

Transportation Information Update*

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Editor: Joseph Monteiro*

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Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air Canada Announces Pricing of Offering of Shares and Convertible Senior Notes

Air Canada on May 28, 2020 announced that it has priced both its previously announced underwritten marketed public offering of 30,800,000 Class A Variable Voting Shares and/or Class B Voting Shares of the Company ("Shares") at a price to the public of C\$16.25 per Share (the "Share Offering"), for aggregate gross proceeds of C\$500,500,000 and its concurrent marketed private placement of convertible senior unsecured notes due 2025 ("Convertible Notes") for aggregate gross proceeds of US\$650,000,000 (the "Convertible Notes Offering" and together with the Share Offering, the "Offerings").

2. Aircraft movement statistics: Major airports, March 2020

The number of aircraft take-offs and landings shrank by almost one-third in March 2020 in response to a series of measures imposed by governments in mid-month to combat the COVID-19 pandemic. This relative decline was shared more or less equally by domestic movements, transborder movements between Canada and the United States, and other international movements. The year-over-year decrease in overall transborder activity in March (-29.4%) surpassed the decline experienced in September 2001 (-22.1%). Aircraft take-offs and landings fell to 345,894 movements in March 2020, down 31.6% from 505,481 movements in March 2019. Traffic at the 90 Canadian airports with NAV CANADA air traffic control towers and flight service stations dropped significantly during the second half of the month, as measures to control the COVID-19 pandemic took effect across the country. In response to the new restrictions, some Canadian air carriers shifted their operations to repatriation or cargo flights to facilitate the movement of essential goods. By the end of the month, the majority of companies had either reduced their regular operations significantly or suspended them entirely.

3. Quarterly civil aviation statistics, fourth quarter 2019

In the fourth quarter of 2019, total operating revenue for the largest Canadian air carriers totalled \$6.5 billion, up 4.4% from the same quarter of 2018. Total operating revenue for the 26 largest Canadian air carriers was \$6.5 billion in the fourth quarter, up 4.4% from the fourth quarter of 2018. Net operating income rose 21.6% to \$217.2 million in the fourth quarter. This amount, combined with a net non-operating loss of \$57.3 million, produced a net income of \$160.0 million. Canadian Level I and II air carriers spent \$1.5 billion to purchase turbo fuel, down 6.0% compared with the same quarter in 2018. These airlines recorded a profit margin—net income divided by operating revenue—of 2.5%. In other words, every dollar of service sold in the fourth quarter earned 2.5 cents of profit for these carriers.

4. Pandemic speeds up drone delivery testing

With a loud whir and a whoosh, a fixed-wing drone slingshots out of a medical warehouse, zips through hazy skies at 80 mph, pops open a belly

AIR TRANSPORTATION Canada

1. Air Canada Announces Pricing of Offering of Shares and Convertible Senior Notes, May 28, 2020, www.aircanada.ca
2. Aircraft movement statistics: Major airports, March 2020, May 28, 2020, www.statcan.gc.ca
3. Quarterly civil aviation statistics, fourth quarter 2019, May 29, www.statcan.gc.ca
4. Pandemic speeds up drone delivery testing, May 29, 2020, www.insidelogistics.ca
5. Air Cargo Capacity Crunch: Demand Plummets but Capacity Disappears Even Faster, June 1, 2020, www.iata.org
7. After April Passenger Demand Trough, First Signals of Uptick, June 3, 2020, www.iata.org
7. DOT Statement on Adjustment to Service Obligations, June 4, 2020, www.dot.gov
8. Air Cargo Down 15% Between the U.S. and Foreign Points, March 2020 (Preliminary), June 4, 2020, www.bts.gov
9. US to halt Chinese airlines' access, June 4, 2020, www.ajot.com
10. Air cargo down 15% between the US and foreign points, March 2020, June 8, 2020, www.ajot.com
11. WestJet; safety above all, www.westjet.ca
12. Industry Losses to Top \$84 Billion in 2020, June 9, 2020, www.iata.org
13. Minister of Transport addresses ICAO Council meeting on Flight PS752 and Canada's Safer Skies Strategy, June 10, 2020, www.tc.gc.ca
14. Island-based Ontario First Nation to get drone deliveries, June 10, 2020, www.insidelogistica.ca
15. Preliminary Air Traffic Data, April 2020: 96% Reduction in U.S. Airline Passengers from 2019, June 10, 2020, www.bts.gov
16. Mid-April Airline Employment Down 37,000 from Mid-March, June 10, 2020, www.bts.gov
17. Economic Performance of the Airline Industry, June 9, 2020, www.iata.org
18. Air Canada CEO pleads with Trudeau government to let airlines fly again, June 11, 2020, www.financialpost.ca
19. Temperature Screening for Air Travel, June 12, 2020, www.tc.gc.ca
20. Temperature screening to be required for travellers at Canadian airports, June 12, 2020, www.tc.gc.ca
21. WestJet releases July schedule to get Canadians exploring again, June 15, 2020,

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

hatch and drops a box of medical supplies. Slowed by a little parachute, the box drifts downward and lands with a plop, less than 8 minutes after launch. For North Carolina Department of Transportation's Basil Yap, it is a eureka moment. The Covid-19 pandemic has exposed the deadly consequences of fractured medical supply chains. Drones, said Yap, may be part of the solution. Proponents say they eliminate the need for delivery trucks and avoid human contact.

5. Air Cargo Capacity Crunch: Demand Plummets but Capacity Disappears Even Faster

The International Air Transport Association (IATA) released data for global air freight markets for April 2020 showing that demand dropped 27.7% compared to the same period in 2019 - the sharpest fall ever recorded. Still, there was insufficient capacity to meet demand as a result of the loss of belly cargo operations on passenger aircraft.

6. After April Passenger Demand Trough, First Signals of Uptick

The International Air Transport Association (IATA) announced that demand for air services is beginning to recover after hitting bottom in April 2020. Passenger demand in April (measured in revenue passenger kilometers or RPKs), plunged 94.3% compared to April 2019, as the COVID-19-related travel restrictions virtually shut down domestic and international air travel. This is a rate of decline never seen in the history of IATA's traffic series, which dates back to 1990. More recently, figures show that daily flight totals rose 30% between the low point on 21 April and 27 May, 2020. This is primarily in domestic operations and off of a very low base (5.7% of 2019 demand). While this uptick is not significant to the global dimension of the air transport industry, it does suggest that the industry has seen the bottom of the crisis, provided there is no recurrence. In addition, it is the very first signal of aviation beginning the likely long process of re-establishing connectivity.

7. DOT Statement on Adjustment to Service Obligations

On June 4, 2020, the U.S. Department of Transportation issued Final Order 2020-6-2, finalizing its tentative decisions, as announced in Order 2020-5-5, to allow air carriers to incrementally adjust their service obligations under the Department's Order 2020-4-2. The Department is taking this action in light of ongoing challenges faced by air carriers due to the Coronavirus (COVID-19) public health emergency. The Department used a systematic process to allow covered carriers to reduce the number of points they must serve as a proportion of their total service obligation, subject to certain restrictions.

8. Air Cargo Down 15% Between the U.S. and Foreign Points, March 2020 (Preliminary)

U.S. and foreign airlines carried 15.2% less cargo by weight between the U.S. and foreign points in March 2020 than in March 2019, according to data filed with the Bureau of Transportation Statistics (BTS) by large air carriers.

9. US to halt Chinese airlines' access

The Trump administration issued an order suspending passenger flights from China-based airlines, saying it was retaliation for Beijing barring American carriers from re-entering that market, in a continued escalation of tensions between the two nations. The order issued June 3, 2020 goes into effect June 16 but President Donald Trump can act sooner if he chooses, the Department of Transportation said in a statement.

10. Air cargo down 15% between the US and foreign points, March 2020

U.S. and foreign airlines carried 15.2% less cargo by weight between the U.S. and foreign points in March 2020 than in March 2019, according to data filed with the Bureau of Transportation Statistics (BTS) by large air carriers.

11. WestJet; safety above all

On June 9, 2020, WestJet announced its travel hygiene program under the Safety above all umbrella, detailing what WestJet guests can expect when travelling to ensure their health and safety. The video series and WestJet's fulsome

www.westjet.ca

22. First Quarter 2020 U.S. Airline Financial Data, June 15, 2020, www.bts.gov

23. U.S. Department of Transportation Further Modifies June 3 Order Regarding Chinese Carriers, June 15, 2020, www.bts.gov

24. Minister of Transport's motion in the House of Commons on Ukraine International Airlines Flight PS752, June 17, 2020, www.tc.gc.ca

25. Weekly aircraft movements, May 30 to June 5, 2020, June 17, 2020, www.statcan.gc.ca

26. April 2020 U.S. Airlines Cargo (Preliminary): International Shipments Down 15%, June 17, 2020, www.bts.gov

27. April 2020 U.S. Passenger Airline Employment Data, June 18, 2020, www.bts.gov

28. DOT Fines Spirit Airlines for Violating DOT's Oversales (Bumping) Rules, June 19, 2020, www.dot.gov

29. Air Canada Celebrates Summer by Offering Aeroplan Members Access to Video Content from Canadian Partners, June 22, 2020, www.aircanada.ca

30. Air Canada Completes Financing Transactions Raising Additional \$1.23 Billion, June 22, 2020, www.aircanada.ca

31. Air Cargo Down 21% Between the U.S. and Foreign Points, April 2020 (Preliminary), June 23, 2020, www.bts.gov

32. WestJet announces organizational changes to secure its future, June 24, 2020, www.westjet.ca

33. WestJet cuts 3,333 jobs with goal of survival, June 24, 2020, www.globeandmail.ca

34. Weekly aircraft movements, June 6 to 12, 2020, June 24, 2020, www.statcan.gc.ca

35. IATA Proposes Alternatives to Quarantine, June 24, 2020, www.iata.org

36. Air Canada offers refunds to some passengers with cancelled flights, June 25, 2020, www.aircanada.ca

37. Statement by Minister of Foreign Affairs and Minister of Transport on Iran's decision to send Flight PS752 black boxes to France, June 26, 2020, www.tc.gc.ca

38. Aircraft movement statistics: Major airports, April 2020, June 26, 2020, www.statcan.gc.ca

39. Air travel is about to go through its biggest transformation since 9/11 — and passengers will pay for it, June 29, 2020, www.financialpost.ca

40. Air Travel Consumer Report: April 2020 Numbers, June 26, 2020, www.bts.gov

hygiene measures can be found here. "Safety, including hygiene and health, is above all at WestJet, which is why the already-existing mantra was selected to communicate our hygiene efforts as a result of the COVID-19 pandemic," said Billy Nolen, WestJet Vice-President, Safety, Security and Quality. "Safety is at the forefront of every decision and initiative at WestJet and our efforts on health and hygiene are no exception. As the world continues to adapt to this new environment, we will continue to adjust our health measures to ensure the safest travel experience possible as more Canadians begin to fly once again."

12. Industry Losses to Top \$84 Billion in 2020

The International Air Transport Association (IATA) released its financial outlook for the global air transport industry showing that airlines are expected to lose \$84.3 billion in 2020 for a net profit margin of -20.1%. Revenues will fall 50% to \$419 billion from \$838 billion in 2019. In 2021, losses are expected to be cut to \$15.8 billion as revenues rise to \$598 billion. "Financially, 2020 will go down as the worst year in the history of aviation..."

13. Minister of Transport addresses ICAO Council meeting on Flight PS752 and Canada's Safer Skies Strategy

On June 10, 2020, the Minister of Transport, the Honourable Marc Garneau, joined the virtual meeting of the International Civil Aviation Organization (ICAO) Council to discuss progress on ICAO's work related to Flight PS752 (shot down near Tehran), conflict zones and the Government of Canada's Safer Skies Strategy. Canada continues to advocate for transparency, accountability, justice, and a full investigation to help families seek closure.

14. Island-based Ontario First Nation to get drone deliveries

Ontario's Beausoleil First Nation Community (BFN) located on Christian Island in Georgian Bay will soon be served by a drone delivery route. GlobalMedic will deploy Sparrow drones from Drone Delivery Canada Corp. (DDC) to limit person-to-person contact on its island ferry service by transporting Covid-19 related cargo such as personal protection equipment (PPE), hygiene kits, test kits, test swabs, etc.

15. Preliminary Air Traffic Data, April 2020: 96% Reduction in U.S. Airline Passengers from 2019

U.S. airlines carried 96% fewer scheduled service passengers in April 2020 than in April 2019, according to preliminary data filed with the Bureau of Transportation Statistics (BTS) by 24 airlines that carry 99% of the passengers. The 96% annual decline in the number of passengers from April 2019 is the largest year-to-year decrease on record, larger than the 51% decline from March 2019 to March 2020. The large airlines carried 3.0 million passengers in April 2020, the lowest monthly total in BTS records dating back to 1974. The previous low was 14.6 million passengers in February 1975.

16. Mid-April Airline Employment Down 37,000 from Mid-March

US airlines employed 715,017 workers in the middle of April 2020, almost 37,000 fewer than in mid-March 2020 and almost 21,000 fewer than in April 2019. The April 2020 numbers consist of 604,551 full-time and 110,466 part-time workers.

17. Economic Performance of the Airline Industry

The Key Points of IATA's semi-annual report are indicated below: 1) The impact of COVID-19 on the global economy will be severe. Global GDP growth is expected to contract by 5.0% in 2020. 2) COVID-19 will have a significant impact on international trade (13% decline) which has been suffering from the US-China trade war. 3) 2020 will be the worst year in history for airlines (net loss of \$84.3bn) and losses will continue in 2021, albeit to a lesser extent. 4) Airlines in all regions are expected to record negative operating income in 2020. 5) Revenues are expected to fall by more than demand as airlines are significantly discounting ticket prices to help stimulate travel. 6) The sharp fall in revenue led to high cash burn due to fixed and semi fixed costs. Airlines face pressure to reduce operating costs. 7) 32 million jobs supported by aviation (including tourism) are at risk. 8) Restoring air transport connectivity will be critical in the post-COVID period to support the recovery in economic development.

18. Air Canada CEO pleads with Trudeau government to let airlines fly again

Calin Rovinescu said the government's rules on travellers are now 'disproportionate' as the COVID-19 pandemic eases in many regions. Canada should loosen travel restrictions and "enable us to do some reasonable amounts of business," the head of Air Canada said. Chief Executive Officer Calin Rovinescu said the Canadian government's rules on travellers are now "disproportionate" as the COVID-19 pandemic eases in many regions. Most international flights have been cancelled and the U.S.-Canada border has been shut to all but essential travel since March 21, 2020. That could be extended past the planned June 21 expiry, the CBC and Reuters reported this week.

19. Temperature Screening for Air Travel

The Government of Canada will now require temperature screenings for all passengers flying in or to Canada. Passengers departing Canadian airports for either international or domestic destinations will also be subject to a temperature screening. This new screening measure will be in addition to the existing health screening and face covering measures already in place. Measures already in place include mandated face coverings for air travellers and transportation workers; health checks for those who need to travel; health guidance for the air industry; and temporary changes to help maintain physical distancing on aircrafts.

20. Temperature screening to be required for travellers at Canadian airports

The Government of Canada is taking a phased approach to implementing temperature screening. Phase 1: By June 30, 2020, all air operators will be required to conduct temperature screenings of all passengers travelling to Canada prior to departure from international or transborder points of departure. Phase 2: By the end of July, temperature screening stations will be placed in the departure section of the four major airports that are currently identified as the only Canadian airports for international travel (Montréal, Toronto, Calgary, Vancouver). Phase 3: By September 2020, temperature screening stations will be in place in the departure sections of the next 11 busiest airports in Canada (St. John's, Halifax, Québec City, Ottawa, Toronto – Billy Bishop, Winnipeg, Regina, Saskatoon, Edmonton, Kelowna, Victoria). In addition, all employees and personnel that enter or work in the restricted area of the airport will be subject to temperature screening procedures by Canadian Air Transport Security Authority personnel.

21. WestJet releases July schedule to get Canadians exploring again

WestJet on June 15, 2020 released its updated July 2020 schedule, developed to allow Canadians the pleasure of summer travel while economically supporting communities across the country in safely reopening travel and domestic tourism. In addition, the airline has added flights to select U.S. markets. To ensure guests can book with confidence, the airline maintains its stringent Safety Above All hygiene program and continues to provide flexibility in booking, change and cancellation policies. "Today's schedule reflects our commitment to orderly and safe travel while providing steps to allow Canadians to get out, explore, and take part in critical economic activities like staying in hotels, eating out, visiting tourist attractions or simply just travelling to see friends and family," said Arved von zur Muehlen, WestJet Chief Commercial Officer. "Governments and Canadians from coast-to-coast are working together to lessen the impact of this pandemic and we are grateful that these efforts have put us in a position to add more options for travel this July."

22. First Quarter 2020 U.S. Airline Financial Data

U.S. scheduled passenger airlines reported a first-quarter 2020 after-tax net loss of \$5.2 billion and a pre-tax operating loss of \$4.6 billion. The first-quarter losses follow 27 consecutive quarterly after-tax net profits and 35 consecutive quarterly pre-tax operating profits. U.S. airline financial reports are filed quarterly with the Bureau of Transportation Statistics (BTS). See the tables that accompany this release on the BTS website for additional first-quarter 2020.

23. U.S. Department of Transportation Further Modifies June 3 Order Regarding Chinese Carriers

Since March 2020, Chinese government policy had blocked U.S. air carriers from resuming passenger service between the United States and China. Chinese air carriers continued to fly between the two countries. The United States responded with an order, effective June 16th, that would limit Chinese air carriers to the total number of flights U.S. air carriers were allowed to fly. On June 15th, the U.S. Department of Transportation was notified that U.S. carriers have been approved to fly 4 weekly flights to China. The affected U.S. airlines have confirmed this. This action by the Chinese government, as an important first step to fully restore air travel was welcomed. Consequently, the Department is amending its order to allow the Chinese air carriers to continue to fly 4 weekly flights between China and the United States.

24. Minister of Transport's motion in the House of Commons on Ukraine International Airlines Flight PS752

On June 17, 2020, the Minister of Transport, the Honourable Marc Garneau, presented a motion in the House of Commons regarding Ukraine International Airlines Flight PS752. The motion called for the resolution of matters like condolences, steps that have been taken, further actions to be pursued, etc. It received unanimous consent.

25. Weekly aircraft movements, May 30 to June 5, 2020

Data on weekly aircraft itinerant movements are now available for May 30 to June 5, 2020 on statcan website.

26. April 2020 U.S. Airlines Cargo (Preliminary): International Shipments Down 15%

U.S. airlines carried 1.3% less cargo by weight in April 2020 than in April 2019 with a 15% decline in international cargo, according to preliminary data filed with the Bureau of Transportation Statistics (BTS) by 15 of the leading cargo airlines. The 15 airlines carry more than 95% of the total cargo by weight on U.S. airlines. Cargo data consists of freight and mail carried within the U.S. and between the U.S. and foreign points.

27. April 2020 U.S. Passenger Airline Employment Data

The 23 U.S. scheduled passenger airlines employed 6.7% fewer full-time equivalents (FTEs) in mid-April 2020 than in mid-March 2020.

28. DOT Fines Spirit Airlines for Violating DOT's Oversales (Bumping) Rules

The U.S. Department of Transportation (DOT) on June 19, 2020 fined Spirit Airlines \$350,000 for violating federal rules protecting passengers who are denied boarding ("bumped") on oversold flights, and for not providing accurate reporting of passengers denied boarding. The airline was also ordered to cease and desist from future similar violations.

29. Air Canada Celebrates Summer by Offering Aeroplan Members Access to Video Content from Canadian Partners

Air Canada announced on June 22, 2020 that it is kicking off summer by offering a broad selection of entertainment content free to Aeroplan members in Canada. The carrier is making over 200 titles, including films, shorts and other video from its Canadian partners, available for streaming at no charge until July 22, 2020.

30. Air Canada Completes Financing Transactions Raising Additional \$1.23 Billion

Air Canada on June 22, 2020 announced that it recently closed two additional financing transactions for net proceeds of \$1.23 billion. Since the start of the COVID-19 pandemic in the first quarter of 2020, Air Canada has raised \$5.5 billion of liquidity. On June 22, 2020, Air Canada completed a private offering of \$840 million aggregate principal amount of 9.00% Second Lien Secured Notes due 2024 (the "2024 Notes"), which were sold at 98% of par. The 2024 Notes are secured obligations of Air Canada, secured on a second lien basis by certain real estate interests, ground service equipment, certain airport slots and gate leaseholds, and certain routes and the airport slots and gate leaseholds utilized in connection with those routes. Earlier in June 2020, Air Canada completed a private offering of one tranche of Class C EETCs

31. Air Cargo Down 21% Between the U.S. and Foreign Points, April 2020 (Preliminary)

U.S. and foreign airlines carried 21% less cargo by weight between the U.S. and foreign points in April 2020 than in April 2019, including a 44% decline in cargo between the U.S. and Europe, according to data filed with the Bureau of Transportation Statistics (BTS) by large air carriers.

32. WestJet announces organizational changes to secure its future

On June 24, 2020, WestJet announced organizational changes that will see the company consolidate call centre activity in Alberta, contract out airport operations in all domestic airports outside of Vancouver, Calgary, Edmonton and Toronto, and strategically restructure its office and management staff. The moves are aimed at streamlining WestJet for a competitive future following the COVID-19 crisis.

33. WestJet cuts 3,333 jobs with goal of survival

WestJet Airlines Ltd. has announced a series of job cuts and head office changes it says are aimed at ensuring the Calgary-based carrier can compete when the COVID-19 pandemic eases. WestJet said on June 24, 2020 that 3,333 employees will permanently lose their jobs as the airline contracts out all domestic airport operations outside of Vancouver, Calgary, Edmonton and Toronto, restructures its management and consolidates its call centre in Alberta.

34. Weekly aircraft movements, June 6 to 12, 2020

Data on weekly aircraft itinerant movements are now available for June 6 to June 12 on statcan website.

35. IATA Proposes Alternatives to Quarantine

The International Air Transport Association (IATA) urged governments to avoid quarantine measures when re-opening their economies. IATA is promoting a layered approach of measures to reduce the risk of countries importing COVID-19 via air travel and to mitigate the possibility of transmission in cases where people may travel while unknowingly being infected. "Imposing quarantine measures on arriving travelers keeps countries in isolation and the travel and tourism sector in lockdown. Fortunately, there are policy alternatives that can reduce the risk of importing COVID-19 infections while still allowing for the resumption of travel and tourism that are vital to jumpstarting national economies. We are proposing a framework with layers of protection to keep sick people from traveling and to mitigate the risk of transmission should a traveler discover they were infected after arrival," said Alexandre de Juniac, IATA's Director General and CEO.

36. Air Canada offers refunds to some passengers with cancelled flights

Air Canada has quietly changed its refund policy to allow some customers whose flights were cancelled due to the COVID-19 pandemic to recoup their cash – but not passengers whose trips originated in Canada. Customers with flights originating in the European Union, Switzerland and Iceland due to the pandemic are "entitled to receive a refund," states a document recently posted to Air Canada's website.

37. Statement by Minister of Foreign Affairs and Minister of Transport on Iran's decision to send Flight PS752 black boxes to France

The Honourable François-Philippe Champagne, Minister of Foreign Affairs, and the Honourable Marc Garneau, Minister of Transport, on June 26, 2020 issued the following statement: "We welcome today's announcement at the International Civil Aviation Organization Council meeting that Iran has finally formally committed to July 20 for the download of the data of the flight recorders of Ukraine International Airlines Flight PS752 at France's Civil Aviation Safety Investigation and Analysis Bureau. "We will continue to hold Iran to account and seek accountability, transparency, justice and compensation for the victims of this tragedy, including a thorough, credible and transparent investigation."

38. Aircraft movement statistics: Major airports, April 2020

After declining during the second half of March 2020, air traffic reached unprecedented lows in April 2020, with the total number of aircraft movements falling almost three-quarters (-73.5%) from April 2019. Transborder and other

international movements both decreased by almost 90% compared with the same month in 2019. Calgary International, Alberta, was Canada's busiest airport for the first time since February 1971, reporting 5,668 take-offs and landings.

39. Air travel is about to go through its biggest transformation since 9/11 — and passengers will pay for it

Nearly two decades after the 9/11 terrorist attacks transformed airports, leading to security barriers where none had existed before, the coronavirus pandemic is once again upending air travel. This time around, the focus is on health measures, and the use of technology that in theory could make the experience “touchless” and more automated, but could also lead to higher ticket prices.

40. Air Travel Consumer Report: April 2020 Numbers

The U.S. Department of Transportation on June 26, 2020 released its June 2020 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of April 2020. In April 2020, reporting marketing carriers posted an on-time arrival rate of 55.7%, the lowest monthly on-time arrival rate since reporting of on-time numbers began in 1987. In April 2020, reporting marketing carriers cancelled 41.3% of their scheduled domestic flights, the highest monthly rate on record. In April 2020, airlines reported no tarmac delays of more than three hours on domestic flights, compared to one tarmac delay reported in March 2020 and the 29 tarmac delays reported in April 2019. In April 2020, the reporting marketing carriers posted a mishandled baggage rate of 4.23 mishandled bags per 1,000 checked bags, a lower rate than both the March 2020 rate of 4.41 per 1,000 checked bags and the April 2019 rate of 5.57 per 1,000 checked bags.

WATER TRANSPORTATION

1. Ports America Chesapeake welcomes new on-dock rail at Seagirt Marine Terminal

Ports America Chesapeake, terminal operator of the Port of Baltimore's Seagirt Marine Terminal, recently announced the expansion of its partnership with Norfolk Southern Corporation to offer on-dock intermodal rail service at Seagirt starting on May 26th. The new on-dock loading will offer enhanced services for Norfolk Southern's international customers, shifting its international intermodal business from their Bay View yard operation to Seagirt Marine Terminal. For Port of Baltimore, which handled a record-breaking 43.6 million tons of international cargo in 2019, and Seagirt Marine Terminal, the new service will support the on-going growth of the port.

2. Minister Garneau announces updated measures for cruise ships and passenger vessels in Canadian waters up to October 31, 2020

On May 29, 2020, the Minister of Transport, the Honourable Marc Garneau, announced updated measures pertaining to cruise ships and passenger vessels in Canadian waters. 1) Cruise ships with overnight accommodations allowed to carry more than 100 persons are prohibited from operating in Canadian waters until October 31, 2020. 2) As of July 1, 2020, all other passenger vessels must follow provincial, territorial, local and regional health authority requirements for timelines and processes to resume operations. Passenger vessels with the capacity to carry more than 12 persons continue to be prohibited from entering Arctic coastal waters (including Nunatsiavut, Nunavik and the Labrador Coast) until October 31, 2020. Beginning July 1, 2020, passenger vessels will be allowed to operate in inland rivers and lakes in the Northwest Territories, Nunavut and Yukon.

3. Halifax 2020 Cruise Season Suspended

WATER TRANSPORTATION Canada

1. Ports America Chesapeake welcomes new on-dock rail at Seagirt Marine Terminal, May 28, 2020, www.ajot.com
2. Minister Garneau announces updated measures for cruise ships and passenger vessels in Canadian waters up to October 31, 2020, May 29, 2020, www.tc.gc.ca
3. Halifax 2020 Cruise Season Suspended, May 29, 2020, www.portofhalifax.ca
4. Marine industries' contribution to US economy swells, June 2, 2020, www.americanshipper.com
5. Port of Metro Vancouver: Accumulated Container Traffic (January to April 2020), June 5, 2020, www.portmetrocanvouver.com
6. Port of Prince Rupert: Accumulated Container Traffic (January to April 2020), June 5, 2020, www.rupertport.com
7. CMA CGM reports profit, eyes 10 percent H1 volume fall, June 5, 2020, www.americanshipper.com
8. Fednav shores up maritime operations, June 9, 2020, www.americanshipper.com
9. Port of Montreal: Accumulated container statistics (January to May 2020), May 9, 2020, www.portofmontreal.ca
10. Future Maritime Trade Flows, June 9, 2020, www.itf-oecd.org
11. Port of Prince Rupert Volumes Remain Strong Through Covid-19 Crisis, June 9, 2020,

The Halifax 2020 Cruise Season has been suspended due to COVID-19. Updated measures announced earlier on May 29, 2020 by the Minister of Transport, the Honourable Marc Garneau, effectively mean there will be no cruise vessel calls in Halifax this year. This is done to protect the health and well-being of all involved. The Halifax Port Authority has been and will continue to work with partners across tourism in Nova Scotia to rebuild the cruise industry in Halifax and Atlantic Canada. Together, we will weather this storm and prepare for brighter days ahead.

4. Marine industries' contribution to US economy swells

The United States' marine economy contributed about \$373 billion to the nation's gross domestic product in 2018 and grew faster than the nation's economy as a whole, according to statistics released on June 2, 2020. The statistics come from research conducted by two U.S. Department of Commerce agencies — the National Oceanic and Atmospheric Administration (NOAA) and the Bureau of Economic Analysis (BEA) — on 10 sectors representing businesses dependent on the nation's oceans, coasts and Great Lakes from 2014 to 2018. The agencies said marine-related GDP grew 5.8% from 2017 to 2018, faster than the 5.4% growth of the total U.S. GDP. Businesses included in the report also supported 2.3 million jobs in 2018.

5. Port of Metro Vancouver: Accumulated Container Traffic (January to April 2020)

The Port of Metro Vancouver published its accumulated container traffic for the period January to April 2020. Total TEUs for this period changed -10.6% to 1,013,723 compared to 1,133,669 for this period in 2019. Total imports for this period changed -7.9% to 540,558 compared to 586,639 for this period in 2019. Total exports for this period changed -13.5% to 473,165 compared to 547,030 for this period in 2019.

6. Port of Prince Rupert: Accumulated Container Traffic (January to April 2020)

The Port of Prince Rupert published its accumulated container traffic for the period January to April 2020. Total TEUs for this period changed -4.6% to 330,037.00 from 346,058.00 for the same period in 2019. Total imports for this period changed 1.8% to 187,456.50 compared to 184,053.50 for this period in 2019. Total exports for this period changed -11.99% to 142,581.50 compared to 162,005.00 for this period in 2019.

7. CMA CGM reports profit, eyes 10 percent H1 volume fall

CMA CGM is expecting its global volume to decline by 10 percent in the first half as the impact on demand of the coronavirus disease 2019 (COVID-19) worsens through the second quarter. CMA CGM reported a group net profit of \$48 million for the first quarter, an apparent turnaround from a \$43 million loss in the same period last year, but that net result includes an \$815 million gain from the disposal of port stakes in Terminalink to joint venture partner China Merchants in March 2020. The Marseille-based carrier saw volumes drop 4.6 percent in Q1 and says demand has remained depressed in the first two months of Q2 as COVID-19 lockdown measures continued to weigh on global consumption.

8. Fednav shores up maritime operations

Canada's largest privately owned bulk carrier has placed all of its marine-related activities under the leadership of a new single Marine Department. Montreal-based Fednav Ltd. also placed Tina Revsbech, executive vice president, in charge of the Marine Department, which will combine the shipping company's chartering and operations but also their counterparts in the shipowning, technical and Arctic units.

9. Port of Montreal: Accumulated container statistics (January to May 2020)

The Port of Montreal published its accumulated container statistics (TEUs) on June 9, 2020 for the period January 2020 to May 2020. Total traffic changed -2.49% to 698,966 TEUs for the above period. For the month of May 2020, total traffic changed significantly by -15.27% to 131,415 TEUs, the most significant drop for any month in 2020. Total imports were 63,331 TEUs and total exports were 68,084 TEUs in May 2020.

10. Future Maritime Trade Flows

The latest report on maritime trade flows from the ITF-OECD looks to global maritime goods transport over the coming decades. It examines uncertainties including demand, the Belt and Road Initiative, and Arctic shipping.

11. Port of Prince Rupert Volumes Remain Strong through Covid-19 Crisis

www.rupertport.com

12. Thirty recipients recognized with Blue Circle Awards for voluntary efforts to conserve energy and reduce emissions, June 11, 2020, www.portofmetrovancooover.com

13. St. Lawrence Seaway active with international shipments, moving global supply chain, June 11, 2020, www.ajot.com

14. Shippers get behind Laurentia port development, June 15, 2020, www.insidelogistics.ca

15. FMC's Canadian ballast water rule investigation begins, June 16, 2020, www.americanshipper.com

16. Port of Montreal hits records again in 2019, June 16, 2020, www.isidelogistics.ca

17. Port of Savannah volume down 9.7%, June 16, 2020, www.americanshipper.com

18. Port of Trois-Rivières posts record 2019, June 17, 2020, www.insidelogistics.ca

19. Hamilton port to develop 60-acre site, June 17, 2020, www.insidelogistics.ca

20. Port Houston container volume slides in May - year-to-date container activity up 1%, June 17, 2020, www.ajot.com

21. Port of LA sets unloading record, June 22, 2020, www.insidelogistics.ca

22. Minister Garneau recognizes the essential contribution of seafarers on their international day, June 25, 2020, www.tc.gc.ca

23. Laurentia project aims to win back business, June 25, 2020, www.insidelogistics.ca

24. Maritime industry's need for digital transformation surfaces, June 25, 2020, www.americanshipper.com

25. Savannah now the top US port for ag exports, June 25, 2020, www.ajot.com

May cargo volumes reveal that the Port of Prince Rupert's performance remains strong during a challenging economic situation and illustrate that a diverse port complex is critical to ensuring resiliency. Overall, the Port of Prince Rupert's cargo volume is up 9% with 12,615,661 tonnes of cargo handled year-to-date, led by strong dry bulk volumes both for the month and year-to-date. Ridley Terminals is experiencing the biggest growth in volume, up 68% from May 2019 volumes and up 39% year-to-date. The addition of propane volume from the AltaGas Ridley Island Propane Export Terminal, which has been operating for just over a year, has also contributed to the steady overall performance of the Port. As well, with strong demand for wood pellets, Westview Terminal is experiencing growth of 24% year-to-date.

12. Thirty recipients recognized with Blue Circle Awards for voluntary efforts to conserve energy and reduce emissions

In the second week of June 2020, the Vancouver Fraser Port Authority recognized 28 marine carriers and two terminal operators for a combined total of 30 Blue Circle Awards for their voluntary efforts to conserve energy and reduce emissions in the Port of Vancouver. Eighteen shipping lines, six cruise lines, four coastal marine operators and two terminal operators were the recipients of the 11th annual Blue Circle Awards. The awards recognize industry partners that excel in environmental stewardship and attain the highest level of participation in the port authority's EcoAction Program and Energy Action Initiative.

13. St. Lawrence Seaway active with international shipments, moving global supply chain

American ports in the Great Lakes-St. Lawrence Seaway system recorded particularly noteworthy increases in project cargo as they advance the global supply chain, trading with 22 countries during the first two months of the navigation season. Year-to-date total tonnage—from the opening of the St. Lawrence Seaway on April 1, 2020 through May 31, 2020—is situated at 7.7 million metric tons (mt), down 10.2 percent compared to this time last year. This navigation season brings to light the partnership between the Port of Monroe, Spliethoff Group's BigLift Shipping, and Ventower Industry. All working together to move, handle and manufacture wind towers for a General Electric project based in Michigan. "In times like these, it is reassuring to see our ports in the Great Lakes St. Lawrence Seaway System working hard to keep the supply chain moving..." said Craig H. Middlebrook, Deputy Administrator of the U.S. Saint Lawrence Seaway Development Corporation.

14. Shippers get behind Laurentia port development

More than one hundred companies have given their support to the development of Laurentia, the Port of Québec's deep-water container terminal project. The Quebec Container Terminal, operated by Hutchison Port Holdings and Canadian National, will open in early 2024 and will provide shippers with access to traditional markets in Europe and the Mediterranean as well as markets in Southeast Asia. The Laurentia Project includes a wharf with a 16-metre water depth, capacity to accommodate 13,000-TEU container ships and a direct connection to a high-performance rail transportation network that can reach one hundred million North American consumers.

15. FMC's Canadian ballast water rule investigation begins

The U.S. Federal Maritime Commission (FMC) said on June 16, 2020 that it will start its investigation into whether Canada's proposed ballast water regulations discriminate against U.S.-flag vessels operating in the Great Lakes and St. Lawrence Seaway. The FMC published a notice on its website setting a 30-day deadline for interested parties to submit comments related to the commission's investigation. The notice will also be published in the Federal Register soon.

16. Port of Montreal hits records again in 2019

The Port of Montreal had a sixth consecutive record year in 2019. Total volume of goods reached 40.6 million tonnes, up 4.3 percent from 2018. President and CEO Sylvie Vachon, accompanied by the chair of the Board of Directors, presented the operating results for 2019 during a virtual annual meeting on June 15, 2020. The container sector also set a new record with 15.1 million tonnes of containerized cargo and 1.75 million twenty-foot equivalent units (TEUs). Market diversification continued: 27 percent of containerized trade was with Asia (an eight percent increase), five percent with South America and four percent with Africa and Oceania. At 57 percent, Europe remained the main market. At the same time, trade with the U.S. Midwest enjoyed an 11 percent upswing.

17. Port of Savannah volume down 9.7%

The Georgia Ports Authority (GPA) reported this week that while year-over-year container volume was down, May 2020's figures actually were better than expected. The Port of Savannah's Garden City Terminal moved 337,359 twenty-foot equivalent units (TEUs) in May 2020, a decrease of 9.7% or 36,000 TEUs compared to the same month a year ago.

18. Port of Trois-Rivières posts record 2019

The Trois-Rivières Port Authority (TRPA) welcomed 260 vessels, including 25 cruise ships, and set a new handling record of 4.2 million tonnes of cargo in 2019. The port generated a net income of \$2.9 million. Gaétan Boivin, president and CEO said "Once again, we owe this record-breaking year to our valued partners – our users, workers and customers. Their commitment makes the Port of Trois-Rivières a facility that stands out."

19. Hamilton port to develop 60-acre site

HOPA Ports (Hamilton Oshawa Ports Authority) and Max Aicher North America (MANA) will work together to develop a parcel of MANA's Hamilton harbourfront property. In the course of modernizing its existing Hamilton facility, MANA, which supplies hot rolled steel bar products, has identified 60-acres of its site as surplus to its operational needs. The site is located in the northeast corner of pier 18, within Hamilton's Bayfront industrial area, and is served by marine, rail and road transportation.

20. Port Houston container volume slides in May - year-to-date container activity up 1%

Container activity at Port Houston, the largest container port on the United States Gulf Coast, continued slowing in May 2020 due to the coronavirus outbreak and TEUs were down 16%. Container activity remains up 1% for the year compared to 2019. Port Houston handled a total of 222,250 twenty-foot equivalent units (TEUs) in May 2020, compared to May of 2019, when a total of 263,061 TEUs were handled. For the full year Port Houston has handled 1,216,877 TEUs, surpassing the 1,209,921 TEUs for the same period in 2019.

21. Port of LA sets unloading record

History was made this week when the Port of Los Angeles, MSC Mediterranean Shipping Company, APM Terminals Los Angeles and International Longshore and Warehouse Union (ILWU) Locals 13, 63 and 94 successfully moved 18,465 containers from the MSC Isabella during a single ship call at APM Terminals' Pier 400. This new all-time world record — equal to 34,263 TEUs — is 1,385 containers more than the previously held record.

22. Minister Garneau recognizes the essential contribution of seafarers on their international day

In honour of the International Maritime Organization's annual Day of the Seafarer, the Minister of Transport, the Honourable Marc Garneau, is proud to recognize the essential role seafarers play, at home and abroad, in their contributions to maritime trade. The theme to mark this year's Day of the Seafarer is "Seafarers are Key Workers." The Government of Canada applauds all seafarers in Canada and worldwide. They are indeed the key workers at the front lines, and they remain committed to the movement of people and the goods our country depends on, even during these challenging times.

23. Laurentia project aims to win back business

The head of a project to build a container terminal in Quebec City says the port expansion will help Canada claw back business from U.S. harbours. Don Krusel, executive director of the Quebec Port Authority's \$775-million undertaking, says the country's share of container shipping traffic in North America has lost ground to beefed-up U.S. ports, falling 18 per cent since 2008. The shrinking market share is all the more striking as U.S. East Coast volumes surge due to shifting global supply chains. The growth of production in Southeast Asia has redirected some container shipping away from the West Coast and toward Atlantic ports.

24. Maritime industry's need for digital transformation surfaces

The coronavirus pandemic has brought the need for seamless information flows among global maritime industry stakeholders to the surface. "This COVID crisis has at least made one thing very clear," said Jaco Voorspruij. During the rush to deliver personal protective equipment and toilet paper, "people make distinctions between essential and nonessential goods, meaning you need to know quite a lot of detail about the cargo. The maritime mode has struggled a lot to provide the information to those that need it to clear the goods through Customs and make them available at the right place at the right time."

25. Savannah now the top US port for ag exports

The Port of Savannah's proximity to major producers, direct access via road and rail, broad global network and responsiveness to customer needs have recently made it the top port in the nation for the export of containerized agricultural goods. "Agriculture is a major driver for Georgia's economy, contributing \$74 billion in annual economic benefit and nearly 400,000 jobs across the state," said Georgia Gov. Brian Kemp. "As this country's No. 1 port for the export of agricultural products, Savannah provides vital support for the state and nation, helping our farmers reach overseas buyers efficiently." In Calendar Year 2019, agriculture accounted for 60 percent of Savannah's exports, or more than 843,000 twenty-foot equivalent container units. Forest products such as wood pulp, paper and logs made up the largest category of goods, followed by clay, cotton, poultry and peanuts. Savannah has 15.8% of the total agriculture market in the US slightly ahead of Los Angeles with 15.3%, and Long Beach with 10.2%.

RAIL TRANSPORTATION

1. CN feeling the pain as pandemic rolls on

Business at Canadian National Railway Co. has gone downhill since mid-March 2020, leading to thousands of temporary job cuts at the company as the Covid-19 pandemic rips into a sector that serves as a barometer of economic cycles. Revenue ton miles – a key industry metric – fell 15 percent year over year in April 2020 and 21 per cent in May 2020, CEO JJ Ruest said, speaking at a conference held online. “Business has been slowing down since mid-March, April was lower than March and May was lower than April,” he said. “June might be flat to May,” although it could be the “tipping point ... slightly.” CN Rail has cut its workforce by 5,800 employees or 21 percent since May 2019, including 3,500 workers furloughed due to the pandemic, Ruest said.

2. Shippers warn of antitrust ramifications

Shippers are concerned that the freight railroads’ justification over alleged price fixing that occurred in the early 2000s could open the door towards loosening antitrust laws. The concerns are related to lawsuits from dozens of shippers aimed at four U.S. Class I railroads, CSX, Norfolk Southern, Union Pacific and BNSF. The lawsuits allege that between 2003 and 2008, these four railroads applied fuel surcharges on rail rates that weren’t related to fuel. The shippers argue that the purpose of the fuel surcharges and the fuel cost recovery program was to garner additional revenue.

3. CN Breaks Grain Record for Third Consecutive Month

CN announced on June 1, 2020 that it moved over 2.52 million metric tonnes (MMT) of western Canadian grain, ahead of the previous May 2020 record of 2.40 MMT set in 2014 and over 20% ahead of the three year average. These unprecedented results come after record movements in March and April 2020, where CN moved 2.62 MMT and 2.73 MMT respectively from Western Canada. So far, during the 2019-2020 crop year, CN has moved 23.3 MMT of Western Canadian Grain. When looking at Canada-wide performance, CN also set a record for May with over 2.60 MMT moved compared to the previous record of 2.52 MMT set in 2014.

4. Government of Canada provides an update on the most recent developments and progress concerning the Lac-Mégantic rail bypass

On June 2, 2020, the Minister of Transport, the Honourable Marc Garneau, provided an update on the most recent developments concerning the rail bypass to keep the public, the City of Lac-Mégantic and the neighbouring municipalities of Frontenac and Nantes informed. They have involved feasibility studies, consultations, land acquisitions, environmental measures and more studies.

5. Service excellence and collaboration contribute to CP breaking May Canadian grain and grain products shipping record

Canadian Pacific (CP) set a new record for shipping Canadian grain and grain products in May 2020, moving 2.80 million metric tonnes (MMT). This new record beats the May 2014 record by more than 300,000 metric tonnes. As of May 31, 2020, CP’s movement of grain for the 2019-2020 crop year was 24.17 MMT. “The CP family has continued to deliver service excellence to our customers in this COVID-19 environment,” said Mark Redd, CP Executive Vice-President Operations.

6. CN employee dies in switching accident

Canadian National Railway confirms one of its employees has been killed while performing switching operations in a rail yard in Surrey, B.C. Chris Krepski, a spokesman with the Transportation Safety Board, says the accident happened at about 2 a.m., on June 1, 2020. He says the board is investigating and the BC Coroners Service also confirmed it is aware of the death.

RAIL TRANSPORTATION

Canada

1. CN feeling the pain as pandemic rolls on, May 29, 2020, www.insidelogistics.ca
2. Shippers warn of antitrust ramifications, June 1, 2020, www.americanshipper.com
3. CN Breaks Grain Record for Third Consecutive Month, June 1, 2020, www.cn.ca
4. Government of Canada provides an update on the most recent developments and progress concerning the Lac-Mégantic rail bypass, June 2, 2020, www.tc.gc.ca
5. Service excellence and collaboration contribute to CP breaking May Canadian grain and grain products shipping record, June 2, 2020, www.cpr.ca
6. CN employee dies in switching accident, June 2, 2020, www.insidelogistics.ca
7. Ontario Moves Forward with Signature Subway Project, June 2, 2020, www.mto.gov.on.ca
8. Canadian Pacific (CP) has been given the green light to own the portion of the Central Maine & Quebec (CMQ) Railway operating in the U.S., June 3, 2020, www.americanshipper.com
9. AAR: “Long Way to Go, but Far Better Than 2 Weeks Ago”, June 3, 2020, www.railwavage.com
10. CP Donates \$1MM Toward “Positive Change”, June 5, 2020, www.railwavage.com
11. Commentary: Should we fear mega-railroad mergers?, June 9, 2020, www.americanshipper.com
12. Railcars in storage spike in May, June 9, 2020, www.americanshipper.com
13. Rail Traffic Still Recovering, June 9, 2020, www.railwavage.com
14. CN benefits from British Columbia’s growing propane exports, June 11, 2020, www.americanshipper.com
15. Reduce uncontrolled movement of rail cars: TSB, June 14, 2020, www.insidelogistics.ca
16. Transit Operators Team to Form North American Transit Alliance, June 11, 2020, www.railwavage.com
17. Rail unions seek to protect benefits from spending cuts, June 16, 2020, www.americanshipper.com
18. Rail Traffic Down Across the Board, June 17, 2020, www.railwavage.com
19. EU to Decide on Alstom/Bombardier Deal by July 16, June 18, 2020, www.railwavage.com
20. Canadian crude by rail exports drop by half in April, June 22, 2020, www.insidelogistics.ca
21. Five million passengers chose via rail in 2019: a record ridership in three decades, June 23, 2020, www.viarail.ca
22. Crown-owned Via Rail reports biggest deficit in five years despite record revenues, June 23, 2020, www.financialpost.ca
23. Kansas City Southern anticipates lower 2Q revenue, June 23, 2020, www.americanshipper.com
24. CP to report second-quarter 2020 earnings results on July 22, 2020, June 24, 2020, www.cpr.ca
25. Rail Traffic Still Down, June 24, 2020, www.railwavage.com

7. Ontario Moves Forward with Signature Subway Project

On June 2, 2020, Caroline Mulroney, Minister of Transportation, and Kinga Surma, Associate Minister of Transportation (GTA), announced the Ontario government is moving forward with the next step in building the Ontario Line, the signature project in the largest subway expansion in the province's history. The government is issuing the first two public-private partnership (P3) Requests for Qualifications (RFQs) to identify and qualify those who will design, build and maintain the subway line. The Ontario Line is being built under three separate P3 contracts.

26. CN Investing \$235 Million in Quebec, June 25, 2020, www.cn.ca
27. Railway carloadings, April 2020, June 26, 2020, www.statcan.gc.ca
28. CN Investing \$305 Million in Alberta, June 26, 2020, www.cn.ca

8. Canadian Pacific (CP) has been given the green light to own the portion of the Central Maine & Quebec (CMQ) Railway operating in the U.S.

The Surface Transportation Board approved CP's acquisition of CMQ US on May 4, 2020. It became effective on Wednesday, June 3, 2020. CMQ will act as a subsidiary of CP. The acquisition of CMQ's Canadian operations was finalized on December 30, 2019. CP has said the acquisition of the U.S. and Canadian operations of the short line railroad would boost CP's reach into eastern Canada, as well as grow CP's network into about 13,000 miles coast-to-coast over six Canadian provinces and 11 U.S. states.

9. AAR: "Long Way to Go, but Far Better Than 2 Weeks Ago"

"Overall traffic levels last week were down from the prior week as would be expected for a week which includes a national holiday," said AAR Senior Vice President John T. Gray. "However, it is somewhat heartening to note that 11 of the 20 carload categories, including several major commodity areas, improved their showing vs. 2019 when comparing their current loading rates to those we have seen the last four weeks. Perhaps most notably, automobile loadings improved to about one-third the normal level as assembly plants began the intricate process of reopening. While this is still a long way from where we would like to be, it is far better than the 10% of norm of only two weeks ago." Canadian railroads reported 68,657 carloads for the week, down 17.8%, and 63,195 intermodal units, down 5.2% compared with the same week in 2019. For the first 22 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 3,059,717 carloads, containers and trailers, down 7.3%.

10. CP Donates \$1MM Toward "Positive Change"

In response to ongoing social unrest and social injustice across the United States, Canadian Pacific (CP) is donating \$1 million to three organizations to support the people of Minneapolis, home to the headquarters of CP's U.S. operations, as well as support meaningful positive change nationally.

11. Commentary: Should we fear mega-railroad mergers?

Could mergers be pro-competitive and foster traffic growth and new geographic service coverage? If a merger proposal is announced, a quick checklist of what you will want to examine as to details is provided by the author. Namely: 1. Traffic diversion growth and revenue estimates; 2. A pro forma financial projection for investors to consider; 3. Fear by other competitors; 4. Fear by some shippers; 5. End game and odd man out risk assessment; 6. Unintended consequences; 7. Regulatory uncertainty; 8. Two or three-year execution pace after 'approval'; 9. A struggle to avoid giving up too much market – and avoiding share dilution; 10. Undiscovered critical assumption flaws.

12. Railcars in storage spike in May

After hovering around the 400,000-unit mark all year, railcars in storage spiked 25% in May 2020 to 520,729. This was the one of many takeaways from the Association of American Railroads' (AAR) June 2020 report. As of June 1, 2020, 31.2% of the 1.67 million North American freight car fleet were in storage. The AAR considers a car in storage if it hasn't hauled a load in the past 60 days and has moved empty since carrying its last load. A soft industrial economy, exacerbated by COVID-19-related manufacturing shutdowns, has driven rail carloads materially lower. Through the week ending May 30, second-quarter 2020 Class I North American rail traffic is down nearly 20% year-over-year, following an almost 6% decline in the first quarter. Add in structural demand headwinds for coal and to a lesser degree steel and near-term structural headwinds in intermodal, it's not hard to explain the spike in idled equipment.

13. Rail Traffic Still Recovering

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended June 6, 2020, and, for this week, total U.S. weekly rail traffic was 433,171 carloads and intermodal units, down 15.6% compared with the same week last year. Total carloads for the week ended June 6 were 192,494 carloads, down 22% compared with the same week in 2019, while U.S. weekly intermodal volume was 240,677 containers and trailers, down 9.6% compared to 2019. None of the 10 carload commodity groups posted an increase compared with the same week in 2019. Canadian railroads reported 68,464 carloads for the week, down 18.7%, and 63,886 intermodal units, down 8.4% compared with the same week in 2019. For the first 23 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 3,192,067 carloads, containers and trailers, down 7.6%.

14. CN benefits from British Columbia's growing propane exports

Three vessels carrying Canadian propane destined for international markets departed from AltaGas' Ridley Island Propane Export Terminal on April 11, 2020, beating a previous record by 50%, according to CN. CN exclusively serves the facilities at the Port of Prince Rupert, which is where the AltaGas Ridley Terminal is located. The terminal has moved over 1 million metric tonnes of propane since it launched in May 2019. The increase in propane export volumes comes amid ongoing capacity expansions to grow propane export volumes out of British Columbia. Usually two vessels leave the Port of Prince Rupert monthly with propane, but this week, it was three vessels, according to CN.

15. Reduce uncontrolled movement of rail cars: TSB

A Transportation Safety Board report on a fatality at a Saskatchewan train yard recommends railway companies work with Transport Canada to reduce uncontrolled movement of rail cars. The safety board also expresses concern about inexperienced workers being paired together. Two Canadian National employees were performing switching duties at the company's yard in Melville, Sask., 150 kilometres east of Regina, on Dec. 22, 2017, when one was fatally injured. The safety board says the two workers, one a designated foreman and the other a helper, were moving rail cars by letting them roll to their intended track without the use of air brakes.

16. Transit Operators Team to Form North American Transit Alliance

Six of the largest private transit operating firms—First Transit, Keolis, MV Transportation, National Express, RATP Dev USA and Transdev—have come together to form the North American Transit Alliance (NATA). The group aims to help cities in North America flourish “by promoting innovative transportation solutions that ensure transit is safe, clean and prepared for the challenges that lie ahead.”

17. Rail unions seek to protect benefits from spending cuts

U.S. railroad unions want federal lawmakers to remove the unemployment and sickness benefits of the Railroad Unemployment Insurance Act (RUIA) from the list of government programs subject to automatic spending cuts. The unions have pressed the two U.S. Senators from Ohio, Rob Portman (R) and Sherrod Brown (D), to co-sponsor language within the HEROES Act (H.R. 6800) that would amend the Balanced Budget and Emergency Deficit Control Act of 1985 so that RUIA benefits would be among government programs not subject to sequestration, or automatic spending cuts. Senator Portman is chair of the Senate subcommittee on social security, pensions and family, and the subcommittee would be responsible for decisions on benefit-related sequestration, according to the unions.

18. Rail Traffic Down Across the Board

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended June 13, 2020, and, for this week, total U.S. weekly rail traffic was 449,291 carloads and intermodal units, down 14.9% compared with the same week last year. Total carloads for the week ended June 13, 2020 were 198,437 carloads, down 22.8% compared with the same week in 2019, while U.S. weekly intermodal volume was 250,854 containers and trailers, down 7.3% compared to 2019. Canadian railroads reported 72,127 carloads for the week, down 15.5%, and 64,378 intermodal units, down 8.6% compared with the same week in 2019. For the first 24 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 3,328,572 carloads, containers and trailers, down 7.8%.

19. EU to Decide on Alstom/Bombardier Deal by July 16

Alstom confirmed the proposed deal, in which it will acquire 100% of Bombardier's shares for between €5.8-6.2 billion (US\$6.5-6.9 billion, C\$8.8-9.4 billion), in February 2020. Under the deal, CDPQ (Caisse de dépôt et placement du Québec), which currently holds a 32.5% stake in Bombardier Transportation, will become Alstom's largest shareholder with around 18% of capital. CDPQ will reinvest about €2 billion (US\$2.2 billion, C\$3.3 billion) in Alstom, plus an additional €700 million (\$US784 million, C\$1.06 billion). Bouygues will remain a shareholder in Alstom with around 10% of capital. European Union (EU) antitrust regulators have set a deadline of July 16 for a decision on whether to approve Alstom's bid for Bombardier Transportation. DG Competition, the antitrust arm of the European Commission (EC), can either clear the deal with or without conditions or, if it has serious concerns, open a four-month-long investigation.

20. Canadian crude by rail exports drop by half in April

Canadian exports of crude oil by rail dropped by more than half in April 2020 compared to March 2020 as North American fuel demand plunged due to measures taken to control the COVID-19 pandemic. The Canada Energy Regulator says rail shipments of oil in April 2020 fell to 156,000 barrels per day, down from 351,000 bpd in March 2020 and 240,000 bpd in the same month of 2019. Shipments reached a record high of 412,000 bpd in February.

21. Five million passengers chose via rail in 2019: a record ridership in three decades

With a record breaking five million passengers travelling by train in 2019, VIA Rail Canada (VIA Rail) announced on June 23, 2020 that it recorded its highest annual ridership in the last three decades. This represents a 5.5 % increase in passengers compared to 2018. The Quebec City – Windsor corridor saw an increase of 4.7 million passengers or 5.5% increase over 2018.

22. Crown-owned Via Rail reports biggest deficit in five years despite record revenues

VIA Rail has been taking in record revenues, yet is still faced with its biggest deficit in five years. The Crown-owned railway also said on June 22, 2020 that its trains are running later than ever, according to Blacklock's Reporter.

23. Kansas City Southern anticipates lower 2Q revenue

Kansas City Southern (KSU) is bracing for lower revenues in the second quarter amid sharply lower rail volumes due to the coronavirus pandemic. The railroad estimates that second-quarter revenue could be \$550 million, according to a June 23, 2020 filing to the U.S. Securities and Exchange Commission (SEC). The second quarter ends June 30, 2020. In comparison, second-quarter revenue in 2019 totalled \$714 million, while first-quarter 2020 revenue was \$731.7 million.

24. CP to report second-quarter 2020 earnings results on July 22, 2020

Canadian Pacific (CP) will release its second-quarter 2020 financial and operating results at 9:00 a.m. eastern time (7 a.m. mountain time) on July 22, 2020. CP will discuss its results with the financial community in a conference call beginning at 9:30 a.m. ET (7:30 a.m. MT) on July 22, 2020.

25. Rail Traffic Still Down

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ended June 20, 2020, and, for this week, total U.S. weekly rail traffic was 457,278 carloads and intermodal units, down 12.9% compared with the same week last year. As we've seen recently, total carloads for this week were 201,823 carloads, down 21.8% compared with the same week in 2019, while U.S. weekly intermodal volume was 255,455 containers and trailers, down 4.4% compared to 2019. Canadian railroads reported 72,171 carloads for the week, down 14.9%, and 64,537 intermodal units, down 7.7% compared with the same week in 2019. For the first 25 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 3,465,280 carloads, containers and trailers, down 8%.

26. CN Investing \$235 Million in Quebec

CN announced on June 25, 2020 that it plans to invest approximately \$235 million (CAD) across Quebec in 2020. The investments include various information technology projects, Positive Train Control, the replacement of rail and ties, as well as the maintenance of level crossings, culverts, signal systems and other track infrastructure. Derek Taylor, Vice-President, Eastern Region at CN said "We take our essential role in the North-American economy seriously and these investments in Quebec are a key part of our strategy to support growth. The Company remains committed to help enable supply chains that fuel Quebec's growth as we are a critical part of getting everyday goods to markets and consumers. Safety is a core value at CN and by investing in the maintenance and expansion of our track and capacity, we are providing customers with a safe and reliable solution at a time when fluid supply chains are more critical than ever."

27. Railway carloadings, April 2020

Canadian railways carried 30.0 million tonnes of freight in April 2020, down 10.0% from April 2019. This was the largest year-over-year decrease in five years, excluding the November 2019 rail strike. This is also the first monthly decline in freight that was linked to the activity shutdown in several sectors due to the COVID-19 pandemic.

28. CN Investing \$305 Million in Alberta

CN announced on June 26, 2020 that, as part of its strategic investments to support growing demand and enable supply chains, it plans to invest approximately \$305 million (CAD) across Alberta in 2020. The investments will include expansion projects such as the construction of double track to allow more trains to pass on CN's mainline. The maintenance program will focus on the replacement of rail and ties, as well as maintenance work on level crossings, bridges, culverts, signal systems and other track infrastructure. The investments focused on safety and capacity to strengthen rail network, help reduce emissions, and support economic growth.

HIGHWAY TRANSPORTATION

1. MTO memo continues to extend validity of driver and vehicle credentials

As part of the Ministry of Transportation's efforts to stop the spread of COVID-19 and to help keep people safe, the ministry has extended the validity of the following driver, vehicle and carrier products, that expired on or after March 1, 2020: 1) Ontario commercial drivers' licences; 2) International Registration Plan (IRP) Cab Cards; 3) Ontario licence plate validation stickers; 4) Online purchase receipts of validation stickers; 5) Ontario Commercial Vehicle Operator Registration (CVOR) certificates; 6) Annual and semi-annual inspections.

2. Fleets consider making telecommuting permanent

"So basically, working from home two days a week and three days at office; and the following week, three days at home and two days at office. That's what we're considering (at the head office in Montreal, Que.)," said Sylvain Desaulniers, vice-president of human resources at TFI. "That is our model for the future. Again, it can be reviewed, but that is what we are considering," he told *Today's Trucking*. Eighty percent of TFI's 175 administration employees across Canada are currently working from home full time, Desaulniers said.

3. Couriers and messengers services price index, monthly

The couriers and messengers price index for April 2020 decreased to 210.4 from 215.7 in March 2020. The couriers component of the index decreased in April 2020 to 228.3 from 234.4 in March 2020 and the messengers component of the index decreased to 145.6 in April 2020 from 148.2 in March 2020.

4. Ontario changes layoff regulations to help businesses

Ontario is temporarily amending its labour laws to help businesses avoid permanently laying off workers and paying out severance, which could send some into bankruptcy during the pandemic. The government is expected to announce that it will amend the *Employment Standards Act*, which requires businesses to terminate employees who have been laid off for 13 weeks. The law then requires the business to pay severance to workers. The change will see non-unionized workers who have had their hours reduced or eliminated placed on a temporary leave that preserves their job. Workers will still be eligible for federal emergency income support programs. The amendment to the law will expire six weeks after the province's declared state of emergency ends.

5. Freight indicators suggest the worst is in trucking's rearview mirror

The worst of trucking conditions wrought by the Covid-19 pandemic may be in the rearview mirror, but the recovery could be choppy. In its most recent Commercial Vehicle Dealer Digest, ACT Research predicts the economy will transition from contraction to growth over the third and fourth quarters, as the focus shifts from saving lives, to saving livelihoods. "Clearly the global economy does not have the luxury of waiting a year or two for a vaccine to be developed before the current solution itself becomes the greater risk," said Kenny Vieth, ACT's president and senior analyst. However, the economy won't rebound to pre-Covid levels overnight. Our forecast anticipates that the U.S. economy, as defined by GDP, will not return to its Q4 2019 size until after 2021," Vieth added.

6. Less-than-truckload looking up, say analyst and pricing experts

Less-than-truckload (LTL) demand improved through May 2020. The acceleration was notable during the 10-day stretch heading into the Memorial Day weekend. However, the improvement comes off of a very low base that developed in April 2020 as COVID-19-related shutdown mandates resulted in most LTL carriers reporting year-over-year tonnage

HIGHWAY TRANSPORTATION Canada

1. MTO memo continues to extend validity of driver and vehicle credentials, May 28, 2020, www.ontruck.ca
2. Fleets consider making telecommuting permanent, May 28, 2020, www.todaystrucking.com
3. Couriers and messengers services price index, monthly, May 29, 2020, www.statcan.gc.ca
4. Ontario changes layoff regulations to help businesses, June 1, 2020, www.insidelogistics.ca
5. Freight indicators suggest the worst is in trucking's rearview mirror, May 27, 2020, www.todaystrucking.com
6. Less-than-truckload looking up, say analyst and pricing experts, June 1, 2020, www.americanshipper.com
7. Zero-emission truck models surge, orders hold steady during Covid-19, June 2, 2020, www.todaystrucking.com
8. Self-driving startup partners with CVS on autonomous medical delivery, June 1, 2020, www.americanshipper.com
9. Minister Garneau announces new measures for the use of face coverings in the Canadian transportation sector, June 3, 2020, www.tc.gc.ca
10. Council of Transportation Ministers Focus on PPE Guiding Principles and Practices for Transportation Workers, June 3, 2020, www.ontruck.ca
11. Truck crossings continue to fall, June 3, 2020, www.todaystrucking.com
12. Manitoulin opens new terminal in The Pas, June 3, 2020, www.todaystrucking.com
13. Monthly Passenger Bus and Urban Transit, March 2020, June 5, 2020, www.statcan.gc.ca
14. Canada's Top 100 truck fleets topped by TFI International, June 5, 2020, www.todaystrucking.com
15. Canada further delays GHG rules for new trailers, June 9, 2020, www.insidelogistics.ca
16. North American intermodal volume recovery lags trucking rebound, June 9, 2020, www.joc.com
17. Leading indicator of cross-border traveller volume, May 2020, June 10, 2020, www.statcan.gc.ca
18. Loadlink: Worst of Cnd Spot Market Downturn Likely Over, June 10, 2020, www.cantruck.ca
19. Reduction in April 2020 Freight Movement Largest since 2009 Recession, June 10, 2020, www.bts.gov
20. Mullen begins rolling back layoffs; CEO sees recovery and resilient Q2, June 11, 2020, www.americanshipper.com
21. Ontario Introduces Public Transit Safety Guidance, June 11, 2020, www.mto.gov.on.ca
22. TFI acquisition taps cross-border drayage capacity, June 12, 2020, www.joc.com
23. For-hire freight declines in April worst since 2009, June 12, 2020, www.americanshipper.com
24. Connecting Northeastern Ontario with Cochrane Bypass, June 16, 2020, www.mto.gov.on.ca
25. The ideal time to merge or sell could be now, June 17, 2020, www.americanshipper.com

declines in the midteen percentage range with revenue declines in the 20% range. These were some of the comments shared during Deutsche Bank's call June 1, 2020 on the LTL industry, hosted by Amit Mehrotra, managing director of Airfreight & Surface Transportation and Maritime Shipping.

7. Zero-emission truck models surge, orders hold steady during Covid-19

The market for zero-emission truck models is hardly a zero-sum game. In fact, the number of electric vehicles available in Canada and the U.S. continues to surge. Calstart's Zero-Emission Technology Inventory shows that the number of zero-emission trucks, buses and off-road equipment models will rise 78% this year, and double by 2023. By the end of 2020

there will be 169 medium- and heavy-duty models in production, compared to 95 offerings in 2019. Within three years, there are expected to be 195 such vehicles.

8. Self-driving startup partners with CVS on autonomous medical delivery

The coronavirus pandemic is accelerating a shakeout in the autonomous vehicle industry, but that doesn't mean well-capitalized companies aren't moving full speed ahead with new ventures. To wit, self-driving company Nuro has announced a pilot project with CVS Pharmacy, in which the Silicon Valley startup will deliver medications via autonomous robotic vehicles in several Houston neighborhoods. The pilot will launch this month. Deliveries will be free to customers for orders through CVS.com or the CVS Pharmacy app, and are expected to be fulfilled in three hours or less.

9. Minister Garneau announces new measures for the use of face coverings in the Canadian transportation sector

On June 3, 2020, the Minister of Transport, the Honourable Marc Garneau, announced he is expanding the requirements for the use of face coverings by workers and others involved in the transportation system, to reduce the risk of COVID-19. This approach for workers complements recent regulations and guidelines for passengers to use face coverings in certain circumstances when travelling by air, marine and rail to reduce the risk of the virus transmission. It also puts in place a more comprehensive approach for face coverings that strengthens the protection of everyone involved in the transportation system. The measures will be implemented through a combination of mandatory orders and guidance in each sector.

10. Council of Transportation Ministers Focus on PPE Guiding Principles and Practices for Transportation Workers

The Council of Ministers Responsible for Transportation and Highway Safety from all provinces and territories agreed to work collaboratively to restart the economy and support transportation systems and supply chains across Canada, with particular emphasis on essential transportation workers. At their semi-annual meeting held virtually on June 2, 2020, the ministers specifically announced guiding principles for the use of masks and gloves, and other safety protocols for transportation employees and passengers. These guiding principles – which are not to be considered obligations, nor standards – establish a collaborative way forward to support the safe operation of the transportation system, and help mitigate the risk of transmission of COVID-19.

11. Truck crossings continue to fall

Border restrictions are not applicable to commercial vehicles, but the number of truck drivers entering the country continued to fall last week. Arrivals during the week of May 25-31 declined 22% to 85,743 from 109,640 in the same period in 2019, the Canada Border Services Agency (CBSA) said on June 3, 2020. The arrivals have steadily declined amid a sharp drop in economic activity on both sides of the Canada-U.S. border since the Covid-19 outbreak. The previous four weeks have witnessed an average decline of 30.5% per week.

12. Manitoulin opens new terminal in The Pas

Manitoulin Transport has opened a new terminal in The Pas, Man., which replaces its existing terminal. The new location is 36 Industrial Road, The Pas, Man. "This new terminal demonstrates Manitoulin's commitment to The Pas and surrounding areas and to Canada's smaller communities in general," said Jeff King, president, Manitoulin Transport.

13. Monthly Passenger Bus and Urban Transit, March 2020

As of March 16, 2020 lockdowns related to the COVID-19 pandemic were implemented gradually across Canada's provinces and territories. The subsequent unprecedented reduction in transit ridership had a significant impact on the total operating revenues (excluding subsidies) of urban transit companies, which dropped 31.2% year over year to \$235.1 million in March. The number of passenger trips fell more sharply, down 42.0% to 94.8 million trips. The impact of this ongoing lockdown is expected to be more pronounced in April 2020, as only essential public transit trips were allowed in Canada. As a result, transportation companies have significantly reduced their service offerings by either withdrawing service on some bus routes or by using weekend schedules on a daily basis.

26. US-Canada border closure has silver linings, customs broker says, June 17, 2020, www.americanshipper.com

27. CBSA Expanding FAST Lane Eligibility at Windsor/Detroit, June 19, 2020, www.cantruck.ca

28. Ontario infrastructure projects get \$42M, June 19, 2020, www.todaystrucking.com

29. Trucking could recover from Covid-19 quicker than other sectors: ATA economist, June 23, 2020, www.todaystrucking.com

30. April 2020 North American Transborder Freight Numbers, June 24, 2020, www.bts.gov

14. Canada's Top 100 truck fleets topped by TFI International

Today's Trucking magazine has updated its annual ranking of Canada's top 100 truck fleets by size, and there's a familiar name at the top of the list. TFI International, based in Montreal, remains the largest trucking operation in the country. The *Today's Trucking* Top 100 is the definitive ranking of Canada's for-hire truck fleets by size. CN, which acquired TransX in March 2019, holds the second position. Mullen Group, Day&Ross, and Trimac round out the Top 100. The rankings themselves are based on total equipment counts, and are not affected by layoffs and furloughs initiated during the Covid-19 economic downturn that began after the data was collected. Data was collected through an extensive telephone survey throughout January and February of 2020, and

15. Canada further delays GHG rules for new trailers

Canada has for the second time delayed new greenhouse gas (GHG) emissions standards for trailers, which had originally been proposed to take hold on Jan. 1 of 2020. Details of the delay were published on June 6, 2020 in [Canada Gazette, Part 1](#), and the rules are suspended for one year or until the latest ruling is repealed. The Department of the Environment is now considering Canada should maintain, amend or repeal the standards.

16. North American intermodal volume recovery lags trucking rebound

Intermodal is not seeing the same rebound in demand as trucking since the economic shutdown owing to the COVID-19 pandemic, and research firm FTR Associates does not believe containerized rail volume will fully recover to 2019 levels until sometime in 2021.

17. Leading indicator of cross-border traveller volume, May 2020

Just as in April 2020, the number of US and Canadian residents crossing the border from the United States by automobile stayed at a virtual standstill in May 2020, as the travel restrictions on non-essential travel remained in effect throughout the month. The number of US travellers entering Canada by automobile through Integrated Primary Inspection Lines (IPIL) land ports was down 96% compared with May 2019. A comparably large decline occurred in the number of Canadians returning from the United States by automobile through these ports, dropping 95% in May 2020 compared with the same month a year earlier. The Canada-US border closure, in effect since March 21, 2020, was set to expire on May 20, 2020, but was extended until June 21 of the same year to contain the further spread of COVID-19.

18. Loadlink: Worst of Cnd Spot Market Downturn Likely Over

TransCore Link Logistics thinks the worst of the spot market recession may already be over as Canada's spot market load volumes took a dive in April 2020, with overall load volumes down 56% from March and 38% year-over-year. April 2020 volumes saw declines from all regions in Canada, while truck availability increased 15% from March 2020 as carriers turned to the spot market to replace disappearing contract freight, said the company. Of the top 100 busiest city-to-city lanes on Loadlink, only 25% saw volumes increase, with the biggest gainers being California and Florida outbound loads as produce season increased volumes in some lanes.

19. Reduction in April 2020 Freight Movement Largest since 2009 Recession

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 7.7% in April 2020 from March 2020, falling for the third consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From April 2019 to April 2020, the index fell 10.0% compared to a rise of 2.7% from April 2018 to April 2019 and a rise of 8.0% from April 2017 to April 2018.

20. Mullen begins rolling back layoffs; CEO sees recovery and resilient Q2

With year-over-year revenue down more than 20% from COVID-19 but profits holding fairly steady, Murray Mullen, CEO of Mullen Group, said the Canadian trucking and logistics company has begun rehiring some laid-off workers and sees recovery coming. Mullen said a combination of its own operational efficiencies and performance, as well as federal wage subsidies, will allow the company to finish the second quarter with a level of profitability similar to that of a year earlier. "It certainly appears we have weathered the worst of this crisis and we are very well-positioned to capitalize on future opportunities," Mullen said in a statement accompanying a mid-quarter update. Mullen said the company has rehired about 20% of the 1,000 employees it temporarily laid off. The firm announced its first layoffs in March 2020. The CEO pointed to the reopening of Canada's economy as a cause for optimism.

21. Ontario Introduces Public Transit Safety Guidance

On June 11, 2020, Caroline Mulroney, Minister of Transportation and Kinga Surma, Associate Minister of Transportation, released comprehensive safety guidance for public transit agencies as the province reopens and more people return to work. This guidance, developed in consultation with health and transit officials, provides transit agencies with the information they need to help protect employees and passengers during the COVID-19 outbreak.

22. TFI acquisition taps cross-border drayage capacity

TFI has acquired Gusgo Transport. The addition of Gusgo Transport to its operating subsidiaries gives TFI deeper access to international containerized freight moving between the US and Canada.

23. For-hire freight declines in April worst since 2009

Industry commentary suggesting a likely April 2020 bottom for the freight industry can be supported by new government data showing the worst year-over-year declines in for-hire transportation data since the financial crisis of 2008-09. The dramatic drop in the monthly data highlights what could be the low point in the current freight cycle and provides a relatively easy sequential comparison. The Freight Transportation Services Index (TSI) fell 10% year-over-year in April 2020 according to the Bureau of Transportation Statistics, an arm of the U.S. Department of Transportation. The monthly index measures the amount of freight hauled by for-hire transportation providers.

24. Connecting Northeastern Ontario with Cochrane Bypass

On June 16, 2020, Caroline Mulroney, Minister of Transportation, announced that the Government of Ontario is connecting Northeastern Ontario with a long-awaited highway bypass project in the Town of Cochrane. This project will improve safety and reduce travel times for families and truck drivers, while creating jobs in local communities as the province reopens the economy.

25. The ideal time to merge or sell could be now

When the coronavirus pandemic started spreading across the U.S. in March 2020, panic buying and mandatory lockdowns sent the logistics industry into a tailspin. The chaos of the past few months has highlighted both existing inefficiencies and sustainable business practices throughout the industry. Essential manufacturers faced mercilessly high demand, while non-essential manufacturers were forced to close up shop entirely. Volumes surged and plummeted, sending carriers from the highway to the parking lot seemingly overnight. Some third-party logistics providers (3PLs) have managed to weather the pandemic with their balance sheets intact. Providers with less diverse networks, on the other hand, have stalled out. For companies that have continued to thrive, now could be an ideal time to consider moving into acquisition mode.

26. US-Canada border closure has silver linings, customs broker says

Since the United States-Canada border closed to nonessential travel in March 2020, trucks have continued to move goods between the countries freely, even benefiting from the drop in car traffic. But one particular corner of the supply chain stopped in its tracks: the informal cross-border logistics of ordinary Canadians and small businesses. “When the borders closed, getting those items across got more difficult,” Graham Robins, president and CEO of Vancouver-based A & A Customs Brokers, told FreightWaves. “Businesses and individuals had all these hacks to get their products and then ship it to a northern border point. Now they can’t do that.”

27. CBSA Expanding FAST Lane Eligibility at Windsor/Detroit

The Canada Border Service Agency (CBSA) has announced effective June 22, 2020 the dedicated FAST lane at the port of Windsor-Detroit will be open to all FAST participants. Under the expansion of the FAST Membership criteria, the CBSA will extend FAST lane eligibility to highway carriers and importers who are sole members of the Partners in Protection (PIP) program, rather than requiring them to also be members of the Customs Self-Assessment (CSA) program.

28. Ontario infrastructure projects get \$42M

The federal and provincial governments have announced funding for 10 road and bridge projects in Central and Eastern Ontario. Ottawa is investing over \$22 million in these projects while Ontario is contributing more than \$10 million, the two governments said on June 19, 2020. Municipalities and First Nation communities are each contributing over \$5 million.

29. Trucking could recover from Covid-19 quicker than other sectors: ATA economist

For-hire truck tonnage continued to contract south of the border in May 2020, but the American Trucking Associations’ chief economist believes trucking will still recover from Covid-19 more quickly than other industries.

30. April 2020 North American Transborder Freight Numbers

Total Transborder freight between US and North American countries (Mexico and Canada) for April 2020 was \$58.1 billion of transborder freight moved by all modes of transportation, down 44.4% compared to April 2019. The \$58.1b. in total Transborder freight was the lowest amount since May 2009. Total US – Canada transborder freight by mode is as follows: Truck: \$17.8 b.; Rail: \$3.6b.; Pipeline: \$3.1b.; Air: \$2.1.; and Vessel: \$1.2b.

GENERAL TRANSPORTATION

Canada

1. Resiliency is top supply chain priority, study finds

Making their supply chains more resilient will be the top priority for many companies over the next three years, new research – conducted before the Covid-19 pandemic – has found. Findings show that supply chain planning drives better performance in the modern enterprise, ringing especially true in today’s uncertain and disrupted business climate. Global supply chains continue to undergo almost unparalleled levels of change. With planning at the core, companies are now poised to realize the benefits of digital supply chain transformation.

2. Industry Leaders Call on Federal Government to Streamline Rules and Encourage Canadian Travel; Launch Canadian Tourism Roundtable

Leaders of the Canadian tourism and travel sectors on May 29, 2020 announced the formation of the Canadian Tourism Roundtable (“Roundtable”), a coalition of industry representatives committed to restoring the Canadian tourism and travel sector in the wake of the COVID-19 pandemic. The Roundtable is calling on all levels of government to work together to streamline and clarify rules around travel in order to ensure safe, accessible and timely travel for Canadians this summer.

3. China Halts Some U.S. Farm Imports, Threatening Trade Deal

Chinese government officials told major state-run agricultural companies to pause purchases of some American farm goods including soybeans as Beijing evaluates the ongoing escalation of tensions with the U.S. over Hong Kong, according to people familiar with the situation. State-owned traders Cofco and Sinograin were ordered to suspend purchases, according to one of the people, who asked not to be identified discussing a private matter. Chinese buyers have also cancelled an unspecified number of U.S. pork orders, one of the people said. Private companies haven’t been told to halt imports, according to one of the people. The halt is the latest sign that the hard won phase-one trade deal between the world’s two biggest economies is in jeopardy. While Chinese Premier Li Keqiang last month reiterated a pledge to implement the agreement that was inked in January 2020, tensions have continued to escalate since then amid a standoff over Beijing’s move to tighten its grip on Hong Kong.

4. Expect dramatic drop in commodity exports to China

Global exports of commodities to China could plunge by US\$15.5 billion to \$33.1 billion in 2020 – a drop of up to 46 percent compared with annual growth projections before the coronavirus pandemic hit, according to new UNCTAD research. The findings raise concerns for economies that rely on exports of primary goods, such as energy products, ores and grains. Some two-thirds of developing countries are commodity dependent according to UNCTAD data.

5. ECONOMIC WATCH: Canadian trade volumes plummeted in April

Canada’s exports fell to their lowest levels in more than a decade, while imports plunged to levels not seen since 2011 in April, 2020, according to new trade data from Statistics Canada. The declines came as retail stores and manufacturing industries shut down to manage the Covid-19 pandemic, coupled with falling energy prices. Exports in April were down 29.7% at \$32.7 billion, while imports fell 25.1% to \$35.9 billion. Statistics Canada reported “monthly decreases of this magnitude have never been observed.”

GENERAL TRANSPORTATION

Canada

1. Resiliency is top supply chain priority, study finds, May 28, 2020, www.insidelogistics.ca
2. Industry Leaders Call on Federal Government to Streamline Rules and Encourage Canadian Travel; Launch Canadian Tourism Roundtable, May 29, 2020, www.cacairports.ca
3. China Halts Some U.S. Farm Imports, Threatening Trade Deal, June 1, 2020, www.ajot.com
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5. ECONOMIC WATCH: Canadian trade volumes plummeted in April, June 4, 2020, www.insidelogistics.ca
6. Majority of Canadians think re-opening is too risky, June 5, 2020, www.insidelogistics.com
7. ECONOMIC WATCH: Canada, U.S. employment numbers improved in May, June 5, 2020, www.todaystrucking.com
8. Economy will not return to pre-COVID levels until mid-2021: ATA, June 8, 2020, www.americanshipper.com
9. U.S. economy entered recession in February, June 9, 2020, www.globeandmail.ca
10. Virus crisis has triggered worst global recession in nearly a century, June 9, 2020, www.insidelogistics.ca
11. Don’t expect quick economic recovery, B.C. economist warns, June 11, 2020, www.todaystrucking.com
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13. Bigger freight declines in May highlight Cass data surprise, June 15, 2020, www.americanshipper.com
14. Parcel carriers will lift COVID-19 delivery surcharges — maybe, June 15, 2020, www.americanshipper.com
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25. US eyes \$3.1 billion of EU, UK imports for new tariffs, June 24, 2020, www.ajot.com
26. U.S. regulator wonders if some Covid-19 waivers could become permanent, June 24, 2020, www.todaystrucking.com

6. Majority of Canadians think re-opening is too risky

A majority of Canadians believe opening businesses now puts too many people at risk of contracting Covid-19. In the latest survey from Ipsos, conducted from May 21 to 24, among 16,000 people in 16 major countries, 59 percent of Canadian joined many from other countries in saying it's too soon too open. People in Brazil (71 percent), India (69 percent), Mexico and South Korea (65 percent), Japan and the United Kingdom (62 percent) and the United States (60 percent) are most likely to say we need to wait at least a few more weeks before opening businesses, because opening now would put too many people at risk of contracting COVID-19.

7. ECONOMIC WATCH: Canada, U.S. employment numbers improved in May

Canada added 290,000 jobs in May 2020 as the economy gradually reopened following the Covid-19-related economic shutdown. May employment numbers represented a recovery of 10.6% of Covid-19-related employment losses and absences seen over the previous two months, according to a Statistics Canada labor update June 5, 2020. However, the unemployment rate set a new record high at 13.7%. From February 2020 to April 2020, the total number of unemployed Canadians more than doubled. The employment picture, however, varied widely by sector and province. Quebec accounted for nearly 80% of May's employment gains, with employment up 6.5%.

8. Economy will not return to pre-COVID levels until mid-2021: ATA

The US economy will contract in 2020 at a rate unseen since 1946 and conditions might not return to pre-COVID pandemic levels until mid-2021, signaling the slow recovery ahead for US surface freight volume, according to an economist analyst with American Trucking Associations speaking on June 8, 2020. The worst is likely behind us, according to ATA, but even stronger numbers in the last six months will be unable to make up for what the Congressional Budget Office, Federal Reserve, and several investment banks project to be at least a 30 percent annualized decline in economic output in the second quarter.

9. U.S. economy entered recession in February

The U.S. economy officially entered a recession in February 2020, the committee that calls downturns announced on June 8, 2020, bringing the longest expansion on record to an end as the coronavirus pandemic caused economic activity to slow sharply. The economy hit its peak in February and has since fallen into a downturn, the National Bureau of Economic Research's Business Cycle Dating Committee said. A recession begins when the economy reaches a peak of activity and ends when it reaches its trough. This downturn is the first since 2009, when the previous recession ended, and marks the end of the longest expansion – 128 months – in records dating to 1854. Most economists expect this recession to be both particularly deep and exceptionally short, perhaps just a few months, as states reopen and economic activity resumes.

10. Virus crisis has triggered worst global recession in nearly a century

The virus crisis has triggered the worst global recession in nearly a century – and the pain is not over yet even if there is no second wave of infections, an international economic report warned on June 9, 2020. Hundreds of millions of people have lost their jobs, and the crisis is hitting the poor and young people the hardest, worsening inequalities, Organization for Economic Cooperation and Development said in its latest analysis of global economic data. “It is probably the most uncertain and dramatic outlook since the creation of the OECD,” secretary general Angel Gurría said. “We cannot make projections as we normally do.” In the best-case scenario, if there is no second wave of infections, the agency forecast a global drop in economic output of six percent this year, and a rise of 2.8 percent next year.

11. Don't expect quick economic recovery, B.C. economist warns

B.C. has done a good job containing the Covid-19 outbreak, but that doesn't mean it will escape lasting economic fallout. Ken Peacock, vice-president and chief economist of the Business Council of B.C., gave members of the B.C. Trucking Association an economic update June 11, 2020 dousing any hope of a speedy recovery. Peacock said he believes non-essential travel will remain restricted through the end of the year, that a vaccine will take at least 18 months to develop, that businesses will fail as government stimulus runs out, and that many temporary layoffs will become permanent. On the other hand, trends that were already emerging – such as telecommuting and increasing e-commerce – have accelerated and will be here to stay, Peacock predicted.

12. Global e-commerce up 81 percent over May 2019

Global e-commerce sales continued to show strong growth in May, with certain sectors experiencing triple-digit year-on-year growth. Overall retail transaction growth of 81 percent in May 2020, compared to the same period last year, was primarily driven by sportswear and sporting goods (216 percent), retail specific to housewares and DIY supplies (190 percent), and gaming (84 percent), according to an analysis by ACI Worldwide of hundreds of millions of eCommerce transactions from global merchants.

13. Bigger freight declines in May highlight Cass data surprise

The Cass Freight Index saw year-over-year declines widen in May 2020, a result likely worse than many had been expecting. The shipments component of the index fell 23.6% year-over-year in May 2020, outpacing the 22.7% year-over-year decline reported in April 2020. Freight expenditures dropped 21.2% year-over-year, worse than the 18.2% year-over-year decline reported in the prior month. Shipments did improve slightly from April 2020 – up 1.6% sequentially.

14. Parcel carriers will lift COVID-19 delivery surcharges — maybe

In the past two weeks, UPS Inc. then FedEx Corp. imposed what both referred to as “temporary” surcharges on a portion of their U.S. residential deliveries to offset higher costs related to the coronavirus outbreak. When, and how, they lift the surcharges is another matter. One expert who sees the surcharges becoming a permanent fixture is Glenn Gooding, president of consultancy iDrive Logistics and a 21-year veteran of the revenue management wars at UPS. Gooding said last week that both carriers will maintain the so-called COVID-19 surcharges into the holiday shipping season, leaving shippers with what amounts to dual surcharges during that period. The holiday surcharges will fall away after the new year as they normally do, Gooding said. Meanwhile, the pandemic surcharges will be integrated into the carriers’ 2021 rate tables to reflect higher costs and demand, Gooding predicted. Other experts said the surcharges will eventually be lifted and not find their way permanently into the carriers’ rate tables. However, all differed in their forecasts for when the withdrawals would happen.

15. China Loses Landmark WTO Dispute Against EU

China spent four years fighting for market-economy status, a designation that would give it stronger footing with commercial partners while also curtailing their ability to retaliate over trade disputes. This week, China quietly lost that battle. The Chinese government allowed a landmark World Trade Organization dispute—aimed at forcing the European Union to recognize it as a market economy in trade investigations—to lapse on June 15, 2020. The case was initially brought in 2016 and China lost an interim ruling on the matter last year. By ending the dispute China now provides the EU with greater legal certainty to combat low-price Chinese exports with artificially high tariffs. The resolution is a major set-back for China as the EU steps up efforts to limit its expansionist practices into the continent. On the same day that China allowed the dispute to lapse, the EU announced an unprecedented attempt to block Beijing’s subsidies to exporters. The 27-nation bloc will also unveil a proposal this week to protect European companies from Chinese takeovers.

16. It’s Time to Travel: The Canadian Travel and Tourism Roundtable

The Canadian Travel and Tourism Roundtable (CTTR) is a coalition of industry representatives, including the Canadian Airports Council, committed to restoring the Canadian tourism and travel sector in the wake of the COVID-19 pandemic. The Roundtable is calling on all levels of government to work together to streamline and clarify rules around travel in order to ensure safe, accessible and timely travel for Canadians this summer.

17. U.S. Secretary of Transportation Elaine L. Chao Announces \$906 Million Investment to Revitalize America’s Infrastructure

On June 18, 2020, U.S. Department of Transportation Secretary Elaine L. Chao announced the Trump Administration intends to invest \$906 million in America’s infrastructure through the Infrastructure for Rebuilding America (INFRA) discretionary grant program. The proposed funding will be awarded to 20 projects in 20 states.

18. EU-wide, the number of fatalities fell by 2% in 2019

In 2019, an estimated 22 800 road traffic fatalities were recorded in the 27 EU Member States. This represents almost 7 000 fewer fatalities compared with 2010, a decrease of 23%. Compared with 2018, the number fell by 2%. While the underlying trend remains downward, progress has slowed in most countries since 2013 and the EU target of halving the number of road deaths by 2020 (relative to the 2010 baseline) will not be met. 2020 still may prove to be an outlier with early indications that the number of road fatalities is likely to drop significantly in view of the measures taken to tackle coronavirus, but not by enough to meet the target.

19. Exports to drop 20 percent this year

Export Development Canada is forecasting that exports this year will fall 20.3 percent due to the COVID-19 pandemic. In its updated global export forecast released on June 18, 2020, the agency says exports will bounce back in 2021, but the predicted rise of 19.0 percent will leave them short of where they were in 2019 before the crisis. “When it comes to the global economy, an annual decline is extremely rare,” EDC chief economist Peter Hall said in the report.

20. CTEA joins manufacturers in call for Covid-19 recovery help

A coalition of Canadian manufacturing groups, including the Canadian Transportation Equipment Association (CTEA), is looking for regulatory help as they respond to the economic fallout of Covid-19. “We are not out of the woods yet,” they say in a letter to Prime Minister Justin Trudeau, highlighting outstanding issues like access to assistance programs like the Canadian Emergency Wage Subsidy, and the Canadian Commercial Rent Assistance programs. The group also highlighted an “onslaught” of new environmental regulations and potential requirements for employee sick day benefits among concerns.

21. Economy will grow in 2021 if there isn't another national shutdown

Canada may have already begun to recover from the deepest recession on record, assuming the country can avoid another national COVID-related shutdown, a private sector forecast said on June 22, 2020. The Conference Board of Canada report estimates the economy will shrink 8.2 per cent this year, then return to growth with a 6.7-per-cent rise in 2021 and 4.8-per-cent in 2022 – provided there are no more national shutdowns. The outlook is at the optimistic range of the Bank of Canada's most recent estimates, but is based on 1,200 variables and the expertise of its analytical team, said Alicia Macdonald, associate director of economic forecasting for the Conference Board. Macdonald also warned that there won't be a sharp "V" recovery but said a gradual "U" recovery is likely.

22. Travel between Canada and other countries, April 2020

April 2020 marked the first full month of border restrictions, which brought international travel to and from Canada to a virtual stop. Overall, international travel was down significantly in April 2020 compared with April 2019. The number of arrivals to Canada from overseas countries (countries other than the United States) fell by 96.6%, while US arrivals were down 96.8%. The number of Canadian residents returning from trips to the United States declined by 96.0% year over year, and the number of those returning from overseas countries was down 97.5%. The number of arrivals from Europe fell from 191,000 year over year to 2,400 trips, while the number of arrivals from Asia dropped from 167,000 to 3,500 trips. Arrivals from the United Kingdom declined 99.1% year over year to 526 trips in April 2020, while the number of arrivals from France declined from 40,000 to 195. The number of arrivals from China was down 97.8% to 930 trips.

23. US to hit Canada with aluminum tariffs, report says

The United States is preparing to re-impose tariffs on aluminum imports from Canada, according to Bloomberg. The move could disrupt cross-border supply chains by leading U.S. companies to re-source aluminum. The Trump administration is planning to restore a 10% tariff on July 1 in the event Canada refuses to cut exports, Bloomberg reported, citing anonymous sources. The tariffs would come on the same day that the United States-Mexico-Canada Agreement (USMCA) takes effect. The revival of aluminum tariffs could impact cross-border supply chains as manufacturers begin to recover from COVID-19 shutdowns. The added cost could lead U.S. manufacturers to find alternative sources for Canadian aluminum – and potentially hurt cross-border trucking companies.

24. Ottawa will fight U.S. on aluminum tariffs

Treasury Board President Jean-Yves Duclos said on June 23, 2020 that federal officials will push back against any new protectionist effort by Donald Trump to impose tariffs on steel and aluminum, making the case that Canadian aluminum is no threat to the American market. Duclos was responding to a report from Bloomberg saying the Trump administration is planning to impose a 10 percent tariff on aluminum imports from Canada. Duclos would not say whether the government is aware of a new round of tariffs impending, but said the threat of protectionism still exists and the risk becomes bigger in the wake of the COVID-19 pandemic.

25. US eyes \$3.1 billion of EU, UK imports for new tariffs

The U.S. is weighing new tariffs on \$3.1 billion of exports from France, Germany, Spain and the U.K., adding to an arsenal the Trump administration is threatening to use against Europe that could spiral into a wider transatlantic trade fight later this summer. The U.S. Trade Representative wants to impose new tariffs on European exports like olives, beer, gin and trucks, while increasing duties on products including aircrafts, cheese and yogurt, according to a notice published on June 23, 2020 evening. The statement lays out a month-long public comment period ending July 26.

26. U.S. regulator wonders if some Covid-19 waivers could become permanent

U.S. regulators have introduced a series of waivers in response to Covid-19, to ensure that freight continues to move south of the border. Now they're looking at whether selected waivers could become a permanent fixture. Federal Motor Carrier Safety Administration (FMCSA) acting administrator Jim Mullen admitted the state appetite for some discussed licensing changes is not as strong as expected. But the administration continues to look at things like the off-site reviews for safety ratings, he said on June 24, 2020 during the Truckload Carriers Association's virtual safety and security meeting.

27. Trade confidence hits an all-time low

Export Development Canada says trade confidence among Canadian exporters hit all-time low in its latest survey due to the economic shock as a result of the COVID-19 pandemic. The export credit agency says its trade confidence index fell to 56.0 compared with 69.3 percent at the end of 2019. The economy plunged into recession earlier this year after public health restrictions forced the closure of non-essential businesses in a bid to slow the spread of the pandemic.