

# Transportation Information Update\*

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September 2020, No. 193

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## AIR TRANSPORTATION

### 1. WestJet concerned third-party charges undermining Canada's economic recovery

WestJet on September 1, 2020 announced an increase to domestic traveller surcharges to account for NAV CANADA rate increases of almost 30 per cent starting September 1, 2020. WestJet is increasing the surcharge it charges for air traffic control services between \$4 and \$7 per guest depending on flight duration. NAV CANADA is Canada's air traffic control operator, responsible for Canada's civil air navigation system. WestJet is investigating an appeal of the rate increase and will remove the additional surcharge if the appeal is successful. "We are deeply concerned the NAV CANADA rate increase will lead to a further reduction in the number of travellers," said Ed Sims, WestJet President and CEO. "We are sympathetic to their situation, like ours, where a lack of sector-specific federal support has hindered their ability to recover. Burdening travellers who have been severely impacted by this pandemic with incremental costs will only serve to undermine Canada's economic recovery."

### 2. July Air Cargo Demand Stable, Capacity Remains Constrained

The International Air Transport Association (IATA) released data for global air freight markets in July 2020 showing air cargo demand is stable but at lower levels than 2019. While there is some month-to-month improvement, it is at a slower pace than some of the traditional leading indicators would suggest. This is due to the capacity constraint from the loss of available belly cargo space as passenger aircraft remain parked.

### 3. Air Cargo Market Analysis July 2020

Air cargo recovery continues amid improving economic activity. First, industry-wide cargo tonne-kilometres (CTKs) declined by 13.5% year-on-year in July 2020. CTKs adjusted for seasonality grew 2.6% month-on-month in July 2020, similar to the pace of improvement seen in June 2020 (3.0%). Second, despite growing uncertainty in COVID-19 developments, economic activity continued to recover in July 2020. Indicators such as manufacturing output and new export orders are improving. July's CTK performance is weaker than expected based on economic activity. But new export orders – a leading indicator for air cargo – show that CTKs should continue to improve in the coming period.

### 4. U.S. Transportation Secretary Elaine L. Chao Announces More Than \$1.2 Billion in Infrastructure Grants to America's Airports

U.S. Secretary of Transportation Elaine L. Chao announced on September 1, 2020 that the Trump Administration will award more than \$1.2 billion in airport safety and infrastructure grants through the Federal Aviation Administration (FAA) to 405 airports in 50 states and the Federated States of Micronesia, the Marshall Islands, the Northern Mariana Islands, Puerto Rico, Palau, and the U.S. Virgin Islands.

## AIR TRANSPORTATION Canada

1. WestJet concerned third-party charges undermining Canada's economic recovery, September 1, 2020, [www.westjet.ca](http://www.westjet.ca)
2. July Air Cargo Demand Stable, Capacity Remains Constrained, August 31, 2020, [www.iata.org](http://www.iata.org)
3. Air Cargo Market Analysis July 2020, August 31, 2020, [www.iata.org](http://www.iata.org)
4. U.S. Transportation Secretary Elaine L. Chao Announces More Than \$1.2 Billion in Infrastructure Grants to America's Airports, September 1, 2020, [www.dot.gov](http://www.dot.gov)
5. Air Passenger Market Analysis July 2020, September 1, 2020, [www.iata.org](http://www.iata.org)
6. McMaster HealthLabs, Air Canada and Greater Toronto Airports Authority to Conduct a Voluntary COVID-19 Study of Arriving International Travellers, September 3, 2020, [www.aircanada.ca](http://www.aircanada.ca)
7. Weekly aircraft movements, August 15 to 21, 2020, September 2, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
8. U.S. Airlines July 2020 Fuel Use Up 37% from June, September 2, 2020, [www.bts.gov](http://www.bts.gov)
9. Sluggish Improvement in Passenger Demand Continues in July, September 1, 2020, [www.iata.org](http://www.iata.org)
10. Transport Canada fines two individuals for failing to follow direction from the flight crew to wear face coverings during flight, September 4, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
11. Darkening Skies: Canada's Airports Now Expect Cumulative Revenue Losses of \$4.5 Billion by the, September 4, 2020, [www.cacairports.ca](http://www.cacairports.ca)
12. Dash 8 freighter conversions extended to 2021, Sept. 8, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)
13. Porter Airlines puts off restart date until Nov. 12, almost 8 months after flights grounded, Sept. 8, 2020, [www.financialpost.ca](http://www.financialpost.ca)
14. U.S. Airline July 2020 Passengers Decrease 73% from July 2019 but Rise 30% from June 2020 (Preliminary), September 8, 2020, [www.bts.gov](http://www.bts.gov)
15. 'Traffic slowly returning to normal', September 8, 2020, [www.iata.org](http://www.iata.org)
16. Weekly aircraft movements, August 22 to 28, 2020, September 9, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
17. Mid-July Airline Employment Up 7,000 from Mid-June, September 9, 2020, [www.bts.gov](http://www.bts.gov)
18. IATA launches online database of aircargo facilities, September 10, 2020,

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

## 5. Air Passenger Market Analysis July 2020

Air passenger demand continues in gradual recovery from the low-point in April 2020. Industry-wide revenue passenger-kilometres (RPKs) fell by 79.8% year-on-year in July vs. 86.6% fall in the previous month. In seasonally adjusted terms, RPKs increased by 14% month-on-month – a broadly similar pace of improvement as in June 2020. As was the case in June 2020, the rise in demand remains driven by domestic markets, notably China and more recently also Russia. International RPKs continued to contract by close to 100% year-on-year, although there have been some green shoots of demand on Within Europe routes resulting from opening of the Schengen Area. The fall in passenger volumes continues to outpace capacity. As a result, the industry-wide load factor fell to a record low for July 2020, at 57.9%.

## 6. McMaster HealthLabs, Air Canada and Greater Toronto Airports Authority to Conduct a Voluntary COVID-19 Study of Arriving International Travellers

McMaster HealthLabs (MHL), Air Canada and the Greater Toronto Airports Authority (GTAA) on September 3, 2020 announced that they will partner on a voluntary COVID-19 study of international travellers arriving at Toronto Pearson International Airport. The study's core purpose is to gather information to explore the effectiveness of various quarantine periods for travellers. MHL is a non-profit organization that develops COVID-19 research initiatives and testing solutions to accelerate business recovery during the pandemic.

## 7. Weekly aircraft movements, August 15 to 21, 2020

Data on Canadian weekly aircraft itinerant movements are now available for August 15 to 21, 2020 on statcan website. Domestic, transborder and international were all down compared the previous week.

## 8. U.S. Airlines July 2020 Fuel Use Up 37% from June

July 2020 fuel consumption was 37% higher than June 2020, 68% higher than May 2020 and 71% higher than April 2020. April was the lowest monthly fuel usage on record (447M gallons), dating back to 2000. July 2020 fuel consumption was down 54% from July 2019. The July 2020 cost per gallon (\$1.17) for aviation fuel was up 9 cents from June 2020 but down 81 cents from July 2019. The May 2020 cost per gallon (\$1.03) was the lowest since April 2004 (\$1.01).

## 9. Sluggish Improvement in Passenger Demand Continues in July

The International Air Transport Association (IATA) announced that passenger demand in July 2020 (measured in revenue passenger kilometers or RPKs), continued at critically low levels--79.8% below July 2019 levels. This was somewhat better than the 86.6% year-over-year decline recorded in June 2020, primarily driven by domestic markets, most notably Russia and China. Market reopening in the Schengen Area helped to boost international demand in Europe, but other international markets showed little change from June 2020. Capacity was 70.1% below 2019 levels and load factor sagged to a record low for July, at 57.9%

## 10. Transport Canada fines two individuals for failing to follow direction from the flight crew to wear face coverings during flight

As a result of its investigations, Transport Canada has issued the first fines in Canada for contravening the *Interim Order to Prevent Certain Persons from Boarding Flights in Canada due to COVID-19*. Two individuals have been fined \$1,000 each for refusing to follow the direction from the air crew to wear their face coverings. The first incident occurred on June 14, 2020 on a WestJet flight from Calgary to

[www.insidelogistics.ca](http://www.insidelogistics.ca)

19. Winnipeg airport says recovery will require help, September 11, 2020,

[www.insidelogistics.ca](http://www.insidelogistics.ca)

20. WestJet to offer guests no-charge COVID-19 travel insurance for air and vacation reservations, Sept. 11, 2020, [www.westjet.ca](http://www.westjet.ca)

21. June 2020 U.S. Airline Traffic Data, September 11, 2020, [www.bts.gov](http://www.bts.gov)

22. After a busy Labor Day weekend, airlines expect travel to slump, September 8, 2020, [www.iata.org](http://www.iata.org)

23. Government of Canada and partners improve process to notify air travellers potentially exposed to COVID-19 on domestic flights, September 11, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

24. WestJet updates schedule with key sun markets, September 14, 2020, [www.westjet.ca](http://www.westjet.ca)

25. Annual Rise in U.S. Airlines July Cargo (13%) Largest Increase in a Decade, September 14, 2020, [www.bts.gov](http://www.bts.gov)

26. U.S. Airlines Report Second Quarter 2020 Losses, September 14, 2020, [www.bts.gov](http://www.bts.gov)

27. IATA calls for vaccine preparations, September 15, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

28. Mid-July 2020 U.S. Passenger Airline Employment Up 4,600 FTEs from Mid-June, September 15, 2020, [www.bts.gov](http://www.bts.gov)

29. New Air Canada Infinite Canada Flight Pass Offers Customers Unrivalled Flexibility and Certainty for Domestic Travel, September 16, 2020, [www.aircanadaca](http://www.aircanadaca)

30. Air Canada to Make Complimentary COVID-19 Insurance Coverage Available to International, September 17, 2020, [www.aircanadaca](http://www.aircanadaca)

31. Weekly aircraft movements, August 29 to September 4, 2020, September 17, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

32. U.S. International Air Cargo Rose Slightly in July 2020 from July 2019 (Preliminary), September 17, 2020, [www.bts.gov](http://www.bts.gov)

33. Air Travel Consumer Report: June 2020 and 2nd Quarter 2020 Numbers, September 18, 2020, [www.dot.gov](http://www.dot.gov)

34. U.S. Department of Transportation Extends Notice Regarding Essential Air Service Program, September 21, 2020, [www.dot.gov](http://www.dot.gov)

35. Air travel never going 'back to way it was', [www.iata.org](http://www.iata.org)

36. Weekly aircraft movements, September 5 to 11, 2020, September 23, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

37. Air Canada Announces Longer-Term Refinancings to Replace Short-Term Facilities, September 23, 2020, [www.aircanada.ca](http://www.aircanada.ca)

38. Canada's Airports Look Forward to Working with the Federal Government on Financial Support for the Sector, September 23, 2020, [www.airports.ca](http://www.airports.ca)

39. KLM resumes flights to Edmonton, September 23, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

40. WestJet enhances no-charge COVID-19 travel insurance offering with U.S. coverage, September 25, 2020, [www.westjet.ca](http://www.westjet.ca)

41. Air cargo fell 17% in August, World ACD says, September 27, 2020, [www.americanshipper.com](http://www.americanshipper.com)

Waterloo, Ontario. The second incident occurred on July 7, 2020 on a WestJet flight from Vancouver, to Calgary. In both incidents, the individuals were directed repeatedly by the air crew to wear their face coverings during the flights and in both cases, the individuals refused.

#### **11. Darkening Skies: Canada's Airports Now Expect Cumulative Revenue Losses of \$4.5 Billion by the**

As travel restrictions and quarantines drag on into the 2020 fall, an updated financial outlook paints a dire picture for Canada's airports, which now expect to incur more than \$4.5 billion in lost revenue and debt levels increasing to \$2.8 billion by the end of 2021. The revised outlook, which represents a 30 per cent deterioration in expectations, was recently submitted to the federal government. Passenger volumes tell the story: 2020 traffic is now estimated to drop by 72 per cent over 2019, and 2021 traffic will be down by 65 per cent. Canada's airports served a record 160 million travellers in 2019, employed 194,000 people and generated \$19 billion in GDP.

#### **12. Dash 8 freighter conversions extended to 2021**

Transport Canada has confirmed the extension of approvals that permit the conversion of De Havilland Aircraft of Canada Limited Dash 8 Series aircraft into Simplified Package Freighters (SPF) in response to the Covid-19 pandemic. The approvals which now extend to July 31, 2021, will allow for continued flexibility in the transportation of goods in the framework of the pandemic.

#### **13. Porter Airlines puts off restart date until Nov. 12, almost 8 months after flights grounded**

Porter Airlines has extended its hiatus from operations until Nov. 12, 2020 almost eight months after flights were first grounded because of the coronavirus. The Canadian airline said on October 8, 2020 that it decided to push its restart date from Oct. 7 until Nov. 2020 because mandatory quarantines for people entering Canada are still in force and the Canada-U.S. border and Atlantic Canada travel bubble remain closed.

#### **14. U.S. Airline July 2020 Passengers Decrease 73% from July 2019 but Rise 30% from June 2020 (Preliminary)**

U.S. airlines carried 73% fewer scheduled service passengers in July 2020 than in July 2019, according to preliminary data filed with the Bureau of Transportation Statistics (BTS) by 18 airlines that carry more than 90% of the passengers. Despite the large annual drop from pre-pandemic numbers a year earlier, when compared to the previous month U.S. airlines carried 30% more passengers in July 2020 than in June 2020. The 73% decline from July 2019 was the smallest annual decrease since March 2020.

#### **15. 'Traffic slowly returning to normal'**

There are gradual signs of recovery in passenger traffic movement at the airports operated by Malaysia Airports, says Datuk Seri Dr Wee Ka Siong. The airports here saw almost zero passenger traffic movement in March, April and May 2020 due to the pandemic, which severely affected local aviation industry players, said the Transport Minister. But there were signs of recovery with 1.3 million passenger traffic movement for the months of July and August 2020 respectively, said Dr Wee. In June, it was only about 430,000.

#### **16. Weekly aircraft movements, August 22 to 28, 2020**

Data on weekly aircraft itinerant movements are now available for August 22 to 28, 2020 on statcan's website. Domestic movements moved marginally higher to 40,732 for the week ending August 22, 2020 from 40,542 on August 15, 2020.

#### **17. Mid-July Airline Employment Up 7,000 from Mid-June**

U.S. airlines employed 706,824 workers in the middle of July 2020, 7,101 more than in mid-June 2020 and 46,461 fewer than in March 2020. The July 2020 numbers consist of 597,982 full-time and 108,842 part-time workers.

#### **18. IATA launches online database of air cargo facilities**

The International Air Transport Association (IATA) has launched IATA ONE Source, an online platform designed to help the air cargo industry match shipping needs with the availability of infrastructure capabilities and certifications of service providers across the value chain. This is particularly timely amid the Covid-19 crisis when shippers of medical supplies and pharmaceuticals need accurate information for time-and temperature-sensitive shipments. ONE Source lists the latest operational information on airlines, airports, cargo handling facilities, freight forwarders, ground handlers, shippers, and trucking companies.

#### **19. Winnipeg airport says recovery will require help**

After a successful 2019, the Winnipeg Airports Authority (WAA) updated the community on what happened in 2019 within the organization as well as its ongoing approach to navigating the impacts of the COVID-19 pandemic. The cargo sector continued to grow while passenger numbers remained steady despite many obstacles such as the grounding of the Boeing 737 Max. Financials were strong, capping out 2019 with a reserve of \$140 million in available cash or credit.

#### **20. WestJet to offer guests no-charge COVID-19 travel insurance for air and vacation reservations**

On September 11, 2020, WestJet is announcing no-charge COVID-19 travel insurance coverage for eligible guests booking travel to Mexico, the Caribbean and European destinations including the United Kingdom. For reservations made on or after September 18, 2020, any WestJet air-only reservation including WestJet Vacations bookings for travel to and from Mexico, the Caribbean (excluding the U.S.), Europe (including U.K.) and inbound to Canada will provide eligible guests no-charge COVID-19 travel insurance through new partner TuGo®. Coverage will be automatically applied at no additional charge to eligible guests at the time of purchase for travel until August 31, 2021 for up to 21 days. One-way travel reservations will also be eligible for coverage for up to seven days.

#### **21. June 2020 U.S. Airline Traffic Data**

U.S. airlines carried 16.5 million systemwide (domestic and international) scheduled service passengers in June 2020, unadjusted, according to the Bureau of Transportation Statistics' (BTS), down 80.3% from June 2019.

#### **22. After a busy Labor Day weekend, airlines expect travel to slump**

Labor Day weekend was the busiest period for US air travel in nearly six months, as more than 900,000 people went through TSA screening on both October 4 and October 7 for the first time since March 2020. But airlines are signaling they believe this won't be repeated any time soon, as summer leisure travel comes to an end while business travel is expected to remain slow to return. The number of travelers screened by TSA over the five-day period from October 3 to October 7 was 39% of the number of the total of those screened during the same period a year ago.

#### **23. Government of Canada and partners improve process to notify air travellers potentially exposed to COVID-19 on domestic flights**

The Minister of Transport, the Honourable Marc Garneau, announced on September 11, 2020 that Transport Canada, provincial and territorial governments, public health authorities, and Canada's largest air carriers have established a consistent approach for air carriers to collect and share passenger information necessary to alert Canadians of possible COVID-19 exposure while travelling by air, in compliance with applicable privacy legislation. This would facilitate timely contact tracing and exposure notification for passengers on domestic flights. The national enhanced notification process is a key improvement that allows contact tracing to be done in a more consistent manner across all jurisdictions. It will ensure that the Public Health Agency of Canada is able to post on their website, in a timely and consistent fashion, information related to flights where passengers have been potentially exposed to an individual with COVID-19.

#### **24. WestJet updates schedule with key sun markets**

WestJet on September 14, 2020 released an updated schedule designed to get Canadians to and from key destinations while supporting the economic recovery of Canada through continued domestic flying. Starting October 4, 2020 WestJet will offer operations to and from 48 destinations including 39 in Canada, three in the U.S. and three in Mexico, two in Jamaica and one in the U.K.

#### **25. Annual Rise in U.S. Airlines July Cargo (13%) Largest Increase in a Decade**

U.S. airlines carried almost 13% more cargo by weight in July 2020 (preliminary) than in July 2019, the largest annual increase since 2010. The rise was fueled by a gain of almost 16% in domestic cargo while the 4.5% rise in international cargo was the first annual gain since March 2019, according to data filed with the Bureau of Transportation Statistics (BTS) by 15 of the leading cargo airlines. The 15 airlines carry 97% 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.

#### **26. U.S. Airlines Report Second Quarter 2020 Losses**

U.S. scheduled passenger airlines reported a second-quarter 2020 after-tax net loss of \$11.0 billion and a pre-tax operating loss of \$16.2 billion. These second-quarter losses are the second consecutive quarterly losses following 27 consecutive quarterly after-tax net profits and 35 consecutive quarterly pre-tax operating profits.

#### **27. IATA calls for vaccine preparations**

The International Air Transport Association (IATA) is urging governments to begin planning now to ensure there is enough transport capacity for Covid-19 vaccines. The association warned of potentially severe capacity constraints in transporting vaccines by air. Air cargo plays a key role in the distribution of vaccines in normal times through well-established global time- and temperature-sensitive distribution systems. This capability will be crucial to the quick and efficient transport and distribution of COVID-19 vaccines when they are available, and it will not happen without careful planning, led by governments and supported by industry stakeholders. Providing a single dose to 7.8 billion people would fill 8,000 747 cargo aircraft.

#### **28. Mid-July 2020 U.S. Passenger Airline Employment Up 4,600 FTEs from Mid-June**

The 23 U.S. scheduled passenger airlines employed 1.1 % more full-time equivalents (FTEs) in mid-July 2020 than in mid-June 2020: 1) Mid-July's total number of FTEs (415,154) was up 4,600 FTEs from mid-June 2020 (410,557 FTEs) and down nearly 45,000 FTEs from mid-March 2020. July 2020 was the lowest FTE total for any July since 2016 (413,746 FTEs); and 2) Mid-July 2020 FTEs were down more than 34,000 FTEs, down 7.7%, from mid-July 2019 (449,907 FTEs).

#### **29. New Air Canada Infinite Canada Flight Pass Offers Customers Unrivalled Flexibility and Certainty for**

## **Domestic Travel**

Air Canada on September 16, 2020 introduced its new Infinite Canada Flight Pass, designed to give customers the ultimate in flexibility and certainty for booking travel within Canada. For one flat fee, pass holders will be able to book travel without blackout or booking restrictions, make changes or cancellations without penalty, and fly as often as desired for up to three months, depending on the duration of pass purchased.

### **30. Air Canada to Make Complimentary COVID-19 Insurance Coverage Available to International**

Air Canada on September 17, 2020 announced that it is including complimentary COVID-19 emergency medical & quarantine insurance for eligible customers booking round-trip international flights. The coverage, available for new bookings made in Canada from September 17 until October 31, 2020, inclusive, provides emergency medical and quarantine insurance designed to give customers added confidence when booking flights and travelling abroad.

### **31. Weekly aircraft movements, August 29 to September 4, 2020**

Data on weekly aircraft itinerant movements are now available for August 29 to September 4, 2020 on statcan website. For the week ending August 29, 2020 domestic movements were 38,217 down from the week ending August 22, 2020 i.e. 40, 732.

### **32. U.S. International Air Cargo Rose Slightly in July 2020 from July 2019 (Preliminary)**

U.S. and foreign airlines carried 0.4% more cargo by weight between the U.S. and foreign points in July 2020 than in July 2019, including a 19% rise in cargo between the U.S. and Asia, according to data filed with the Bureau of Transportation Statistics (BTS) by large air carriers. July's 0.4% increase followed year-over-year decreases in March (down 17%), April (down 16%), May (down 14%) and June (down 10%).

### **33. Air Travel Consumer Report: June 2020 and 2nd Quarter 2020 Numbers**

The U.S. Department of Transportation September 18, 2020 released its August 2020 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of June 2020. The full consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>. The Coronavirus Disease 2019 (COVID-19) public health emergency has resulted in significant changes to airline schedules and operations, contributing to airlines' on-time performance and cancellation statistics in June 2020. The 10 marketing network carriers reported 237,264 scheduled domestic flights in June 2020 compared to 192,412 flights in May 2020 and 694,469 flights in June 2019. Of those 237,264 scheduled flights, 0.43%, 1,030 flights, were cancelled. As a result of schedule reductions and cancellations, the carriers reported operating 236,234 flights in June 2020, compared to the all-time monthly low of 180,151 flights in May 2020 and 194,390 flights in April 2020.

### **34. U.S. Department of Transportation Extends Notice Regarding Essential Air Service Program**

On September 21, 2020, the Department is issuing a notice in the Essential Air Service Program addressing the ongoing impacts of the Coronavirus (COVID-19) public health emergency on all communities receiving subsidized service. A previous notice, issued on April 29, 2020, outlined conditions under which air carriers providing EAS may receive compensation for certain non-completed flights as a result of the impact of the COVID-19 public health emergency. That notice was effective through June 30, 2020, and was extended once before, through September 30, 2020. Today's notice merely extends the effective date of the policy through December 31, 2020. The Department observes that carriers participating in the EAS program continue to encounter record-low demand. Therefore, the Department is acting now to extend the effective period of the Notice through December 31, 2020.

### **35. Air travel never going 'back to way it was'**

Air travel is never going to go back to the way it was before Covid-19, one of the industry's leading figures, Irishman Willie Walsh, predicted on September 22, 2020. Mr Walsh has just retired as chief executive of International Airlines' Group (IAG), owner of Aer Lingus, British Airways and Spain's Iberia and Vueling. "I do not see the industry ever going back to the way it was, because there is so much repair that's going to have to be done" the Dubliner said on September 22, 2020. He argued that this even extended to airlines that have received billions of euro in aid from EU member state governments.

### **36. Weekly aircraft movements, September 5 to 11, 2020**

Data on weekly aircraft itinerant movements are now available for September 5 to 11, 2020 on statcan website. Domestic itinerants for the week ending September 5, 2020 declined to 34,068 from 38,217 for the previous week.

### **37. Air Canada Announces Longer-Term Refinancings to Replace Short-Term Facilities**

Air Canada on September 23, 2020 announced that it recently completed two longer-term refinancing transactions for a total amount of approximately \$1.52 billion, replacing short-term facilities. The first transaction consists of a committed Secured Facility totalling \$787.7 million to finance Air Canada's purchase of the first 18 Airbus A220 aircraft with a term of 12 years from delivery of each aircraft on a floating interest basis based on CDOR. The second transaction consists of a private placement of two tranches of Enhanced Equipment Trust Certificates, the proceeds of which were used to purchase equipment notes issued by Air Canada and secured by three Boeing 787-9 aircraft, three

Boeing 777-300ER aircraft, one Boeing 777-200LR and nine A321-200 aircraft. The two tranches of certificates have a combined aggregate face amount of U.S. \$552.6 million and a weighted average interest rate of 5.73%.

### **38. Canada's Airports Look Forward to Working with the Federal Government on Financial Support for the Sector**

With passenger traffic down by more than 85 per cent in July and August 2020, and no end in sight to travel restrictions and quarantine requirements, Canada's airports look forward to continued engagement with the federal government on financial support for the sector. The Speech from the Throne offered some hope in recognizing particularly hard hit sectors, including aviation, but time is of the essence: without action, the damage done to airports and the communities they serve may take years to repair.

### **39. KLM resumes flights to Edmonton**

After a five month pause, KLM will resume offering its non-stop service from Edmonton to Amsterdam, beginning October 29, 2020. The twice weekly service will operate Thursdays and Saturdays with a 787-9 Dreamliner aircraft.

### **40. WestJet enhances no-charge COVID-19 travel insurance offering with U.S. coverage**

On September 25, 2020, WestJet announced that guests travelling to, through or from the United States are now eligible for the airline's enhanced \$200,000 CAD COVID-19 travel insurance coverage for air-only and vacation reservations. The enhanced coverage will retroactively include all bookings made as of September 18, 2020 and will increase by \$100,000 CAD to include up to a maximum of \$200,000 CAD at no additional charge to eligible guests.

### **41. Air cargo fell 17% in August, World ACD says**

The weekly snapshot underscores the trend since April 2020 of steadily improving cargo demand after the initial economic shock from the coronavirus outbreak and severely limited transportation space. Volume growth is expected to take off again with high demand for holiday merchandise, e-commerce and COVID medical supplies. World ACD said demand in August fell 17.2% from the same month a year ago, but that's an improvement compared to July, June and May 2020. Despite less business, air cargo operators have enjoyed a 37% increase in revenues because rates were 65% higher than a year ago. The Asia-Pacific region lost the least volume in August 2020 (-10%), while Europe and Middle East/South Asia experienced volume declines of 25% and 22%, respectively, World ACD said.

## **WATER TRANSPORTATION**

### **1. The Port of Montreal is now a "Creator of Biodiversity in Agriculture" for its support of the ALUS Montérégie environmental program**

In connection with the expansion of its activities in Contrecoeur, the Montreal Port Authority (MPA) is pleased to team up with the ALUS Montérégie program. Launched by the Montérégie UPA Federation in 2006, this program annually contributes to the preservation of ecosystems and supports farmers in their efforts to protect the environment. With this commitment, the MPA becomes a Gold Partner of the program.

### **2. PNW shippers face delays on Vancouver, Prince Rupert congestion**

With month-long rail issues at Vancouver and Prince Rupert continuing, beneficial cargo owners shipping through the Canadian ports must now contend with vessel arrival delays of as much as two weeks.

### **3. Port commissioner defends unlicensed off-dock trucking**

The controversy surrounding unlicensed off-dock trucking at the Port of Vancouver deepened this week, with the Office of the B.C. Container Trucking Commissioner (OBCCTC) defending the work. "The off-dock container trucking activity Unifor refers to as (a) 'black market' activity and the United Truckers Association (UTA) calls 'illegal', is not illegal," Commissioner Michael Crawford said on September 1, 2020.

### **4. Steady mid-year cargo volumes amid global pandemic reflect the Port of Vancouver's vital role in Canada's supply chain**

The Vancouver Fraser Port Authority on September 3, 2020 released the 2020 mid-year statistics for goods moving through the Port of Vancouver. From January 1 to June 30, 2020, overall cargo through the port decreased by 1.1% from 72.4 to 71.7 million metric tonnes (MMT) over the same time last year. Despite an overall decrease in cargo moving through the port, new mid-year

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1. The Port of Montreal is now a "Creator of Biodiversity in Agriculture" for its support of the ALUS Montérégie environmental program, August 27, 2020, [www.portofmontreal.ca](http://www.portofmontreal.ca)

2. PNW shippers face delays on Vancouver, Prince Rupert congestion, September 1, 2020, [www.joc.com](http://www.joc.com)

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7. Asia-Europe trade records first volume growth of 2020, September 8, 2020, [www.joc.com](http://www.joc.com)

8. The Government of Canada and the Haida Nation announce Voluntary Protection Zone trial on west coast of Haida Gwaii, September 3, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

9. Government of Canada collaborates with Indigenous communities to address underwater vessel noise along the Trans Mountain shipping route, September 8,

records were set for bulk and containerized grain, as well as total foreign tonnage and foreign exports. “We are experiencing unprecedented times in Canada and across the globe as we grapple with a pandemic that is causing economic impacts, making short term predictions difficult,” said Robin Silvester, president and chief executive officer at the Vancouver Fraser Port Authority. “Despite these challenges, mid-year cargo volumes through the Port of Vancouver remained stable and Canada’s trade has continued to flow, connecting Canadians and Canadian businesses to essential goods and international markets. This resiliency is a testament to the importance of diverse trading partners, foreign markets, and a range of cargo moving through the port.”

#### **5. DP World and Canada fund strike \$4.5 billion global ports deal**

International port operator DP World agreed to a deal on September 3, 2020 with one of Canada’s biggest pension-fund managers to pour an additional \$4.5 billion into their joint venture of ports and terminals. The new capital signals a major push to expand and brings the total amount invested by one of the world’s largest port operators and Canadian infrastructure investor Caisse de Dépôt et Placement du Québec to \$8.2 billion.

#### **6. Port of Vancouver posts grain record halfway through 2020**

From January 1 to June 30, 2020, overall cargo through the Port of Vancouver decreased by 1.1 percent from 72.4 to 71.7 million metric tonnes (MMT) over the same time last year. However, despite an overall decrease in cargo moving through the port, new mid-year records were set for bulk and containerized grain, as well as total foreign tonnage and foreign exports. “We are experiencing unprecedented times in Canada and across the globe as we grapple with a pandemic that is causing economic impacts, making short term predictions difficult,” said Robin Silvester, president and chief executive officer at the Vancouver Fraser Port Authority.

#### **7. Asia-Europe trade records first volume growth of 2020**

Asia-Europe container volume in July 2020 recorded its first month of year over year growth since October 2019, rising almost 2 percent, according to the latest data from Container Trades Statistics (CTS). The demand on the trade lane has been improving steadily since the coronavirus disease 2019 (COVID-19) lockdowns of April and May 2020, and the 1.9 percent growth in July 2020 took volume to 1.52 million TEU. There was also an improvement on a global scale in July 2020, when the volume was virtually unchanged compared to the same month last year, with the 14.8 million TEU down by a marginal 0.1 percent, or just 20,000 TEU.

#### **8. The Government of Canada and the Haida Nation announce Voluntary Protection Zone trial on west coast of Haida Gwaii**

In the spirit of reconciliation and in an effort to protect this area, the Government of Canada and the Council of the Haida Nation have launched a 14-month trial Voluntary Protection Zone for Shipping, effective September 1, 2020. The Voluntary Protection Zone is part of the Proactive Vessel Management initiative under Canada’s Oceans Protection Plan.

#### **9. Government of Canada collaborates with Indigenous communities to address underwater vessel noise along the Trans Mountain shipping route**

On September 8, 2020, the Minister of Transport, the Honourable Marc Garneau announced funding of up to \$2.5M over three years for 29 eligible Indigenous communities along the Trans Mountain shipping route to participate in the Quiet Vessel Initiative.

#### **10. Mega-ship calls at Port of Halifax**

The largest containerized cargo vessel to call at a Canadian port arrived at the Port of Halifax. The CMA CGM Brazil, 366 metres long, 51 metres wide and with a 15,072-TEU capacity, berthed at PSA Halifax at midnight, local time. The CMA CGM Brazil sails on the weekly Columbus JAX service, from South Asia to the East Coast of America. With a terminal area of 32 hectares, a quay length of 1,045 metres and a depth of 16.5 metres, PSA Halifax is the only port in Eastern Canada that can accommodate ultra-class vessels.

2020, [www.tc.gc.ca](http://www.tc.gc.ca)

10. Mega-ship calls at Port of Halifax, September 10, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)

11. Two new cranes offloaded at the Port of Montreal, September 10, 2020, [www.portmontreal.ca](http://www.portmontreal.ca)

12. Port of LA gives The Signal to cargo stakeholders, September 9, 2020, [www.freightwaves.ca](http://www.freightwaves.ca)

13. HEA and ILA agree to one year contract extension, September 10, 2020, [www.portofhalifax.ca](http://www.portofhalifax.ca)

14. Port of LA secures record month with 961,833 TEUs, September 15, 2020, [www.americanshipper.com](http://www.americanshipper.com)

15. Grain surge boosts Great Lakes cargo, September 17, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

16. Report calls for changes to B.C. Container Trucking Act, September 18, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

17. Vancouver Fraser Port Authority investment in shipment visibility paying off, Sept. 18, 2020, [www.americanshipper.com](http://www.americanshipper.com)

18. Ports of Seattle, Tacoma foresee better volumes ahead, September 21, 2020, [www.americanshipper.com](http://www.americanshipper.com)

19. Statement by Minister Garneau on World Maritime Day, September 24, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

20. Port of Montreal wins AAPA award, September 24, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

21. Port Houston: Bigger ships need wider channel, September 24, 2020, [www.americanshipper.com](http://www.americanshipper.com)

22. Minister Garneau announces funding for projects that promote small vessel safety, September 25, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

23. Port of LA’s Seroka calls for US focus on exports, September 25, 2020, [www.americanshipper.com](http://www.americanshipper.com)

### **11. Two new cranes offloaded at the Port of Montreal**

Among the millions of tonnes of cargo unloaded at the Port of Montreal every year, few are as impressive as the two huge cranes that transited through our docks last Sunday! Built in Ireland, these two Liebherr cranes will be installed on the Viau terminal, now in the second phase of its construction. The first one is a ship-to-shore Post-Panamax crane, with a 48-metre outreach and lift height over rail of 33.5-metre. The second one is a 100% electrically operated rail-mounted gantry crane. The first of its kind at the Port of Montreal, this machine can hoist loads weighing up to 65 tonnes and provides the considerable advantage of optimizing space at the terminal. In addition to avoiding GHG emissions, it is equipped with extensive soundproofing features.

### **12. Port of LA gives The Signal to cargo stakeholders**

The Port of Los Angeles announced it is sharing Wabtec's Port Optimizer data so all supply chain stakeholders can better plan for incoming cargo. We're giving all of our partners — railroads, chassis providers, truckers, warehouse operators and others in the supply chain — a three-week look at cargo coming into Los Angeles," said Port of LA Executive Director Gene Seroka. "This planning tool will help make our partners more nimble and efficient, especially during volume surges like we are currently experiencing. This is the forward visibility our stakeholders have requested and we are proud to deliver it." Seroka unveiled The Signal at the Los Angeles Harbor Commission's meeting last week. Powered by the Port Optimizer, the dashboard shows how many shipments will be arriving at the Port of LA over the next three weeks. The data is broken down by container type and includes details on the mode of transportation, whether rail or truck, that will be used once the cargo arrives in LA.

### **13. HEA and ILA agree to one year contract extension**

The Halifax Employers Association, acting for and on behalf of its members, Steamship Companies and Agents employing labour, Stevedores and Container Terminal Operators handling vessels in the Port of Halifax, AND The Council of I.L.A. Locals for the Port of Halifax acting for and on behalf of its members, the Halifax Longshoremen's Association, Local 269, the Halifax Freight & Steamship Checkers Union, Local 1341 and the Halifax Gear Repair and Maintenance Men, Local 1825 are pleased to announce that they reached an agreement to extend the current Collective Agreement and the existing Mid-West Cargo rebate agreement for an additional year, expiring on December 31, 2021. The current Collective Agreement was set to expire on December 31, 2020. The contract extension has been ratified by parties and was agreed to in response to the uncertainty created by the COVID-19 pandemic to provide labour stability in the longshore industry in the Port of Halifax.

### **14. Port of LA secures record month with 961,833 TEUs**

The Port of Los Angeles had its best month ever in August 2020, but Executive Director Gene Seroka wasn't sipping champagne during the September 15, 2020 press conference on volumes. "One month or even one quarter does not make a trend," Seroka said. "Despite this import surge that we're seeing, the U.S. economy and global trade face significant challenges. Cargo volume remains down nearly 12% year-on-year through August 2020. The trade imbalance has deepened, with American exports continuing to struggle. In my view, our economy remains in a very precarious position." Still, the Port of LA processed a record-setting 961,833 twenty-foot equivalent units (TEUs) in August 2020. "This represents the best single month ever at the Port of LA, beating our October of 2018 number at more than 952,000 TEUs," Seroka said. The volume total was a 12% increase from August 2019 as well as July of this year.

### **15. Grain surge boosts Great Lakes cargo**

The Chamber of Marine Commerce says that demand for wheat, canola and soybeans is pushing grain shipments up by 20 percent in some of Ontario ports. The shipping association says that between April 1 and Aug. 31, 2020, 5.2 million tonnes of grain passed through a key trade corridor, the Great Lakes-St. Lawrence Seaway. Thunder Bay Port Authority says that the port is on pace to ship more cargo this year than any other single year since 1997, including an increase of one million tonnes of grain compared with this time last year. The strong grain harvest has been a bright spot as ports recover from the COVID-19 pandemic, which disrupted supply chains this year. Overall shipments in the Great Lakes seaway are still down eight percent compared to this time last year, as iron ore, dry bulk and liquid bulk shipments have all fallen between 10 percent and 25 percent.

### **16. Report calls for changes to B.C. Container Trucking Act**

An independent study on the off-dock container movements at the Port of Vancouver is calling for changes to the *Container Trucking Act* to improve fairness and efficiency in the Lower Mainland drayage sector. Off-Dock Drayage Insights was commissioned by British Columbia amid fresh protests over off-dock trucking activities. It was released on September 16, 2020. Labor groups have long complained that unlicensed truckers are moving containers off-dock within the Lower Mainland area at steeply discounted prices, undermining licensed, fee-paying companies.

### **17. Vancouver Fraser Port Authority investment in shipment visibility paying off**

Although rail can be a blind spot for many ports, a partnership between the Vancouver Fraser Port Authority and the primary railroads that serve it is generating more reliable data for use in forecasting demand. The Vancouver Fraser

Port Authority's work to achieve greater multimodal shipment visibility also could become a model for other gateways. "The [Vancouver Fraser Port Authority](#) has made good progress, together with [Railinc](#), by investing more heavily in information and analytics. The port authority's effort has drawn interest from other ports and could become a national model. Already, the initiative has been rebranded the Canadian West Coast Visibility Project," said Bill Fahrenwald, executive director of [James Street Associates](#), which has produced a case study on the port authority's multimodal data-sharing and analytics efforts. According to the newly released case study, the initiative by Canada's largest port was designed to help shippers get their products to market more effectively. "The fast-growing port is also gaining an important edge in the highly competitive market for new business," it said.

#### **18. Ports of Seattle, Tacoma foresee better volumes ahead**

While volumes handled by the Northwest Seaport Alliance (NWSA) remain down year-over-year, the tide appears to be turning, according to CEO John Wolfe. Wolfe said he was "encouraged" that total August 2020 volumes were down 13.8% year-over-year instead of the approximately 20% recorded in previous months. The ports of Seattle and Tacoma handled a total of 276,407 twenty-foot equivalent units (TEUs) in August 2020. "That still holds us at about 17.5% down over last year year-to-date August for the container volume," Wolfe said during a press briefing on September 18, 2020.

#### **19. Statement by Minister Garneau on World Maritime Day**

The Minister of Transport, the Honourable Marc Garneau, issued a statement on September 24, 2020, World Maritime Day. "This year's World Maritime Day theme reflects the current and future goals of the global maritime sector. Canada, an original member state of the IMO, contributes to international maritime planning in an effort to achieve sustainable shipping for a sustainable planet. "Here at home, the Government of Canada is making sure our coasts are protected in innovative ways with the help of the latest technologies." He highlight a few of the many activities implemented and continue to be advanced.

#### **20. Port of Montreal wins AAPA award**

As part of its 2020 Together Apart Annual Convention and Expo this week, the American Association of Port Authorities (AAPA) recognized 28 port authorities in its annual Environmental Improvement, Facilities Engineering, Information Technology and Communications awards programs. The Montréal Port Authority won the 2020 Port Operations and Management Systems category Award of Excellence for its submission, Port of Montreal Digital Twin.

#### **21. Port Houston: Bigger ships need wider channel**

Port Houston officials say widening of the shipping channel is necessary to accommodate increasingly bigger vessels and maintain its status as a big driver of the Texas economy. "When you add it all up, the ship channel area is really responsible for 1.35 million jobs in Texas, over 3 million nationwide, \$339 billion in economic impact ... in the state and \$800 billion nationwide. And if you think about the GDP of the state of Texas, it's about \$1.4 trillion and so the impact of the ship channel is a big chunk, maybe 20%, of that GDP number," said Rich Byrnes, Port Houston's chief port infrastructure officer, during a webinar on September 24, 2020.

#### **22. Minister Garneau announces funding for projects that promote small vessel safety**

Transport Canada's Small Vessel Safety Component is now accepting applications for funding of 75% of the total cost of a project. To be eligible, projects should focus on increasing the safety of small fishing vessel operators, small commercial vessel operators and Indigenous boaters who regularly interact with larger ships in order to help prevent collisions. Interested applicants can visit the Transport Canada website for more information.

#### **23. Port of LA's Seroka calls for US focus on exports**

Port of Los Angeles Executive Director Gene Seroka called for a national export program to narrow the trade gap between the United States and China during an appearance on CNBC's "Squawk Box Asia" this week. "We are now at five imports to every export and that's the widest trade gap we've witnessed at the Port of Los Angeles in some time," Seroka told hosts Rosanna Lockwood and Sri Jegarajah on September 24, 2020. He said that import-export imbalance puts pressure on the port's service providers and does not help put Americans back to work as the economy reemerges following the worst of the coronavirus pandemic. Asked what he would like to see from the White House, Seroka answered that change doesn't happen overnight, but "we would like to see an infrastructure play and a broad look at what a multimodal funding program would be for the supply chain here in the United States."

## RAIL TRANSPORTATION

### 1. CN orders 50 electric trucks from Lion Electric

CN has ordered 50 electric trucks from Canadian supplier Lion Electric Co. for intermodal operations in its largest urban markets, the companies announced on August 31, 2020. The Canadian railway plans to deploy the trucks in Toronto, Vancouver and Montreal, CN JJ Ruest said during a news conference in Montreal. They will perform urban deliveries, container shuttle service and port operations. The trucks will help “reduce greenhouse gas emissions, but also noise pollution,” Ruest said. “Trucks, let’s face it, are a little noisy.” It also marks the single largest order for Quebec-based Lion Electric. CN has been testing eight of Lion Electric’s trucks since launching a pilot project in 2019.

### 2. Railways see untapped potential in Atlantic Canada ports

Canadian Pacific and CN are vying to be the top freight railroad in Eastern Canada, with both companies seeing the Atlantic Canada ports as having untapped potential. The ports at Saint John and Halifax have access not only to Eastern and Central Canada, but also to the coveted U.S. Midwestern market and the Eastern U.S. CN has access to both ports, while CP — with its recent acquisition of the Central Maine and Quebec Railway — has direct access to Port Saint John. Expanding the rail network capacity in eastern Canada complements the strategy of importers or beneficial cargo owners (BCOs) that have adopted a “four corners” approach to access the North American markets, Jonathan Wahba, CP’s executive vice president of sales and marketing for intermodal and automotive, told FreightWaves in an interview.

### 3. Transport Canada publishes the Locomotive Voice and Video Recorder Regulations

On September 2, 2020, the Minister of Transport, the Honourable Marc Garneau, announced the publication of the final Locomotive Voice and Video Recorder Regulations in Canada Gazette, Part II, that specify the technical requirements for rail companies to install these devices on board their locomotives by September 2, 2022. Locomotive voice and video recorders provide accident investigators with insight into the sequence of events leading up to a rail accident (e.g. crew communications and actions). This information helps determine if corrective measures are required to improve rail safety in Canada. Information from these recorders can also be used by railway companies to identify and manage safety risks.

### 4. Investment firms reportedly make new bid for Kansas City Southern

The Blackstone Group’s infrastructure arm and Global Infrastructure Partners have reportedly made a bid to acquire U.S. Class I railroad Kansas City Southern (KSU), according to the Wall Street Journal. Shares of KSU jumped nearly 5% following the announcement.

### 5. August “Fifth Best Intermodal Month Ever”: AAR

U.S. railroads originated 898,227 carloads in August 2020, down 14.9%, or 156,797 carloads, from August 2019. U.S. railroads also originated 1,122,954 containers and trailers in August 2020, up 3%, or 33,115 units, from the same month last year. Combined U.S. carload and intermodal originations in August 2020 were 2,021,181, down 5.8%, or 123,682 carloads and intermodal units from August 2019. Total U.S. weekly rail traffic was 508,307 carloads and intermodal units, down 6.2% compared

with the same week last year. Total carloads for the week ending August 29 were 225,703 carloads, down 15.9% compared with the same week in 2019, while U.S. weekly intermodal volume was 282,604 containers and trailers, up 3.4% compared to 2019. Canadian railroads reported 72,859 carloads for the week, down 15.3%, and 73,551 intermodal units, down 0.8% compared with the same week in 2019. For the first 35 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 4,859,595 carloads, containers and trailers, down 8.6%.

### 6. August intermodal loadings best in US since late 2018

## RAIL TRANSPORTATION

### Canada

1. CN orders 50 electric trucks from Lion Electric, August 31, 2020, [www.americanshipper.com](http://www.americanshipper.com)
2. Railways see untapped potential in Atlantic Canada ports, August 31, 2020, [www.americanshipper.com](http://www.americanshipper.com)
3. Transport Canada publishes the Locomotive Voice and Video Recorder Regulations, September 2, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
4. Investment firms reportedly make new bid for Kansas City Southern, September 2, 2020, [www.americanshipper.com](http://www.americanshipper.com)
5. August “Fifth Best Intermodal Month Ever”: AAR, September 2, 2020, [www.railwayage.com](http://www.railwayage.com)
6. August intermodal loadings best in US since late 2018, September 3, 2020, [www.americanshipper.com](http://www.americanshipper.com)
7. CN Joining The Commtrex Marketplace, September 8, 2020, [www.cn.ca](http://www.cn.ca)
8. Layoffs Continue at UP, September 8, 2020, [www.railwayage.com](http://www.railwayage.com)
9. STB and FRA echo rail worker concerns about U.S. rail service, September 7, 2020, [www.ajot.com](http://www.ajot.com)
10. CP recognizes customers with Safe Shipper Award for exemplary safety behaviour, September 10, 2020, [www.cpr.ca](http://www.cpr.ca)
11. Freight Fundamentals Across All Modes Are Strong: Cowen, September 10, 2020, [www.railwayage.com](http://www.railwayage.com)
12. CP and Maersk reach agreement that will benefit North American customers and the environment, September 14, 2020, [www.cpr.ca](http://www.cpr.ca)
13. CN Partners With Commtrex To Boost Transloading Business, Efficiency, September 14, 2020, [www.railwayage.com](http://www.railwayage.com)
14. CP: Building Capacity in Vancouver, Montreal, September 15, 2020, [www.railwayage.com](http://www.railwayage.com)
15. North American Rail Freight Down 10.5% Through 37 Weeks: AAR, September 16, 2020, [www.railwayage.com](http://www.railwayage.com)
16. Government of Canada announces ongoing investments to improve railway safety, September 17, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
17. Government of Canada highlights the launch of Rail Safety Week 2020 and underlines recent efforts taken to improve rail safety in Canada, September 18, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
18. CN ATIP: No Longer Atypical, September 18, 2020, [www.railwayage.com](http://www.railwayage.com)
19. CP opens new transload facility in Montréal, September 22, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)
20. Canadian crude by rail exports fall, September 24, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
21. More Rail Tank Cars Meet New Safety Standards, September 24, 2020, [www.bts.gov](http://www.bts.gov)
22. Freight Rail Services Price Index, September 28, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

August 2020 was the best month for intermodal loadings for U.S. freight railroads since October 2018, the Association of American Railroads (AAR) said on September 2, 2020. August also marked the fifth-best intermodal month ever for U.S. loadings, according to AAR Senior Vice President John T. Gray.

#### **7. CN Joining The Commtrex Marketplace**

CN is pleased to announce that it has joined The Commtrex Transload Marketplace, offering customers one-stop access to CN's unique tri-coastal rail network and its extensive range of transloading distribution services across Canada and the U.S. Commtrex makes it quick and easy to find and request transloading services by efficiently connecting shippers with transloading providers who can handle the movement of bulk, liquids, packaged goods, oversized cargo, and more. Commtrex matches shippers with the most relevant transload facilities, then allows shippers to compare detailed information about each location before connecting directly through the platform to discuss terms.

#### **8. Layoffs Continue at UP**

Union Pacific (UP) announced on Sept. 4, 2020 that it plans to lay off an unspecified number of non-agreement and agreement employees, according to a report in the *Omaha World-Herald*. UP attributed "continuous efforts to streamline operations, while aligning our service product and resources to drive efficiency" as the reason. "These are difficult decisions; however, we remain committed to providing our customers safe, efficient and reliable service that ensures Union Pacific remains a strong and competitive company," UP said. The layoffs continue workforce reduction efforts under way over the past two years. UP laid off 11,711 employees between September 2018 and July 2020, and earlier this year hit its employees with a RULA (Required Unpaid Leave of Absence) of one week per month. As well, top management has taken pay cuts of 25%.

#### **9. STB and FRA echo rail worker concerns about U.S. rail service**

On August 24th, 2020, the heads of the Surface Transportation Board (STB) and the Federal Railway Administration (FRA) sent identical letters to the heads of the leading U.S. railroads, including the Union Pacific (UP) and the Burlington Northern Santa Fe (BNSF) expressing concerns about the quality of the U.S. railroad infrastructure and disruptions in rail service. The letter, signed by FRA Ron Batory and STB Board Chair Ann Begeman read in part "Recently, however, we have been made aware of service issues, including missed industrial switches and excessively late or annulled trains due to crew availability issues. As you know, with both increasing intermodal and carload volumes and a projected robust harvest fast approaching, railroad employee availability, together with sufficient equipment resourcing, is essential for safe, fluid rail service in support of the nation's economic recovery. Given the challenges related to changing demand patterns and operating conditions, increased communication and transparency with rail shippers is especially important to ensure they have the information needed to plan their businesses and meet their own customers' needs."

#### **10. CP recognizes customers with Safe Shipper Award for exemplary safety behaviour**

Canadian Pacific has recognized 45 shippers with its annual Safe Shipper Award for safely transporting hazardous materials by rail in 2019.

#### **11. Freight Fundamentals Across All Modes Are Strong: Cowen**

Cowen and Co. Global transportation & sustainable mobility conference takeaways: "Railroads are focused on adding back traffic at high incremental margins, though rail network congestion persists," Cowen and Co. analysts Jason Seidl (Managing Director and Railway Age Wall Street Contributing Editor), Matt Elkott and Adam Kramer reported following presentations by several major carriers. "Freight fundamentals across all modes are strong, with retail and CPG (consumer packaged goods) restocking of inventories a major driver of the current spike in demand. Many customers are choosing to renegotiate TL (truckload) contracts early as spot rates just eclipsed 2018 peak levels and are likely headed higher."

#### **12. CP and Maersk reach agreement that will benefit North American customers and the environment**

Canadian Pacific Railway Limited (CP) and Maersk have reached an agreement to build and operate a world-class transload and distribution facility in Vancouver to expand CP's and Maersk Canada's supply chain options for customers. The CP transload facility will be an expansion of CP's existing Vancouver Intermodal Facility and thus will benefit from turnkey rail infrastructure.

#### **13. CN Partners With Commtrex To Boost Transloading Business, Efficiency**

CN has signed on with Commtrex to offer shippers one-stop access to its rail network and transloading distribution services across Canada and the U.S. Using the Commtrex Transload Marketplace, which launched in June 2020, shippers can quickly find and request services for handling the movement of bulk, liquids, packaged goods or oversized cargo. More than 1,000 shippers are Commtrex members, and about 50% are rail shippers. The marketplace platform matches shippers with transload facilities in the locations they need. Shippers can then compare facilities before connecting with them through the platform to discuss terms. The service's value: creating "an easier experience to move more product by rail," Commtrex CEO Martin Lew says.

#### **14. CP: Building Capacity in Vancouver, Montreal**

Canadian Pacific Railway and Maersk will build and operate a transload and distribution facility that will expand CP's existing Vancouver Intermodal Facility. It is slated to open in 2021. In Montreal, CP has opened a new transload facility. With Vancouver warehouse space tight this year and ports highly utilized, there is pressure on supply chain performance. "So we applied our global integrator strategy to simplify the current situation and create more end-to-end supply chain solutions by reducing multimodal handoffs," Maersk Canada President Omar Shamsie said. "We can now offer more responsiveness to the pace of business by giving supply chain leaders more control of order timing/fulfillment through inland routing flexibility, better velocity gained from one-day savings of rail vs. truck, and cost savings through seamless transload operations into domestic 53-foot trailers."

#### **15. North American Rail Freight Down 10.5% Through 37 Weeks: AAR**

For the week ending Sept. 12, 2020, total U.S. rail traffic was 474,785 carloads and intermodal units, down 9.9% compared with the same week last year. Total carloads were 214,142, down 15.2% compared with the same week in 2019, while U.S. intermodal volume was 260,643 containers and trailers, down 5% compared to 2019. One of the 10 carload commodity groups posted an increase compared with the same week in 2019. It was grain, up 3,098 carloads, to 21,550. Commodity groups that posted decreases compared with the same week in 2019 included coal, down 20,518 carloads, to 60,278; nonmetallic minerals, down 9,007 carloads, to 26,760; and metallic ores and metals, down 4,648 carloads, to 18,157. Canadian railroads reported 77,003 carloads for the week, down 5%, and 70,777 intermodal units, down 5.5% compared with the same week in 2019. For the first 37 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 5,159,513 carloads, containers and trailers, down 8.1%.

#### **16. Government of Canada announces ongoing investments to improve railway safety**

On September 17, 2020, the Minister of Transport, the Honourable Marc Garneau, announced funding of more than \$25 million over three years for the Rail Safety Improvement Program. This investment will support 165 new projects and initiatives that will increase safety and Canadian's confidence at grade crossings and along rail lines.

#### **17. Government of Canada highlights the launch of Rail Safety Week 2020 and underlines recent efforts taken to improve rail safety in Canada**

On September 18, 2020, Minister of Transport, the Honourable Marc Garneau, highlighted the launch of Rail Safety Week 2020, which runs until September 27, 2020. This national annual event increases awareness of safety around railway property and trains. It also underlines Government of Canada and industry achievements to make our railway system safer for Canadians.

#### **18. CN ATIP: No Longer Atypical**

Despite the dramatic nature of railroad accidents, conveying goods and passengers by rail is the safest form of ground transportation when compared to other modes. Railway owner-operators are continually finding and implementing new safety innovations that could help prevent accidents and disruptions to service. According to Karmali, Chief of Advanced Products and Technologies Bentley Systems user CN, the key to maximizing safety and performance is automation: using innovative and dependable technology rather than relying solely on people. In 2019, CN conceived its Autonomous Track Inspection Program (ATIP) to bring such innovations to life. Encompassing eight autonomous inspection vehicles—solar-powered railcars equipped with sensors and artificial intelligence that automatically scan and analyze tracks as they traverse them while operating in revenue-service freight trains—CN currently inspects 75% of its core network, and is on track to inspect 100% of its core network by the end of 2020.

#### **19. CP opens new transload facility in Montréal**

Canadian Pacific has opened its new multi-commodity transload facility in Montréal. The new facility offers transloading services and supplementary intermodal transportation and distribution services from CP's Côte Saint-Luc yard, with space available for future expansion. CP will operate the facility with TYT Group, a Québec-based freight transportation services provider.

#### **20. Canadian crude by rail exports fall**

Canadian exports of crude oil by rail fell to another eight-year low in July 2020 despite the gradual recovery of North American fuel demand from low levels due to measures taken to control the Covid-19 pandemic. The Canada Energy Regulator says rail shipments of oil in July fell to about 39,000 barrels per day, down from 42,820 bpd in June 2020 (also an eight-year low). Shipments were more than 10 times as high in February 2020, when they reached a record 412,000 bpd. July 2020 shipments represented an 88 percent drop from 325,000 bpd in July 2019.

#### **21. More Rail Tank Cars Meet New Safety Standards**

Nearly half, 48%, of rail tank cars carrying Class 3 flammable liquids in 2019 met the new safety requirements, up from 33% in 2018, according to Fleet Composition of Rail Tank Cars Carrying Flammable Liquids: 2020 Report released on September 24, 2020 by the U.S. Department of Transportation's Bureau of Transportation Statistics.

#### **22. Freight Rail Services Price Index, September 2020**

The Freight Rail Services Price Index (2018=100) is now available for September 2020 on statcan website. The index was 104.2 in September 2020 down 0.4 from August 2020.

## HIGHWAY TRANSPORTATION

### 1. TFI International to buy APPS Transport

TFI International has announced it will purchase APPS Transport Group, an Ontario-based provider of LTL, TL and warehousing, distribution and specialized logistics with operations across Canada. The company serves the retail, consumer goods, automotive supply, food and beverage, industrial and commercial supply, and wire and cable industries.

### 2. Analyst ups estimates for truckload carriers in 2H 2020

Citing strong spot market fundamentals and low retail inventories, UBS freight transportation analyst Tom Wadewitz raised his forecasts for truckload (TL) carriers for the last half of 2020. "Truckload spot market data have shown a better-than-normal seasonal pattern with continuing strength in spot loads in July and August," stated Wadewitz in a note to clients on August 28, 2020. The analyst pointed to a low retail inventory-to-sales ratio as well as recent reports of declining inventories from big-box retailers as reasons to raise estimates. He also said the improved demand trends have sparked a 30% increase in spot rates recently.

### 3. Couriers and messengers services price index July 2020

The couriers and messenger services price index for July 2020 is available on statcan website. The index for both couriers and messenger services rose 1.3 from 203.4 to 204.7 from June 2020 to July 2020. The couriers' index rose from 219.3 to 220.6 for the same period and the messenger services index rose from 145.7 to 146.9 for the same period.

### 4. Urban public transit, June 2020

The impact of the pandemic continued to weigh heavily on the country's bus, train and subway activity in June 2020. On a year-over-year basis, the number of transit passengers in June 2020 fell 74.6% to 37.9 million passenger trips. A significant annual decline has been observed every month since March 2020. As a result, the total operating revenues (excluding subsidies) of urban transit agencies also fell from the previous year, down 77.0% to \$75.6 million in June 2020, further constraining local finances. According to the Federation of Canadian Municipalities, lost transit revenue related to the pandemic represents between 30% and 50% of the revenue losses in cities with transit systems.

### 5. Purolator expands US-Canada next-day service

As e-commerce booms on both sides of the US-Canadian border, Purolator International expands northbound next-day air service between the countries.

### 6. Truck arrivals drop again

The number of truck drivers entering the country fell 2% to 111,929 during the week of Aug. 24-30 from 114,172 in the comparable period a year ago, the Canada Border Services Agency said on September 1, 2020. Truck arrivals had returned to normal during the week of Aug. 17-23 after dropping for six consecutive weeks.

### 7. Mullen Group purchases remainder of Pacific Coast Express

Mullen Group has completed its purchase of Pacific Coast Express, acquiring the remaining 60% of its shares. Mullen initiated the purchase by taking an equity position in 2018, with the view of eventually buying the entire company. The purchase includes facilities in Calgary and Winnipeg.

### 8. Ontario Expands Driver Testing Services Provincewide

The Ontario government is expanding driver testing services across the province with strict protocols to prevent the spread of COVID-19. Beginning, September 8, 2020 Ontarians will be able to book class G road tests and access all classes of driver testing services at DriveTest centres across Ontario.

### 9. Fleets applaud Nova Scotia move on driver recruitment

## HIGHWAY TRANSPORTATION Canada

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2. Analyst ups estimates for truckload carriers in 2H 2020, August 31, 2020, [www.freightwaves.com](http://www.freightwaves.com)
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9. Fleets applaud Nova Scotia move on driver recruitment, September 3, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
10. 11 things we learned about Canada's private truck fleets, September 9, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
11. Government of Canada and Government of British Columbia begin school bus seatbelt pilot tests, September 10, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
12. July 2020 Freight Transportation Services Index (TSI) rose 2.5% from April 2020 low, September 10, 2020, [www.bts.gov](http://www.bts.gov)
13. Leading indicator of cross-border traveller volume, August 2020, September 11, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
14. Canada's TFI to acquire US 3PL DLS for \$225 million, September 15, 2020, [www.joc.com](http://www.joc.com)
15. Truck fleets facing double-digit insurance increases, September 16, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
16. Cargo theft a growing concern in Canada, September 17, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
17. Truck arrivals plunge 16%, September 16, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
18. Brampton's way, or the GTA West highway?, September 17, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
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21. KAG acquires Beaulac Transport, September 21, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
22. FedEx seeks to add small self-flying planes for remote areas, September 21, 2020, [www.ajot.com](http://www.ajot.com)
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25. Cass sees freight trends accelerate sequentially in August, September 22, 2020, [www.americanshipper.com](http://www.americanshipper.com)
26. Loblaw bringing Freightliner eCascadia to Canada, September 24, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
27. Advances coming to EV battery cells,

Fleets are welcoming Nova Scotia's decision to stop accepting transport truck driver (NOC 7511) applications under the Atlantic Immigration Pilot Program (AIPP). The province announced the change recently. It is now urging carriers to use the Nova Scotia Nominee Program's Occupations-in-Demand stream to bring in drivers from abroad. "In the past year, we have received feedback from the trucking industry that this stream has proven to be successful in supporting their efforts to recruit and retain foreign national transport truck drivers. So, we made the change," said Natalie Webster, communications director at Nova Scotia Immigration.

#### **10. 11 things we learned about Canada's private truck fleets**

Canada's private fleets have offered a window into their operations through the Private Motor Truck Council of Canada's (PMTCC) 2020 benchmarking survey. Here are 11 things that emerged through the latest results. 1. Rapid trade-in cycles (Average 5.6 years); 2. Buying vs. Leasing (40% prefer leasing); 3. Diesel dominating, fuel economy improving; 4. Maintenance heading outside (79% leased outside); 5. Improved safety and cost savings connected; 6. Wages down; 7. Ageing truck drivers (average age 50.6); 8. Recruiters largely competing with other fleets; 9. Generous benefits offered; 10. Don't worry about the backhauls; 11. On-board tech is popular. This was the fourth year of survey of private trucking.

#### **11. Government of Canada and Government of British Columbia begin school bus seatbelt pilot tests**

On September 10, 2020, the Minister of Transport, the Honourable Marc Garneau, along with both B.C. Minister of Education, the Honourable Rob Fleming, and B.C. Minister of Transportation and Infrastructure, the Honourable Claire Trevena, jointly announced the start of a pilot project involving the use of seatbelts in school buses in two school districts in British Columbia. The first phase begins immediately in the Fraser-Cascade school district. A second phase is anticipated to follow in January 2021 in the school district of Nanaimo-Ladysmith. The pilot project involves a limited number of new school buses, equipped with three-point seatbelts that follow the latest federal safety standards.

#### **12. July 2020 Freight Transportation Services Index (TSI) rose 2.5% from April 2020 low**

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.3% in July 2020 from June 2020, rising for the third consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From July 2019 to July 2020, the index fell 7.8% compared to a rise of 2.9% from July 2018 to July 2019 and a rise of 5.8% from July 2017 to July 2018.

#### **13. Leading indicator of cross-border traveller volume, August 2020**

August 2020 marked the fifth consecutive full month of restrictions on non-essential travel at the Canada-US border. As a result, cross-border travel both ways remained low. Automobile arrivals to Canada by US residents were 96.4% lower at land ports equipped with electronic sensors compared with a year earlier. The number of Canadian residents returning from the United States by automobile was 95.2% below August 2019. On March 21, 2020, Canada and the United States temporarily restricted non-essential travel across the land border to contain the spread of COVID-19. These restrictions will remain in effect until at least September 21, 2020.

#### **14. Canada's TFI to acquire US 3PL DLS for \$225 million**

Canada's TFI plans to acquire US 3PL DLS for \$225 million. By acquiring a Chicago-based logistics provider and freight broker from R.R. Donnelley, Canada's TFI plans to better integrate and scale US operations in freight and e-commerce.

#### **15. Truck fleets facing double-digit insurance increases**

Canada's truck fleets are facing double-digit increases in insurance costs, when they can find coverage at all, as insurers grapple with the risks of so-called nuclear verdicts and more. "We're seeing minimum rate increases of 10-15%, and then much larger depending on the carrier's safety ratings and claims experience," said Joe Palmer, senior vice-president of transportation at Gallagher, during the insurer's online Gallagher Talks presentation. "The excess liability market is equally as difficult. Perhaps even more so."

#### **16. Cargo theft a growing concern in Canada**

People may have found it odd when thieves made off with truckloads of hot tubs and beef within days of each other in rural Alberta, but the Insurance Bureau of Canada says it highlights a growing type of crime perpetrated by sophisticated culprits. "It's obviously not a new problem. But from what we're seeing in the statistics, the problem seems to be getting worse," said Sid Kingma, who directs the bureau's investigative services arm in Western Canada. Last year, \$35 million in cargo theft losses were reported to the Bureau, compared to \$2.1 million five years earlier.

charging infrastructure, September 24, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

28. July 2020 North American Transborder Freight Up 11% from June 2020, September 23, 2020, [www.bts.gov](http://www.bts.gov)

29. The Daily Dash: From trucking fleets to automobiles, the world is going green, September 25, 2020, [www.americanshipper.com](http://www.americanshipper.com)

30. Alberta's hydrogen fuel cell truck project pushing on through Covid-related delays, September 25, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

31. THRC: Labour Market Snapshot of Truck Driver Employment in Canada, September 28, 2020, [www.cantruck.ca](http://www.cantruck.ca)

32. Walmart Canada triples Tesla order, September 29, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

33. Ontario Launching Free Wi-Fi on GO Transit, September 28, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

34. From the founders of Uber Freight: A 'shared source of truth' syncing transportation and customer service, September 29, 2020, [www.americanshipper.com](http://www.americanshipper.com)

35. Commercial vehicle market rebounded sharply, but full recovery not imminent, September 28, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

Total losses from cargo theft at \$5 billion a year, trucker says.

#### **17. Truck arrivals plunge 16%**

Nearly 19,000 fewer truck drivers entered the country during the week of Sept. 7-13, compared to the same period a year ago, the Canada Border Services Agency said on September 16, 2020. It said 99,450 truck drivers arrived during Sept. 7-13, down 16% from the comparable period last year. The plunge followed a 7% rise in arrivals during Aug. 31-Sept. 6.

#### **18. Brampton's way, or the GTA West highway?**

Few Canadian regions match the trucking volumes seen in the western reaches of the Greater Toronto Area. But keeping the trucks on the move is an increasing challenge. They're sharing regional roads and highways with an ever-growing population. If the population expands as expected, traffic congestion is expected to increase 45 percent by 2041 – representing an additional 190,000 vehicle trips during a typical weekday rush hour. Ontario and the City of Brampton have each unveiled plans to keep the trucks moving — but only one of them involves traffic lights.

#### **19. Laskowski laments inaction on Driver Inc.**

The biggest challenge facing the Canadian trucking industry is the underground economy, and it is time the government did something about it, the president Stephen Laskowski of the Canadian Trucking Alliance (CTA) said September 17, 2020. “The compliant trucking industry is starting to lose to the non-compliant industry,” Laskowski said of the controversial Driver Inc. business model. Driver Inc. classifies fleet employees as independent contractors. The drivers are incorporated and receive their pay without any source deductions. “Non-compliance voids compliance costs, which translates into bigger market share. And quite frankly, what is happening is that the compliant trucking industry is starting to lose to the non-compliant industry, and Ottawa plays a role in terms of enforcement.”

#### **20. PINC parent company acquires Wabtec TMS**

Accel-KKR, a technology-focused private equity firm, has closed on its acquisition of the Shipper TMS portion of the supply chain optimization software business portfolio owned by Wabtec Corp. The acquisition will support new services from PINC, a digital yard management company, Accel-KKR said in a press release. The firm completed a significant growth equity investment in PINC in June 2020. Wabtec's Shipper TMS business is known under the brands ShipperConnect and ShipXpress, which provide cloud-based multimodal shipment management applications to customers in the United States, Canada and Mexico.

#### **21. KAG acquires Beaulac Transport**

The Kenan Advantage Group (KAG) has acquired Quebec-based Beaulac Transport through its Canadian subsidiary RTL Westcan, the company announced September 18, 2020. The financial details were not disclosed. Beaulac is a carrier specialized in hauling petroleum, chemicals, aggregates and hot products.

#### **22. FedEx seeks to add small self-flying planes for remote areas**

FedEx Corp. is looking at using small self-flying cargo planes to serve remote areas after experimenting with a technology startup on autonomous aircraft, said Chief Executive Officer Fred Smith. The effort builds on the courier's work with Silicon Valley's Reliable Robotics, which was founded by veterans of Elon Musk's Space Exploration Technologies Corp. With approval from the U.S. Federal Aviation Administration, Reliable Robotics demonstrated in June a fully automated remote landing of a Cessna 208 Caravan turboprop owned by FedEx. “This initiative deals with small turboprop airplanes and in this particular case the single-engine C208, which we're looking at putting in very remote and uninhabited areas as part of our network,” Smith said on September 21, 2020 at FedEx's annual shareholder meeting. FedEx pilots shouldn't be concerned about robots stealing their jobs—for now. It would take decades.

#### **23. Ford Canada, Unifor reach tentative deal**

Ford Motor Company of Canada Ltd. has agreed to spend nearly \$2 billion on its Canadian plants as part of tentative contract deal with Unifor announced September 22, 2020. Under the proposed settlement, Unifor national president Jerry Dias said \$1.95 billion will be invested in Ford's Canadian plants, including \$1.8 billion toward the production of five electric vehicles in Oakville, Ont., and an engine contract that could yield new jobs in Windsor, Ont. The 6,300 union workers at Ford will vote on the deal this weekend, Dias said.

#### **24. All signs point to a prolonged trucking rally**

Bullish commentary from the trucking industry and positive intra quarter updates from carriers have confirmed what the data has been showing for several weeks now: Third-quarter earnings for trucking companies will be strong and that strength may continue for a while. While second-quarter results came in ahead of lowered expectations, COVID-19's impact on demand was evident in most financial reports. After a brief inventory restocking rally in March, trucking demand fell as manufacturing lockouts and municipal shutdown ordinances spread. A bottom formed in April 2020 with conditions improving throughout the quarter. The “less bad” trend throughout the second quarter has turned into year-over-year growth in the third quarter as carriers are seeing peak-type loads ahead of peak season. What the data was saying all along has been confirmed as management teams from the publicly traded carriers have begun to vocalize the improvement and analysts have raced to up their earnings estimates for the current quarter and beyond.

### **25. Cass sees freight trends accelerate sequentially in August**

Cass Information Systems' (CASS) August 2020 report showed further sequential gains in the freight markets with shipments increasing 8% and expenditures climbing 9.9% from July 2020. Data for the month echoes other recent bullish trends and commentary from the trucking sector, showing that April 2020 was the bottom for volumes with continual improvement in freight demand since. Cass' expenditures index shows freight payments troughed in May 2020, improving each month after. "This supports what we have heard from public carriers across all modes, and we believe the trend of 'better' has continued here in September. Expect the Cass Index to move back closer to year-ago levels in the coming months, although we think it will stay in negative territory until 2021," commented the report's author, Stifel Financial equity research analyst David Ross.

### **26. Loblaw bringing Freightliner eCascadia to Canada**

Loblaw is scheduled to secure Canada's first Freightliner eCascadia trucks, placing an order for five of the electric vehicles that will begin production in the first quarter of 2022.

### **27. Advances coming to EV battery cells, charging infrastructure**

Electric trucks, the batteries that power them, and the infrastructure that charges those batteries have been making the news this week. At ACT Virtual Sept. 22, Volvo Trucks and Lion Electric shared details on how charging infrastructure is advancing. Volvo recently helped REMA EV Connections secure a UL certification for its Combined Charging System CCS2 connector, bringing the option to North America where the CCS1 connector has been the most prevalent. The CCS2 connectors are more familiar in other areas of the world including Europe, South America, Asia and Africa. This means fleets can purchase the fast-charging systems directly from suppliers including Volvo and ABB, and not have to face a field certification process.

### **28. July 2020 North American Transborder Freight Up 11% from June 2020**

Transborder freight between the U.S. and other North American countries (Canada and Mexico) in July 2020 was: 1) Total Transborder freight: \$91.0 billion of transborder freight moved by all modes of transportation, up 10.9% compared to June 2020 and up 62.2% from May 2020. 2) Transborder freight value in July was down 11.2% compared to July 2019. 3) Most-used mode: Trucks moved \$60.7 billion of freight, up 7.5% compared to June 2020, down 4.9% compared to July 2019. 4) Second most-used mode: Railways moved \$12.9 billion of freight, up 14.7% compared to June 2020, down 13.0% compared to July 2019. U.S.-Canada trade by mode (both directions) in billions of dollars were: Truck: \$26.2; Rail: \$6.4; Pipeline: \$3.6; Air: \$2.5; and Vessel: \$1.7.

### **29. The Daily Dash: From trucking fleets to automobiles, the world is going green**

The Daily Dash is a quick look at what is happening in the freight ecosystem. In today's edition, Walmart has announced an aggressive plan to eliminate diesel from its trucking fleet by 2040. Plus, California is moving to ban the sale of fossil fuel-powered vehicles and Covenant previews a strong conclusion to 2020. California Gov. Gavin Newsom has banned the sale of fossil fuel-powered cars starting in 2035. But he also ordered medium- and heavy-duty trucks to be zero-emission by 2045 where feasible.

### **30. Alberta's hydrogen fuel cell truck project pushing on through Covid-related delays**

An Alberta project that will put hydrogen fuel cell-powered electric trucks on the road has been pushed back due to the Covid-19 pandemic. The first fuel cell trucks, to be operated by Bison Transport and Trimac Transportation were initially supposed to be on the road in July 2020, with on-highway testing running until December 2022. But the pandemic put the design stage on hold, and testing will now run from October 2021 until April 2023.

### **31. THRC: Labour Market Snapshot of Truck Driver Employment in Canada**

Overall, employment of truck drivers has surged in July and August 2020, after declining over the first two quarters of 2020. Further, unemployment among truck drivers improved significantly when compared to the rest of Canada's workforce. Recent labour market information predicted an increase in employment pending the gradual opening of the economy. The upward trend we are seeing is even higher than predicted, signalling that our return to acute labour shortages could be here sooner than we think.

### **32. Walmart Canada triples Tesla order**

Walmart Canada is more than tripling its reservations of 18-wheeler Tesla Semi trucks. The retailer is now reserving 130 of the electric trucks. As part of its sustainability objectives, Walmart Canada is committed to converting 20 percent of Walmart's fleet to electric power by the end of 2022, as part of the goal of its broader goal to power its fleet using 100 percent alternative power by 2028.

### **33. Ontario Launching Free Wi-Fi on GO Transit**

Beginning on September 28, 2020, the Ontario government is providing free Wi-Fi for passengers on all GO buses and approximately 50 per cent of GO trains. This is part of the government's commitment to improve public transit across the province. "More than 80 per cent of GO customers named Wi-Fi as their most desired amenity, and our government is committed to make life easier for the people of Ontario by keeping commuters connected throughout their journey," said Caroline Mulroney, Minister of Transportation. "This initiative will make an important difference as it will help

people work more efficiently, finish school projects or get important news and updates from family and friends."

**34. From the founders of Uber Freight: A 'shared source of truth' syncing transportation and customer service**  
ISO (the name refers to isometrics) comes out of stealth to help shippers manage tough vendor compliance and on-time performance metrics. ISO closes the gap by connecting all parties on a single cloud-based platform and aggregating the data sets around service, bringing real-time visibility to the process. It enables one to identify where in the supply chain and which party is responsible for delays.

**35. Commercial vehicle market rebounded sharply, but full recovery not imminent**

The commercial vehicle market bounced back much more quickly and strongly than expected, but it will be late 2021 before it reaches pre-pandemic levels. During an FTR Engage webinar, the industry forecaster gave an updated outlook on the commercial vehicle markets. Truck loadings are what drive Class 8 truck demand, and FTR chief executive officer Eric Starks pointed out loadings have recovered strongly since falling off the cliff in the second quarter. But they have only recovered halfway from pre-pandemic levels.

**GENERAL TRANSPORTATION**

**Canada**

**1. E-commerce changing peak-season shipping patterns**

The US import surge that began in late June 2020 now looks like it will continue at least through October 2020 as consumers turn to e-commerce for purchases, including holiday season merchandise.

**2. Walmart Canada recognized for blockchain payment system**

DL Freight, a supply chain invoice and payment platform, has been chosen by the Council for Supply Chain Management Professionals (CSCMP) as one of six finalists for its Supply Chain Innovation Award. DL Freight has been adopted by Walmart Canada as its national standard for freight invoice and payment management among its carriers. The solution is now managing 500,000 loads annually with only two percent discrepancies, which represents a 97 percent reduction from previous levels.

**3. Transplace buys LeanCor to reach more manufacturers**

Third-party logistics provider Transplace looks to expand its shipper customer base through the acquisition of LeanCor, a supply-chain company focused on lean manufacturing. Headquartered in Florence, Ky., and specializing in lean principles, LeanCor is a strategic supply chain partner that provides managed transportation services, supply chain consulting and corporate training programs to manufacturing-centric shippers.

**4. U.S. Transportation Secretary Elaine L. Chao Makes Historic Announcement on America's Freight System**

U.S. Secretary of Transportation Elaine L. Chao on September 3, 2020 announced the release of the first-ever National Freight Strategic Plan (NFSP). It is the latest effort by the Department and the Trump Administration to strengthen America's economic competitiveness. The NFSP lays out a vision for long-term investments in infrastructure, the workforce, and other essential parts of the freight system.

**5. Amazon opening new DCs in the Greater Toronto Area**

Amazon.com, Inc. on September 9, 2020 announced plans to open two new fulfillment centres in Hamilton and Ajax, Ontario. The new fulfillment centres are expected to open in 2021, bringing Amazon's total to 10 fulfillment centres in Ontario and 16 in Canada. Amazon says the new facilities are expected to create 2,500 new jobs. At the new 855,000 square-foot fulfillment centre in Hamilton, more than 1,500 employees will work alongside Amazon robotics to pick, pack and ship small items like books, electronics and toys.

**6. Ontario Plans the Future of Transportation in the Greater Golden Horseshoe**

**GENERAL TRANSPORTATION**

**Canada**

1. E-commerce changing peak-season shipping patterns, August 28, 2020, [www.joc.com](http://www.joc.com)
2. Walmart Canada recognized for blockchain payment system, September 1, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
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16. UK says no-deal Brexit could see 7,000-truck border queues, September 28, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)
17. EU Tells U.K. It's Time to Commit to Key Elements of Trade Deal, September 25, 2020, [www.ajot.com](http://www.ajot.com)

The Ontario government is launching an online survey that will help inform long-term transportation planning for the Greater Golden Horseshoe, and guide highway and transit investment from today to the year 2051. Gathering input directly from communities is part of the government's commitment to develop regional transportation plans that reflect local needs and priorities.

#### **7. Canada remains ready to retaliate over U.S. aluminum tariffs**

Canada's foreign affairs minister says the federal government is still trying to cool its dispute with the United States over aluminum exports, but remains poised to retaliate if necessary. Francois-Philippe Champagne says he believes the standoff is an opportunity to figure out new ways to bring manufacturing back to life across North America. But in the short term, Champagne says, Canada is fully prepared to impose dollar-for-dollar countermeasures against U.S.-made aluminum and products that contain it, beginning September 16, 2020.

#### **8. U.S. drops tariffs on aluminum**

The U.S. has backed away from its latest tariffs on aluminum, just hours before Canada was widely expected to retaliate with \$3.6 billion in retaliatory tariffs. "It seems cooler heads have prevailed," said Don Moore, director – government and industry relations for the Canadian Transportation Equipment Association (CTEA), whose 374 members include businesses such as trailer manufacturers. "The association is extremely happy to hear this news. One less issue to deal with in these difficult days."

#### **9. Transport Canada's 2020 Emergency Response Guidebook improves initial emergency response**

On September 15, 2020, the Minister of Transport, the Honourable Marc Garneau released the 2020 edition of the Guidebook which is a joint publication by Transport Canada and foreign governmental agencies. The 2020 edition includes updates such as: 1) information on how to use the safety recommendations and emergency response guides; 2) a comprehensive review of the guides for products and additional cautionary advice; 3) an expansion of the glossary of new terms and definitions; 4) new sections on decontamination and heat induced tears on tank cars, and 5) new visual identifiers for quicker access to information.

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

U.S. Secretary Elaine L. Chao on September 17, 2020 announced that the Trump Administration will invest \$1 billion in American infrastructure through the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants program. The funding has been awarded to 70 projects in 44 states.

#### **11. US violated trade rules with tariffs on China, WTO says**

The World Trade Organization undercut the main justification for President Donald Trump's trade war against China, saying that American tariffs on Chinese goods violate international rules. A panel of three WTO trade experts on September 15, 2020 said the U.S. broke global regulations when it imposed tariffs on Chinese goods in 2018. Washington has imposed levies on \$400 billion in Chinese exports.

#### **12. Chip industry wants \$50 billion to keep manufacturing in US**

The U.S. chip industry said as much as \$50 billion in federal incentives will be needed to halt a decades-long trend of manufacturing moving overseas as China spends heavily to become a leading semiconductor producer. The federal government needs to deploy \$20 billion to \$50 billion to make the U.S. as attractive a location for plants as Taiwan, China, South Korea, Singapore, Israel and parts of Europe, the Semiconductor Industry Association said in a study released on September 16, 2020. Failure to do that threatens U.S. leadership of the sector as a whole, it added.

#### **13. Travel between Canada and other countries, July 2020**

International travel to and from Canada remained low throughout July 2020, as travel restrictions were in effect for the fourth full month since they were first introduced in March, 2020. In July, the number of Canadian residents returning from the United States or from travel overseas was about 95% lower than in July 2019. Travel to Canada from both the United States and overseas countries was down roughly 97% year over year. Travel from overseas (countries other than the United States) to Canada remained low in July compared with the same month last year. Overall, arrivals to Canada from overseas countries fell 97.4%, from 1.1 million to 28,400.

#### **14. U.S. Transportation Secretary Elaine L. Chao Announces \$320.6 Million for Rail Infrastructure and Safety Improvements**

The U.S. Department of Transportation's Federal Railroad Administration (FRA) has selected 50 projects in 29 states to receive competitive grant funding under the Fiscal Year (FY) 2020 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. The projects selected include a wide variety of railroad investments that improve the safety, efficiency, and reliability of freight and intercity passenger service. "This \$320.6 million federal investment will upgrade U.S. rail infrastructure and enhance rail safety in communities across America," said U.S. Transportation Secretary Elaine L. Chao.

#### **15. Amazon adding 3,500 office workers in Canada**

Amazon.com Inc. will hire 3,500 Canadians to work in spaces it is opening and expanding in British Columbia and Ontario. The e-commerce giant revealed on September 28, 2020 that 3,000 of the jobs will be in Vancouver, where it is

growing its footprint, and another 500 will be in Toronto, home of a new Amazon workspace. Jesse Dougherty, Amazon's vice-president and Vancouver site lead, said the company wanted to offer the jobs in Canada because the country has an "enormous" amount of tech talent Amazon is eager to tap into and accommodate at home.

**16. UK says no-deal Brexit could see 7,000-truck border queues**

There could be lines of 7,000 trucks at the English Channel and two-day waits to get into France immediately after the U.K. makes its economic break from the European Union at the end of the year, the British government said on September 23, 2020, as it urged businesses to prepare for major change.

**17. EU Tells U.K. It's Time to Commit to Key Elements of Trade Deal**

The European Union has told U.K. negotiators they must accept some of the bloc's key demands over their future relationship in crunch meetings next week if they want to make progress before an October deadline, according to an official familiar with the discussions. The two sides meet for a final round of formal discussions in Brussels where they will try to establish a basis for working on the text of a deal. The EU wants the U.K. to make commitments in key areas such as state aid as a condition for moving on to a more intense phase of negotiations in which a core group will try to thrash out the wording of an agreement.