight on U.S. airlines.

#### **8. Air Canada Announces the Extension of Altitude Status for all Members**

Air Canada on April 6, 2020 announced several updates for Altitude members to ensure their status remains in effect until they are able to resume flying. The changes include the extension of current status until the end of 2021, the ability to share any status achieved in 2020 with a loved one, and new opportunities to qualify for Altitude status and earn Aeroplan Miles from

home. In brief: 1) Altitude members will enjoy their current status through the end of 2021; 2) Members have opportunity to gift status to a loved one; and 3) Donating Aeroplan Miles to select charities will count towards Altitude Status until April 30<sup>th</sup>, 2020.

#### **9. AC Cargo recognized for service as it moves forward during COVID-19 crisis**

Air Canada Cargo received the Gold Air Cargo Excellence (ACE) Award in the “up to 999,999 tonnes” air carrier category. The awards were announced on Twitter on April 7 by Air Cargo World. They are based on the results of the Air Cargo Excellence Survey, conducted annually and presented to the airlines and airports achieving the highest scores in the survey. Airlines are ranked based on several performance factors including customer service, value and performance during the previous 12 months.

#### **10. ATAC Seeking Aviation Fuel Excise Tax Relief**

COVID-19 has had a devastating impact on many industries, and arguably none more so than aviation. On behalf of our seventy Ontario-based members and industry partners, the Air Transport Association of Canada (ATAC) is asking the government to help our industry in this difficult time by refunding the equivalent of four months excise tax on aviation fuel purchased in Ontario, back to the purchaser

#### **11. Air Canada Announces Intention to Adopt the Canada Emergency Wage Subsidy for the Benefit of its 36,000 Canadian-based Employee Workforce**

On March 30, 2020, as part of an overall cost reduction program, Air Canada announced that its workforce in Canada will be temporarily reduced by approximately 50 per cent, or 16,500 jobs, as a result of the COVID-19 crisis and the imposition of global travel restrictions. On April 1, 2020, the Government of Canada announced the Canada Emergency Wage Subsidy (CEWS) in order to help employers keep and/or return Canadian-based employees to payrolls for the Program Term of March 15, 2020 to June 6, 2020 in response to challenges posed by COVID-19. Details of the CEWS are still outstanding, but are intended to generally reimburse employers suffering revenue declines exceeding 30 per cent, which is the case for Air Canada. As a result of the crisis, Air Canada has abruptly reduced its seat capacity by 85 to 90 per cent and is incurring significant revenue losses. Any near-term recovery is reliant on the lifting of domestic and international travel restrictions and return of passenger traffic. Air Canada intends to adopt the CEWS for the benefit of its 36,000 Canadian-based employee workforce. Air Canada's intention to adopt the CEWS has also received the support of all of its Canadian-based unions: ACPA, CALDA, CUPE, IAMAW and Unifor.

#### **12. Substituting cargo for passengers becomes mainstream business for airlines**

What started out a month ago as a niche, experimental business — turning passenger aircraft into dedicated freighters for cargo customers — has exploded in popularity and become a driver of sorely needed revenue for airlines. In just

20. New measures introduced for non-medical masks or face coverings in the Canadian transportation system, April 17, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

21. The ‘mad rush’ for medical gear triples air cargo rates, April 17, 2020, [www.ajot.com](http://www.ajot.com)

22. Face covering requirements for air travellers, April 20, 2020, [www.atac.ca](http://www.atac.ca)

23. Airlines Financial Monitor: February - March 2020, April 20, 2020, [www.iata.org](http://www.iata.org)

24. Air Canada to Temporarily Suspend Transborder U.S. Flights, April 21, 2020, [www.aircanada.ca](http://www.aircanada.ca)

25. Delta posts first-quarter loss amid coronavirus slowdown, April 22, 2020, [www.globeandmail.ca](http://www.globeandmail.ca)

26. America's ‘Big Three’ Airlines Prepare for a Very Painful Fall, April 21, [www.ajot.com](http://www.ajot.com)

27. Annual and Fourth-Quarter 2019 Air Fare Data, April 22, 2020, [www.bts.gov](http://www.bts.gov)

28. Jazz Aviation and Air Canada Cargo to be First to Operate Routes with Dash 8-400 Aircraft Simplified Package Freighter Developed by De Havilland Canada, April 24, 2020, [www.aircanada.ca](http://www.aircanada.ca)

29. Air Cargo Between the U.S. and World Regions, including China, February 2020 (Preliminary), April 28, 2020, [www.bts.gov](http://www.bts.gov)

three weeks, United Airlines has already operated 270 cargo-only flights carrying more than 9.2 million pounds of goods on repurposed Boeing 777 and 787 jets, cargo chief Jan Krems said on April 9, 2020 in a message to customers. Initial service was between United's U.S. hubs and Amsterdam; Frankfurt, Germany; and London's Heathrow Airport. Since then, United Cargo has added Brussels, Hong Kong, Shanghai, Sydney and Tel Aviv, Israel, to its all-cargo network. And later this week it will begin service to and from Chengdu, China; Beijing; and Taiwan. Demand for repurposed passenger jets has been so high that Lufthansa Airlines says it will even remove seats from four aircraft to make room for more cargo.

### **13. Air cargo community responds to pandemic supply shortage**

The aviation and air cargo sectors have mobilized in a big way to help supply personal protective equipment (PPE), hand sanitizer, ventilators and other desperately needed items for combating the deadly COVID-19 disease. The crisis is shining a light on the importance of logistics and supply chain management for helping save lives, but also for bringing staples and food to populations sheltering in place. Air transport is being heavily relied on because many emergency supplies are located overseas, or across the country, and air is the fastest mode for getting them to where the outbreak is spreading.

### **14. Airlines face \$314 billion bath as economy dives**

The global airline industry will generate \$314 billion less revenue this year than in 2019 because the coronavirus pandemic has decimated air travel, according to the International Air Transport Association (IATA). The figure represents a 55% drop in business that is putting airlines at risk of going under and will take years to recover from for those that survive, analysts say. Just three weeks ago, the trade group estimated airline revenues would fall \$252 billion short of last year's total in a worst-case scenario that assumed travel restrictions would remain in place through June 2020. That scenario is now reality – and could even get worse..

### **15. February 2020 U.S. Airline Traffic Data (Preliminary)**

U.S. airlines carried 6.7% more scheduled service passengers in February 2020 than in February 2019, according to preliminary data filed with the Bureau of Transportation Statistics (BTS) by the 25 airlines that carry the most passengers. The 25 airlines carry 99% of the total passengers traveling on U.S. airlines.

### **16. February 2020 U.S. Passenger Airline Employment Data**

The 22 U.S. scheduled passenger airlines employed 3.6% more workers in February 2020 than in February 2019. February's 458,832 full-time equivalents (FTEs) was up from the previous month's employment total in January 2020 (456,398 FTEs) and was the highest FTE total for any month since February 2003 (460,852 FTEs). February 2020 was the 76th consecutive month that U.S. scheduled passenger airline FTEs exceeded the same month of the previous year.

### **17. Air Travel Consumer Report: February 2020 Numbers**

The U.S. Department of Transportation on February 15, 2020 released its April 2020 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of February 2020. The full consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>. Its report in part reveals: *On-Time Performance* - In February 2020, reporting marketing carriers posted an on-time arrival rate of 83.8%, down from the 84.6% on-time rate in January 2020 but up from 73.8% in February 2019. *Cancellations* - In February 2020, reporting marketing carriers cancelled 1.0% of their scheduled domestic flights, a lower rate than both 1.3% in January 2020 and 3.1% in February 2019. *Tarmac Delays* - In February 2020, airlines reported one tarmac delay of more than three hours on domestic flights, fewer than the four such tarmac delays reported in January 2020 and the 16 domestic flight tarmac delays reported in February 2019. In February 2020, airlines reported two tarmac delays of more than four hours on international flights, compared to no such tarmac delays reported in both January 2020 and February 2019. Extended tarmac delays are investigated by the Department.

### **18. Heathrow cargo flights rise 500% as airport restyles itself as 'vital airbridge'**

The number of cargo-only flights at Heathrow has surged to five times normal levels, with the airport now saying it is prioritising medical supplies as passenger travel grinds to a halt. Britain's biggest airport expects passenger traffic expected to plunge by 90% in April, with remaining flights mainly limited to repatriating citizens stranded abroad during the coronavirus outbreak. Instead, the hub airport is restyling itself as a "vital airbridge" for supplies and medical essentials during the coronavirus crisis.

### **19. January 2020 U.S. Airline Traffic Data (Final)**

U.S. airlines carried an estimated 79.0 million systemwide (domestic and international) scheduled service passengers in January 2020, seasonally-adjusted, according to the Bureau of Transportation Statistics' (BTS), up 0.1% from December and 5.5% from the previous year for the same month.

### **20. New measures introduced for non-medical masks or face coverings in the Canadian transportation system**

On April 17, 2020, the Minister of Transport, the Honourable Marc Garneau, announced new measures requiring all air passengers to have a non-medical mask or face covering to cover their mouth and nose during travel. These measures

come into effect at noon EDT on April 20, 2020. When travelling by air, travellers will be asked to cover their mouth and nose: 1) at Canadian airport screening checkpoints, where the screeners cannot always keep two metres of separation between themselves and the traveller; 2) when they cannot physically distance from others, or as directed by the airline employees; and 3) when directed to do so by a public health order or public health official. Aviation passengers on all flights departing or arriving at Canadian airports will also be required to demonstrate they have the necessary non-medical mask or face covering during the boarding process otherwise they will not be allowed to continue on their journey. Passengers should follow the current Public Health Agency of Canada's guidance on face coverings.

#### **21. The 'mad rush' for medical gear triples air cargo rates**

For a sense of the squeeze in the world's supply lines right now, consider the ongoing case of chartered air freight. Intense demand for medical equipment to fight the coronavirus is continuing to send the cost of chartered flights skyrocketing. *Bloomberg News* has been tracking developments and reported in March 2020 that a typically humdrum process of hiring a plane had turned into an "absolutely crazy," ultra-competitive auction. Since then, conditions have become even more intense. "What was considered an unreasonably high price yesterday is now not only acceptable but even a missed bargain," said Vivian Lau, vice chair and group chief executive officer of Pacific Air Holdings, a Hong Kong-based logistics company. "The mad rush is still on as the race continues to transport the much-needed medical supplies to the needed destinations around the world."

#### **22. Face covering requirements for air travellers**

The Government of Canada is asking that all travellers have a removable non-medical mask or face covering large enough to cover their mouth and nose during their travel through Canadian airports and in-flight. Travellers must confirm that they have in their possession the mandatory non-medical mask or face covering as part of the registration or check-in process otherwise they will not be allowed to continue on their journey. At a minimum, travellers will be asked to wear the non-medical mask or face covering: 1. at airport screening checkpoints; 2. during the flight when they cannot physically distance from others, including at all times when they are 2 metres or less from another person, except another occupant of the person's private home; or 3. as directed by an official of the air operator, the Canadian Air Transport Security Authority, a Canada Border Services Agency officer, or a Canadian public health official. There are exceptions.

#### **23. Airlines Financial Monitor: February - March 2020**

The key points in the Airline Financial Monitor for March 2020 are: 1. The final Q4 2019 airline financial data point to a modest improvement in industry-wide profitability ahead of global disruptions from COVID-19. Based on our latest impact assessment, it is estimated that the industry might lose up to US\$314 billion (55%) of passenger revenues in 2020 amidst travel restrictions and confidence effects, compounded by a global recession. 2. Global airline share prices fell sharply in March 2020 (-35%). 3. Global oil and jet fuel prices continued to fall over the past month. 4. February 2020 saw the first large impact of COVID-19 on air transport, mostly affecting volumes to, from and within Asia Pacific as well as – to a lesser extent – Europe.

#### **24. Air Canada to Temporarily Suspend Transborder U.S. Flights**

Air Canada announced that it will suspend scheduled service to the U.S. after April 26, 2020 as a result of the agreement between the governments of Canada and the United States to extend border restrictions by an additional 30 days, effective April 21, 2020. Air Canada plans to resume service to the U.S. May 22, 2020 subject to any further government restrictions beyond that date.

#### **25. Delta posts first-quarter loss amid coronavirus slowdown**

Delta Air Lines Inc reported on April 22, 2020 its first first-quarter loss in nine years and forecast a 90 per cent decline in second-quarter revenue as the coronavirus crisis devastates air travel demand. In a matter of months, U.S. airlines like Delta have gone from expansion to survival, searching for ways to raise and save as much cash as possible in an environment where flight cancellations outnumber new bookings. Atlanta-based Delta swung to a \$534 million net loss in the first quarter that ended March 31, or a \$0.84 loss per share, from a \$730 million net profit a year earlier.

#### **26. America's 'Big Three' Airlines Prepare for a Very Painful Fall**

U.S. airlines face a bleak future of depressed traffic and volatile revenue well into 2021, as the global economy transitions from the acute damage of a public health catastrophe into a potentially long recession. Already a bumpy ride for the "Big Three" carriers, the journey promises to get worse this fall when billions of dollars in government assistance comes to an end. Several carriers, including Delta Air Lines Inc. and United Airlines Holdings Inc., have begun openly contemplating how they will shrink operations, while American Airlines Group Inc. is moving to shed more of its older planes. By one analyst's count, as many as 105,000 jobs could be lost industry wide.

#### **27. Annual and Fourth-Quarter 2019 Air Fare Data**

The 2019 average domestic itinerary air fare of \$355 was the lowest inflation-adjusted annual fare since the Bureau of Transportation Statistics began collecting such records in 1995, down 0.3% from the previous low of \$356 in 2018.

During the year, fares dropped in the third quarter to \$346, inflation-adjusted, the lowest quarterly fare on record. In the fourth quarter, fares rose to \$357, up 2.1% from the \$349 fare in the fourth quarter of 2018.

### **28. Jazz Aviation and Air Canada Cargo to be First to Operate Routes with Dash 8-400 Aircraft Simplified Package Freighter Developed by De Havilland Canada**

Chorus Aviation Inc. ("Chorus") and its subsidiary Jazz Aviation LP ("Jazz") announced on April 24, 2020 that Jazz and Air Canada, through its freight division Air Canada Cargo, will begin operating the recently approved Dash 8-400 Simplified Package Freighter developed by De Havilland Canada to short and medium haul markets under the Air Canada Express banner. These reconfigured aircraft will carry a total of 18,000 lbs [8,165 kg] of cargo in the passenger cabin and belly.

### **29. Air Cargo Between the U.S. and World Regions, including China, February 2020 (Preliminary)**

Airlines carried 7.3% less cargo by weight between the U.S. and foreign points in February 2020 than in February 2019, according to data filed with the Bureau of Transportation Statistics (BTS) by large air carriers. February 2020 cargo numbers by world geographic regions (by weight): 1) Total: 593 thousand tons, down 7.3% from February 2019 (640T tons); 2) Atlantic: 99.0 thousand tons, down 0.3% from February 2019 (99.3T tons); 3) Latin America: 50 thousand tons, unchanged from February 2019 (50T tons); 4) Pacific (including China): 60 thousand tons, down 24% from February 2019 (79T tons); 5) China: 44 thousand tons, down 22% from February 2019 (57T tons).

## **WATER TRANSPORTATION**

### **1. More cargo chaos looms as carriers slash ocean services**

Social distancing and quarantines are causing cargo buyers to cancel bookings in Europe and the U.S., which is in turn prompting container lines to "blank" (cancel) scheduled sailings, starting with those from Asia to Europe. According to Alan Murphy, CEO and founder of Copenhagen-based Sea-Intelligence, "Within the past week, the number of blank sailings announced following the pandemic spread increased from two to 45 on main deep-sea trades." He believes the effect of the pandemic on buyers in Europe and the U.S. will have even greater consequences for container-shipping schedules than the lockdown of Wuhan, China, in February 2020. "The effect of the virus outbreak in China was the cancellation of more than 100 sailings [and] we expect the pandemic spread to have an even more substantial impact," he warned.

### **2. World hungry for Canadian grain amid pandemic, with shipments abroad rising**

Canadian grain is in high demand as shippers try to feed a growing appetite from mills and governments seeking to shore up staple reserves amid the COVID-19 pandemic. Grain shipments at the Port of Thunder Bay in Ontario doubled year over year in March 2020, with vessels loading 200,000 tonnes last week and higher volumes expected to continue, the Chamber of Marine Commerce said. Thunder Bay Port Authority CEO Tim Heney said in a release "Right now, we expect April grain volumes to be above normal. We currently have 650,000 metric tons of grain in storage ready to go out and we are receiving more rail deliveries."

### **3. Top 50 Global Container Ports**

Solid growth in global trade volumes in 2018 pushed the total container throughput of the 50 busiest cargo ports in the world up 4.6 percent year over year to almost half a trillion TEU, according to the JOC Top 50 Container Ports 2018 rankings. The Port of Shanghai maintained its top spot on the list, reporting a 4.4 percent increase in container volume to just over 42 million TEU, more than four times the 9.5 million TEU handled by the busiest North American port, Los Angeles. Coming in at No. 2, the Port of Singapore reported the highest growth rate of any port in the top 20, increasing throughput 8.7 percent to 36.6 million TEU for the year.

### **4. Review clears way for major Vancouver terminal as competing plan persists**

The Vancouver Fraser Port Authority and its largest tenant, GCT Canada,

## **WATER TRANSPORTATION**

### **Canada**

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2. World hungry for Canadian grain amid pandemic, with shipments abroad rising, March 31, 2020, [www.ctl.ca](http://www.ctl.ca)
3. Top 50 Global Container Ports, March 2020, [www.joc.com](http://www.joc.com)
4. Review clears way for major Vancouver terminal as competing plan persists, April 1, 2020, [www.joc.com](http://www.joc.com)
5. The Government of Canada announces new measures for ferries and commercial passenger vessels capable of carrying more than 12 passengers, April 5, 2020 [www.tc.gc.ca](http://www.tc.gc.ca)
6. Port of Halifax cargo operations remain fluid, April 3, 2020, [www.portofhalifax.ca](http://www.portofhalifax.ca)
7. Container lines are still holding firm on trans-Pac rates, April 7, 2020, [www.americanshipper.com](http://www.americanshipper.com)
8. The Vancouver Fraser Port Authority's comments on the federal review panel report for the Roberts Bank Terminal 2 Project, April 7, 2020, [www.portofmetrovancover.com](http://www.portofmetrovancover.com)
9. US port congestion threat demands united industry response, April 8, 2020, [www.joc.com](http://www.joc.com)
10. Port of LA March cargo volume drops nearly 31%, April 8, 2020, [www.americanshipper.com](http://www.americanshipper.com)
11. Canadian East Coast box ports see cargo numbers decline, April 13, 2020, [www.ajot.com](http://www.ajot.com)
12. Massive OPEC+ cuts not enough to derail tanker earnings, April 13, 2020, [www.americanshipper.com](http://www.americanshipper.com)
13. Port of Montreal: Accumulated Container Traffic January to March 2020, April 14, 2020, [www.portofmontreal.ca](http://www.portofmontreal.ca)
14. Port of Vancouver: Accumulated Container Traffic January 2020 to March 2020, April 16, 2020, [www.metrovancover.com](http://www.metrovancover.com)
15. Container lines slash even more services to prop up rates, April 15, 2020,

agree that Vancouver risks a scenario in which marine terminals will be clogged within roughly 10 years, but they disagree on how to add capacity.

#### **5. The Government of Canada announces new measures for ferries and commercial passenger vessels capable of carrying more than 12 passengers**

The Minister of Transport, the Honourable Marc Garneau, on April 5, 2020 announced new measures to reduce the risk of COVID-19 transmission on commercial passenger vessels and ferries. As of April 6, the new measures with mandatory requirements are: 1) Prohibit all commercial marine vessels with a capacity of more than 12 passengers from engaging in non-essential activities, such as tourism or recreation. These measures will remain in place until at least June 30, 2020. 2) Prevent any Canadian cruise ship from mooring, navigating, or transiting in Canadian Arctic waters (including Nunatsiavut, Nunavik and the Labrador Coast). These measures will remain in place until October 31, 2020.

3) Require ferries and essential passenger vessel operators to: Immediately reduce by 50% the maximum number of passengers that may be carried on board (conduct half-load voyages) to support the two-metre physical distancing rule; or implement alternative practices to reduce the risk of spreading COVID-19. There are exceptions

#### **6. Port of Halifax cargo operations remain fluid**

The movement of containerized cargo vessels through the Port of Halifax has not been affected by the COVID-19 pandemic outbreak. “Right now, all marine partners in the Port of Halifax are together working very hard to

**maintain supply chain fluidity and keep cargo moving through our international gateway,” said Captain Allan Gray, President and CEO, Halifax Port Authority.**

#### **7. Container lines are still holding firm on trans-Pac rates**

The warnings are loud and clear: If container lines suffer the same demand loss and rate drop they did during the 2009 financial crisis, 2020 will be catastrophic — but if demand falls and rates don’t, the coronavirus crisis should be survivable. It’s a classic “prisoner’s dilemma” scenario for ocean carriers. Each of the major alliances — 2M, Ocean Alliance, THE Alliance — must take it on faith that one of the others won’t slash rates to snatch a bigger slice of the smaller cargo pie. Liner companies have a better chance of solving the prisoner’s dilemma now than in 2009 because the industry has become much more consolidated in the intervening years through takeovers and commercial alliances.

#### **8. The Vancouver Fraser Port Authority’s comments on the federal review panel report for the Roberts Bank Terminal 2 Project**

The Vancouver Fraser Port Authority (VFPA) thanked the review panel for conducting a thorough and comprehensive review, and expressed their appreciation to all of the participants who were involved in the environmental assessment. They thanked the panel for their acknowledgement of the professional and respectful participation by the port authority and its team during the panel process. They are pleased with the review panel’s findings and recommendations and believe the panel has provided us with a road map as to how, on top of our existing proposed mitigation measures, they can further mitigate project related effects. The VFPA are committed to working with government, Indigenous groups and other stakeholders to implement these very important recommendations.

#### **9. US port congestion threat demands united industry response**

The risk in the coming week is that more US retailers and manufacturers fail to pick up containers because warehouses are full or closed due to not being deemed essential service providers responding to coronavirus disease COVID-19.

#### **10. Port of LA March cargo volume drops nearly 31%**

The Port of Los Angeles reported a year-over-year March 2020 volume drop of 30.9%. The port said on April 8, 2020 that it moved 449,568 twenty-foot equivalent units (TEUs) in March 2020. That’s the lowest amount of monthly cargo moved through the port since February 2009. “We’ve had two serious shocks to our supply chain system — first the trade war between the U.S. and China and now the COVID-19 pandemic,” said Executive Director Gene Seroka. “With U.S. retailers and cargo owners scaling back orders, volumes are soft even though factories in China are beginning to produce more. Amid this public health crisis, there will be uncertain months ahead in the global supply chain.” March imports decreased 25.9% to 220,255 TEUs compared to the previous year. Exports decreased 23.8% to 121,146 TEUs. Empty containers declined 44.5% to 108,168 TEUs.

#### **11. Canadian East Coast box ports see cargo numbers decline**

Amidst the COVID-19 pandemic, Canadian ports, categorized by the federal authorities among essential services, have

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

16. Regulatory saga escalates on proposed Port of Vancouver container project, April 17, 2020, [www.ajot.com](http://www.ajot.com)

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25. Capacity cuts hold up Asia-Europe rates, April 28, 2020, [www.joc.com](http://www.joc.com)

remained opened for business while taking all the necessary measures to protect the health and safety of their employees. Ports on the East Coast are no exception. For the most part, traffic trends have been on a downward path since March – but major expansion projects, notably on the container front at the ports of Montreal, Halifax and Quebec, remain on track. Freight transport operations are running at full capacity at the Port of Montreal. At Canada’s biggest eastern gateway and second largest container port after Vancouver, no sailing cancellations by carriers have reportedly occurred, and rail transport continues as scheduled. “Road transport and terminal operations are ongoing,” the port has indicated. “We will continue to follow Transport Canada guidelines and monitor the impact of COVID-19 on Port operations.” Whereas cargo numbers are down up to 20% at West Coast ports due to the plunging trade with Asia-led China, volumes may be contracting to a lesser degree at key Canadian ports on the eastern seaboard.

#### **12. Massive OPEC+ cuts not enough to derail tanker earnings**

Never before has oil production been slashed this much this quickly, but it still isn’t enough to offset coronavirus demand destruction. OPEC and cooperating non-OPEC countries such as Russia (a coalition known as OPEC+) will cut output by 9.7 million barrels/day (b/d) in May-June, 7.7 million b/d in July-December and 5.8 million b/d in January-April 2021. Coronavirus demand destruction is estimated to exceed 20 million b/d. Continued excess production will pull more tankers into use as floating storage, reducing the number of vessels bidding for spot voyage deals and prolonging historically high rates. “In any other time, an output cut of this magnitude would be the death knell for the tanker industry,” said Evercore ISI analyst Jon Chappell. “But with the reductions failing to match the estimated demand destruction, inventories are still likely to build materially ... pressuring near-term oil prices and inciting floating storage.

#### **13. Port of Montreal: Accumulated Container Traffic January to March 2020**

The Port of Montreal released its container traffic (TEUs) for January to March 2020 on April 14, 2020. Total container traffic increased 2.0% rising to 417,378 TEUs for the first three months of the year. For the month of March 2020 total container traffic increased 2.4% to 154,127 TEUs.

#### **14. Port of Vancouver: Accumulated Container Traffic January 2020 to March 2020**

Port of Metro Vancouver released its accumulated container traffic for the period January 2020 to March 2020 on April 16, 2020. Total container traffic in terms of TEUs was down 12.8% i.e. 843,039 from 734,889. Total imports were down 12.2% i.e. 438,926 TEUs from 385,521 TEUs. Total exports were down 13.5% i.e. 404,113 TEUs from 349,368 TEUs.

#### **15. Container lines slash even more services to prop up rates**

Container shipping companies including Maersk Line, MSC and others continue to “blank” (cancel) transoceanic sailings to bring vessel capacity in line with pandemic-stricken cargo demand. And by doing so, they’ve been able to keep freight pricing from collapsing — so far.

#### **16. Regulatory saga escalates on proposed Port of Vancouver container project**

A regulatory saga that for several years has plagued a major container terminal project proposed by the Vancouver Fraser Port Authority (VFPA) is showing no signs of abating, and a final decision by the Canadian federal government has been delayed until November 2020 in light of the circumstances surrounding COVID-19. Not only are there substantial environmental issues, but the Port of Vancouver stirred considerable controversy by blocking last year an alternative proposal from its biggest tenant, GCT Global Container Terminals. This prompted GCT, which operates the Deltaport and Vanterm terminals, to file a legal challenge with a federal court that has still not rendered its judgment. In a report released in late March 2020, a three-member Federal Review Panel assessing the Roberts Bank Terminal 2 project (RBT2) at Delta since 2016 acknowledged its potential competitive benefits for Canadian marine shipping markets and regional employment. But it also underscored “significant adverse” effects on the nearby wetlands, fish habitat and migratory birds as well as on the quality of life of local populations and cultural heritage of Indigenous groups. Providing capacity for an additional 2.4 million TEUs annually by 2025 to meet anticipated demand, it would require the conversion of 177 hectares of intertidal and subtidal habitat on Roberts Bank to build a new three-berth terminal, expand an existing causeway and enlarge an existing tug basin. It would be located immediately adjacent to Tsawwassen First Nation lands.

#### **17. California box imports spike, but don’t pop the cork**

The volume of containers being unloaded at California ports has surged this month, but it’s a final hurrah before a big plunge. The FreightWaves SONAR platform collects data on maritime import shipments, measured in terms of a five-day weighted average of the number of customs filings. The five-day average for the entire U.S. has jumped 40% between March 17 2020 and April 12, 2020.

#### **18. Prince Rupert Port Authority: Accumulated container traffic statistics (January to March 2020)**

The Port of Prince Rupert reported its accumulated container statistics for the 2020 first quarter on April 20, 2020. Total container traffic (TEUs) remained virtually unchanged for the first quarter of 2020 compared to the first quarter of 2019, i.e. 179,355 TEUs compared to 179, 025 TEUs. Total import increased 2%, i.e. to 134,721 TEUs from 132,361

TEUs. Total exports decreased 4%, i.e. to 44,635 TEUs from 46,665 TEUs.

#### **19. Tanker stocks surge as global oil market collapses**

May 2020 crude futures contract closed on Monday at -\$37.63 per barrel, the equivalent of someone saying, “Hey, I’ll pay you \$75 million in cash to take this entire supertanker load of crude off my hands.” When oil markets are in “contango” — i.e., when the forward price is higher than the spot price — conditions are ripe for floating storage. The steeper the forward curve of crude oil, the more a charterer can pay for use of a tanker as a storage device and still profit from buying crude now and selling it later. The higher the implied charter rate, the likelier that tanker stocks will rise, which is what happened on April 20, 2020. The broader market fell sharply, with the Dow down 592 points, and tanker equities going in the opposite direction. “The tanker [stocks] spiked because the oil curve contango continues to steepen and there is an increasing risk of running out of storage,” Evercore ISI analyst Jon Chappell told *FreightWaves*. He calculated that as of Monday’s (April 20, 2020) oil-price close, the break-even storage calculation for a three-month period now equates to a tanker time-charter equivalent rate of \$111,500 per day. That’s up from \$101,000 per day as of April 15, \$78,000 per day on April 13 and just \$35,000 per day on April 5, 2020.

#### **20. US import plunge inevitable as cancelled sailings mount**

Container lines provide a window into the future of U.S. landside cargo flows, not in the sense of reading tea leaves or palms, but in the sense of inevitability, like death and taxes. Container-line schedules foretell that U.S. seaborne imports will fall sharply. That, in turn, will translate into lower trucking and rail volumes to the extent lost seaborne imports are not offset by higher volumes across land borders, by air, or from domestic producers, warehouses and distribution centers. The latest numbers are staggering. According to Copenhagen-based Sea-Intelligence, 435 deep-sea sailings have been “blanked” (cancelled) through this past Sunday (April 19, 2020) as carriers retune service levels to coronavirus-reduced demand. This equates to a loss of 7 million twenty-foot equivalent units (TEU) of container capacity to Europe and the U.S..

#### **21. Port of Halifax, Accumulated Container Traffic, January to March**

The Port of Halifax, for the first quarter of 2020, indicated that total traffic in terms of TEUs was 110,084 TEUs a change of -15.7% from 130,551 TEUs for the same quarter a year ago. Total imports were 57,142 TEUs a change of -16.5% from 68,404 TEUs. Total exports were 52,942 TEUs a change of -14.8% from 62,147 TEUs.[31]

#### **22. Drewry Port Throughput Indices**

Drewry’s global container port throughput index fell to 108 points in February 2020, 15.6% down month on month and 4.4% down year on year. The index plunged 20 points, which is the largest fall in a single month since the launch of the Drewry Container Port Throughput Index in January 2012. Although volumes in February 2020 have usually been low because of the Chinese New Year, this year the steepness of the fall can be attributed to the coronavirus (COVID-19) outbreak which spread in China in January 2020, and by February 2020 it had started impacting port throughputs. The virus outbreak added to the woes of shipping lines which were already struggling with weaker markets and higher costs because of the new IMO regulations. All regions, with the exception of Africa, witnessed a monthly drop in the February 2020 throughput index. China, the largest region in the index, crashed 45 points in a single month – the largest ever monthly fall. The drop to 91 points in February 2020 was a decline of 32.9% on a monthly basis and 16.4% annually. These throughput figures came as no surprise since we had expected a sharp decline because of the virus outbreak, and we project on-going declines in the coming months.

#### **23. Port of Oakland says cancelled sailings could hit cargo volume**

Fewer container ships would likely mean less cargo at the Port of Oakland this spring. That was the message Oakland Maritime officials delivered to the Harbor Trucking Association last week. The Port told freight haulers via video conference that 20 May and June voyages to Oakland have been scrubbed. The result could be a 5-to-15 percent drop in containerized cargo volume heading into summer. “It’s a clouded picture,” said Port of Oakland Business Development Manager Andrew Hwang. “About 10 percent of our scheduled vessel arrivals have been cancelled by shipping lines, but we don’t know if that will translate into a similar drop in volume.” The Port blamed vessel cancellations on the coronavirus pandemic which has stunted global trade. With consumer spending down, there’s less merchandise to load onto ships. That means fewer vessels needed between Asian manufacturing centers and U.S. ports. Import volume is expected to suffer the biggest cargo decline in coming months, the Port said.

#### **24. Construction of the Fairview-Ridley connector corridor reaches project milestone**

The Prince Rupert Port Authority (PRPA) provided an update April 28, 2020 that the Fairview-Ridley Connector Corridor project is now 20 percent complete. The primarily local construction crews have been on-site since May 2019, when early work began with clearing and grubbing of the quarry sites on South Kaien. Through the fall and winter, much of the work involved blasting and rock processing in advance of marine and land infills, which commenced mid-March. The 5-kilometer road between DP World’s Fairview Container Terminal and Ridley Island will eliminate container truck traffic through the community of Prince Rupert by a direct Port Authority owned road, as well as providing a platform for two new rail sidings.

## 25. Capacity cuts hold up Asia-Europe rates

Ocean carriers continue to be successful in their capacity management strategies, preventing a rate decline despite a sharp reduction in demand and a steep drop in fuel prices.

### RAIL TRANSPORTATION

#### 1. Canadian National, Canadian Pacific confident of their post-pandemic response

The Canadian railways say they will have the network capacity available to handle an anticipated surge in volumes once the coronavirus pandemic plays out and consumer patterns shift back to normal. Speaking at the virtual BMO Capital Markets investor conference last week, executives with Canadian National and Canadian Pacific said they have adopted measures that will enable them to respond quickly to any volume surges later this year. Rail observers have said that the Class I railroads have a tendency to struggle to respond to sudden surges in rail demand because it takes some time to get assets, power and crews in order, especially if the railroads have reduced power and crews in response to a downturn.

#### 2. Union Pacific, CSX warn of coronavirus' potential impacts on financial returns

Union Pacific said the coronavirus pandemic is creating huge uncertainties that could translate into "material" financial impacts on the companies' financial results, according to filings with the Securities and Exchange Commission (SEC). "The impact of the COVID-19 pandemic on the company's 2020 financial and operating results, which may be material, is highly uncertain and depends on numerous factors including but not limited to the impact of federal, state and local government regulations; the effect of the pandemic's economic impact on demand for the company's services; and potential disruption to global supply chains," UP said in its filing. UP had said during its fourth-quarter 2019 earnings call in January that it was striving to reach an operating ratio below 60% in 2020. Operating ratio (OR), which is calculated by dividing operating expenses by revenue, can be a measure of a company's financial health, with a lower OR implying improving profitability. Eastern U.S. rail carrier CSX also told the SEC that the coronavirus pandemic could affect CSX's financial results, although the magnitude of the impact is hard to predict.

#### 3. Rail volumes continue to slide: AAR

Canadian railroads continue to be affected by COVID-19, with rail traffic volume declining last week. According to the Association of American Railroads (AAR), for the week ending March 28, 2020, Canadian railroads reported 79,775 carloads for the week, down 5.9 per cent, and 61,259 intermodal units, down 15.6 per cent compared with the same week in 2019. For the first 13 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 1,839,042 carloads, containers and trailers, down 2.7%.

#### 4. Minister of Transport issues Orders to reduce derailments and improve rail safety

The new Ministerial Order announced on April 3, 2020 requires speed restrictions for key trains and higher-risk key trains. They apply to: 1) Key trains that have one or more loaded tank cars of dangerous goods that are toxic by inhalation; or contain 20 or more tank cars containing dangerous goods; and 2) Higher-risk key trains that carry crude oil or liquefied petroleum gases in a continuous block of 20 or more tank cars or 35 or more tank cars dispersed throughout the train. Following measures first put in place on February 16, 2020, in response to the derailments of trains carrying crude oil that occurred earlier this winter, the first Ministerial Order requires railway companies to maintain lower speeds in metropolitan areas for trains carrying large quantities of crude oil and liquefied petroleum gas i.e. higher

### RAIL TRANSPORTATION

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24. CSX seeks to manage expenses and costs,

risk key trains with further mandatory speed reductions everywhere during the winter months (from November 15 to March 15).

#### **5. New Speed Restrictions for Canadian Hazmat Trains**

After the derailment of several trains hauling hazardous materials, namely crude oil, Transport Canada has issued new orders around the speed of these trains, which are now classified as “key trains” and “higher-risk key trains.” These types of trains are defined as follows: 1) Key trains have one or more loaded tank cars of dangerous goods that are toxic by inhalation; or contain 20 or more tank cars carrying dangerous goods. 2) Higher-risk key trains carry crude oil or liquefied petroleum gases in a continuous block of 20 or more tank cars or 35 or more tank cars dispersed throughout the train. There are three areas: a) Speed limit of train in metropolitan areas; b) Speed limit of train in areas where there are track signals; and c) Speed limit of train in areas where there are track signals. The speed limit for Key trains in the three zones are: 35; 50; and 50. The speed limit in these three areas for Higher risk trains are: 30; 50; and 50 (from March 16 to November 14) and 25; 40; and 25 (from November 15 to March 15).

#### **6. CP Tooting Its Own Horns—For Others**

Canadian Pacific has joined this effort by having all locomotives on the railroad, whether they are stopped or hauling trains, to perform a long blowing of their air horns each day at 7 p.m. local time. In a memo to operations employees obtained by the Toronto Sun, CP Executive Vice President Operations Mark Redd said, “The sounding of CP whistles joins the global movement to recognize critical health care and frontline workers during these unprecedented times. Our whistles also remind communities of the service the CP family provides North America every day.” This daily recognition will continue indefinitely.

#### **7. AAR: “The Impact of Coronavirus on Railroads Is Growing”**

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended April 4, 2020, and it acknowledged that COVID-19 is increasingly impacting the rail industry. Canadian railroads reported 73,841 carloads for the week, down 17.1%, and 63,604 intermodal units, down 12.7% compared with the same week in 2019. For the first 14 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 1,976,487 carloads, containers and trailers, down 3.7%.

#### **8. Coronavirus takes aim at North American rail traffic**

North American rail traffic continues to tumble, pressured by significant drops in consumer activity as the COVID-19 pandemic takes hold globally. North American rail volume for the week ending April 3, 2020 slipped 16.1% to 596,710 carloads and intermodal units, compared with the same period in 2019, the Association of American Railroads (AAR) said on April 8, 2020. On a year-to-date basis, rail volumes were down 6.7% to nearly 9.1 million carloads and intermodal units. Meanwhile, U.S. rail volumes fell 15.9% on a weekly basis to 429,095 carloads and intermodal units, and they slipped 8.1% for the first 14 weeks of 2020 to 6.6 million carloads and intermodal units.

#### **9. North American intermodal volumes plunge to near-decade low**

Intermodal volume last week was the weakest in nearly a decade as the coronavirus disease (COVID-19) has wreaked havoc on the railroads, which an industry analyst believes could cost Class I railroads \$9 billion dollars.

#### **10. Competing countries, strong dollar influence US grain exports**

U.S. rail volumes for grain are facing ongoing headwinds in both the international and domestic markets, with factors such as a strong U.S. dollar and competition from other grain-producing countries weighing on export-bound volumes, while the coronavirus pandemic is putting pressure on domestic volumes, according to grain industry observers. “The railroads are going to really struggle with what’s the forecast and with what [grain and soybean producers are] going to be delivering,” said Mike Steenhoek, executive director of the Soy Transportation Coalition. “Obviously, it’s very uncertain, but they’ve got a number of dynamics that are happening that are producing these significant headwinds.” On the export side, U.S. grain exports are facing fierce competition from South America and the Black Sea region, as well as disrupted trade with China, according to agricultural consultant Jay O’Neil. These factors are hurting agricultural grain prices and railroads’ profitability.

#### **11. Railways confronting a tough year ahead as volumes drop amid looming recession**

Canada’s two main railways face a bleak year ahead as a looming recession weighs on freight volumes. Carloads fell more than 17 per cent year over year last week, part of a growing decline in shipments since the start of the year and accelerated by the COVID-19 pandemic. National Bank analyst Cameron Doerksen expects volumes at Canadian National Railway Co. and Canadian Pacific Railway Ltd. will drop “significantly” in April and “even more” in May as industrial supply chains remain shut down and retail severely curtailed. Container traffic and automotive shipments

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have been particularly hard hit after Asian and North American production hubs went into lockdown due to the novel coronavirus.

#### **12. Rail Traffic Nosedives, But AAR Remains Optimistic**

Canadian railroads reported 73,556 carloads for the week ending April 11, 2020, down 13.6%, and 66,088 intermodal units, down 10.6% compared with the same week in 2019. For the first 15 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 2,116,131 carloads, containers and trailers, down 4.3%.

#### **13. US weekly rail traffic sinks even further amid headwinds**

U.S. weekly rail volumes tumbled nearly 22% in the second week of April as COVID-19 and lower crude oil prices take their toll on carloads. Rail traffic in the U.S. for the week ending April 11, 2020 totaled 412,503 carloads and intermodal units, a 21.9% decline from the same period in 2019, according to the Association of American Railroads (AAR). Of that, weekly carloads fell 23.8% to 198,726, while intermodal units slipped 20% to 213,777 intermodal containers and trailers.

#### **14. S-B Rail Group Staff Report: UPDATED APRIL 15—Global Railway Industry Response & Impacts, COVID-19 Pandemic**

The New York Metropolitan Transportation Authority, Transport Workers Union Local 100 and the Transport Workers Union of America have reached an agreement establishing a \$500,000 COVID-19 death benefit for TWU members who died after being infected with the virus. Under the agreement, the MTA will pay the \$500,000 in a lump sum to the spouse, beneficiary or estate of each deceased member who was in active service on or after Feb. 1, 2020. The TWU agreement extends the COVID-19 death benefit to members of four TWU Locals: Local 100, Local 106, Local 2001 and Local 2055.

#### **15. Kansas City Southern reports record quarterly revenue**

Kansas City Southern saw record revenue of \$731.7 million in the first quarter of 2020, a 7% increase from the first quarter of 2019 amid revenue gains for its chemicals and petroleum segments as well as for its intermodal segment. The revenue increase helped Kansas City Southern's (KCS) first-quarter net profits jump to \$152.3 million, a 47.6% increase from \$103.2 million in the first quarter of 2019.

#### **16. On strength of operating model and team, CP sets Q1 record for grain movement with monthly records for January and March**

Canadian Pacific's (CP) first quarter of 2020 was the best Q1 on record for Canadian grain and grain products, with more than 6.35 million metric tonnes (MMT) moved. The 2020 result breaks the company's previous first-quarter record, set in 2016, by 300,000 metric tonnes.

#### **17. Canadian Pacific Railway Limited declares dividend**

The Board of Directors of Canadian Pacific Railway Limited (CP) on April 20, 2020 declared a quarterly dividend of \$0.83 per share on the outstanding Common Shares.

#### **18. CN Presents 2019 Safe Handling Award to 149 Shippers**

CN on April 23, 2020 announced the winners of its Safe Handling Award for 2019. Recognizing people for staying safe in these challenging times is more important than ever. It is easy to become distracted by the current response to COVID-19, but safety never takes a break. It is in this spirit of keeping everyone safe and healthy that CN announces the winners of its Safe Handling Award for 2019. In all, 149 companies received the Safe Handling Award.

#### **19. Union Pacific sees first-quarter net profit grow**

Union Pacific's net profits for the 2020 first quarter rose 7%, with the company reaching a record operating ratio (OR) despite lower revenues. Union Pacific (UP) announced its first-quarter 2020 net income was \$1.5 billion, or \$2.15/diluted share, compared with \$1.4 billion, or \$1.93/diluted share, in the first quarter of 2019. UP's first-quarter operating ratio was 59%, compared with 63.6% in the first quarter of 2019. Operating ratio, which is a company's operating expenses as a percentage of its revenue, can be an indicator of a company's financial health. A lower percentage implies improved financial health. Operating revenue fell 3% to \$5.2 billion year-over-year amid a 7% decline in first-quarter business volumes. Freight revenue slipped 3% to \$4.9 billion amid lower volumes and a decrease in fuel surcharge revenue despite core pricing gains and a "positive" business mix, UP said.

#### **20. Unknowns cloud cost savings for Union Pacific**

Union Pacific (UP) has a number of cost-cutting measures it can deploy to counter an anticipated 25% reduction in rail volumes in the second quarter, but how that volume reduction will affect its operating ratio (OR) and its ability to translate cost-cutting into cost savings in the second quarter remains to be seen. "It's always easier to get productivity in a growing environment than a shrinking environment," said UP President and CEO Lance Fritz during his company first-quarter earnings call on April 23, 2020. The company had said in January before the COVID-19 pandemic that it was expecting savings of roughly \$500 million coming from productivity initiatives.

#### **21. Canadian Pacific's first-quarter net profit falls 6%**

Net profit for Canadian Pacific (CP) fell 6% for the first quarter of 2020 despite higher total revenues and lower

operating expenses. First-quarter 2020 net income totalled C\$409 million, or C\$2.98/diluted earnings per share, compared with C\$434 million, C\$3.09/diluted earnings per share, for the first quarter of 2019. At this time, a Canadian dollar is worth US\$0.70. The dip in first-quarter net profits was due in part to higher income tax expenses year-over-year: C\$185 million versus C\$139 million. But total revenues were C\$2.04 billion in the first quarter, a 15.6% increase from C\$1.77 billion for the same period in 2019, while operating expenses were C\$1.21 billion versus C\$1.22 billion. CP's operating ratio also fell to 59.2% from 69.3%. Operating ratio, which is a company's operating expenses as a percentage of its revenue, can be an indicator of a company's financial health. Freight revenues were up 10% to C\$418 million in the first quarter amid gains for grain, fertilizer and sulphur, energy, chemicals and plastic, and automotive, among other commodities

## **22. Broken rail suspected in two fiery Saskatchewan train derailments**

The Transportation Safety Board suspects a broken rail was the cause of two fiery train derailments on the same stretch of track in rural Saskatchewan. An advisory to Transport Canada posted on the board's website recommends improving safety standards for track infrastructure even as investigations continue. "In both cases, the suspected cause appears to be related to a broken rail," reads a letter by Dan Holbrook, the safety board's acting director of rail and pipeline investigations. It says Canadian Pacific Railway maintained the track to its required standard but, even so, a train derailed last December and again in February near Guernsey, southeast of Saskatoon.

## **23. AAR: "Railroads Will Continue to Deliver the Goods to Heal the Nation"**

Total carloads for the week ended April 18, 2020 were 189,598 carloads, down 27.5% compared with the same week in 2019, while U.S. weekly intermodal volume was 213,685 containers and trailers, down 19.1% compared to 2019. "Rail volumes suffered again last week as extremely difficult times for rail customers and the economy continued," said AAR Senior Vice President John T. Gray. Canadian railroads reported 72,049 carloads for the week, down 13.5%, and 65,088 intermodal units, down 7.9% compared with the same week in 2019. For the first 16 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 2,253,268 carloads, containers and trailers, down 4.7%.

## **24. CSX seeks to manage expenses and costs**

CSX is seeking areas where it can cut even more costs as a way to counter the anticipated downturn in rail volumes in the second quarter due to the COVID-19 pandemic, according to executives speaking during the company's first-quarter earnings call on April 22, 2020. "We're focused on taking out structural costs" through measures such as eliminating train starts and keeping labour costs down, said CSX Chief Financial Officer Kevin Boone. As CSX's rail volumes have fallen by over 20% in recent weeks, CSX has adjusted operations to match rail demand, although some initiatives also serve a dual goal of improving network efficiencies. CSX has reduced its use of rail assets, including storing around 400 locomotives in March 2020, and the company has eliminated 50 merchandise trains from its daily plan while keeping the merchandise train length consistent. CSX has also reduced train delays by 66%.

## **25. Railroads Unclear What's Around the Bend for U.S. Economy**

Long before talk of driverless trucks, 3-D printing and drone delivery, old-school economic oracles from Warren Buffett to Alan Greenspan watched the railways for early signs of an oncoming U.S. recession. This freight train, however, arrived with little warning. According to data from the Association of American Railroads, carloads of commodities have slumped for the past seven straight weeks, reaching their lowest level in records going back to 1999 when you exclude the usual year-end dropoffs in demand. The fallout from the coronavirus is shredding not just the obvious consumer sectors like hotels, shops and restaurants that are closed during extended lockdowns. It's hitting America's industrial economy with equal force and similar uncertainty about what's around the bend. "We're just doing everything in our power to adjust to this dramatic decline in volume," Lance Fritz, chief executive of Union Pacific Railroad, said on April 23, 2020 in a Bloomberg TV interview. "Right now it's all about getting the business right-sized for our current volume environment and trying to get an understanding for how deep and how long this downturn is going to last." According to AAR President and CEO Ian Jefferies when the normal returns is anyone's guess.

## **26. CN Delivers Solid First Quarter Results Despite Network Disruptions**

CN on April 27, 2020 reported its financial and operating results for the first quarter ended March 31, 2020. Financial results highlights for the first-quarter 2020 compared to first-quarter 2019 were: 1) Revenues of C\$3,545 million remained flat; 2) Diluted earnings per share (EPS) was C\$1.42, an increase of 31 per cent, and adjusted diluted EPS was C\$1.22, an increase of four per cent; 3) Operating ratio was 65.7 per cent, an improvement of 3.8 points (or 1.5 points on an adjusted basis); 4) Operating income was C\$1,215 million, an increase of 13 per cent (or four per cent on an adjusted basis). JJ Ruest, president and chief executive officer of CN said "CN's team of dedicated railroaders has demonstrated the Company's ability to overcome difficult situations and keep the economy moving, I am very proud of how we recovered quickly in March from the service disruptions in February. Our network is very fluid, and we are continuing the temporary right-sizing of our resources to match the weaker demand caused by the global recession. We are committed to providing long-term shareholder value by delivering on our strategic capacity investments for growth and by deploying technological innovations." The railroad demonstrated its resiliency with solid performance amidst

month-long illegal blockades and impacts of the COVID-19 pandemic

### **27. Canadian National sees first-quarter profit grow**

Despite the rail blockades and the COVID-19 pandemic, Canadian National reported higher net profits in the first quarter of 2020. First-quarter net income totalled C\$1 billion, or \$1.42 per diluted share, a 28.6% increase from C\$786 million, or \$1.08 per diluted share, in the first quarter of 2019. On a non-GAAP [generally accepted accounting principles] basis, adjusted first-quarter net income was C\$870 million, or C\$1.22 per adjusted diluted share, compared with C\$848 million, or \$1.17 per adjusted diluted share in the first quarter of 2019.

### **28. CN Declares Second-Quarter 2020 Dividend**

CN announced on April 27, 2020 that its Board of Directors has approved a second-quarter 2020 dividend on the Company's common shares outstanding. A quarterly dividend of fifty-seven and a half cents (C\$0.5750) per common share will be paid on June 30, 2020, to shareholders of record at the close of business on June 9, 2020.

### **29. Investigation finds high water linked to fatal train derailment in Manitoba**

A Transportation Safety Board investigation into a fatal train derailment in northern Manitoba has found the track in the area was neglected and susceptible to heavy rain and high water levels. The report released April 23, 2020 said there was significant rain in the summer of 2018 and water levels were high in the weeks preceding the September derailment. Hudson Bay Railway employees inspected water at the crash site south of Thompson two days prior. It was sometime after that when water levels surged, dislodging and destroying wood box culverts under the rail bed. The track's rails and ties remained in place but were in fact no longer supported, said the report. The track collapsed under the weight of the train, and three locomotives and four cars derailed.

### **30. Canadian National anticipates a rough May**

The worst of the COVID-19 pandemic's effect on freight rail activity is yet to come, said executives during Canadian National's first-quarter earnings call on April 27, 2020. "We still feel that the worst is not behind us," said Canadian National (CN) Chief Financial Officer Ghislain Houle. Both he and CN CEO JJ Ruest said May 2020 could be the worst month, but "at this point, it's all guessing work." Executives have been looking at various economic recovery scenarios, but it's still unknown when North America would return to a "natural economy," which is when consumers feel confident to engage in pre-pandemic activity in such a way that would boost freight volumes. As a result, CN's expectations of generating C\$2.5 billion in cash flow assumes worst-case scenarios to occur during the year. April 2020 revenue ton miles are down roughly 15% so far, Houle said.

### **31. CN pays US\$1.25M to settle wildfire damage**

Canadian National Railway has paid US\$1.25 million to settle damage caused by a 2016 wildfire that burned national forest land in northeastern Minnesota, federal prosecutors said April 28, 2020. The wildfire, known as the Skibo Fire, burned nearly 1,000 acres east of Hoyt Lakes in St. Louis County, including nearly 400 acres of national forest land. The federal government alleged the May 2016 fire was ignited by a railroad locomotive that had mechanical failure. By the time the fire was suppressed, 387 acres had burned within Superior National Forest and another 585 acres belonging to St. Louis County and private landowners. The government says the fire cost more than \$1.5 million to suppress and forced the evacuation of several homes in the remote community of Skibo. Under the settlement, CN and its subsidiary Wisconsin Central Ltd. have paid \$1.25 million to resolve the dispute.

## **HIGHWAY TRANSPORTATION**

### **1. Commercial border traffic down: CBSA**

If you drive a truck, getting across the border into Canada is a much quicker process than it was just a couple of weeks ago, since the Government of Canada announced additional enhanced border measures related to foreign nationals on March 16, 2020 and the suspension of non-essential travel along the Canada-U.S. on March 21, 2020.

### **2. Ontario Supports Trucking Sector for Keeping Goods Moving**

On April 2, 2020, Christine Elliott, Deputy Premier and Minister of Health, and Caroline Mulroney, Minister of Transportation issued the following statement on supporting truck drivers during the COVID-19 outbreak: "In these extraordinary times, we have extraordinary heroes. Our truck drivers are these heroes. They are working long hours, day and night delivering food and equipment and other essential supplies for Ontario families. Our truck drivers deserve our respect, our support, our thanks and our best efforts to help them as they continue to make sure we can put food on our tables and pick up other necessary items.

## **HIGHWAY TRANSPORTATION**

### **Canada**

1. Commercial border traffic down: CBSA, April 1, 2020, [www.ctl.ca](http://www.ctl.ca)
2. Ontario Supports Trucking Sector for Keeping Goods Moving, April 2, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
3. Ministers rally behind truckers, April 2, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
4. Monthly Passenger Bus and Urban Transit, January 2020, April 6, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. U.S. truckers rally behind truckers, April 2, 2020, [www.ctl.ca](http://www.ctl.ca)
6. US-to-Canada trucker crossings fall nearly 10% in a single week, April 7, 2020, [www.americanshipper.com](http://www.americanshipper.com)
7. February 2020 Freight Transportation Services Index (TSI), April 8, 2020, [www.bts.gov](http://www.bts.gov)

### 3. Ministers rally behind truckers

Two senior Ontario ministers issued a joint statement on April 2, 2020, supporting truck drivers during the fight against the Covid-19 pandemic. It was the latest statement issued by the government of Premier Doug Ford amid complaints from truckers that they are being denied access to restrooms. Many stores have been limiting access because of fears of contracting the virus.

### 4. Monthly Passenger Bus and Urban Transit, January 2020

Total operating revenues (excluding subsidies) for urban transit companies were \$358.4 million in January 2020, up 4.0% from January 2019. Over the same period, ridership increased 3.5% to 164.6 million passenger trips.

### 5. U.S. truckers ask Congress to address issues once COVID-19 crisis is over

The Owner-Operator Independent Drivers Association (OOIDA) has written U.S. Congress reminding them of key issues facing the trucking industry that must be addressed once the Covid-19 crisis passes. "Thanks to America's truck drivers and their willingness to risk infection from COVID-19, store shelves remain filled and critical supplies continue to get moved across our nation's highways. But after this phase of the crisis is over and recovery begins, truckers will still have the same challenges with overregulation, working conditions and pay," read the letter addressed to Sens. Mitch McConnell and Chuck Schumer, and Reps. Nancy Pelosi and Kevin McCarthy.

### 6. US-to-Canada trucker crossings fall nearly 10% in a single week

The number of truck drivers crossing from the U.S. to Canada plunged last week in a sign of how COVID-19 continues to hit the freight markets in both countries. The Canada Border Services Agency (CBSA) reported on April 7, 2020 that nearly 10% fewer truckers entered Canada from the United States from March 30-April 5 compared to the previous week. The 79,616 truck driver crossings represent a nearly 29% drop from a year earlier. The decline in crossings came as volumes of freight continue to plunge in Canada. A key measure of the volume of freight moving on Canada's trucks, the Outbound Tender Volume Index – Canada (OTVI.CAN) on *FreightWaves'* SONAR platform, also declined by nearly 10% last week.

### 7. February 2020 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 0.2% in February 2020 from January 2020, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From February 2019 to February 2020, the index rose 0.1% compared to a rise of 2.6% from February 2018 to February 2019 and a rise of 7.2% from February 2017 to February 2018.

### 8. Government Releases Hamilton Transportation Task Force Report - Metrolinx and Infrastructure Ontario to undertake technical review

On April 9, 2020, Caroline Mulroney, Minister of Transportation issued the following statement regarding the Hamilton Transportation Task Force Report: "I am pleased that we are one step closer to ensuring that the province's commitment of \$1 billion in capital funding is invested in realistic and affordable transportation projects in Hamilton. The Task Force has recommended a list of proposed projects that will improve access to the transportation network, reduce congestion, and lower greenhouse gas emissions.

### 9. Data shows facilities struggling to keep up with spike in shipments due to COVID 19

According to Vivek Vaid, CTO of FourKites, the supply chain has faced unprecedented pressure in recent weeks as retailers grapple with huge spikes in demand for food and packaged goods, as a result of the COVID-19 pandemic. Despite spot shortages that continue to crop up due to panic buying, the U.S. supply chain, in particular, has proven itself capable of meeting surging demand for food and beverage and consumer packaged goods products. However, according to FourKites' analysis, the data indicates that facilities are struggling to efficiently process the surge in shipment volumes, resulting in long delays for truckers and other front-line workers at facilities in the US and Europe.

### 10. Leading indicator of cross-border traveller volume, March 2020

8. Government Releases Hamilton Transportation Task Force Report - Metrolinx and Infrastructure Ontario to undertake technical review, April 9, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

9. Data shows facilities struggling to keep up with spike in shipments due to COVID 19, April 13, 2020, [www.ctl.ca](http://www.ctl.ca)

10. Leading indicator of cross-border traveller volume, March 2020, April 14, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

11. Monthly load volumes reach 21-month high: Loadlink, April 16, 2020, [www.ctl.ca](http://www.ctl.ca)

12. Relaxing Canada U.S. border restrictions still a long way off: Trudeau, April 16, 2020, [www.ctl.ca](http://www.ctl.ca)

13. TFI lays off 1,600 as it hunkers down for COVID-19, April 21, 2020, [www.americanshipper.com](http://www.americanshipper.com)

14. February 2020 North American Transborder Freight Numbers, April 21, 2020, [www.bts.gov](http://www.bts.gov)

15. CTA Survey Shows Federal Relief Needed as COVID-19 Severely Straining Trucking Industry, April 22, 2020, [www.cantruck.ca](http://www.cantruck.ca)

16. Truck fleets report plunging loads, layoffs amid Covid-19, April 22, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

17. Trucking firm Mullen Group reports 1,000 layoffs as pandemic slows economy, April 23, 2020, [www.globeandmail.ca](http://www.globeandmail.ca)

18. Food supply chain in peril as plants close amid COVID-19 pandemic, April 22, 2020, [www.americanshipper.com](http://www.americanshipper.com)

19. Another autonomous trucking startup announces layoffs, April 22, 2020, [www.americanshipper.com](http://www.americanshipper.com)

20. Most Canadian trucking companies aren't TFI. Many need help, April 25, [www.americanshipper.com](http://www.americanshipper.com)

21. CBSA: Truck Crossings Fall 33%, April 28, 2020, [www.ontruck.ca](http://www.ontruck.ca)

The number of Americans and Canadians crossing the border by automobile fell drastically in the second half of March, 2020. In March 2020, the number of Americans entering into Canada by automobile through 111 land ports declined nearly 60% compared with the same month in 2019. Over the same period, the number of Canadians returning from the United States by automobile through these ports dropped by 45% compared with March 2019. Restrictions of non-essential travel at the border in March dramatically altered the pattern of cross-border travel by automobile between the two countries.

#### **11. Monthly load volumes reach 21-month high: Loadlink**

Load volumes on Loadlink's Canadian spot market continued to rise as March 2020 saw a 19 percent increase in total load volumes compared to February 2020. Average daily load volumes rose just two percent, while year-over-year, average daily volumes were 17 percent higher than March 2019. Truck volumes rose seven percent, but the larger boost in load volumes shifted the truck-to-load ratio downwards by 10 percent. Compared to the last quarter of 2019, first quarter load volumes in 2020 were up 25 percent; however, they were only up one percent compared to quarter one of 2019.

#### **12. Relaxing Canada U.S. border restrictions still a long way off: Trudeau**

Prime Minister Justin Trudeau tried to let Donald Trump down gently on April 16, 2020, warning that Canada is still a long way from being ready to agree to relax mutual travel restrictions along its border with the United States. Trudeau said he discussed the issue with the U.S. president during a videoconference with fellow G7 leaders, and the two agreed — given the unique relationship between the two countries — that they would continue to take a different approach to managing bilateral travel with each other from the ones they use with the rest of the world.

#### **13. TFI lays off 1,600 as it hunkers down for COVID-19**

TFI International revealed on April 21, 2020 that it has laid off more than 1,600 employees and cut executive pay as Canada's largest transportation company attempts to weather the economic fallout of COVID-19 in North America. TFI disclosed the cuts as it reported net income C\$75.8 million in its first-quarter financial results, a 16% increase compared with a year earlier. Revenue remained relatively flat, increasing by 1% to C\$1.24 billion. The company began taking steps to cut costs at the beginning of March 2020 as COVID-19's spread intensified "with an eye toward helping TFI emerge even stronger when conditions normalize," TFI CEO Alain Bedard said in a statement.

#### **14. February 2020 North American Transborder Freight Numbers**

Transborder freight between the U.S. and other North American countries (Canada and Mexico) for February 2020 was released by the Bureau of Transportation Statistics on April 20, 2020. Total Transborder freight was \$95.9 billion of transborder freight moved by all modes of transportation, up 1.9% compared to February 2019. The most-used mode trucks moved \$60.8 billion of freight, up 0.9% compared to February 2019. U.S.-Canada trade (both directions) was as follows: Truck: \$26.9b; Rail: \$7.3b; Pipeline: \$5.3b; Air: \$2.8b; and Vessel: \$2.1b.

#### **15. CTA Survey Shows Federal Relief Needed as COVID-19 Severely Straining Trucking Industry**

While public support and appreciation for truck drivers during the COVID-19 crisis remains unprecedentedly high, a recent survey by the Canadian Trucking Alliance shows that federal aid is now required to provide much needed relief to trucking companies whose operations have been severely strained by the impact of the pandemic. CTA president Stephen Laskowski said "But it is becoming increasingly clear that as our industry continues to serve the supply chain and economy as required, it also faces unique and rapidly escalating challenges that requires tailored solutions to protect the stability of the supply chain during the COVID-19 crisis and its aftermath."

#### **16. Truck fleets report plunging loads, layoffs amid Covid-19**

Trucking is identified as an essential service, but Canada's trucking industry is under immense economic pressure in the face of Covid-19 – leading to plunging revenues, layoffs, and cash flow issues in recent weeks. It isn't expected to get better anytime soon. The challenges have been identified through separate surveys by the Canadian Trucking Alliance (CTA), which collected responses from 100 carrier members, and a monthly survey of Today's Trucking readers, representing responses in the last week from 246 trucking industry representatives. The surveyed CTA fleets, which collectively represent 60,000 Canadian workers, reported an average 27% drop in revenue, and a 300% increase in empty miles – with a drop in backhauls sacrificing margins and the ability to cover full costs. Sixty-three percent of respondents say customers have asked for payment deferrals or simply not to pay for trucking services.

#### **17. Trucking firm Mullen Group reports 1,000 layoffs as pandemic slows economy**

Trucking, logistics and oil field services firm Mullen Group Ltd. says it has temporarily laid off about 1,000 people because of the impact of measures to control the COVID-19 pandemic. Chairman and CEO Murray Mullen says the Calgary-based company was outperforming its year-earlier performance until mid-March 2020, when demand for its services turned lower. Mullen says the company has established a \$5-million family assistance fund to help staff affected by the downturn. The company reported net income of \$4.7 million or four cents per share on revenue of \$318 million in the three months ended March 31, 2020. That's down from net income of \$11.6 million or 11 cents on revenue of \$320 million in the first quarter of 2019.

## 18. Food supply chain in peril as plants close amid COVID-19 pandemic

As more than a dozen meat processing plants and packaged food companies shut operations because of infected workers, truck drivers, pork producers and egg farmers say they are running out of options amid the coronavirus pandemic. Truck driver Mike Baker of Weymouth, Massachusetts, who hauls refrigerated freight, says it's been hard to find good-paying loads the past two weeks for pork, beef and chicken from plants owned by two of the nation's largest meat processors, including JBS USA, headquartered in Greeley, Colorado, and Springdale, Arkansas-based Tyson Foods.

## 19. Another autonomous trucking startup announces layoffs

It's been a tough seven days for autonomous trucking startups. Last week, Kodiak Robotics laid off more than a dozen employees. And now Ike, another company aiming to automate long-haul trucking, has laid off ten employees, equating to 14% of its staff, the Information reported on April 22, 2020. Like many transportation companies that have laid off workers in recent weeks, Ike cited the pandemic as the proximate cause of the layoffs. "With the uncertainty caused by the COVID-19 crisis, we have made some changes to our team in the interest of ensuring Ike's long term success," the company said in an emailed statement to *FreightWaves*.

## 20. Most Canadian trucking companies aren't TFI. Many need help

The CEO of Canada's largest trucking company didn't mince words about COVID-19 when he discussed first-quarter financial results on April 22. TFI International's Alain Bedard likened the pandemic's impact to a tsunami. But TFI will almost certainly survive COVID-19 and likely come out stronger. It has millions of dollars in cash, hundreds of millions more in untapped credit, and ruthless operating efficiency in its core Canadian and U.S. truckload businesses. "We're not going to lose money in the second quarter, that's for sure," he said. Other Canadian carriers may not survive the second 2020 quarter. TFI represents an exception in Canada, where only eight trucking companies employ more than 500 people. TFI has more than 16,000 employees across North America, and nearly 10,000 owner-operators in North America.

## 21. CBSA: Truck Crossings Fall 33%

The number of trucks entering Canada from the U.S. fell nearly 33% between April 20, 2020 to April 26, 2020, compared to the same period last year, the Canada Border Services Agency (CBSA) reported. "It must be noted that no measures have been introduced restricting commercial shipments or rendering certain products as non-essential, nor is there any indication of issues with supply chains for essential goods coming to Canada, including food and medical supplies," the CBSA said.

## GENERAL TRANSPORTATION

### Canada

### 1. Expectations for infrastructure investment plummet globally, as COVID-19 outbreak shakes confidence

Despite the fact that social infrastructure and water projects – clean water, wastewater operations – are identified as top priorities from private and public sector entities from around the world, a new CG/LA Infrastructure survey shows that global industry leaders, including Canadians, are not hopeful about an increase in infrastructure spending following the worldwide spread of the coronavirus.

### 2. Commentary: How live data is revolutionizing shipping logistics

To a large extent, shipping and logistics is still in the dark ages, at least when it comes to tracking what happens to a shipment during the transit time between, for example, the manufacturer and the warehouse. If your shipping is damaged in transit, how do you know what happened to it and when? The answer is to use a shock and impact recorder. Vibrational, shock and impact data can help the freight transport industry make huge improvements to shipping logistics. The new generation of shock recorders allows shippers to track the stresses their shipments face in real time using Internet of Things (IoT)-connected impact recorders. Live data brings a whole new level of visibility to shipping and logistics, and it's only going to get better.

### 3. U.S. Transportation Secretary Elaine L. Chao Announces \$25 Billion to Help Nation's Public Transportation Systems Respond to COVID-19

## GENERAL TRANSPORTATION

### Canada

1. Expectations for infrastructure investment plummet globally, as COVID-19 outbreak shakes confidence, March 30, 2020, [www.ctl.ca](http://www.ctl.ca)
2. Commentary: How live data is revolutionizing shipping logistics, March 26, 2020, [www.americanshipper.com](http://www.americanshipper.com)
3. U.S. Transportation Secretary Elaine L. Chao Announces \$25 Billion to Help Nation's Public Transportation Systems Respond to COVID-19, April 2, 2020, [www.dot.gov](http://www.dot.gov)
4. US medical suppliers get antitrust clearance to collaborate during pandemic, April 5, 2020, [www.americanshipper.com](http://www.americanshipper.com)
5. Transport in the Face of the Pandemic, April 6, 2020, [www.itf-oecd.org](http://www.itf-oecd.org)
6. Travel-related exposure to COVID-19, April 8, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
7. Canada U.S. ties getting 'constant gardening' to protect supply lines: Freeland, April 9, 2020, [www.ctl.ca](http://www.ctl.ca)
8. IMF: Stung by virus, global economy will shrink 3% in 2020; Canada by 6.2%, April 14, 2020, [www.ctl.ca](http://www.ctl.ca)
9. Bibeau says Canada has enough food but COVID 19 will still cause challenges, April 15, [www.ctl.ca](http://www.ctl.ca)
10. Canada United States border to be closed for another 30 days, April 20, 2020, [www.ctl.ca](http://www.ctl.ca)
11. 2020 compass report: leader survey

The U.S. Department of Transportation's Federal Transit Administration (FTA) on April 2, 2020 announced a total of \$25 billion in Federal funding allocations to help the Nation's public transportation systems respond to the Coronavirus Disease 2019 (COVID-19). Funding is provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed by President Donald J. Trump on March 27, 2020.

highlights, April 23, 2020, [www.westac.ca](http://www.westac.ca)  
12. National Transportation Atlas Database Spring 2020 Update, April 24, 2020, [www.bts.gov](http://www.bts.gov)  
13. Global e-commerce at more than US\$25 trillion in 2018, April 27, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

#### **4. US medical suppliers get antitrust clearance to collaborate during pandemic**

The Justice Department said joint logistics operations among five American medical supply distributors to provide protective medical gear to virus hot spots does not violate antitrust law.

#### **5. Transport in the Face of the Pandemic**

A global health crisis of the magnitude we are experiencing has not struck the international community for over a century. In this unprecedented crisis, all countries and all areas of our daily life are profoundly affected and in disarray. No vaccine and no cure for the new disease are known at this point. Scientists everywhere are working around the clock towards a remedy, but it will take time and humankind remains exposed in the meantime. The sole weapon we currently possess against the virus is to constrain human contact as far as possible. The virus is incapable of travelling; it is we humans who, inadvertently, carry it to new places where it can then wreak more havoc. As a result, the world has come to a near standstill. From local transport to global supply chains, nothing has been spared. In urban traffic and on global trade routes, bustling movement has given way to eerie calm. Roads around the world resemble "arteries without blood", as one commentator put it. Activity in the aviation sector has fallen by 90% or thereabouts; car sales have slumped by the same order of magnitude in some countries; in many cities the level of citizens' mobility is in the single-digit percentages compared to the pre-Coronavirus era. It is a paradigm shift for transport

#### **6. Travel-related exposure to COVID-19**

Since the onset of COVID-19, health authorities have been monitoring the transmission of the virus via travel and community exposures. In Canada, as in other countries, the first cases of COVID-19 were attributed to travel-related exposure. After the government of Canada advised Canadians on March 13, 2020 to avoid all non-essential travel, new cases are increasingly being attributed to community transmission. In Canada, as of April 7, about 26% of COVID-19 cases to date have been related to travel exposure. About 52% of the COVID-19 cases in Canada related to travel are among males, 48% are among females. Approximately 9% of travel-related cases have been hospitalized (among those whose hospitalization status is known), and about 62% of these cases are among males. The age distribution of COVID-19 cases in Canada among those with travel-related exposure is somewhat different from those with community exposure. For those under age 40 or aged 60 to 69, exposure to COVID-19 as of April 7, 2020 tended to be travel-related whereas for 80 years of age or older, community exposure was more prevalent.

#### **7. Canada U.S. ties getting 'constant gardening' to protect supply lines: Freeland**

Canada's relationship with the United States has always required "constant gardening," but never more so than in the throes of a global pandemic, Deputy Prime Minister Chrystia Freeland said on April 8, 2020 as she cheered the partial arrival of a shipment of face masks. Freeland said the "first part" of Canada's order of N95 masks — 500,000 units — arrived late April 7, 2020 night from Minnesota-based 3M, which had been pushing back against White House demands to stop exporting the coveted medical gear.

#### **8. IMF: Stung by virus, global economy will shrink 3% in 2020; Canada by 6.2%**

Beaten down by the coronavirus outbreak, the world economy in 2020 will suffer its worst year since the Great Depression of the 1930s, the International Monetary Fund says in its latest forecast. The IMF said on April 14, 2020 that it expects the global economy to shrink three per cent this year — far worse than its 0.1 per cent dip in the Great Recession year of 2009 — before rebounding in 2021 with 5.8 per cent growth. It acknowledges, though, that prospects for a rebound next year are clouded by uncertainty. The outlook for Canada calls for a contraction of 6.2 per cent this year followed by growth of 4.2 per cent in 2021.

#### **9. Bibeau says Canada has enough food but COVID 19 will still cause challenges**

Higher prices and less variety on store shelves is a possibility as the agriculture industry confronts a wide range of challenges created by COVID-19, the federal agriculture minister said on April 15, 2020. Agriculture Minister Marie-Claude Bibeau said she's confident the country has enough food and stopped short of suggesting Canadians start growing war-era "victory gardens" to supplement their own supplies. But everything from a potential labour shortage on farms to COVID-19 outbreaks among workers at food processing plants will have an impact, she said.

#### **10. Canada United States border to be closed for another 30 days**

Canada has extended its border closure with the United States for 30 days. The closure restricts non-essential travel across the border. The border was originally closed on March 21, 2020 because of the COVID-19 pandemic, with the arrangement set to expire on April 21, 2020. Prime Minister Justin Trudeau confirmed the extension on Saturday. U.S.

president Donald Trump said earlier this week that the border could open soon, but Trudeau and other Canadian political leaders did not strike the same tone in comments.

### **11. 2020 compass report: leader survey highlights**

The Key findings of the 2020 Compass Report are: 1) Business leaders have lost confidence in the business climate to invest; 2) Concerns about a looming economy downturn; and 3) Organizations want a more collaborative approach to problems that persistently hamper supply chain.

### **12. National Transportation Atlas Database Spring 2020 Update**

The Spring 2020 update to the National Transportation Atlas Database (NTAD) was released on April 24, 2020 with three new datasets and nine 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.

### **13. Global e-commerce at more than US\$25 trillion in 2018**

World's top 10 B2C companies in 2018 generated almost \$2 trillion. E-commerce sales hit US\$25.6 trillion globally in 2018, up eight percent from 2017, according to the latest available estimates released on April 27, 2020 by the UN's trade and development body, UNCTAD, at the start of its UNCTAD eWeek event. According to the UNCTAD analysis, the estimated 2018 e-commerce sales value, which includes business-to-business (B2B) and business-to-consumer (B2C) sales, was equivalent to 30 percent of global gross domestic product (GDP) that year.