

# Transportation Information Update\*

"This attached Transportation Information Update was prepared by Joseph Monteiro and Gerald Robertson for the Canadian Transportation Research Forum and distributed to CILTNA's members with permission"

Editor: Joseph Monteiro\*

October 2020, No. 194

Associate Editor: Gerald Robertson\*

## AIR TRANSPORTATION

### 1. Temperature screening for air travellers expanded to 11 additional Canadian airports

The Minister of Transport, the Honourable Marc Garneau, has announced implementation of temperature screening for travellers at 11 additional Canadian airports. In June 2020, the Government of Canada announced a multi-phased approach to temperature screenings for all passengers travelling to Canada and travellers departing some Canadian airports, for either international or domestic destinations. Temperature screening stations have been in place since July 30, 2020 at the four largest airports in Canada: Montréal, Toronto, Calgary, and Vancouver. This includes temperature screening for both departing passengers as well as non-passengers (e.g., airport workers, flight crews).

### 2. Aircraft movement statistics: Major airports, July 2020

July 2020 was the fourth full month of travel restrictions related to the COVID-19 pandemic, but international restrictions were eased for some destinations. While traffic at most of Canada's major airports remained well below normal levels, year-over-year gains were posted at 10 primarily non-passenger-based airports. Boundary Bay and Abbotsford, both in British Columbia, led Canada's busiest airports in July 2020, with the former reporting its highest levels of activity since acquiring a NAV CANADA tower in June 1983. Historically, July has been the busiest month of the year for aircraft movements. This year, however, the monthly volume of traffic (384,872 movements) was similar to levels typically seen during the winter. Indeed, aircraft take-offs and landings in July declined 37.4% from July 2019. Domestic itinerant movements (within Canada) were down 39.7%, while traffic to the United States (-85.4%) and to other international airports (-79.3%) was well below last year's activity.

### 3. Canada's Airports Focus on Aviation Safety

Canadian Airports Safety Week is returning this year from September 28th – October 2nd 2020. Despite the challenges that airports are facing during the COVID-19 pandemic, they are still placing safety first and working to celebrate this special week with the proper safety measures in place. The initiative, which promotes healthy and safe work practices among airport employees, is being led by the Canadian Airports Council (CAC), in collaboration with 27 participating airports across the country.

### 4. Air Canada Finalizing Initial Order for Newly Approved COVID-19 Rapid Testing Kits from Abbott

Air Canada said on October 1, 2020 that it is finalizing an initial order of Abbott's ID NOW COVID-19 rapid response tests as part of its ongoing evaluation of COVID-19 testing technology and protocols. The airline, which last month partnered with McMaster Health Labs (MHL) and the Greater Toronto Airports Authority (GTAA) in a study of arriving international travellers at Toronto-Pearson, said preliminary results from the study indicate testing can help protect customers and facilitate the safe relaxation of government travel restrictions.

## AIR TRANSPORTATION Canada

1. Temperature screening for air travellers expanded to 11 additional Canadian airports, September 29, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Aircraft movement statistics: Major airports, July 2020, September 29, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Canada's Airports Focus on Aviation Safety, September 29, 2020, [www.cacairports.ca](http://www.cacairports.ca)
4. Air Canada Finalizing Initial Order for Newly Approved COVID-19 Rapid Testing Kits from Abbott, October 1, 2020, [www.aircanada.ca](http://www.aircanada.ca)
5. Airline traffic to fall by two-thirds this year: IATA, September 29, 2020, [www.iata.org](http://www.iata.org)
6. Emirates Fined for Operating Flights in FAA-Prohibited Airspace, October 1, 2020, [www.dot.gov](http://www.dot.gov)
7. Remember the Hindenburg? Forget the Hindenburg!, September 30, 2020, [www.financialports.ca](http://www.financialports.ca)
8. Air Passenger Market Analysis, September 29, 2020, [www.iata.org](http://www.iata.org)
9. Air Cargo Market Analysis, September 29, 2020, [www.iata.org](http://www.iata.org)
10. WestJet introduces its Dreamliner to Vancouver, October 5, 2020, [www.westjet.ca](http://www.westjet.ca)
11. IATA forecasts bumpy future for aviation, October 6, 2020, [www.cfl.ca](http://www.cfl.ca)
12. Air Canada Completes Aircraft Sale and Leaseback Transactions, October 8, 2020, [www.aircanada.ca](http://www.aircanada.ca)
13. Air Canada to Pilot Application of TraceSCAN Technology for COVID-19 Contact Tracing in the Workplace, October 7, 2020, [www.aircanada.ca](http://www.aircanada.ca)
14. Weekly aircraft movements, September 19 to 25, 2020, October 7, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
15. Air Canada slashes price of Transat deal to almost a quarter of earlier offer, October 10, 2020, [www.nationalpost.ca](http://www.nationalpost.ca)
16. Leading indicator of international arrivals to Canada by air, third quarter 2020, October 13, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
17. Delta Air Lines loses US\$5.3b in quarter, October 13, 2020, [www.cargonews.com](http://www.cargonews.com)
18. WestJet pulls back from Western Canada, October 14, 2020, [www.westjet.ca](http://www.westjet.ca)
19. WestJet makes difficult decision to suspend service to four cities in Atlantic Canada, October 14, 2020, [www.westjet.ca](http://www.westjet.ca)
20. Air Canada Reopens Calgary Maple Leaf Lounge with Biosafety Measures, Supports Local Businesses Through Alberta-Inspired

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

## 5. Airline traffic to fall by two-thirds this year: IATA

Global airlines have revised traffic forecasts lower, sector federation IATA said on September 29, 2020, warning that hundreds of thousands of jobs are at risk without more state aid. The International Air Transport Association downgraded its 2020 traffic forecast following a "dismal end to the summer travel season" in the northern hemisphere and now expects it to be 66 percent below the level in 2019, a statement said. IATA's previous forecast was for a drop of 63 percent, but that was before government reimposed travel restrictions in August and the outlook faltered for the rest of the year, it added.

## 6. Emirates Fined for Operating Flights in FAA-Prohibited Airspace

The U.S. Department of Transportation (DOT) on October 1, 2020 fined Emirates \$400,000 for operating flights carrying the JetBlue Airways code in airspace in which the Federal Aviation Administration (FAA) prohibited U.S. operators from flying. The airline was ordered to cease and desist from future similar violations.

## 7. Remember the Hindenburg? Forget the Hindenburg!

Hydrogen is not just the transportation fuel of the future: it is here now. Hydrogen gas is already used to power road vehicles (cars, trucks, buses), fork-lift trucks and even, in Germany, trains. Aviation is the next mode of transport converting to hydrogen. Hydrogen-using airplanes are still some ways off. But safe and cost-effective hydrogen airships could be flying now, if only our air regulations allowed it. Earlier this month, the first International Hydrogen Aviation Conference (IHAC), originally scheduled for Scotland but moved to Zoom because of the pandemic, brought together experts on hydrogen-powered airplanes, hydrogen storage systems and electric airships.

## 8. Air Passenger Market Analysis

Domestic markets dominated the recovery for another month. The highlights for August 2020 were: 1) Industry-wide revenue passenger-kilometres (RPKs) contracted by 75.3% year-on-year in August 2020, compared with 79.5% decline in July 2020. All regions posted modest demand improvements. 2) Domestic markets continue to drive the industry rebound. However, resurgence of COVID-19 cases has slowed progress in some countries. Apart from the intra-European routes, international demand was subdued. 3) Industry-wide available seat-kilometres (ASKs) recovered faster than RPKs. As a result, the global passenger load factor reached all-time low for August 2020, at 58.5%.

## 9. Air Cargo Market Analysis

Air cargo traffic recovers slowly amid insufficient capacity in August 2020. The highlights for August 2020: 1) Industry-wide cargo tonne-kilometres (CTKs) fell by 12.6% year-on-year in August. Seasonally adjusted volumes are on a soft upward trend but remain far below 2019 levels. International cargo demand improved in all the regions. 2) Timely indicators of economic activity – such as manufacturing new export orders – have displayed robust signs of recovery in recent months, despite elevated global new cases of COVID-19. 3) The rebound in cargo volumes has been slower than expected based on those metrics. This is mostly because air cargo capacity remains insufficient, with industry-wide available cargo tonne-kilometres (ACTKs) declining by 29.4% in August. International belly capacity is still scarce, and airlines have not been able to increase dedicated freighters capacity as much as needed. 4) Air transport has also lost market share of global trade due to competition from cheaper ocean trade, a typical pattern during downturns but not what is usually experienced at the start of an economic upturn.

## 10. WestJet introduces its Dreamliner to Vancouver

On October 5, 2020, WestJet and the Vancouver International Airport (YVR) announced WestJet's newest aircraft, the

Cuisine Including Alberta Beef and Local Artisanal Ice Cream, October 14, 2020, [www.aircanada.ca](http://www.aircanada.ca)

21. Weekly aircraft movements, September 26 to October 2, 2020, October 14, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

22. Air transport industry not prepared for Covid vaccines, October 14, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

23. Rovinescu retiring from Air Canada, October 16, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

24. U.S. Transportation Secretary Elaine L. Chao Announces Historic Commercial Space Transportation Reforms, October 15, 2020, [www.dot.gov](http://www.dot.gov)

25. U.S. Airlines Carried 6% More Cargo in August 2020 than August 2019, October 15, 2020, [www.bts.gov](http://www.bts.gov)

26. July 2020 U.S. Airline Traffic Data, July 16, 2020, [www.bts.gov](http://www.bts.gov)

27. WestJet becomes first national carrier in Canada to voluntarily provide refunds to original form of payment, October 21, 2020, [www.westjet.ca](http://www.westjet.ca)

28. Air Canada Offers Customers Service on its All-Business Class, Jetz Aircraft Fleet to Select Winter Destinations, October 21, 2020, [www.aircanada.ca](http://www.aircanada.ca)

29. Weekly aircraft movements, October 3, 2020, October 21, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

30. Mid-August 2020 U.S. Passenger Airline Employment Down 4,000 FTEs from Mid-July, October 21, 2020, [www.bts.gov](http://www.bts.gov)

31. Commercial drone deliveries begin in North Carolina, October 21, 2020, [www.ctl.ca](http://www.ctl.ca)

32. WestJet applauds Alberta-based quarantine trial, October 22, 2020, [www.westjet.ca](http://www.westjet.ca)

33. Air Canada Welcomes the Announcement of Alberta COVID-19 Testing Initiative Aimed at Easing Mandatory 14-Day Quarantine, October 22, 2020, [www.aircanada.ca](http://www.aircanada.ca)

34. U.S. International Air Cargo Fell 6% in August 2020 from August 2019 while U.S.-Asia Cargo Rose 11% (Preliminary), October 23, 2020, [www.bts.gov](http://www.bts.gov)

35. Delta – WestJet Application for Antitrust Immunity Order to Show Cause, October 23, 2020, [www.dot.gov](http://www.dot.gov)

36. Air Canada Continues to Combat Illegal Wildlife Trade (IWT) as it Receives New Certification by the International Air Transport Association, October 23, 2020, [www.aircanada.ca](http://www.aircanada.ca)

37. Air Travel Consumer Report: July 2020 Numbers, October 23, 2020, [www.bts.gov](http://www.bts.gov)

38. Second Quarter 2020 Air Fare Drops to New Low as Passenger Numbers Decline, October 26, 2020, [www.bts.gov](http://www.bts.gov)

39. Welcome to the WestJet Elevation Lounge, October 27, 2020, [www.westjet.ca](http://www.westjet.ca)

40. Airline revenues forecast at half 2019 levels in 2021: IATA, October 27, [www.iata.org](http://www.iata.org)

41. Weekly aircraft movements, October 10 to 16, 2020, October 28, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

787 Dreamliner, is now operating five-times weekly between Vancouver and Toronto. Vancouver joins Calgary and Toronto as another domestic destination served by the airline's award-winning aircraft.

#### **11. IATA forecasts bumpy future for aviation**

Global financial markets remain pessimistic about the future of the airline industry. While stock indexes have recovered to above pre-pandemic levels, airline stocks remain depressed and hover around 40 percent below pre-covid-19. Brian Pearce, IATA's chief economist shared the outlook in a media call on October 6, 2020. While governments around the world have supported the industry with approximately US\$161 billion, supports are now being withdrawn at a time when aviation is still not on the recovery path. Pearce noted, however, that the extension of wage subsidies in some countries – including Canada – will help to mitigate the pain.

#### **12. Air Canada Completes Aircraft Sale and Leaseback Transactions**

Air Canada on October 8, 2020 announced that it recently completed sale and leaseback transactions for three Boeing 737 MAX 8 aircraft with Jackson Square Aviation and six Boeing 737 MAX 8 aircraft with Avolon Aerospace Leasing Limited for total proceeds of US\$365 million (C\$485 million) and long-term lease commitments of US\$345 million (C\$458 million). The nine aircraft were delivered to Air Canada over the past three years.

#### **13. Air Canada to Pilot Application of TraceSCAN Technology for COVID-19 Contact Tracing in the Workplace**

Air Canada announced on October 7, 2020 that it plans to explore the application of COVID-19 contact tracing technology in its workplace using the Bluetooth enabled TraceSCAN app and wearable technology developed by Canadian-based Facedrive Inc.

#### **14. Weekly aircraft movements, September 19 to 25, 2020**

Data on weekly aircraft itinerant movements are now available for September 19 to 25, 2020 on statcan website. Domestic movements for this week were 40,028 compared to 33,827 for the previous week.

#### **15. Air Canada slashes price of Transat deal to almost a quarter of earlier offer**

Air Canada slashed the purchase price for tour operator Transat AT Inc. to almost a quarter of its earlier offer, citing the impact of the COVID-19 outbreak on the air transport industry. The Montreal-based airline said it's cutting the offer for Transat to \$5 a share from \$18 when the deal was announced in August 2019, valuing the company at about \$190 million (US\$145 million). Transat's investors can choose between receiving a cash payment or 0.2862 Air Canada shares for each stock they hold, according to the statement of October 11, 2020. The previous offer was an all-cash deal.

#### **16. Leading indicator of international arrivals to Canada by air, third quarter 2020**

International air arrivals in Canada remained low throughout the third quarter 2020 due to ongoing travel restrictions as well as reduced demand for international flights. In the 2020 third quarter, visitors from abroad arriving in Canada by air more than doubled compared with the 2020 second quarter. Similarly, the number of Canadian residents returning from abroad by air was two and a half times that in the 2020 second quarter. Despite this growth from the 2020 second quarter, it was a rather subdued summer travel season with both the number of visitors from abroad and returning Canadians by air remaining well below normal levels, which average about nine million air arrivals during the period.

#### **17. Delta Air Lines loses US\$5.3b in quarter**

The summer travel season was even worse than expected for Delta Air Lines, which lost US\$5.38 billion in the 2020 third quarter as people hunkered down at home during the pandemic. Most of the loss stemmed from the cost of paying people to quit and writing down the value of assets including planes destined for resale or the scrap yard. The rest was linked to a 76 percent plunge in revenue.

#### **18. WestJet pulls back from Atlantic Canada**

On October 14, 2020, WestJet announced it will be indefinitely suspending operations to Moncton, Fredericton, Sydney and Charlottetown, while significantly reducing service to Halifax and St. John's. The suspension eliminates more than 100 flights weekly or almost 80 percent of seat capacity from the Atlantic region starting November 2, 2020 and also suspends operations to Quebec City, with the removal of Toronto service. "It has become increasingly unviable to serve these markets," said Ed Sims, WestJet President and CEO. "Since the pandemic's beginning, we have worked to keep essential air service to all of our domestic airports, however, demand for travel is being severely limited by restrictive policies and third-party fee increases that have left us out of runway without sector-specific support."

#### **19. WestJet makes difficult decision to suspend service to four cities in Atlantic Canada**

Atlantic Canada suspensions by the numbers: 1) Elimination of more than 100 weekly flights or almost 80 percent of seat capacity from the Atlantic region. 2) Temporary closure and service to four Atlantic stations (Charlottetown, Moncton, Fredericton and Sydney). 3) Halifax seat capacity will be reduced by 70 per cent year over year. 4) The Atlantic provinces will retain three routes Halifax-Toronto, Halifax-Calgary and St. John's-Halifax. 5) Service between Halifax and Toronto will operate with 14 weekly flights. 6) Service between Halifax and St. John's will remain with 11 weekly flights. 7) Service between Halifax and Calgary will remain with nine weekly flights.

#### **20. Air Canada Reopens Calgary Maple Leaf Lounge with Biosafety Measures, Supports Local Businesses**

### **Through Alberta-Inspired Cuisine Including Alberta Beef and Local Artisanal Ice Cream**

Air Canada on October 14, 2020 announced the re-opening of its Maple Leaf Lounge at YYC Calgary International Airport on October 15, 2020 with leading biosafety measures featuring enhanced new protocols for the well-being of customers and employees. With the aim to support local business, the Maple Leaf Lounge, open daily to eligible customers travelling on domestic flights, spotlights Calgary- and Canadian-based products. "We are pleased to again welcome eligible customers to our Maple Leaf Lounge at YYC Calgary International Airport. We have extended our industry-leading biosafety measures already in place at our lounges in Toronto and Vancouver to our Calgary lounge, ensuring the safety of customers and employees alike. This includes electrostatic spraying as part of our significantly enhanced cleaning procedures for additional peace of mind, and new touchless processes, such as the ability to order individually prepared as well as pre-packaged food directly to your seat from your smartphone," said Andrew Yiu, Vice President, Product, at Air Canada.

### **21. Weekly aircraft movements, September 26 to October 2, 2020**

Data on weekly aircraft itinerant movements are now available for September 26 to October 2, 2020 on statcan website. Domestic movements were 34,804 for the week ending September 26 compared to 40,028 for the week ending September 19, 2020.

### **22. Air transport industry not prepared for Covid vaccines**

The air cargo industry does not feel that is prepared to distribute Covid-19 vaccines. A recent TIACA survey of freight forwarders, ground handling companies, airlines, logistics providers and airports confirmed that only 28 percent feel well prepared to handle the vaccines, while 41 percent feel very unprepared. "Covid 19 is going to be the biggest product launch in the history of mankind," said Neel Jones Shah of Flexport, in a press call. Yet there is a lot of key information still missing that the industry needs to ensure they are ready. The survey of 181 companies found that service providers already in discussion with vaccine manufacturers – primarily logistics service providers – are feeling the most confident about their ability to meet the demand. On the other hand, ground handlers and airports feel least prepared.

### **23. Rovinescu retiring from Air Canada**

Calin Rovinescu, Air Canada's president and CEO, will retire on February 15, 2021. The deputy CEO and CFO, Michael Rousseau, will succeed him upon his retirement. "I have enjoyed a unique and very special relationship with Air Canada and our outstanding people for over three decades, on the front lines of many of the company's defining moments – the 1988-1989 privatization, the defence against a hostile bid for Air Canada in 1999, our merger with Canadian Airlines in 2000, the aftermath of 9/11, leading the 2003-2004 restructuring and many others," Rovinescu said.

### **24. U.S. Transportation Secretary Elaine L. Chao Announces Historic Commercial Space Transportation Reforms**

U.S. Secretary of Transportation Elaine L. Chao on October 15, 2020 announced the publication of the Federal Aviation Administration's (FAA) Streamlined Launch and Reentry Licensing Requirements Final Rule for commercial space transportation launches and reentries. "This historic, comprehensive update to commercial space launch and reentry licensing requirements facilitates greater growth in this industry and helps America to maintain our #1 position in the world," said U.S. Transportation Secretary Elaine L. Chao.

### **25. U.S. Airlines Carried 6% More Cargo in August 2020 than August 2019**

U.S. airlines carried 6% more cargo by weight in August 2020 (preliminary) than in August 2019. The rise was fuelled by a gain of 8% in domestic cargo with a 1% rise in international cargo, according to data filed with the Bureau of Transportation Statistics (BTS) by 13 of the leading cargo airlines. The 13 airlines carry 95% of the total cargo by weight on U.S. airlines. Cargo data consists of freight and mail carried within the U.S. and between the U.S. and foreign points.

### **26. July 2020 U.S. Airline Traffic Data**

U.S. airlines carried 21.2 million systemwide (domestic and international) scheduled service passengers in July 2020, seasonally-adjusted, up 37.5% from June 2020. BTS reported 20.3 million domestic passengers and 0.9 million international passengers on U.S. airlines flights in July 2020.

### **27. WestJet becomes first national carrier in Canada to voluntarily provide refunds to original form of payment**

The WestJet Group of Companies on October 21, 2020 announced it will begin providing refunds to original form of payment for those guests with flights cancelled by WestJet and Swoop, from any time period, as a result of the COVID-19 pandemic. Starting November 2, 2020, WestJet will systematically contact eligible guests, beginning with those with flights cancelled at the onset of the pandemic. The refund process is expected to take six to nine months to work through eligible requests. Further information is provided in this release.

### **28. Air Canada Offers Customers Service on its All-Business Class, Jetz Aircraft Fleet to Select Winter Destinations**

Air Canada is making its fleet of all-Business Class, Jetz charter aircraft available to customers for commercial flights as it redeploys the fleet on popular winter routes. Each of the airline's four Airbus A319 Jetz aircraft are configured with only 58 North American Business Class seats -- less than half the normal number of seats on this aircraft type -- providing an elevated level of comfort and service.

#### **29. Weekly aircraft movements, October 3, 2020**

Data on weekly aircraft itinerant movements are now available for October 3, 2020 on statcan website. Domestic movements were 35,797 on October 3, 2020 compared to 34,804 on September 26, 2020.

#### **30. Mid-August 2020 U.S. Passenger Airline Employment Down 4,000 FTEs from Mid-July**

The 23 U.S. scheduled passenger airlines employed 1.0 % fewer full-time equivalents (FTEs) in mid-August 2020 than in mid-July 2020: 1) Mid-August's total number of FTEs (411,176) was down 4,000 FTEs from mid-July 2020 (415,154 FTEs) and down nearly 49,000 FTEs from mid-March 2020. August 2020 was the lowest FTE total for any August since 2015 (397,007 FTEs). 2) Mid-August 2020 FTEs were down more than 38,000 FTEs, down 8.5%, from mid-August 2019 (449,550 FTEs).

#### **31. Commercial drone deliveries begin in North Carolina**

Volansi, Inc. has begun a commercial healthcare drone delivery project in North Carolina. In collaboration with Merck, Volansi is piloting the delivery of medicines from Merck's Wilson, N.C. manufacturing site to Vidant Healthplex-Wilson, a health clinic. The project is the first of three phases in a project to learn about drone technology's role and ability to improve access to healthcare.

#### **32. WestJet applauds Alberta-based quarantine trial**

WestJet on October 22, 2020 welcomed the announcement of a COVID-19 testing trial by the Government of Canada and the Government of Alberta. In a joint media statement, the governments announced the launch of a new pilot program to safely test a reduced quarantine period, while protecting Canadians from COVID-19. International travellers returning to Canada through the Calgary International Airport via a non-stop flight will be initially invited to participate. For eligible travellers, quarantine will only be required until a negative test result is received, reducing the quarantine from 14-days to as few as two. The start date of the trial is November 2, 2020.

#### **33. Air Canada Welcomes the Announcement of Alberta COVID-19 Testing Initiative Aimed at Easing Mandatory 14-Day Quarantine**

Air Canada is pleased that the federal government and the Province of Alberta have announced a joint initiative for a pilot project to test international and transborder travellers arriving in Alberta for COVID-19. Air Canada has been a leader and a strong advocate of the use of rapid testing to protect customers and employees. Earlier this year, Air Canada partnered with McMaster HealthLabs (MHL) and the Greater Toronto Airports Authority for a study on testing that continues to yield results that demonstrate the validity of testing as a means to ease travel restrictions and quarantine requirements.

#### **34. U.S. International Air Cargo Fell 6% in August 2020 from August 2019 while U.S.-Asia Cargo Rose 11% (Preliminary)**

U.S. and foreign airlines carried 5.9% less cargo by weight (preliminary) between the U.S. and foreign points in August 2020 than in August 2019, despite a 10.5% rise in cargo between the U.S. and Asia, according to data filed with the Bureau of Transportation Statistics (BTS) by 33 large air carriers. The decline in August 2020 was larger than the 3.8% (revised) drop from July 2019 to July 2020. The total to and from the U.S. includes world areas that are not shown separately.

#### **35. Delta – WestJet Application for Antitrust Immunity Order to Show Cause**

On October 23, 2020, the U.S. Department of Transportation announces the tentative approval of, and grant of antitrust immunity for, the proposed alliance agreement submitted by Delta Air Lines and WestJet. The carriers request antitrust immunity to operate a joint venture between the United States and Canada, through which they intend to coordinate their services, including network planning, pricing, and sales activities. By combining networks, the carriers are expected to expand capacity on some existing routes while introducing services on several new routes, allowing more options for travel to and from Canada.

#### **36. Air Canada Continues to Combat Illegal Wildlife Trade (IWT) as it Receives New Certification by the International Air Transport Association**

Air Canada is proud to announce on October 23, 2020 that it has successfully attained the International Air Transport Association (IATA) Illegal Wildlife Trade (IWT) certification. Introduced last year by IATA, the IWT certification incorporates the 11 commitments of the United for Wildlife (UFW) Buckingham Palace Declaration for airlines engaged in fighting the trade in illegal wildlife.

#### **37. Air Travel Consumer Report: July 2020 Numbers**

The U.S. Department of Transportation on October 23, 2020 released its September 2020 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of July 2020. The full consumer

report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>.

### **38. Second Quarter 2020 Air Fare Drops to New Low as Passenger Numbers Decline**

U.S. domestic air fares declined in the second quarter of 2020 to \$259, the lowest inflation-adjusted quarterly air fare in the Bureau of Transportation Statistics (BTS) records dating back to 1995. The previous low was \$334 in the first quarter of 2020. Adjusted for inflation (constant 2020 dollars) the 2Q 2020 air fare was: Down 27.8% from 2Q 2019 (\$358); Down 22.6% from 1Q 2020 (\$334); and Down 38.4% from 2Q 2015 (\$420). Air fares declined along with passenger demand. Airlines reported 11.5 million originating passengers in the second quarter of 2019, down from 87.2 million passengers a year earlier.

### **39. Welcome to the WestJet Elevation Lounge**

On October 27, 2020, WestJet is proud to reveal its flagship lounge – the WestJet Elevation Lounge. The WestJet Elevation Lounge blends contemporary design with refined mountain living inspired by Canada’s diverse landscape and features playful interpretations of WestJet’s home province weaved throughout. (CNW Group/WESTJET, an Alberta Partnership). Boasting more than 9,300 square feet of premium space with panoramic views and Canadian-inspired details, the WestJet Elevation Lounge blends contemporary design with refined mountain living inspired by Canada's diverse landscape. The flagship space was designed in collaboration with global architecture and design firm Gensler to carefully consider the needs and safety of guests and frequent travellers.

### **40. Airline revenues forecast at half 2019 levels in 2021: IATA**

Airline industry revenues are expected to remain 46 percent lower in 2021 than the \$838 billion booked in the last pre-coronavirus year of 2019, industry body IATA said on October 27, 2020 in a marked worsening of its forecasts. Its previous outlook for a smaller drop of 29 percent "was based on expectations for a demand recovery commencing in the fourth quarter of 2020." That is now unlikely to materialise because of renewed Covid-19 outbreaks and government restrictions in response, said the federation representing 290 airlines.

### **41. Weekly aircraft movements, October 10 to 16, 2020**

Data on weekly aircraft itinerant movements are now available for October 10 to 16, 2020. Domestic movements were 31,701 on October 10, 2020 compared to 35,797 on October 3, 2020.

## **WATER TRANSPORTATION**

### **1. Port of Savannah on track for record September**

September 2020 isn't in the books yet, but the Georgia Ports Authority (GPA) already is figuring it has been a record month. The GPA issued a press release on September 29, 2020 in which it said the Port of Savannah was on track to achieve a monthly record for September 2020 by moving more than 400,000 twenty-foot equivalent units (TEUs). This follows all-time record volumes in August 2020.

### **2. PMA report warns U.S. West Coast Ports could lose up to 45% of intermodal imports to B.C. ports by 2030**

A Mercator study commissioned by the Pacific Maritime Association (PMA) warns that high U.S. rail costs and other factors could cause U.S. West Coast (USWC) ports to lose between 15% to 45% of intermodal import business to British Columbia (BC) ports by 2030. The report says 15% of "Intact Intermodal import volumes" could be lost by 2022 and over "45% of the USWC's current intact intermodal import traffic is at risk of diversion to BC ports over the balance of this decade."

### **3. NYSHEX, carriers push for more binding ocean shipping contracts**

Renege on a cargo contract in tanker or dry bulk shipping and your counterparty will attach your assets and drag you into arbitration. Containerized freight contracts are different — more like Third World traffic rules (that red light you see is just a suggestion). Promised cargo might not show up. Ships might not load the cargo that does. Efforts to change this are now gathering steam, particularly in the wake of massive coronavirus disruptions to containerized trade. A rising number of ocean container deals,

## **WATER TRANSPORTATION**

### **Canada**

1. Port of Savannah on track for record September, September 29, 2020, [www.americanshipper.com](http://www.americanshipper.com)
2. PMA report warns U.S. West Coast Ports could lose up to 45% of intermodal imports to B.C. ports by 2030, October 1, 2020, [www.ajot.com](http://www.ajot.com)
3. NYSHEX, carriers push for more binding ocean shipping contracts, October 1, 2020, [www.freightwaves.com](http://www.freightwaves.com)
4. Container lines maxing out capacity to meet US import surge, October 1, 2020, [www.joc.com](http://www.joc.com)
5. Surging US import growth slowed slightly in September, October 7, 2020, [www.joc.com](http://www.joc.com)
6. Industry groups ready responses to FMC's ocean carrier pricing review, October 9, 2020, [www.americanshipper.com](http://www.americanshipper.com)
7. Making waves on the Mississippi, October 9, 2020, [www.americanshipper.com](http://www.americanshipper.com)
8. Transport Canada announces Port of Trois-Rivières investment, October 12, 2020, [www.americanshipper.com](http://www.americanshipper.com)
9. Port of Long Beach's Cordero Reports 12.5% Jump in September Container Volumes, October 14, 2020, [www.ajot.com](http://www.ajot.com)
10. Trump vs. Biden: How the winner could

whether spot or contract, are incorporating nonperformance penalties. More evidence of the trend emerged on October 1, 2020. The New York Shipping Exchange (NYSHEX) — a startup providing a two-way enforceable contract solution, initially in the trans-Pacific trade — announced \$13.5 million in additional funding, led by NewRoad Capital Partners.

#### **4. Container lines maxing out capacity to meet US import surge**

Three large container lines say most of their available capacity is in use as demand in the US rises, but shippers still fret about finding space on a ship.

#### **5. Surging US import growth slowed slightly in September**

Although the growth in US imports decelerated slightly in September 2020 from August 2020, the double-digit, year-over-year monthly increase indicates there is still strong momentum for the coming months.

#### **6. Industry groups ready responses to FMC's ocean carrier pricing review**

Freight transportation industry and shipper groups say they are preparing detailed responses to the U.S. Federal Maritime Commission (FMC) review of ocean carrier pricing practices. The FMC, which announced the notice of inquiry on October 7, 2020, said it is seeking information from the container-shipping public on alleged attempts by ocean carriers to hold companies financially responsible for transportation services that they did not contract for and may not legally be required to pay. The FMC said it received comments for its earlier Docket No. 19-05, Interpretative Rule on Detention and Demurrage under the Shipping Act, which raised concerns about these billing practices. The agency finalized the interpretative rule in April, 2020.

#### **7. Making waves on the Mississippi**

American Patriot Holdings (APH) intends to make waves in the river transport industry with first-of-their-kind container-carrying vessels plying U.S. inland waterways. The container-on-vessel (COV) service will carry more cargo than the age-old barges while reducing shippers' costs and cutting time on the water in half, according to Sal Lyreco, chief executive officer of American Patriot Container Transport LLC.

#### **8. Transport Canada announces Port of Trois-Rivières investment**

The Canadian government is investing C\$33.4 million (US\$25.5 million) to construct a terminal west of the Port of Trois-Rivières in the hopes of relieving congestion in the area. The 100,000-square-meter terminal will be for the transshipments of dry and liquid bulk and general cargo, according to Transport Canada. The project, dubbed Terminal 21, will also include the construction of a wharf and road and rail access roads, as well as storage space. Officials hope the project will eliminate bottlenecks and ensure the efficient transfer of goods between road, rail and maritime modes, Transport Canada said. Government support for the project is part of Canada's wider effort to support infrastructure projects that have the potential to bolster international trade. The Canadian government has invested more than \$180 billion over 12 years on such projects.

#### **9. Port of Long Beach's Cordero Reports 12.5% Jump in September Container Volumes**

Mario Cordero, executive director, Port of Long Beach told AJOT that the Port experienced a 12.5% increase in container volumes for September 2020, compared to September 2019, and expects the Port to have a "strong" fourth quarter in 2020. However, he was more cautious about 2021 stating "a lot depends on the impact of the Covid virus on the economy."

#### **10. Trump vs. Biden: How the winner could affect ocean shipping**

The outcome of the U.S. election will steer stimulus spending, energy policy, trade relations, geopolitics and environmental regulation — and consequently, ocean freight rates — for years to come. With just three weeks to go, financial analysts are weighing in on potential fallout. On one end of the spectrum lies a relative status quo. On the other, a "blue sweep," in which Joe Biden defeats Donald Trump for the presidency and Democrats retain the House and take a slim lead in the Senate. "We believe Democrats would pass a massive fiscal stimulus in response to COVID-19," said Evercore ISI political policy analyst Sarah Bianchi. "This is likely to mark an important contrast to what a Republican administration would pass in 2021. Senate Republicans have already shown in the latest round of negotiations that they are running out of patience for big spending packages. With a Republican Senate and president, the fiscal spending will likely dramatically decline."

#### **11. Carrier profits to surpass H1 2020, but 2021 outlook uncertain: analysts**

affect ocean shipping, October 14, 2020, [www.americanshipper.com](http://www.americanshipper.com)

11. Carrier profits to surpass H1 2020, but 2021 outlook uncertain: analysts, October 14, 2020, [www.joc.com](http://www.joc.com)

12. Port of LA files best September despite lagging exports, October 14, 2020, [www.americanshipper.com](http://www.americanshipper.com)

13. US Transportation Secretary Chao announces over \$220 million in grants for America's ports, October 15, 2020, [www.ajot.com](http://www.ajot.com)

14. Port of Vancouver: Accumulated Container Statistics (January to September 2020), Oct. 16, 2020, [www.portmetrovancover.com](http://www.portmetrovancover.com)

15. Port of Montreal: Accumulated Container Statistics – January to September 2020, October 20, 2020, [www.portofmonreal.ca](http://www.portofmonreal.ca)

16. Halifax container backlog mostly gone, but delays remain, October 20, 2020, [www.joc.com](http://www.joc.com)

17. Container cargo on the great lakes for the first time in over a decade, October 21, 2020, [www.portofmontreal.ca](http://www.portofmontreal.ca)

18. Record Month, Quarter Lift Port of Long Beach, October 21, 2020, [www.ajot.com](http://www.ajot.com)

19. Port of Halifax: Container traffic statistics (Year to Date), October 22, 2020, [www.portofhalifax.ca](http://www.portofhalifax.ca)

20. Prioritizing critical cargo, October 22, 2020, [www.portofmontreal.ca](http://www.portofmontreal.ca)

21. Halifax can now handle two mega-ships simultaneously, October 23, 2020, [www.joc.com](http://www.joc.com)

22. Halifax's new deep-water berth open for business, October 23, 2020, [www.americanshipper.com](http://www.americanshipper.com)

Carriers are riding high on a profitable wave of record rates, surprisingly strong demand, and lower fuel costs, but there is no consensus among analysts and ratings agencies on whether it will be sustainable.

#### **12. Port of LA files best September despite lagging exports**

The Port of Los Angeles recorded its best September in the gateway's 114-year history last month. The 888,625 twenty-foot equivalent units (TEUs) processed, a 13.3% year-over-year increase, contributed to the third quarter becoming the single-best quarter on record, with more than 2.7 million TEUs moved. Port of LA Executive Director Gene Seroka said an average of 900,000 TEUs were moved per month in the third quarter. "It's a big upswing from what we ... were used to seeing in just the first six months of 2020, when we averaged a little bit more than 627,000 TEUs per month. This is about a 30% increase in the run rate we witnessed in the first half of the year."

#### **13. US Transportation Secretary Chao announces over \$220 million in grants for America's ports**

The U.S. Department of Transportation Secretary Elaine L. Chao on October 15, 2020 announced the award of more than \$220 million in discretionary grant funding to improve port facilities in 16 states and territories through the Maritime Administration's (MARAD) Port Infrastructure Development Program. "This \$220 million in federal grants will improve America's ports with nearly half the projects located in Opportunity Zones, which were established to revitalize economically distressed communities," said U.S. Secretary of Transportation Elaine L. Chao.

#### **14. Port of Metro Vancouver: Accumulated Container Statistics (January to September 2020)**

The Port of Metro Vancouver released its accumulated container statistics (TEUs) for the first nine months of 2020. Total container traffic for the first nine months changed -4.8% to 2,470,635 TEUs from 2,596,150 TEUs. Total container imports changed -0.7% to 1,320,570 TEUs from 1,329,605 TEUs for this period. Total container exports changed -9.2% to 1,150,065 TEUs from 1,266,546 TEUs for this period.

#### **15. Port of Montreal: Accumulated Container Statistics – January to September 2020**

The Port of Montreal released its container statistics (TEUs) on October 20, 2020. Total container traffic for the first nine months of 2020 was 1,159,196 TEUs compared to 1,305,179 TEUs for the same period in 2019, a change of -11.18%. Total imports were 595,879 TEUs for the first nine months of 2020 compared to 643,252 TEUs a year ago, a change of -7.36%. Total exports were 563,318 TEUs for the first nine months of 2020 compared to 661,927 TEUs a year ago, a change of -14.90%.

#### **16. Halifax container backlog mostly gone, but delays remain**

While Halifax was the best way station immediately available for Montreal-bound containers, it still lacks capabilities as an emergency valve for Canadian importers due to its remoteness from inland distribution networks, stakeholders say.

#### **17. Container cargo on the great lakes for the first time in over a decade**

On the morning of October 20, 2020, the general cargo ship Claude A. Desgagnés departed from the Port of Montreal bound for Toronto. This is the first time in over a decade that such a shipment has happened. In fact, the practice of container cabotage from Montreal to the Great Lakes has been abandoned since the early 1980s. A service was considered in 2009, but was quickly decommissioned in favour of transit by truck or rail. Thanks to the collaboration between Mediterranean Shipping Company and Groupe Desgagnés, Ontario consumers and businesses can once again benefit from this shipping solution, which offers importers and exporters an alternative and often provides cost and time savings as well as a cleaner transportation solution. This collaboration between MSC Canada Inc. and Groupe Desgagnés reflects the ongoing commitment of these two vital Port of Montreal partners to their clients.

#### **18. Record Month, Quarter Lift Port of Long Beach**

The Port of Long Beach accomplished a pair of records in September 2020 by achieving its busiest month ever and its most active quarter in its 109-year history. Trade was up 12.5% in September 2020 compared to the same period in 2019. Dockworkers and terminal operators moved 795,580 cargo container units and broke the "best month" record set just two months ago. The previous single-month record of 753,081 twenty-foot equivalent units (TEUs), set in July 2020, was surpassed by nearly 42,500 TEUs. The Port processed 2,274,271 TEUs between July 1 and Sept. 30, 2020 a 14.1% increase from the third quarter of 2019. It was also the Port's busiest quarter on record, topping the previous record set during the third quarter of 2017 by nearly 160,000 TEUs.

#### **19. Port of Halifax: Container traffic statistics (Year to Date)**

The Port of Halifax released its traffic statistics for the period January to September 2020 on October 22, 2020. Total container traffic (TEUs) for the first nine months of 2020 was 373,908 down 10.3% from 416,883 a year ago. Container imports for this period were 194,201 TEUs for the first nine months of 2020 down 8.3% from 211,681 a year ago. Container exports for this period were 179,707 TEUs for the first nine months of 2020 down 12.4% from 205,202 a year ago. For the third quarter of 2020, total traffic was 155,936 TEUs up 16.5% from 133,893 TEUs a year ago. Container imports for this period were 85,485 TEUs 2020 up 29.4% from 66,069 TEUs a year ago. Container exports for this period were 70,451 TEUs 2020 up 3.9% from 67,824 TEUs a year ago.

#### **20. Prioritizing critical cargo**

CargoM, the Port of Montreal and their partners are ramping up to deploy the priority cargo handling system on a large scale. Developed last spring through a partnership between the Port, CargoM, Termont, MGTP, Scale AI and Ivado Labs to tackle the COVID-19 pandemic, the system, named Cargo2ai, uses artificial intelligence to quickly identify and prioritize the critical cargo that Canadians need. The purpose is to deliver medications, medical equipment and food products as quickly as possible to avoid supply delays and stock shortages during precarious economic and public health situations. A logistics tool with a humanitarian calling, last week Cargo2ai was named a Jalon Mobility Award, in the Urban logistics category.

#### **21. Halifax can now handle two mega-ships simultaneously**

With work to extend the Port of Halifax's South End Container Terminal now complete, the PSA-operated facility is capable of handling multiple ultra-large container vessels at the same time.

#### **22. Halifax's new deep-water berth open for business**

The South End Container Terminal extension at the Port of Halifax is now complete and fully operational. The first vessel to call on this expanded piece of critical infrastructure, operated by PSA Halifax, is the Zim Tarragona which arrived on October 23, 2020. With the extension project finished, the South End Container Terminal operated by PSA Halifax now has the longest and deepest container berth in Eastern Canada with 800 metres continuous length and 16 metres depth. The recent installation of a new Super Post-Panamax (SPPX) crane, the largest in Eastern Canada, brings the total complement of SPPX quay cranes at PSA Halifax to five.

### **RAIL TRANSPORTATION**

#### **1. Alaska to Alberta Railway gets Trump nod**

President Donald Trump on September 29, 2020 approved a permit for a proposed rail line connecting Alaska and Canada. The Presidential Border Crossing Permit is required of all United States/Canada cross-border infrastructure projects. The issuance of the presidential permit is a significant achievement that acts to remove uncertainty, facilitating the continued development of engineering, business partnerships, financing, Indigenous relationships and environmental permitting. Trump sent a tweet on September 25, 2020 announcing his intention to sign the permit for the A2A cross-border line between Alaska and Canada.

#### **2. Alberta eyes oil route after Trump OKs Alaska rail link**

U.S. President Donald Trump's decision to approve a rail link between Canada and Alaska could open up an export route to Asia for Alberta's struggling oil sands producers. The presidential permit, announced in a tweet late on September 25, 2020, will push forward a \$17 billion project to build a rail line between Fort McMurray, in the heart of Alberta's oil sands, and Delta Junction in Alaska, according to Alaska – Alberta Railway Development Corp., or A2A, the company behind the project.

#### **3. CN Publishes 2020-2021 Winter Plan**

CN is pleased to announce that it has prepared its 2020–2021 Winter Plan. In accordance with the requirements of Canada's Transportation Modernization Act and with the input of key stakeholders, the plan sets out the priorities, investments, and measures CN has undertaken, and will make, to ensure it is ready to face the coming winter and meet the demand for the transportation of goods from its customers. The Winter Plan presents CN's past and new investments and innovative operating measures in meeting growing customer demand across its network and in enabling the Company to increase its resilience and recoverability in cases of extreme operating conditions. Investing in specific measures such as key infrastructure and equipment helps the Company safely and efficiently move more goods and minimize the impact of unpredictable weather.

#### **4. Railway carloadings, July 2020**

Despite the rebound in trade with the United States, railway carloadings

### **RAIL TRANSPORTATION**

#### **Canada**

1. Alaska to Alberta Railway gets Trump nod, September 30, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
2. Alberta eyes oil route after Trump OKs Alaska rail link, September 29, 2020, [www.ajot.com](http://www.ajot.com)
3. CN Publishes 2020-2021 Winter Plan, September 30, 2020, [www.cn.ca](http://www.cn.ca)
4. Railway carloadings, July 2020, September 30, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. Intermodal Partially Saves the Day, Again: AAR, September 30, 2020, [www.railwayage.com](http://www.railwayage.com)
6. CP reports best-ever third quarter and September for transporting Canadian grain, October 2, 2020, [www.cpr.ca](http://www.cpr.ca)
7. CN Grain Movement: Seven Months of Record Movement in a Row, October 5, 2020, [www.cn.ca](http://www.cn.ca)
8. Winter weather, COVID-19, trade uncertainties factor into Canadian railways' operational plans, October 5, 2020, [www.americanshipper.com](http://www.americanshipper.com)
9. CN, CP post record grain hauls, October 5, 2020, [www.ctl.ca](http://www.ctl.ca)
10. STB: Five Class I's Revenue Adequate for 2019, October 5, 2020, [www.railwayage.com](http://www.railwayage.com)
11. Intermodal 7-Up, Carloads 10 Down: AAR, October 7, 2020, [www.raileavage.com](http://www.raileavage.com)
12. Transport Canada announces new safety measures following fatal 2017 accident at CN's Melville Yard in Saskatchewan, October 8, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
13. Canadian Pacific joins TradeLens blockchain shipping platform, October 8, 2020, [www.cpr.ca](http://www.cpr.ca)
14. Supply Side: CN Signs Contract with Duos, Bentley Launches Virtuosity, October 9, 2020, [www.railwayage.com](http://www.railwayage.com)
15. Freight Traffic Rises as Staggers Turns 40. Serendipity?, [www.railwayage.com](http://www.railwayage.com)
16. CP to fully buy Detroit River Rail Tunnel, October 16, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)

remained below pre-pandemic levels in July 2020, falling short of a full recovery. The volume of freight transported by Canadian railways posted year-over-year declines for the fifth consecutive month since the start of the COVID-19 pandemic. Canadian railways carried 29.7 million tonnes of freight in July 2020, a decrease of 11.8% compared with July 2019. Low demand for raw minerals and hydrocarbon freight was responsible for this decline.

#### **5. Intermodal Partially Saves the Day, Again: AAR**

For the week ending Sept. 26, 2020, total U.S. weekly rail traffic was 518,290 carloads and intermodal units, down 2.1% compared with the same week last year. Total carloads for the week, at 224,146 carloads and down 10.5% compared with the same week in 2019, were offset by U.S. weekly intermodal volume, at 294,144 containers and trailers, up 5.5% compared to 2019. Three of the 10 carload commodity groups posted an increase compared with the same week in 2019, the Association of American Railroads (AAR) reported Sept. 30, 2020. They were grain, up 7,061 carloads, to 24,995; farm products excluding grain, and food, up 464 carloads, to 15,666; and motor vehicles and parts, up 421 carloads, to 16,340. Commodity groups that posted decreases compared with the same week in 2019 included coal, down 21,008 carloads, to 58,220; nonmetallic minerals, down 5,357 carloads, to 29,977; and chemicals, down 2,937 carloads, to 30,078. Canadian railroads reported 81,142 carloads for the week, down 3.4%, and 76,337 intermodal units, up 3.8% compared with the same week in 2019. For the first 39 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 5,474,214 carloads, containers and trailers, down 7.7%.

#### **6. CP reports best-ever third quarter and September for transporting Canadian grain**

Canadian Pacific (CP) achieved its best-ever third quarter for Canadian grain and grain products shipments, moving 7.72 million metric tonnes (MMT) in 2020 vs. 6.97 MMT during the previous third-quarter record in 2014, up 10.8 percent. CP also set a new September record for shipping Canadian grain and grain products, moving 2.8 MMT and beating the prior September 2017 record by more than 8.4 percent.

#### **7. CN Grain Movement: Seven Months of Record Movement in a Row**

As the North American economy continues its recovery, CN is pleased to announce that its people moved 7.76 million metric tonnes (MMT) of grain in the third quarter of 2020 and that September 2020 marked the seventh straight month in a row of record grain movements, supporting Canadian grain farmers and the grain supply chain. In August 2020, CN moved over 2.43 MMT of Canadian grain compared to the previous record of 2.31 MMT set in 2014 and over 2.81 MMT in September 2020 compared to the previous record of 2.6 MMT set in 2016. This performance follows five record months in March, April, May, June, and July 2020.

#### **8. Winter weather, COVID-19, trade uncertainties factor into Canadian railways' operational plans**

Uncertainties surrounding the coronavirus pandemic could provide an additional layer of challenge as Canadian railways CN and Canadian Pacific conduct their operations this winter. The Canadian government's *Transportation Modernization Act* requires both railways to submit their operational plans for winter. Adverse weather conditions such as extreme cold can affect the functionality of train tracks and result in shorter trains and slower train speeds. Passageways along the St. Lawrence River to Thunder Bay, Ontario, also close during the season. "Winter is known to be harsh, but where and when it will impact our operations is unknown. We therefore diligently prepare for it by implementing specific measures to meet with its inevitable extreme conditions," said CN President and CEO JJ Ruest in the railway's operating plan for the 2020-21 winter season. Both railways also announced separately that they moved record grain volumes in the 2020 third quarter.

#### **9. CN, CP post record grain hauls**

Canada's two main railways notched another record-setting quarter for grain shipments, benefiting from strong global

17. Canadian, US East Coast ports redrawing rail routing for imports, October 16, 2020, [www.ioc.com](http://www.ioc.com)

18. Intermodal growth fuels US weekly rail traffic, October 16, 2020, [www.americanshipper.com](http://www.americanshipper.com)

19. Kansas City Southern sees opportunities ahead amid lingering headwinds, October 16, 2020, [www.americanshipper.com](http://www.americanshipper.com)

20. CP announces strategic, multi-year rail agreement with A.P. Moller – Maersk, October 19, 2020, [www.cpr.ca](http://www.cpr.ca)

21. On strength of service and operating model, CP reports sub-60 operating ratio and revenues of \$1.86B, October 20, 2020, [www.cpr.ca](http://www.cpr.ca)

22. Canadian Pacific Railway Limited declares dividend, October 20, 2020, [www.cpr.ca](http://www.cpr.ca)

23. CN Third Quarter Results: Capitalizing on Sequential Improvements in Key Markets, October 20, 2020, [www.cn.ca](http://www.cn.ca)

24. CN Declares Fourth-Quarter 2020 Dividend, October 20, 2020, [www.cn.ca](http://www.cn.ca)

25. Lower volumes, revenue dampen CN's third-quarter profit, October 20, 2020, [www.americanshipper.com](http://www.americanshipper.com)

26. Lower revenue dents CSX's third-quarter profit, October 21, 2020, [www.americanshipper.com](http://www.americanshipper.com)

27. AAR: Intermodal Gain Tamps Down Carload Loss, Again, October 21, 2020, [www.railwayage.com](http://www.railwayage.com)

28. Union Pacific sets all-time quarterly record for operating ratio, October 23, 2020, [www.americanshipper.com](http://www.americanshipper.com)

29. CP Elevates Two Grain Elevators, October 27, 2020, [www.railwayage.com](http://www.railwayage.com)

30. Minister Garneau announces new regulations to improve marine safety, security and the protection of marine environments in Canada, October 28, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

31. Railway carloadings, August 2020, October 28, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

32. The Freight Rail Services Price Index, October 2020, October 28, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

33. AAR Week 43: Once Again, It's Intermodal, October 28, 2020, [www.railwayage.com](http://www.railwayage.com)

34. Norfolk Southern reports third-quarter 2020 results, October 28, 2020, [www.nscorp.com](http://www.nscorp.com)

35. Norfolk Southern strives to ramp up efficiency, October 28, 2020, [www.freightwaves.com](http://www.freightwaves.com)

demand, a bumper crop, efficient cars and more capacity due to smaller hauls of other products amid the COVID-19 pandemic. Canadian National Railway Co. said it moved 7.76 million tonnes of grain in the 2020 third quarter and 2.81 million in September 2020 alone, both new records for the time periods that amount to seven straight months of unprecedented volume. Canadian Pacific Railway Ltd. reported moving 7.72 million tonnes in the quarter ended Sept. 30, 2020, 11 percent more than its previous third-quarter record of 6.97 million tonnes set in 2014 as it marked the fourth consecutive quarter of record grain volumes.

#### **10. STB: Five Class I's Revenue Adequate for 2019**

The Surface Transportation Board has determined that five of the “Big 7” U.S. Class I railroads achieved revenue adequacy in 2019: BNSF, CSX, Norfolk Southern, Soo Line (the U.S. affiliate of Canadian Pacific) and Union Pacific. STB determined that those Class I's achieved a rate of return on investment (ROI) equal to or greater than the Board's calculation of the average cost of capital for the freight rail industry, which for 2019 is 9.34%.

#### **11. Intermodal 7-Up, Carloads 10 Down: AAR**

“September 2020 was the fourth best intermodal month in history for U.S. railroads, as retailers and others restocked their inventories and prepared for the holiday season,” Association of American Railroads Senior Vice President John T. Gray noted on Oct. 7, 2020, as overall U.S. freight rail traffic volume for the month of September dipped a mere 1%, based on a healthy increase in intermodal. “Meanwhile, rail carloads, which don't include intermodal, remained down in September compared with last year, but showed marked improvement compared to a few months ago, especially if you exclude coal. In the meantime, railroads remain focused on keeping their employees safe while delivering the goods our nation needs.” U.S. railroads originated 1,423,883 containers and trailers in September 2020, up 7.1%, or 94,351 units, from the same month last year. They also originated 1,119,546 carloads in September 2020, down 9.7%, or 119,909 carloads, from September 2019. Combined U.S. carload and intermodal originations in September 2020 were 2,543,429, down 1%, or 25,558 carloads and intermodal units from September 2019. Canadian railroads reported 80,762 carloads for the week, up 5.6%, and 77,179 intermodal units, up 6.6% compared with the same week in 2019. For the first 40 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 5,632,155 carloads, containers and trailers, down 7.3%.

#### **12. Transport Canada announces new safety measures following fatal 2017 accident at CN's Melville Yard in Saskatchewan**

On October 8, 2020, the Minister of Transport, the Honourable Marc Gurnee, announced new measures to improve rail safety in Canada following the Transportation Safety Board of Canada's (TSB) investigation into a 2017 fatal accident at Canadian National Railways' (CN) Melville Yard in Saskatchewan. These measures include a Ministerial Order that requires the rail industry to adopt new practices for employees to follow when conducting switching operations to ensure that equipment is properly secured. In addition, Transport Canada will continue revising the *Railway Employee Qualification Standards Regulations* to strengthen oversight requirements and address gaps related to training and experience of employees. The department will also pursue work with the railway industry and labour representatives to identify the underlying causes of uncontrolled movements that occur while switching without air (i.e., without using air brakes on individual rail cars), and develop strategies or regulatory requirements to reduce their frequency.

#### **13. Canadian Pacific joins Trade Lens blockchain shipping platform**

Canadian Pacific (CP) on October 8, 2020 announced it has joined TradeLens, a blockchain-based platform that enables the secure and transparent transfer of container-shipping documents. This open-API platform will help CP intermodal shippers create, amend and share documents with other supply chain participants, including consignees, beneficial cargo owners, customs agencies, dray operators and steamship lines.

#### **14. Supply Side: CN Signs Contract with Duos, Bentley Launches Virtuosity**

CN has awarded a multi-year contract to Duos Technologies, Inc., for complete North American service, support, maintenance and spare components sourcing for the seven Railcar Inspection Portals (rip®) currently in operation along its network. Additionally, engineering software firm Bentley Systems, Inc., has established Virtuosity to combine subscriptions to Bentley applications, such as OpenRail, with training and expert services. Under the terms of the agreement with CN, the Duos rip® system will identify specific railcar inspection points, which are monitored and addressed using artificial intelligence (AI) applications being developed by the railroad and integrated into the Duos centraco® platform.

#### **15. Freight Traffic Rises as Staggers Turns 40. Serendipity?**

On the day marking the 40th anniversary of the *Staggers Rail Act* being signed into law, the Association of American Railroads (AAR) was able to report, for the first time in recent memory, that U.S. rail traffic registered a weekly gain, as intermodal growth offset a carload decline by a wide margin. The AAR reported on Oct. 14, 2020—40 years to the day that President Jimmy Carter signed Staggers into Law—that for the week ending Oct. 10, 2020, total U.S. rail traffic was 520,452 carloads and intermodal units, up 1.9% compared with the same week last year. Total carloads were 230,964, down 5.2% compared with the same week in 2019, while U.S. weekly intermodal volume was 289,488

containers and trailers, up 8.4% compared to 2019.

#### **16. CP to fully buy Detroit River Rail Tunnel**

Canadian Pacific and OMERS, the defined benefit pension plan for municipal employees in the province of Ontario, have entered into a purchase agreement whereby CP will acquire full ownership of the Detroit River Rail Tunnel from OMERS affiliates. The purchase price for the transaction is approximately US\$312 million, subject to customary closing adjustments. CP previously owned a 16.5 percent stake of the tunnel in partnership with OMERS.

#### **17. Canadian, US East Coast ports redrawing rail routing for imports**

Two recent studies show how cheaper rail prices are helping drive port routing changes, and a new JOC analysis of data from the Intermodal Association of North America reveals how significant the shift has been in just five years.

#### **18. Intermodal growth fuels US weekly rail traffic**

U.S. rail volumes on a weekly basis rose nearly 2% as intermodal traffic pushed volumes higher. The U.S. railroads originated 520,452 carloads and intermodal units for the week ending on October 10, 2020, according to the Association of American Railroads. Of that, intermodal traffic rose by 8.4% to 289,488 intermodal containers and trailers, while carloads were down 5.2% to 230,964. Lower energy volumes drove carload traffic lower, while other commodities posted year-over-year gains. Coal volumes fell nearly 16% to 62,229 carloads and volumes for petroleum and petroleum products slipped 19% to 10,259 carloads. Together, these commodities represent 31% of overall weekly traffic. But grain volumes, representing 12% of overall weekly traffic, rose 31% to 27,434 carloads.

#### **19. Kansas City Southern sees opportunities ahead amid lingering headwinds**

Executives with Kansas City Southern (KCS) are cautiously optimistic about rail volumes in 2021, with optimism for an economic recovery tempered by uncertainties related to the coronavirus pandemic. "The recovery has been remarkable, if a bit uneven," said KCS Chief Marketing Officer Mike Naatz during the company's third-quarter 2020 earnings call on October 16, 2020. Although certain businesses remain under pressure and COVID-19 is still a risk, KCS has good reason to be optimistic about an economic recovery, Naatz said. He based his observations on customers' feedback as well as on market conditions such as a tightening truck market. KCS achieved an operating ratio (OR) of 58.8% in the third quarter, which was an "all-time best" for the company. Operating ratio is a tool used to gauge the financial health of a company, with a lower percentage implying improving health. By the end of the third quarter, KCS' volumes were running 60% above the trough of April and May 2020 on a daily basis, he said. "It's a really remarkable story and a remarkable roller coaster," CEO Ottensmeyer said. KCS' third-quarter net profit rose 5.3% as a 16.7% decrease in operating expenses helped to offset a 12% decline in revenue. Net income in the third quarter of 2020 was \$189.7 million, or \$2.01 per diluted share, compared with \$180.1 million, or \$1.81 per diluted share, in the third quarter of 2019.

#### **20. CP announces strategic, multi-year rail agreement with A.P. Moller - Maersk**

On October 19, 2020, Canadian Pacific Railway Limited (CP) announced a strategic, multi-year rail agreement with A.P. Moller - Maersk to move freight through the ports of Vancouver and Montreal. The agreement is further to the September 15, 2020 announcement regarding the construction of a new, world-class transload and distribution facility in Vancouver to expand CP's and Maersk Canada's supply chain options for customers.

#### **21. On strength of service and operating model, CP reports sub-60 operating ratio and revenues of \$1.86B**

Canadian Pacific Railway Limited (CP) on October 20, 2020 announced third-quarter revenues of \$1.86 billion, diluted earnings per share ("EPS") of \$4.41, adjusted diluted EPS of \$4.12 and an operating ratio of 58.2 percent. Third-quarter highlights were: 1) Strong operational performance in average train weights and average train lengths; 2) Revenues decreased by 6 percent to \$1.86 billion from \$1.98 billion last year; 3) Reported diluted EPS of \$4.41, a 1 percent decrease from \$4.46 last year, and adjusted diluted EPS of \$4.12, an 11 percent decrease from \$4.61 last year; 4) Operating ratio was 58.2 percent, a 210 basis point increase over last year's third-quarter operating ratio of 56.1 percent. Federal Railroad Administration ("FRA")-reportable personal injuries declined 26 percent to 1.06 from 1.44 in Q3 2019, and CP's FRA-reportable train accident frequency dropped 14 percent versus Q3 2019 to 1.13 from 1.31. "This quarter played out as we expected. Following our record Q2 performance, we steadily built momentum through the quarter and finished strong," said Keith Creel, CP President and Chief Executive Officer. "Thanks to our industry-leading operating model and world-class employees, we have persevered throughout 2020 and have significant momentum as we approach 2021."

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

The Board of Directors of Canadian Pacific Railway Limited (CP) on October 20, 2020 declared a quarterly dividend of \$0.95 per share on the outstanding Common Shares. The dividend is payable on Jan. 25, 2021 to holders of record at the close of business on Dec. 31, 2020.

#### **23. CN Third Quarter Results: Capitalizing on Sequential Improvements in Key Markets**

CN on October 20, 2020 reported its financial and operating results for the third quarter ended September 30, 2020. JJ Ruest, President and Chief Executive Officer of CN said "CN's people never stopped working since the beginning of the

pandemic and I am proud of the essential transportation service they have provided. As we look at the fourth quarter and beyond, we continue to see sequential improvements and momentum leading us to have a cautious optimism about the future. We remain confident in our ability to continue delivering long-term shareholder value." The Financial results highlights for the third-quarter 2020 compared to third-quarter 2019 were: 1) Volumes, in terms of revenue ton miles (RTMs), improved sequentially in each month of the third quarter of 2020 and September volumes increased on a year-over-year basis, reflecting demand for certain commodities in-line with 2019 levels. 2) Revenues of C\$3,409 million, a decrease of C\$421 million or 11 per cent. 3) Diluted earnings per share of C\$1.38, a decrease of 17 per cent. 4) Operating ratio of 59.9 per cent, an increase of 2.0 points. 5) Operating income of C\$1,366 million, a decrease of 15 per cent. 6) Free cash flow for the first nine months of 2020 was C\$2,087 million, an increase of C\$588 from the prior period. (1)

#### **24. CN Declares Fourth-Quarter 2020 Dividend**

CN announced on October 20, 2020 that its Board of Directors has approved a fourth-quarter 2020 dividend on the Company's common shares outstanding. A quarterly dividend of fifty-seven and a half cents (C\$0.5750) per common share will be paid on December 30, 2020, to shareholders of record at the close of business on December 9, 2020.

#### **25. Lower volumes, revenue dampen CN's third-quarter profit**

Net income was C\$985 million (US\$751 million), or \$1.38 in adjusted diluted earnings per share, in the third quarter of 2020 compared with \$1.2 billion, or \$1.66 in adjusted diluted earnings per share, in the third quarter of 2019. This was a year-over-year decline of nearly 18%. All figures are in Canadian dollars. A 11% drop in total revenue pulled CN's overall profit lower. Total revenue was \$3.4 billion in the third quarter, compared with \$3.8 billion a year ago. Of that, third-quarter freight revenue slipped 10% to \$3.2 billion. "The decrease in revenues was mainly due to lower volumes across most commodity groups caused by the ongoing effects of the COVID-19 pandemic and lower applicable fuel surcharge rates, partly offset by freight rate increases as well as increased shipments of Canadian grain," CN said.

#### **26. Lower revenue dents CSX's third-quarter profit**

CSX reported third-quarter 2020 net income of \$736 million, or 96 cents per share, compared with \$856 million, or \$1.08 per share, in the third quarter of 2019 amid a drop in revenue and "lower economic activity resulting from the COVID-19 pandemic." Third-quarter revenue fell 11% year-over-year to \$2.65 billion, with intermodal volume growth more than offset by declines in coal and merchandise volumes, CSX said. Lower fuel surcharge revenue also affected overall revenue. But expenses were down 11% to \$1.51 billion amid "continued efficiency gains and volume-related reductions," the company said.

#### **27. AAR: Intermodal Gain Tamps Down Carload Loss, Again**

U.S. rail traffic for the week ending Oct. 17, 2020, largely mirrored the previous week's figures, with a significant intermodal gain surpassing a carload decline, the Association of American Railroads (AAR) reported on Oct. 21, 2020. Year-to-date figures largely confirm that intermodal has held up relatively well in the midst of the global COVID-19 pandemic, compared to carload volume. Total U.S. weekly rail traffic was 518,763 carloads and intermodal units, up 2.2% compared with the same week last year. Total carloads were 226,828 carloads, down 7.5% compared with the same week in 2019, while U.S. weekly intermodal volume was 291,935 containers and trailers, up 11.3% compared to 2019. Canadian railroads reported 80,201 carloads for the week, up 2.3%, and 78,094 intermodal units, up 14.4% compared with the same week in 2019. For the first 42 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 5,949,096 carloads, containers and trailers, down 6.7%.

#### **28. Union Pacific sets all-time quarterly record for operating ratio**

Union Pacific eked out an all-time 2020 quarterly record operating ratio (OR) in the third quarter despite a 11% drop in operating revenue. Union Pacific's (UP) OR was 58.7% for the quarter, compared with 59.5% in the third quarter of 2019, amid lower fuel prices. Investors sometimes use OR, which is operating expenses as a percentage of revenue, to gauge the financial health of a company. A lower OR implies improved financial health. Meanwhile, net income was \$1.4 billion, or \$2.01 per diluted share, in the third quarter of 2020 compared with \$1.6 billion, or \$2.22 per diluted share, in the third quarter of 2019.

#### **29. CP Elevates Two Grain Elevators**

Canadian Pacific (CP) has presented its annual Elevator of the Year award to Viterra Gull Lake (Canada) and CHS Northland Grain Hazel (U.S.). CP recognized these two facilities for achieving "high volumes from a single loading point while consistently demonstrating efficient railcar loading and a strong commitment to safety" during the 2019-20 crop year. Minnesota's CHS Northland Grain has the capacity to load up to 110-car trains that are sent to both domestic and international markets. "These elevators are leaders in their field and have contributed to CP moving more grain and grain products in this past crop year than ever before, supplying the world with high quality North American products," CP Vice President Sales and Marketing Grain and Fertilizers Joan Hardy said.

#### **30. Minister Garneau announces new regulations to improve marine safety, security and the protection of marine environments in Canada**

The Minister of Transport, the Honourable Marc Garneau, on October 28, 2020 announced that the Government of Canada has published the new Marine Navigation Safety Regulations, 2020, which now apply to commercial vessels of all sizes, including fishing vessels, workboats, water taxis and ferries. The new regulations, which reflect extensive consultation with Canadians and the marine industry, represent a consolidation of nine existing sets of marine safety regulations into a single one that: 1) provides clearer and more up to date language on required navigational safety equipment; 2) requires vessel owners to have equipment to help reduce the risk of collisions that could cause pollution, like oil spills, and threaten endangered marine life, such as whales; 3) requires lifesaving equipment that will send emergency signals and provide the vessel's location; 4) applies to over 23,000 commercial vessels of all sizes; and 5) aligns better with international marine safety standards such as the International Convention for the Safety of Life at Sea.

### **31. Railway carloadings, August 2020**

In August 2020, Canadian railways carried 29.0 million tonnes of freight, down 14.7% from August 2019. This was the fifth consecutive monthly decline and the biggest year-over-year drop since March 2020. The total year-to-date carloadings (from January to August) reveal that the freight tonnage moved by rail in 2020 was the lowest eight-month cumulative total since 2016. The tonnage of non-intermodal freight posted a sharp year-over-year decline, falling 14.1% to 23.0 million tonnes in August 2020. While the drop reflects a widespread dip in many commodities, it was driven by considerable tonnage declines in hydrocarbons, which accounted for 72.7% of the total decrease in non-intermodal freight. Intermodal freight loadings totalled just over 3.0 million tonnes in August, down 5.8% from August 2019. This year-over-year decline—the smallest since April—coincided with a 12.8% drop in Eastern Canada. Finally, freight traffic from the United States fell 25.6% to 2.9 million tonnes in August.

### **32. The Freight Rail Services Price Index, October 2020**

The Freight Rail Services Price Index (2018=100) is now available for October 2020. The index was 105.2 in October 2020, up 1.0 from 104.2 in September 2020.

### **33. AAR Week 43: Once Again, It's Intermodal**

The trend continues: Intermodal gains once again offset carload declines, as U.S. rail traffic for the week ending Oct. 24, 2020—522,653 carloads and intermodal units—rose 1.9% compared with the same week last year, the Association of American Railroads (AAR) reported Oct. 28, 2020. Total carloads for the week were 227,543, down 6.5% compared with the same week in 2019, while U.S. weekly intermodal volume was 295,110 containers and trailers, up 9.4% compared to 2019. Canadian railroads reported 80,384 carloads for the week, down 2.1%, and 79,792 intermodal units, up 12.4% compared with the same week in 2019. For the first 43 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 6,109,272 carloads, containers and trailers, down 6.4%.

### **34. Norfolk Southern reports third-quarter 2020 results**

Norfolk Southern Corporation on October 28, 2020 reported financial results for the quarter ended September 30, 2020. During the quarter, the company achieved net income of \$569 million, diluted earnings per share of \$2.22, and an operating ratio of 66.5%. These results include a previously announced \$99 million non-cash impairment charge. Excluding the effects of the impairment charge, adjusted third-quarter net income was \$643 million, adjusted diluted earnings per share were \$2.51, and the adjusted operating ratio was 62.5%, which reflects a 240 basis point improvement compared with third-quarter 2019.

### **35. Southern strives to ramp up efficiency**

Norfolk Southern will be closing “several” yards in Atlanta, and it will cease humping operations at its Macon, Georgia, yard as part of a wider plan to ramp up network efficiency. The changes, which will occur next week, will “enable us to rework many of our Southeastern intermodal flows for improved service, lower cost and additional growth capacity,” said Norfolk Southern (NS) Chief Operating Officer Cindy Sanborn during the company's third-quarter earnings call on October 28, 2020. After the Macon conversion, NS will have curtail operations at six humps in just the past 18 months, leaving the company with four high-volume hump yards, Sanborn said.

## HIGHWAY TRANSPORTATION

### 1. Program to entice young people to logistics jobs

Trucking HR Canada has launched a program to encourage young Canadians to join the trucking and logistics sector. Current labour market information shows that just before COVID-19 hit the Canadian economy, the sector was experiencing one of the highest vacancy rates and oldest workforces in the country. The industry is bracing for a rebound by offering good, well-paying jobs to young Canadians.

### 2. U.S. Transportation Secretary Elaine L. Chao Announces \$574 Million in Emergency Relief for Road and Bridge Repairs

U.S. Secretary of Transportation Elaine L. Chao announced on September 29, 2020 that the Trump Administration will provide \$574 million in Emergency Relief (ER) funds to help 39 states and Puerto Rico make repairs to roads and bridges damaged by storms, floods, and other unexpected events. "This \$574 million in federal funding will help states repair and rebuild roads and bridges damaged from natural disasters," said U.S. Transportation Secretary Elaine L. Chao.

### 3. Urban public transit, July 2020

The impact of the COVID-19 pandemic on the country's bus, train and subway activity was apparent in July 2020. On a year-over-year basis, the number of transit passengers fell by 65.5% to 50.8 million passenger trips. However, July 2020 ridership numbers signalled an ongoing recovery from previous months: June (37.9 million), May (27.4 million) and April (24.9 million). With ridership lower year over year, the total operating revenues (excluding subsidies) of urban transit agencies also dropped from the previous year, down 69.7% to \$103.6 million in July 2020.

### 4. For-hire Motor Carrier Freight Services Price Index, first quarter 2020 and second quarter 2020

The For-hire Motor Carrier Freight Services Price Index (2013=100) is now available for the first and second quarters from the Statistics Canada website. The truck transportation index was 109.2 in June 2020 down 0.1 from the previous month. For the second quarter of 2020, the index was 109.6 was down from the 2020 first quarter index of 113.5.

### 5. Couriers and Messengers Services Price Index, August 2020

The Couriers and Messengers Services Price Index (2003=100) is now available for August 2020 from the Statistics Canada website. The index was 206.7 in August 2020 up from July 2020 in 204.7. Both components of the index increased.

### 6. ABB, Lion Electric announce partnership

European technology giant ABB and Lion Electric have announced a partnership to sell and service electric vehicle (EV) charging equipment throughout North America. ABB will offer its complete charging equipment product line to Lion Electric, to be sold under the latter's new Lion Energy infrastructure specialty division, the two companies said on October 1, 2020.

### 7. Passenger bus and urban transit, 2018

Total operating revenues for the Canadian passenger bus and urban transit industry increased to \$13.9 billion (+7.3%) in 2018, while total operating expenses increased to \$14.9 billion (+4.6%) compared with 2017. Urban transit providers, which account for the majority (71.2%) of the industry's operating revenue as a whole, reported operating revenue (without subsidies) increases to \$9.9 billion (+8.9%). School and employee bus transportation, as well as the charter and sightseeing bus industries both recorded increases to \$2.5 billion (+2.2%) and \$675 million (+6.2%) in total revenues. Intercity bus transit continues to dwindle with a major national intercity bus carrier scaling back most of its operations in Western Canada,

## HIGHWAY TRANSPORTATION Canada

1. Program to entice young people to logistics jobs, September 30, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
2. U.S. Transportation Secretary Elaine L. Chao Announces \$574 Million in Emergency Relief for Road and Bridge Repairs, September 29, 2020, [www.dot.gov](http://www.dot.gov)
3. Urban public transit, July 2020, September 30, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. For-hire Motor Carrier Freight Services Price Index, first quarter 2020 and second quarter 2020, September 30, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. Couriers and Messengers Services Price Index, August 2020, September 30, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
6. ABB, Lion Electric announce partnership, October 1, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
7. Passenger bus and urban transit, 2018, October 2, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
8. Laprairie Group picks up Entrec companies, October 2, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
9. Mullen expands eastern Canada presence with IWD acquisition, October 5, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
10. Kenan Advantage Group buys Paul's Hauling, October 2, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
11. Mullen Group buys International Warehousing & Distribution Inc., October 5, 2020, [www.ctl.ca](http://www.ctl.ca)
12. TFI International buys U.S. dry bulk hauler, October 5, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
13. B.C. plans for vehicle width, length review, October 6, 2020, [www.todaystrucking.ca](http://www.todaystrucking.ca)
14. Mexuscan grows with granite hauler acquisition, October 7, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
15. Proposed legislation would permanently allow 24-hour deliveries in Ontario, October 8, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
16. Ontario proposes to allow 24-hour deliveries, October 13, 2020, [www.ctl.ca](http://www.ctl.ca)
17. Table set for 3Q truckload earnings blowout, October 13, 2020, [www.americanshipper.com](http://www.americanshipper.com)
18. Logistics giant NFI Industries adding 5,000 jobs, Oct. 14, 2020, [www.americanshipper.com](http://www.americanshipper.com)
19. Leading indicator of cross-border traveller volume, September 2020, October 13, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
20. Torc Robotics, DTNA develop Gen 2 Level 4 autonomous Cascadia, October 13, 2020, [www.todaystrucking.ca](http://www.todaystrucking.ca)
21. Canada looks to California in research on potential trailer GHG standards, October 15, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
22. August 2020 Freight Transportation Services Index (TSI) Down 1.3% from July, October 15, 2020, [www.bts.gov](http://www.bts.gov)
23. US Trucking Market Outpaces US Economy as Capacity Tightens, October 16, 2020, [www.ontruck.org](http://www.ontruck.org)
24. Autonomous Waymo trucks learning lessons from lighter class, October 16, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
25. FCA workers approve Unifor deal to retool Windsor plant, October 20, 2020, [www.ctl.ca](http://www.ctl.ca)

the industry has experienced service cuts. Statistics on the various subsectors are available at the statcan website.

#### **8. Laprairie Group picks up Entrec companies**

Laprairie Group of Companies has bought Entrec Alberta Ltd. and Capstan Hauling, both divisions of Entrec Corporation – a crane and specialized transportation solutions provider. Entrec Corporation had filed for protection under Canada's Companies' Creditors Arrangement Act (CCAA).

#### **9. Mullen expands eastern Canada presence with IWD acquisition**

Mullen Group has reached an agreement to acquire Mississauga, Ont.-based International Warehousing & Distribution (IWD). The company provides Customs sufferance warehousing, air import/export deliveries, and full container deliveries within the Greater Toronto Area. Its contractors provide pickup-and-delivery services. Mullen announced the deal should close in the fourth quarter.

#### **10. Kenan Advantage Group buys Paul's Hauling**

The Kenan Advantage Group (KAG) has continued its expansion into the Canadian market with its purchase of Paul's Hauling. The acquisition was made through its Canadian subsidiary KAG Canada/RTL Westcan. Paul's Hauling provides bulk transport services in Western Canada.

#### **11. Mullen Group buys International Warehousing & Distribution Inc**

Mullen Group Ltd. will acquire International Warehousing & Distribution Inc. (IWD). IWD is based in Mississauga, Ontario, and provides customs sufferance warehousing services, air import/export deliveries along with full container deliveries in the Greater Toronto Area (GTA). IWD uses a dedicated group of contractors that provide pick-up and delivery service in the GTA. The deal is expected to close in the fourth quarter of 2020, subject to the completion of conditions customary for a transaction of this nature.

#### **12. TFI International buys U.S. dry bulk hauler**

TFI International has purchased the dry bulk business of Grammer Logistics, a southeastern U.S. company hauling cement and cementitious materials, sand, fly ash, salt and lime. Grammer Dry Bulk was originally part of Sterling Transport in the early 1990s. It runs Maryland through Virginia, North and South Carolina, and Georgia into Florida with nearly 100 company drivers and owner-operators.

#### **13. B.C. plans for vehicle width, length review**

A planned review of B.C. vehicle widths and lengths is on hold pending a provincial election, but the process is still scheduled to move forward this fall as long as the elected government doesn't change course. The review is expected to consider whether to increase maximum heavy-haul trailer widths, and explore other topics such as the use of apron trailers to reduce overall heights, maximum term permit widths, and axle track widths that apply to hauling manufactured homes, says Jan Lansing, manager commercial transport – commercial vehicle safety and enforcement, for the B.C. Ministry of Transportation and Infrastructure.

#### **14. Mexuscan grows with granite hauler acquisition**

Mexuscan Cargo has purchased R.H. Rediker Transport, which has been serving the granite industry for more than 80 years. The acquisition includes R.H. Rediker's Stanstead, Que.-based terminal. The fleet specializes in delivering granite across Canada and the Northeastern U.S.

#### **15. Proposed legislation would permanently allow 24-hour deliveries in Ontario**

Proposed legislation in Ontario would pave the way for 24-hour deliveries to businesses. The *Main Street Recovery Act, 2020*, introduced by Associate Minister of Small Business and Red Tape Reduction, Prabmeet Sarkaria, contains measures to help small businesses rebuild, reinvest and create jobs. "Small businesses are the backbone of Ontario's economy, and our government will always be in their corner. Through more than 100 virtual roundtables and

26. Purolator rolls out alternative last-mile fleet, October 19, 2020, [www.cfl.ca](http://www.cfl.ca)
27. C.A.T.'s natural gas trucks get boost with Hylion e-axles, October 20, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
28. Truck arrivals up 2% during Oct. 12-18, October 20, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
29. Kuehne + Nagel posts solid Q3 result, but urges Q4 caution, October 20, 2020, [www.joc.com](http://www.joc.com)
30. Government of Canada investing in new projects that improve road safety for Canadians, October 21, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
31. Plan electric vehicle infrastructure early, October 22, 2020, [www.freightwaves.com](http://www.freightwaves.com)
32. U.S. Transportation Secretary Elaine L. Chao Announces First Marine Highway Project Designation for North Carolina, October 22, 2020, [www.dot.gov](http://www.dot.gov)
33. Ontario seeking feedback on improving transportation in the Northeast, October 23, 2020, [www.mt.gov.on.ca](http://www.mt.gov.on.ca)
34. Government of Canada launches second call for proposals for Arctic and Northern transportation infrastructure projects under the National Trade Corridors Fund, October 23, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
35. Travel between Canada and other countries, August 2020, October 23, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
36. Ontario Seeking Feedback on Improving Transportation in the Northeast, October 23, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
37. National Transportation Atlas Database Fall 2020 Update, October 23, 2020, [www.bts.gov](http://www.bts.gov)
38. Canada's Core Public Infrastructure Survey: Roads, bridges and tunnels, 2018, October 26, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
39. DHL Express expects 50 percent more inbound volume, October 26, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
40. Uber, Lyft ordered to classify drivers as employees but Election Day in California could be more important, October 23, 2020, [www.americanshipper.com](http://www.americanshipper.com)
41. Government of Canada supports economic recovery through the National Trade Corridors Fund program, October 26, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
42. Government of Canada marks important milestone to bring electronic logging devices into commercial vehicles, October 26, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)
43. August 2020 North American Transborder Freight Up 11% from July 2020, October 27, 2020, [www.bts.gov](http://www.bts.gov)
44. UPS' third-quarter results surge past estimates, Oct. 28, 2020, [www.freightwaves.com](http://www.freightwaves.com)
45. Truck arrivals up for fourth week in a row, October 27, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
46. U.S. Transportation Secretary Elaine L. Chao Announces \$354.6 Million Grant Agreement for West Lake Corridor Project in Indiana, October 28, 2020, [www.dot.gov](http://www.dot.gov)

discussions with small business owners, their employees, local leaders and economists from all over Ontario, I've heard directly about the extraordinary sacrifices small businesses have made to keep their employees safe, their customers confident, and their communities strong," said Sarkaria. "Our government is standing with main street businesses, and we remain committed to their recovery and renewed success. We are determined to support them through this pandemic and beyond."

#### **16. Ontario proposes to allow 24-hour deliveries**

The Main Street Recovery Act, 2020, introduced by Associate Minister of Small Business and Red Tape Reduction, Prabmeet Sarkaria, contains measures to help small businesses rebuild, reinvest and create jobs. "Small businesses are the backbone of Ontario's economy, and our government will always be in their corner. Through more than 100 virtual roundtables and discussions with small business owners, their employees, local leaders and economists from all over Ontario, I've heard directly about the extraordinary sacrifices small businesses have made to keep their employees safe, their customers confident, and their communities strong," said Sarkaria. Proposed legislation in Ontario would pave the way for 24-hour deliveries to businesses.

#### **17. Table set for 3Q truckload earnings blowout**

After a choppy 2020 second quarter, which didn't begin to see year-over-year improvement in demand until mid-May when stay-at-home mandates eased and the manufacturing complex came back online, the third quarter provided a much more constructive backdrop for the publicly traded carriers. The recent 2020 quarter ushered in a period of continual sequential improvement as consumers settled into an at-home lifestyle, forgoing trips and events in favor of hard goods that have to be moved by truck. At an industry investor conference, management teams from TL carriers noted a continuous improvement in volumes week after week throughout the quarter. Some commented that they would be overbooked on a daily basis even if 10% to 15% of their loads were to walk, while others viewed the current capacity crunch as a once-in-a-career event.

#### **18. Logistics giant NFI Industries adding 5,000 jobs**

Supply chain solutions provider NFI Industries is hiring 5,000 people before the end of 2020 to speed holiday shipments and meet the pandemic-induced demand for goods to manage life at home and work under the same roof. Other evidence: Per-mile freight rates are rising along with tender rejections. Fleets ordered 52,000 new trailers in September 2020, the third-highest order month on record. Some of the new NFI jobs are seasonal. Others are full-time positions. The company wants experienced and novice warehouse workers.

#### **19. Leading indicator of cross-border traveller volume, September 2020**

The number of American residents and returning Canadians crossing the border from the United States by automobile was low in September 2020 as restrictions on non-essential travel remained in effect throughout the month. The number of US travellers entering Canada by automobile through land ports with electronic sensors was down 94.3% compared with September 2019. Similarly, the number of Canadians returning from the United States by automobile through these ports dropped 93.1% in September 2020 compared with the same month a year earlier.

#### **20. Torc Robotics, DTNA develop Gen 2 Level 4 autonomous Cascadia**

Torc Robotics announced it will scale up its self-driving truck testing in the southwestern U.S. early next year, using a new prototype developed with partner Daimler Trucks North America (DTNA). Torc says the new Freightliner Cascadia test truck bolsters its ability to develop and test its Level 4 autonomous driving technology. The test trucks are dubbed Gen 2, and are the second version of trucks jointly developed by Torc and DTNA.

#### **21. Canada looks to California in research on potential trailer GHG standards**

Canada's trailer manufacturers are facing increasing competitive pressure from suppliers in the U.S., Mexico and China – but it's still unknown whether they'll face unique emissions rules as well. Ongoing federal research into the use of fuel-saving devices is also focusing specifically on California, known for some of the toughest emissions standards in North America. Trailer-related greenhouse gas (GHG) requirements were originally set to roll out in 2021, but have twice been delayed over concerns it would create a double standard for U.S. and Canadian markets.

#### **22. August 2020 Freight Transportation Services Index (TSI) Down 1.3% from July**

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 1.3% in August 2020 from revised July 2020, declining after two months of increases, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From August 2019 to August 2020, the index fell 7.4% compared to a rise of 3.9% from August 2018 to August 2019 and a rise of 5.7% from August 2017 to August 2018.

#### **23. US Trucking Market Outpaces US Economy as Capacity Tightens**

Trucking is providing one of the few bright spots to the flagging U.S. economy as tight capacity and a driver shortage push contract and spot rates higher across vans, flatbeds and refrigerated trucks, reports *Transport Topics*. DAT Solutions said van spot load rates in September 2020 were up 28.8% compared with a year ago. They have continued to rise in October 2020 and now average \$2.46 per mile, a 9-cent increase since the beginning of the month. Flatbed rates

are up 9.9% year-over-year and have jumped a nickel in the past two weeks, also to \$2.46 a mile. Refrigerated rates are up 19% year-over-year — and 3 cents in the past two weeks — to \$2.60 per mile.

#### **24. Autonomous Waymo trucks learning lessons from lighter class**

Before the industry began eyeing the possibility of driverless semis, there was a little car secretly driving around the country with no one at the wheel. This has now evolved into a new project, Waymo Via, which is looking to make autonomous trucking and local delivery a reality. Google started with Project Chauffeur in 2008 — seven self-driving cars that made their way around the country without causing too many people to notice. Fast-forward a dozen years, and that initial project has evolved into an entire company — Waymo. “Our solution is being designed with fleets and other industry stakeholders to ensure we’re meeting their needs and will offer a service that not only addresses the challenges that exist in the industry today, but significantly moves the needle on these issues — whether that’s some of the driver recruitment challenges that persist in trucking or solving for efficiency gaps,” a Waymo representative told Heavy Duty Trucking magazine.

#### **25. FCA workers approve Unifor deal to retool Windsor plant**

Unionized workers at Fiat Chrysler Automobiles Canada have voted to approve a new three-year contract, Unifor said on October 19, 2020. About 78 per cent of votes were in favour of the deal, according to the union. The deal, which was announced last week and voted on over the weekend, will add about 2,000 new jobs by 2024, helping the company bounce back from staffing cuts over recent months.

#### **26. Purolator rolls out alternative last-mile fleet**

Purolator is launching a fleet of alternative-power last mile delivery vehicles. The new vehicles are helping the company address the ever-increasing growth in e-commerce. It will be testing new fully electric low-speed vehicles to reduce noise and traffic congestion when delivering within busy downtown core areas of Toronto, Ontario, and Montreal, Quebec. The compact size of low-speed vehicles make delivering on busy streets with limited parking more manageable, as they take up less than half the space of a traditional delivery truck.

#### **27. C.A.T.’s natural gas trucks get boost with Hyliion e-axles**

C.A.T. Transport is taking a new step in its natural gas propulsion approach, as the company’s first hybrid truck hit the road a few days ago. The Freightliner Cascadia, already powered by a Cummins ISX 12G compressed natural gas (CNG) engine, has had the addition of Hyliion’s CNG hybrid solution, which includes an 8 kWh battery, a 120 hp/1,500 lb.-ft. electric axle, and a thermal management system. The hybrid system can be installed on most heavy Class 8 natural gas vehicles. The electric axle is said to provide more power for natural gas vehicles to help with big hills and heavy loads.

#### **28. Truck arrivals up 2% during Oct. 12-18**

The number of truck drivers entering Canada rose for a third consecutive week during Oct. 12-18, 2020 the Canada Borders Services Agency (CBSA) said on October 20, 2020. It said 108,009 truckers arrived in the country that week, up 2% from 105,851 in the comparable time a year ago.

#### **29. Kuehne + Nagel posts solid Q3 result, but urges Q4 caution**

While demand momentum from the third quarter has extended into October 2020, Kuehne + Nagel warned that maintaining current elevated levels through the end of the year is by no means a given.

#### **30. Government of Canada investing in new projects that improve road safety for Canadians**

On October 21, 2020, the Minister of Transport, the Honourable Marc Garneau, announced that \$10 million is now available for projects that promote road safety; aim to reduce road-related collisions, injuries and fatalities; and encourage harmonization with provincial and territorial road safety initiatives under the Enhanced Road Safety Transfer Payment Program. Transport Canada’s maximum contribution will be up to 75 per cent of the total eligible costs for a project. Provincial and territorial governments, as well as non-governmental organizations, including academia and safety organizations, are encouraged to submit their funding applications now through to December 1, 2020.

#### **31. Plan electric vehicle infrastructure early**

Electric trucks promise benefits as diverse as lower emissions and a quiet ride. But fleets looking at the equipment might want to research the related charging infrastructure long before trucks roll off an assembly line. “You can’t say ‘get started early’ enough,” said NFI vice-president of fleet services Jim O’Leary, during an online panel discussion hosted by the American Trucking Associations (ATA).

#### **32. U.S. Transportation Secretary Elaine L. Chao Announces First Marine Highway Project Designation for North Carolina**

U.S. Secretary of Transportation Elaine L. Chao on October 22, 2020 announced the designation of the North Carolina Ferry System (NCFS) as a Marine Highway Project, a first for the state of North Carolina. Marine highways are navigable waterways that can be used as alternate options to traditional transportation methods. U.S. Transportation Secretary Elaine L. Chao said “This historic designation will enhance the ability of the North Carolina Ferry System to connect communities and promote economic growth with an efficient, effective, and sustainable water-based

transportation option,”

**33. Ontario seeking feedback on improving transportation in the Northeast**

Ontario is launching an [online survey](#) as part of its commitment to improve passenger rail and bus services between Toronto, North Bay, Timmins and Cochrane. Responses to the Northeastern Ontario transportation survey will be used to explore options for passenger rail services and help inform the future transportation plan for Northern Ontario.

**34. Government of Canada launches second call for proposals for Arctic and Northern transportation infrastructure projects under the National Trade Corridors Fund**

The National Trade Corridors Fund is one component of the \$180-billion Investing in Canada Plan, the Government of Canada’s strategy for addressing long-term infrastructure needs and supporting middle-class growth and well-paying jobs. The National Trade Corridors Fund is investing \$2.3 billion over 11 years to strengthen the efficiency and resilience of Canada’s transportation infrastructure, including \$800 million in dedicated funding for Arctic and northern regions. On October 23, 2020, the Minister of Transport, the Honourable Marc Garneau, announced a call for proposals under the National Trade Corridors Fund for projects to address transportation challenges in Canada’s Arctic and northern regions.

**35. Travel between Canada and other countries, August 2020**

Restrictions on non-essential travel into Canada, as well as the mandatory 14-day quarantine period for Canadians returning from abroad, remained in effect throughout August 2020. With these measures in place across all ports of entry, travel to Canada from the United States and from overseas countries was down 96.6% compared with August 2019. Similarly, the number of Canadian residents returning from abroad declined 94.1% from August 2019.

**36. Ontario Seeking Feedback on Improving Transportation in the Northeast**

Ontario is launching an online survey as part of its commitment to improve passenger rail and bus services between Toronto, North Bay, Timmins and Cochrane. Responses to the Northeastern Ontario transportation survey will be used to explore options for passenger rail services and help inform the future transportation plan for Northern Ontario.

**37. National Transportation Atlas Database Fall 2020 Update**

The Fall 2020 update to the National Transportation Atlas Database (NTAD) was released on October 23, 2020 with 11 updated datasets. NTAD is a Bureau of Transportation Statistics (BTS) compilation of geospatial datasets representing the nation’s transportation infrastructure, containing roadways, railways, waterways, and airports.

**38. Canada's Core Public Infrastructure Survey: Roads, bridges and tunnels, 2018**

Statistics Canada, in partnership with Infrastructure Canada, is pleased to release data for 2018 on the state of the nation's roads, bridges and tunnels. The data cover topics such as the stock, condition, performance and asset management strategies of Canada's core public infrastructure assets. This cycle of the Canada's Core Public Infrastructure Survey covers assets owned and operated by provincial, territorial, regional and municipal governments, as well as assets owned by select provincial Crown corporations and public transit authorities. Major findings may be summarized as: Road construction accelerated in 2017 and 2018 compared with previous years; Fewer local roads are in poor or very poor physical condition; More road owners had a road network asset management plan in 2018 compared with 2016; The majority of bridges are owned by municipalities; More than a quarter of local road and rural highway bridges are more than 50 years old; and Just over half of bridge and tunnel owners have an asset management plan.

**39. DHL Express expects 50 percent more inbound volume**

DHL Express is expecting a nearly 50 percent increase in inbound volume to the Americas over last year’s holiday season. This volume growth, which is mostly due to the rise in e-commerce, is concentrated in the U.S., which accounts for more than 70 percent of the total inbound volume in the region and projects more than 50 percent growth.

**40. Uber, Lyft ordered to classify drivers as employees, but Election Day in California could be more important**

The question of whether Uber and Lyft will fall under the jurisdiction of California’s AB5 rule on independent contractors received significant clarity on October 22, 2020, less than two weeks before the state’s voters will have their say on the rule. The Court of Appeal for California’s first district ruled October 22, 2020 that a preliminary injunction requiring Uber and Lyft to adhere to AB5 and reclassify their drivers as employees under the terms of that law will go into effect in approximately 30 days.

**41. Government of Canada supports economic recovery through the National Trade Corridors Fund program**

On October 26, 2020, the Honourable Marc Garneau, Minister of Transport, announced that Phase 1 work of the International YMX Aerocity of Mirabel’s aero-logistics and industrial hub project will begin as a result of the Government of Canada’s new distribution of investments made for the years 2020-21 and 2021-22. The investments will thus be better adapted to the current reality and will provide immediate financial support to the project to address the challenges facing the aviation sector. The upheaval in the aviation sector caused by the health crisis associated with COVID-19 has affected airports drastically and historically.

**42. Government of Canada marks important milestone to bring electronic logging devices into commercial vehicles**

On October 26, 2020, the Minister of Transport, the Honourable Marc Garneau announced that FPIInnovations has been accredited as the first third-party organization to certify electronic logging devices. This is a critical step that ensures an electronic logging device is safe, reliable, and approved for use in Canada. Electronic logging devices are tamper-resistant devices that are integrated into commercial vehicle engines. They are intended to ensure that commercial drivers stay within their daily driving limit and accurately log their working hours.

#### **43. August 2020 North American Transborder Freight Up 11% from July 2020**

Transborder freight between the U.S. and other North American countries (Canada and Mexico) in August 2020 was: 1) Total Transborder freight: \$93.4 billion of transborder freight moved by all modes of transportation, up 2.7% compared to July 2020 and up 13.9% from June 2020. 2) Transborder freight value in August 2020 was down 11.1% compared to August 2019. 3) Most-used mode: Trucks moved \$60.9 billion of freight, up 0.2% compared to July 2020, down 7.9% compared to August 2019. 4) Second most-used mode: Railways moved \$13.8 billion of freight, up 7.2% compared to July 2020, down 14.3% compared to August 2019. U.S.-Canada trade (both directions) in August 2020 was: 1) Truck: \$27.8b; 2) Rail: \$7.3b; 3) Pipeline: \$4.2b; 4) Air: \$2.8b; and 5) Vessel: \$1.5b.

#### **44. UPS' third-quarter results surge past estimates**

UPS Inc., as many had expected, posted strong third-quarter results on October 28, 2020, reporting adjusted diluted earnings per share of \$2.28, a 10.1% year-on-year increase and well above the median estimates of \$1.86 a share of analysts surveyed by Barchart. The Atlanta-based transport and logistics giant reported revenue of \$21.2 billion, a 15.9% year-on-year increase. Operating profit of \$2.4 billion was up 9.9%, while net income climbed 11.8% to \$2 billion. The results included a \$44 million pre-tax charge for the costs of re-engineering the company's vast delivery infrastructure to handle more business-to-consumer (B2C) transactions driven by the surge in e-commerce activity.

#### **45. Truck arrivals up for fourth week in a row**

The number of truck drivers entering Canada rose slightly during the week of October 19-25, the Canada Borders Services Agency (CBSA) said on October 27, 2020. It said 115,038 truck drivers arrived in the country that week, up from 114,224 in the comparable time a year ago. It is the fourth consecutive weekly rise in arrivals.

#### **46. U.S. Transportation Secretary Elaine L. Chao Announces \$354.6 Million Grant Agreement for West Lake Corridor Project in Indiana**

The U.S. Department of Transportation's Federal Transit Administration (FTA) on October 28, 2020 announced a \$354.6 million grant agreement with the Northern Indiana Commuter Transportation District (NICTD) for the West Lake Corridor Project. The project will improve transportation options for Lake County, Indiana, residents traveling to downtown Chicago and South Bend International Airport, while reducing travel time and spurring economic development. U.S. Transportation Secretary Elaine L. Chao said "This \$354.6 million federal infrastructure grant will better connect Northern Indiana residents to jobs, education, and critical services."

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. National tourism indicators, second quarter 2020**

Tourism spending in Canada fell by two-thirds (-66.3%) in the 2020 second quarter, in the wake of continued travel restrictions and physical distancing measures throughout Canada. The decline was over fourfold higher than the previous record drop (-14.3%) in the 2020 first quarter. Tourism gross domestic product (GDP) fell at a faster pace (-66.4%) than jobs attributable to tourism (-44.4%) in the second quarter. The contraction in the tourism sector in the second quarter was six times larger than that of the economy-wide GDP (-66.4% versus -11.5%) and twice as large as the overall job losses nationally (-44.4% versus -20.2%). As a result, tourism's share of GDP fell from 1.8% in the first quarter of 2020 to a record low of 0.6% in the second quarter, while its share of employment fell from 3.7% to 2.6%. Prior to 2020, tourism's share of GDP has fluctuated between 1.9% and 2.4%, and its share of employment has fluctuated between 3.7% and 4.5%.

#### **2. Canada launches \$10 billion infrastructure plan that aims to create 60,000 jobs**

Prime Minister Justin Trudeau outlined on October 1, 2020 how the

## **GENERAL TRANSPORTATION**

### **Canada**

1. National tourism indicators, second quarter 2020, September 30, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Canada launches \$10 billion infrastructure plan that aims to create 60,000 jobs, October 1, 2020, [www.nationalpost.ca](http://www.nationalpost.ca)
3. Alberta to diversify economy with big bet on hydrogen, October 6, 2020, [www.globeandmail.ca](http://www.globeandmail.ca)
4. Ottawa tops up relief fund with \$600 million to help small- and medium-sized businesses, October 2, 2020, [www.financialpost.ca](http://www.financialpost.ca)
5. Global economy's recovery from pandemic seen extending past 2021, October 6, 2020, [www.ajot.com](http://www.ajot.com)
6. Canadian trade unexpectedly shrank in August on weak exports, October 6, 2020, [www.ajot.com](http://www.ajot.com)
7. China's trade growth accelerates in Sept; exports up 9.9%, October 13, 2020, [www.cargonews.com](http://www.cargonews.com)
8. Major reform needed to buoy Canada's dairy supply management system: report, October 15, 2020, [www.nationalpost.ca](http://www.nationalpost.ca)
9. EU plans to shut door to travel from Canada, sources say, October 20, 2020, [www.financialpost.ca](http://www.financialpost.ca)
10. U.S. government files antitrust lawsuit against

Canada Infrastructure Bank intends to invest \$10 billion in projects meant to create 60,000 jobs and contribute to the fight against climate change. “We will continue to do what it takes to support Canadians through this crisis, safely get our economy back up and running, and get people back to work,” Trudeau said in a release accompanying the announcement.

### **3. Alberta to diversify economy with big bet on hydrogen**

The province also wants to see two or three additional liquified natural gas megaprojects online by 2030 so it can export LNG to Asia and Europe.

### **4. Ottawa tops up relief fund with \$600 million to help small- and medium-sized businesses**

The relief and recovery fund is meant to help enterprises that might not be eligible for other pandemic-related assistance. The federal government is adding \$600 million to a fund to help small- and medium-sized businesses weather the COVID-19 pandemic, Economic Development Minister Melanie Joly said October 2, 2020. The announcement brings total support through the Regional Relief and Recovery Fund to more than \$1.5 billion.

### **5. Global economy’s recovery from pandemic seen extending past 2021**

Two custodians of the global economy signalled that while the early days of pandemic recovery were stronger than expected in some countries and industries, a return to full health is likely to be longer and bumpier than they first predicted. The World Trade Organization said it expects global merchandise trade to fall by 9.2% this year from 2019, compared with the 12.9% drop projected in April 2020, according to revised forecasts released October 6, 2020 in Geneva. But the WTO also said it expects global trade growth of 7.2% in 2021, much weaker than the prior outlook for a 21.3% bounce-back. That outlook jibes with the view of the International Monetary Fund, which Managing Director Kristalina Georgieva said Tuesday will make a “small upward revision” to its 2020 global growth forecast next week and warn that the rebound may take at least a year longer. “We expect global output to remain well below our pre-pandemic projections over the medium term,” she said. “For almost all countries, this will be a setback to the improvement of living standards.”

### **6. Canadian trade unexpectedly shrank in August on weak exports**

Canadian trade with the rest of the world dropped in August 2020 on lower car exports, suggesting the recovery may be losing steam sooner than economists had predicted. Merchandise exports fell 1% in August 2020, after jumping 42% between April and July 2020, Statistics Canada said on October 6, 2020 in Ottawa. Imports decreased 1.2%. That leaves total trade at about 94% of pre-pandemic levels, a deterioration from July 2020 when it had rebounded to about 96%. “The declines seen in two-way trade were troubling,” Royce Mendes, an economist at Canadian Imperial Bank of Commerce, said in a report to investors. The slowdown “showed up earlier than we had anticipated, and the drop in export volumes suggests that the recovery’s momentum could have slowed more than anticipated in August.”

### **7. China's trade growth accelerates in Sept; exports up 9.9%**

China’s trade growth accelerated in September as the world’s second-largest economy recovered from the coronavirus pandemic. Exports rose 9.9% over a year earlier to \$239.8 billion, up from August’s 9.5% growth, customs data showed on October 13, 2020. Imports gained 13.2% to \$202.8 billion, up from the previous month’s 2.1% contraction. Exporters have benefited from China’s relatively early reopening from its shutdown to fight the virus and from global demand for masks and medical supplies. They are taking market share from foreign competitors that are hampered by anti-disease controls.

### **8. Major reform needed to buoy Canada's dairy supply management system: report**

Canada needs to make major changes to its dairy supply management system to help the industry combat declining milk consumption and the incursion of more foreign dairy products through free trade agreements, according to a new report. The report, released on October 15, 2020 by a group of agri-food researchers at Dalhousie University and the University of Guelph, argues that supply management has held back innovation in the dairy sector by providing a steady price and relieving the pressure to respond to shifting consumer habits and industry trends. Both the number of dairy farms in Canada and sales of fluid milk have been steadily declining for decades, the report notes, and the dairy farming sector could contract by as much as half in the next decade, to roughly 5,500 farms.

### **9. EU plans to shut door to travel from Canada, sources say**

The European Union plans to remove Canada, Tunisia and Georgia from its list of countries whose residents should be allowed to visit the bloc amid the coronavirus pandemic, according to EU officials familiar with the matter. The EU intends at the same time to reopen its doors to travellers from Singapore as a result of improved virus trends there, the officials said on the condition of anonymity because the deliberations on October 20, 2020 in Brussels are confidential. The U.S. will remain blacklisted along with most other countries in the world.

### **10. U.S. government files antitrust lawsuit against Google**

Google, October 20, 2020, [www.financialpost.ca](http://www.financialpost.ca)

11. Automation will lead to new jobs in supply chain, October 27, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)

12. Feds Looking for Supply Chain Firms to Assist in Transport of Future COVID-19 Vaccine, October 27, 2020, [www.cantruck.ca](http://www.cantruck.ca)

13. Shopify has strong Q3 as pandemic drives rapid e-commerce shift, October 29, 2020, [www.freightwaves.com](http://www.freightwaves.com)

14. Canada U.S. trade under a Biden presidency, October 28, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)

The U.S. Justice Department and 11 states filed an antitrust lawsuit against Alphabet Inc's Google on October 20, 2020 for allegedly breaking the law in using its market power to fend off rivals. Google did not immediately respond to a request for comment.

#### **11. Automation will lead to new jobs in supply chain**

While investment in automation is seen as vital for companies to remain competitive, supply chain leaders still envision a strong need for human capital in the workplace, according to a Honeywell study. Most companies that responded to the 2020 Honeywell Intelligrated Automation Investment Study indicate that automation in supply chains can lead to opportunities for new jobs within the workplace. Two in three companies see opportunities for new and different jobs in customer service, distribution centres and warehouses.

#### **12. Feds Looking for Supply Chain Firms to Assist in Transport of Future COVID-19 Vaccine**

Public Health Agency of Canada is looking for Logistics Service Providers (LSP) to deliver a broad range of end-to-end logistics and support services for the execution of its COVID-19 vaccine logistics strategy. The government appears to be preparing for production, storage and transportation of an approved COVID-19 vaccine in the near future. Public Services and Procurement Canada (PSPC) will be launching a procurement process shortly for this requirement. Canada intends to award a contract by November 23, 2020. PSPC will use an agile approach throughout this procurement process, which will proceed under compressed timelines.

#### **13. Shopify has strong Q3 as pandemic drives rapid e-commerce shift**

Shopify reported large increases in revenue and profits in its third-quarter earnings report on October 29, 2020, beating analysts' estimates as the Canadian company benefitted from the rapid move to e-commerce because of the COVID-19 pandemic. The e-commerce company's earnings of \$1.13 per share beat analysts' estimates of \$0.51 by 121.5%. This is a 769.2% increase from a year ago. Shopify reported quarterly sales of \$767.40 million, which beat the analysts' estimates of \$653.22 million by 17.5%. This is a nearly 100% increase compared to the same period last year.

#### **14. Canada U.S. trade under a Biden presidency**

Canada coped with nearly four years of Donald Trump rewriting or shredding the international trade rule book. But Canadian hope of a rosy return to rules-based bonhomie with its top trading partner under a Joe Biden presidency might be premature. That warning comes from numerous trade experts, analysts and diplomats who have watched Canadians cope with Trump's profound threats to their economic well-being.