

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Air Canada Collaborates with Shoppers Drug Mart to Deliver a COVID-19 Testing Solution For Customers

Air Canada is pleased to announce its collaboration with Shoppers Drug Mart, Canada's leading pharmacy retailer, which will provide Air Canada customers with the opportunity to take a pre-departure COVID-19 RT-PCR test in order to comply with international travel requirements. Beginning Dec. 7, 2020 eligible Air Canada customers can book and purchase a COVID-19 test at participating Shoppers Drug Mart locations in Ontario, Alberta and British Columbia. Results are typically available within 24-48 hours.

### 2. Air Canada Provides Update on Cargo Business

Air Canada on November 27, 2020 also provided an update on its cargo business and the next steps in its strategic plan as the airline continues to adapt rapidly to evolving market opportunities. To date, Air Canada has operated more than 3,500 all-cargo flights globally, and the airline is now finalizing plans to convert several of its owned Boeing 767-300ER aircraft to freighters to fully participate in global cargo commercial opportunities. The carrier has successfully concluded collective agreement amendment with its pilots represented by the Air Canada Pilots Association (ACPA), for contractual changes to enable Air Canada to competitively operate dedicated cargo aircraft in the cargo marketplace, which have now been ratified by the Air Canada pilots.

### 3. U.S. Department of Transportation Issues Final Rule Providing Clarity on Unfair and Deceptive Practices in Aviation Consumer Protection

The U.S. Department of Transportation on November 27, 2020 announced that it has issued a final rule codifying its longstanding definitions for the terms "unfair" and "deceptive" when the Department uses its statutory authority to prohibit unfair or deceptive practices by airlines or ticket agents. Most of the Department's aviation consumer protection regulations, such as the Department's tarmac delay rule and rules on overbooking, are based on the Department's authority to prohibit unfair or deceptive practices.

### 4. Weekly aircraft movements, November 14 to 20, 2020

Data on weekly aircraft itinerant movements are now available for November 14 to 20, 2020 on Statistics Canada website. For the week ending November 14, 2020 domestic movements were 27,155 compared to 34,943 for the week ending November 7, 2020.

### 5. U.S. Airlines October 2020 Fuel Use Up 11% from September

The Department of Transportation's Bureau of Transportation Statistics (BTS) on December 2, 2020 released U.S. airlines' October Fuel Cost and Consumption numbers. U.S. airlines' October 2020 fuel consumption was 11% higher than September 2020, 0.7% higher than August 2020, and 81% higher than April 2020. April was the lowest monthly fuel usage on record (447M gallons), dating back to 2000. October 2020 fuel consumption was down 48% from October 2019.

## AIR TRANSPORTATION Canada

1. Air Canada Collaborates with Shoppers Drug Mart to Deliver a COVID-19 Testing Solution For Customers, November 27, 2020, [www.aircanada.ca](http://www.aircanada.ca)
2. Air Canada Provides Update on Cargo Business, November 27, 2020, [www.aircanada.ca](http://www.aircanada.ca)
3. U.S. Department of Transportation Issues Final Rule Providing Clarity on Unfair and Deceptive Practices in Aviation Consumer Protection, November 27, 2020, [www.dot.gov](http://www.dot.gov)
4. Weekly aircraft movements, November 14 to 20, 2020, December 2, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. U.S. Airlines October 2020 Fuel Use Up 11% from September, December 2, 2020, [www.bts.gov](http://www.bts.gov)
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\* The news indicated from the citations is those of the authors and not of Industry Canada or the CTRF.

## **6. Aircraft movement statistics: Small airports, 2018 and 2019 (monthly, revised)**

Revised monthly data for 2018 and 2019 for small airports are now available on Statistics Canada website. These data contain information related to aircraft movements by class of operation, type of operation, weight group and type of power plant for airports without air traffic control towers.

## **7. Mid-October Airline Employment Down 29,000 from Mid-September**

U.S. airlines employed 673,278 workers in the middle of October 2020, 28,790 fewer than in mid-September 2020 and 81,749 fewer than in March 2020. The October numbers consist of 562,570 full-time and 110,708 part-time workers.

## **8. Restoring air connectivity is a key driver of economic recovery**

Among the five best connected countries in the world, connectivity levels declined significantly during the first wave of the pandemic. US connectivity declined by 72%, supported to some extent by ongoing domestic operations. After hitting the lowest point in February 2020, China began to recover reaching near normal connectivity levels in recent months. In Japan the impact of air travel disruption was mitigated in part by the absence of a country-wide ban on domestic travel. In India all domestic flights were suspended at the end of March 2020, leading to a decline in connectivity by 97%. Nationwide lockdowns in Germany during the first wave triggered a virtual halt in operations and a significant reduction in connectivity levels (by 92%). Since then, connectivity levels have been recovering but are still significantly below pre-pandemic levels. Apart from China, countries have a long way to go. Governments can help by channelling aid to support the rebuilding of global air connectivity.

## **9. Air cargo volumes picked up for another month**

Air cargo continued to recover although the pace of improvement softened modestly compared with September 2020. Industry-wide cargo tonne-kilometres (CTKs) fell by 6.2% year-on-year versus 7.8% fall in the previous month. North American airlines showed the strongest outcome, with CTks up 6.2% compared with a year ago. The near-term outlook is upbeat since Q4 is a peak season for air cargo and demand drivers are supportive. Cargo volumes are expected to fall by 12% in 2020 as a whole and recover to pre-crisis levels in 2021. Industry-wide load factor reached a record high level for October 2020 amidst ongoing shortage of cargo capacity.

## **10. WestJet expands pre-travel Hawaii testing to British Columbia**

WestJet on December 7, 2020 announced that it has collaborated with LifeLabs in British Columbia to offer State of Hawaii-approved pre-departure testing. A negative COVID test within 72-hours of departure will exempt the guest from the state's required 14-day quarantine. "WestJet is pleased to facilitate pre-departure travel testing in British Columbia for the start of our Hawaii flying," said Billy Nolen, WestJet Vice-President Safety, Security and Quality. "COVID-19 testing is key to ensuring safe and confident travel. We are pleased to be working with LifeLabs to offer testing approved by the State of Hawaii for our guests travelling from BC."

## **11. U.S. Airlines Report Third Quarter 2020 Losses**

U.S. scheduled passenger airlines reported a third-quarter 2020 after-tax net loss of \$11.8 billion and a pre-tax operating loss of \$15.9 billion. These third-quarter losses are the third consecutive quarterly losses following 27 consecutive quarterly after-tax net profits and 35 consecutive quarterly pre-tax operating profits. One year earlier, in the third quarter of 2019, the airlines reported an after-tax net profit of \$4.6 billion and a pre-tax operating profit of \$6.4 billion.

## **12. Air Canada and Uplift Collaborate to Offer Travellers Flexible, Pay-**

17. Weekly aircraft movements, November 11 to 27, 2020, December 9, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
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30. Strong air cargo revenues as both demand and yields rise, December 16, 2020, [www.iata.org](http://www.iata.org)
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37. Senate probe finds Boeing inappropriately influenced' Max tests, December 18, 2020, [www.ajot.com](http://www.ajot.com)
38. Air Travel Consumer Report: October 2020 Numbers, December 18, 2020, [www.dot.gov](http://www.dot.gov)
39. Minister Garneau directs the Canadian

### **Over-Time Booking Options**

Air Canada and Uplift on December 8, 2020 announced a new collaboration, giving the airline's customers access to Uplift's flexible, financing options. Travellers can now book flights from Canada and the U.S. to destinations throughout Air Canada's global network and pay for those trips over time with Uplift. "Air Canada's strategy is to put the customer at the center of everything we do and give them tools to better design and manage their travel. This includes offering the convenience of alternative payment options. In collaborating with Uplift, we are further expanding these options for our customers," said Keith Wallis, Senior Director, Distribution and Payments at Air Canada.

### **13. Slow improvement in global traffic amid wide regional disparities**

Improvements in air passenger traffic slowed further in October 2020, with industry-wide revenue passenger kilometres (RPKs) declining by 70.6% year-on-year. The same metric had fallen by 72.2% in September 2020 and 74.8% in August 2020. As has been the case since the start of the rebound in May 2020, improvements were driven by domestic markets in October 2020. Seasonally adjusted (SA) RPKs also recovered in October 2020, but the month-on-month pace of growth (3.5%) was much slower than in previous months.

### **14. U.S. Airlines October 2020 Passengers Decreased 62% from October 2019 (Preliminary)**

U.S. airlines carried 62% fewer scheduled service passengers in October 2020 than in October 2019 (preliminary), according to data filed with the Bureau of Transportation Statistics (BTS) by 22 airlines that carry more than 90% of the passengers. The 62% decline from October 2019 was the smallest year-to-year decrease since March 2020. The large airlines carried 29.9 million passengers in October 2020 (preliminary), compared to 78.3 million passengers in October 2019 and up from 3.0 million in April 2020, which was the lowest monthly total in BTS records dating back to 1974. The previous low was 14.6 million passengers in February 1975.

### **15. Minister Garneau endorses the Safer Skies Commitment to aviation safety and security during Safer Skies Forum**

On December 9, 2020, the Minister of Transport, the Honourable Marc Garneau, delivered opening remarks at the first annual Safer Skies Forum, hosted virtually by Transport Canada. During his address, Minister Garneau urged countries who had not already done so to endorse the Safer Skies Commitment Statement, a global commitment to advance aviation safety and security. The Statement reinforces the importance of safe civil aviation operations worldwide, and calls on countries to renew their commitment to a global approach to addressing risk from conflict zones. The Minister noted the endorsement of the United States, Germany, Ukraine, France, United Kingdom, Republic of Korea, Iceland, Georgia, Netherlands, Japan, Greece, the Civil Air Navigation Services Organisation, and the International Air Transport Association, and looks forward to further endorsements in the weeks to come.

### **16. Air Canada Becomes First Canadian Airline to Offer Optional Biometric Boarding for Flights Departing the US to Canada**

Air Canada said on December 9, 2020 that it is the first Canadian airline to offer its customers the safety and convenience of a new boarding option utilizing facial biometrics. The technology is now available for customers departing San Francisco International Airport (SFO) with plans to progressively roll it out for customers at other US airports where the airline operates. "Air Canada has introduced numerous touchless processes throughout the customer journey, and we are pleased to now offer an optional, innovative biometric boarding choice for customers departing SFO that is seamless, time-saving and convenient while reducing contact and processing time," said Andrew Yiu, Vice President, Product at Air Canada.

### **17. Weekly aircraft movements, November 21 to 27, 2020**

Data on weekly aircraft itinerant movements are now available for November 21 to 27, 2020. Domestic movements were 26,275 down from 27,155 compared to the week of November 14, 2020.

### **18. WestJet awarded APEX Five-Star Major Airline Award**

WestJet on December 10, 2020 announced it has been awarded a Five Star rating in the Major Airline category by the Airline Passenger Experience Association (APEX), a trade organization dedicated to elevating the airline guest experience around the world. The award was presented to WestJet on December 9, 2020, during a virtual ceremony. WestJet Boeing 787-9 Dreamliner photographed on March 5, 2018 by Chad Slattery from Wolfe Air Learjet 25. APEX's rating program is based exclusively on third-party passenger feedback and insights collected using the TripIt app from Concur. Measured against 600 airlines around the world and using a five-star scale to rate nearly one million

Transportation Agency to develop a new regulation to address future large-scale flight cancellations, December 21, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

40. CTA launches consultation on new refund requirements, December 21, 2020, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

41. U.S. Department of Transportation Grants Final Approval of, and Antitrust Immunity for, Addition of Aer Lingus to Oneworld Transatlantic Joint Venture, December 21, 2020, [www.dot.gov](http://www.dot.gov)

42. Monthly civil aviation statistics, October 2020, December 22, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

43. Federal cabinet will rule on Air Canada and Air Transat merger in January, December 28, 2020, [www.globeandmail.ca](http://www.globeandmail.ca)

44. Boeing's 737 Max returns in US with American Air flight, December 29, 2020, [www.ajot.com](http://www.ajot.com)

45. Air Canada Announces Closing of Offering of Shares, December 30, 2020, [www.aircanada.ca](http://www.aircanada.ca)

flights using the feedback of passengers, WestJet received the highest rating from APEX.

#### **19. September 2020 U.S. Airline Traffic Data**

U.S. airlines carried 27.1 million systemwide (domestic and international) scheduled service passengers in September 2020, seasonally-adjusted, according to the Bureau of Transportation Statistics (BTS), up 14.1% from August 2020. BTS reported 25.5 million domestic passengers and 1.6 million international passengers on U.S. airlines' flights in September 2020.

#### **20. U.S. Airlines Carried 13% More Cargo in October 2020 than in October 2019**

U.S. airlines carried 13% more cargo by weight in October 2020 (preliminary) than in October 2019. The rise was fueled by gains of 14% in domestic cargo and 9% in international cargo, according to data filed with the Bureau of Transportation Statistics (BTS) by 14 of the leading U.S. cargo airlines. The 14 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.

#### **21. Strengthened flight crew fatigue regulations coming into effect**

On December 12, 2020, changes to the *Canadian Aviation Regulations* to strengthen rules addressing flight crew hours of work come into effect for large Canadian passenger and cargo operators. The changes to the *Canadian Aviation Regulations* include: 1) Prescribed flight and duty time limits that respect modern scientific research and international standards to limit the amount of time a crew member can be on the job; and 2) Fatigue Risk Management Systems that will require operators to demonstrate that any variance to the prescribed flight and duty time limits will not adversely affect the level of flight crew fatigue or alertness. The changes for smaller and regional air operators will come into effect on December 12, 2022.

#### **22. CTA Holds Public Consultation on Requests for Temporary Adjustments to the Requirements of the Air Passenger Protection Regulations**

The Canadian Transportation Agency (CTA) on December 11, 2020 launched a consultation to hear from members of the public, consumer groups and other interested stakeholders on requests by airlines for temporary adjustments to certain obligations under the Air Passenger Protection Regulations (APPR). The International Air Transport Association (IATA), the National Airlines Council of Canada (NACC), Air Canada and Sunwing Airlines have asked the CTA to temporarily adjust certain compensation and rebooking requirements in the APPR, due to the impacts of the COVID-19 pandemic. The CTA is now seeking input.

#### **23. Canada's Airports Welcome Industry Strategy Council Call for Longer Term Support for Airports, Innovative Approaches to Restart Travel**

The Canadian Airports Council welcomed support for Canada's airports and airlines in a report released on December 11, 2020 by the Industry Strategy Council (ISC) titled, *Restart, Recover and Reimagine Prosperity for All Canadians: An Ambitious Growth Plan for Building a Digital, Sustainable and Innovative Economy*. In its report, the ISC noted that: "The catastrophic drop in air travel worldwide has created ripple effects on Canadian airports and the country's aerospace sector. Aviation and aerospace are highly inter-reliant as travellers affect aviation demand, which in turn drives demand for aerospace products and services. Both are in urgent need of targeted assistance to avoid collapse, especially in Canada, where our aviation industry relies on one of the few user-pay systems in the world. The current situation is placing the entire system at risk..."

#### **24. Air Travel Consumer Report: September 2020 Airline Complaint Data**

The U.S. Department of Transportation on December 11, 2020 released its updated November 2020 Air Travel Consumer Report (ATCR), which includes airline consumer complaint data for September 2020. The previous version of this report excluded this data due to additional time needed to review and process consumer complaints. The full consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>.

#### **25. Post-CARES Act: U.S. Passenger Airlines Drop Nearly 37,000 Jobs in October 2020 from September**

Airlines receiving funds under the *CARES Act* were prohibited from layoffs or furloughs until Sept. 30. The 22 U.S. scheduled passenger airlines employed 9.1% fewer full-time equivalents (FTEs) in mid-October 2020 than in mid-September 2020: 1) Mid-October's total number of FTEs (368,162) was down 36,707 from mid-September 2020 (404,869 FTEs) and 91,871 from mid-March 2020. October was the lowest FTE total for any month in Bureau of Transportation Statistics (BTS) records dating from January 1990. The previous low was April 2010 (376,663 FTEs). 2) Mid-October's FTEs declined nearly 86,000, an 18.9% drop from mid-October 2019 (454,070 FTEs).

#### **26. Air passenger traffic was on a 10-year upward trend before the COVID-19 pandemic**

The number of passengers enplaned and deplaned at Canadian airports reached 162 million in 2019, an increase of 1.0% compared with the previous year. This was the 10th consecutive annual increase in air passenger traffic following the economic slowdown of 2009. However, 2020 will see an abrupt end to this trend due to the COVID-19 pandemic. Passenger traffic increased at the largest airports in 2019, with Lester B. Pearson in Toronto up 1.4%, Vancouver

International up 0.9%, Pierre Elliott Trudeau in Montréal up 4.0% and Calgary International up 2.6%.

### **27. Chase, Air Canada and Mastercard Announce Partnership to Launch a Credit Card in the U.S.**

On December 14, 2020, Chase, the largest co-brand card issuer, and Air Canada, Canada's largest airline and a Star Alliance founding member, announced a strategic partnership that will make Chase the exclusive issuer of the airline's Aeroplan U.S. credit card. As a part of this partnership, Mastercard will become the exclusive payments network for the new offering in the U.S. The announcement comes one month after Air Canada launched its transformed Aeroplan loyalty program, which brings more value, increased flexibility, unparalleled access to Air Canada, and flight rewards with over 35 partner airlines.

### **28. 'You got to be a dreamer and a doer' — How Ajay Virmani built a multi-billion-dollar cargo company from scratch**

Ajay Virmani, 64, founder and chief executive officer of Cargojet Inc., built the multi-billion-dollar overnight air freight company from the bottom up. A Cargojet plane lands at the Calgary International Airport in March 2020. Online shoppers have kept Cargojet's fleet of 25 cargo-only planes full of stuff, pushing revenue for the quarter ended Sept. 30, 2020 up to \$162.3 million, from \$58.3 million a year ago. Cargojet carries boxes for Amazon, DHL International GmbH, Canada Post Corp., Purolator Inc. and several others clients, servicing cities across Canada as well as international destinations. December is typically a busy time of the year, but then the past nine months have been a stretch unlike any other since the company's inception in 2002. Stores may be closed, and cities locked down, but consumers are clicking like mad, and the more they click, the more boxes there are to deliver. Canadians spent \$36.2 billion on retail goods between March and September 2020, a \$14.7-billion increase over the same period a year ago, as the pandemic drove a boom in e-commerce purchases, according to Statistics Canada.

### **29. Air Canada Announces Offering of Shares**

Air Canada on December 15, 2020 announced that it has commenced an overnight marketed public offering of Class A Variable Voting Shares and/or Class B Voting Shares of the Company ("Shares") for gross proceeds of approximately C\$850 million (the "Offering"). The Company intends to grant the underwriters an option to purchase up to an additional 15% of the Shares in the Offering, exercisable in whole or in part at any time until 30 days after closing of the Offering. The Offering will be priced in the context of the market with the price and other final terms to be determined at the time of entering into an underwriting agreement for the Offering. Completion of the Offering will be subject to various conditions, including the approval of the Toronto Stock Exchange.

### **30. Strong air cargo revenues as both demand and yields rise**

IATA in its Chart Book analysis on cargo revenues indicated: 1) Industry-wide cargo tonne-kilometres (CTKs) improved over the three months to October 2020 (a 7.2% gain quarter-on-quarter vs. a 0.6% fall in the previous quarter). Despite that, CTKs are still significantly (8.6%) below volumes registered over the same period in 2019. Asia-North America remains the strongest region, driven by e-commerce flows. 2) Most drivers of air cargo have continued to improve in recent months, with new export orders and business confidence growing at a robust pace despite renewed COVID outbreaks in major economies, this is reflected in a lower inventory-to-sales ratio. 3) Despite that, the recovery in CTKs has been hampered by the lack of bellyhold cargo capacity. Cargo yields have started to raise again, and are expected to remain high during the cargo peak season, providing a crucial source of revenues for airlines.

### **31. Air Canada completes 4,000 all-cargo flights**

Air Canada said on December 16, 2020 that with the flight of AC 7227 from Toronto to Lima it has now operated 4,000 all-cargo flights since launching into the cargo-only-flight business in March of 2020. "Air Canada Cargo has emerged as an outstanding performer during the COVID-19 crisis and was a key player in transporting medical equipment including PPE to Canada early on," said Lucie Guillemette, executive vice-president and chief commercial officer.

### **32. WestJet adds sun destinations and Dreamliner flying to January schedule**

WestJet on December 16, 2020 released its updated January 2021 schedule featuring Dreamliner service to Mexico and more flights to sun destinations in the Caribbean, the United States (including Hawaii), Mexico and Central America. The schedule features Dreamliner service to Cancun and Puerto Vallarta, Mexico from Calgary. (CNW Group/WESTJET, an Alberta Partnership) "WestJet continues to welcome the introduction of new COVID-19 testing programs and pilots to ensure that our guests can confidently and safely travel abroad," said Arved von zur Muehlen, WestJet Chief Commercial Officer. "With new destinations and the introduction of our Dreamliner service to Cancun and Puerto Vallarta, guests can book with additional peace of mind knowing our flexible change and cancel policies remain in place for the new year."

### **33. Weekly aircraft movements, November 28 to December 4, 2020**

Data on weekly aircraft itinerant movements are now available for November 28 to December 4, 2020. Domestic itinerants for the week ending November 28, 2020 was 32,730 compared to 26,275 a week ago on November 21, 2020.

### **34. Transport Canada validates the design changes to the Boeing 737 MAX aircraft**

Transport Canada has worked extensively with the FAA and other key certifying authorities, including the European Union Aviation Safety Agency (EASA), the National Civil Aviation Agency of Brazil (ANAC), as well as the three Canadian operators of the Boeing 737 MAX aircraft, and their pilot unions throughout the validation process of the aircraft to ensure all factors are addressed prior to a safe return to service of the aircraft. Transport Canada's certification experts, by their rigour and thoroughness, have demonstrated great leadership throughout the process, and were instrumental in guiding the aircraft design changes. This validation is an important first step in the eventual return to service of this aircraft in Canadian airspace. However, the return to service is complex, and Transport Canada must put in place comprehensive safety plans that require additional aircraft changes, maintenance and training.

#### **35. WestJet welcomes beautiful Bonaire to winter network**

WestJet on December 18, 2020 announced that it will be adding the island of Bonaire to its Caribbean destinations with its new non-stop once-weekly seasonal service from Toronto starting February 6, 2021. WestJet's new once-weekly seasonal service to Bonaire from Toronto begins on February 6, 2021. "Canadians have been asking for the addition of this diving and windsurfing paradise known for its pristine waters and rich marine life to our network," said Arved von zur Muehlen, WestJet Chief Commercial Officer. "Bonaire is filled with safe activities for those seeking to getaway this winter and we look forward to connecting guests to the island's unique and unforgettable hospitality."

#### **36. Aircraft movement statistics: Major airports, October 2020**

In October 2020, the total number of local and itinerant aircraft movements in Canada fell 31.7% from October 2019. With ongoing border and travel restrictions, the number of itinerant movements fell by 41.5%. Domestic traffic was down 34.2%, while movements to the United States were down 84.2% and other international traffic declined by 69.4% from the same month last year. Boundary Bay, British Columbia was Canada's busiest airport for the sixth consecutive month, with 17,168 movements.

#### **37. Senate probe finds Boeing inappropriately influenced' Max tests**

A Federal Aviation Administration test to gather data on returning the Boeing Co. 737 Max to service was improperly influenced by the company, according to a U.S. Senate investigative report released December 18, 2020. The 101-page report, based on a whistle-blower account, alleged that the FAA and Boeing officials were attempting to create "a pre-determined outcome" by essentially coaching pilots before testing their reaction time to a failure similar to what occurred in a pair of crashes involving the Max. "It appears, in this instance, FAA and Boeing were attempting to cover up important information that may have contributed to the 737 Max tragedies," the report said.

#### **38. Air Travel Consumer Report: October 2020 Numbers**

The U.S. Department of Transportation on December 18, 2020 released its December 2020 Air Travel Consumer Report (ATCR) on reporting marketing and operating air carrier data compiled for the month of October 2020. The full consumer report and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>. The 10 marketing network carriers reported 374,538 scheduled domestic flights in October 2020 compared to 345,294 flights in September 2020 and 692,944 flights in October 2019. Of those 374,538 scheduled flights, 0.5%, 1,994 flights were cancelled. As a result of schedule reductions and cancellations, the carriers reported operating 372,544 flights in October 2020, compared to 342,771 flights in September 2020 and the all-time monthly low of 180,151 flights in May 2020. Airlines operated 686,811 flights in October 2019.

#### **39. Minister Garneau directs the Canadian Transportation Agency to develop a new regulation to address future large-scale flight cancellations**

The Minister of Transport, Marc Garneau issued the following statement on December 21, 2020: "Today I issued a Ministerial Direction to provide the Canadian Transportation Agency with the authority to develop a new regulation on the issue of refunds to passengers. This new regulation will apply to future flights that are cancelled for reasons outside an air carrier's control, such as a pandemic, and where it is not possible for the carrier to complete the passenger's itinerary within a reasonable timeframe. "This updated regulation should be made in a manner that is fair and reasonable to passengers, and to the extent possible not impose an undue financial burden on air carriers that could lead to their insolvency. As I announced on November 8, 2020, the Government of Canada is developing a package of assistance to Canadian airlines, airports and the aerospace sector that will include strict conditions to protect Canadians and the public interest, including issuing refunds for flights cancelled as a result of the COVID-19 pandemic. The new regulation will ensure that a similar situation doesn't occur again in the future."

#### **40. CTA launches consultation on new refund requirements**

The Canadian Transportation Agency (CTA) launched on December 21, 2020 a consultation seeking input from members of the public, consumer organizations, airlines and experts on a proposed regulation establishing additional refund obligations for airlines.

#### **41. U.S. Department of Transportation Grants Final Approval of, and Antitrust Immunity for, Addition of Aer Lingus to Oneworld Transatlantic Joint Venture**

On December 21, 2020, the U.S. Department of Transportation announced that it has granted final approval of, and

antitrust immunity for, the addition of Ireland-based Aer Lingus to the existing Oneworld transatlantic joint venture. The carriers requested antitrust immunity to include Aer Lingus in the existing joint venture consisting of American Airlines, British Airways, OpenSkies, Iberia, and Finnair. Aer Lingus will be integrated into the joint venture's network planning, pricing, and sales activities. With Aer Lingus' addition, 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 Ireland and the rest of Europe.

#### **42. Monthly civil aviation statistics, October 2020**

In October 2020, air travel remained essentially flat as major Canadian airlines carried 906,000 passengers on scheduled and charter services. This was down 86.3% from the same month in 2019, and—similar to a typical seasonal decline—down 2.6% from September 2020. As in previous months, most travel was domestic as international demand remained generally weak amid border travel restrictions and quarantine enforcements. Compared with October 2019, air traffic fell to 1.8 billion passenger-kilometres, pushing operating revenues down 82.6% to \$330.6 million in October 2020.

#### **43. Federal cabinet will rule on Air Canada and Air Transat merger in January**

Transport Minister Marc Garneau has been given a copy about the public interest review that his department has been undertaking after the Competition Bureau warned the deal would be bad for consumers.

#### **44. Boeing's 737 Max returns in US with American Air flight**

Boeing Co.'s 737 Max has returned to commercial service in the U.S., with the first flight since two deadly crashes prompted the longest aircraft grounding in the nation's history. An American Airlines Group Inc. 737 Max 8 departed Miami at 10:40 a.m. December 29, 2020 on the first leg of a round trip journey to New York's LaGuardia Airport. American's president, Robert Isom, is planning to be on both flights. U.S. regulators lifted the flying ban last month after ordering extensive revisions to the plane's flight-control computer and other changes. For Boeing, the Max's return is the keystone of the company's efforts to restore a balance sheet battered by the grounding and the coronavirus pandemic. The Max accounts for about 80% of Boeing's backlog of aircraft orders and represents the company's only offering in the crucial single-aisle market, in which the U.S. planemaker trails Airbus SE. American said it hasn't seen signs that customers are trying to avoid the Max. The carrier has scheduled 588 Max flights in January 2021, according to data compiled by Cirium, an aviation analytics firm.

#### **45. Air Canada Announces Closing of Offering of Shares**

Air Canada announced on December 30, 2020 the closing of its previously announced overnight marketed public offering of 35,420,000 Class A Variable Voting Shares and/or Class B Voting Shares of the Company ("Shares") at a price to the public of C\$24.00 per Share, for aggregate gross proceeds of approximately C\$850 million (the "Offering").

## **WATER TRANSPORTATION**

### **1. FMC intensifies monitoring of shipping alliances**

US federal maritime regulator's decision to increase scrutiny of container lines is part of a larger global effort to monitor how carriers are behaving.

### **2. Wall Street's incredible shrinking shipping stocks**

*FreightWaves* analyzed daily market-capitalization data from Koyfin of 50 NYSE and NASDAQ-listed shipping equities. (Shipowners that are part of conglomerates with nonshipping entities were excluded, as were offshore service providers and American Depositary Receipts.) The data shows that the market cap of the entire universe of U.S.-listed shipowners fell from \$29.9 billion at the beginning of this year to \$19.8 billion as of November 27, 2020. That's a year-to-date decline of 34% from an already very low base. The market cap of Amazon is now 80 times that of all U.S.-listed shipowners combined.

### **2. Fairview-Ridley Corridor Construction Over 75 Percent Complete**

The Prince Rupert Port Authority (PRPA) announced on November 30, 2020 that the Fairview-Ridley Connector Corridor is now over 75 percent complete. The Fairview-Ridley Connector Corridor is a five kilometre road stretching along the southwestern edge of Kaien Island. Throughout the COVID-19 pandemic, crews from the Coast Tsimshian Northern Contractors Alliance, a local First Nations joint venture, have safely worked 24-hours a day on rotating shifts to build this critical piece of infrastructure. In addition

## **WATER TRANSPORTATION**

### **Canada**

1. FMC intensifies monitoring of shipping alliances, November 25, 2020, [www.joc.com](http://www.joc.com)
2. Wall Street's incredible shrinking shipping stocks, December 1, 2020, [www.americanshipper.com](http://www.americanshipper.com)
3. Fairview-Ridley Corridor Construction Over 75 Percent Complete, November 30, 2020, [www.rupertport.com](http://www.rupertport.com)
4. How the Panama Canal traffic jam is affecting ocean shipping, December 1, 2020, [www.americanshipper.com](http://www.americanshipper.com)
5. Steady mid-year cargo volumes amid global pandemic reflect the Port of Vancouver's vital role in Canada's supply chain, December 2, 2020, [www.portofvancouver.com](http://www.portofvancouver.com)
6. Agreement between the ports of Montreal and Trois-Rivières, December 2, 2020, [www.portofmontreal.ca](http://www.portofmontreal.ca)
7. Montreal and Trois Rivières launch joint projects, Dec. 4, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
8. Stronger volumes spur Hapag-Lloyd to raise 2020 profit guidance, December 8, 2020, [www.joc.com](http://www.joc.com)
9. Georgia Ports continuing record-setting

to nearly completing dredging work, teams have placed rock along the full length of the road, with one third now at sub-grade elevation and ready for the paving structure. The project remains on track for completion in Q2 2021.

#### **4. How the Panama Canal traffic jam is affecting ocean shipping**

Since the Panama Canal debuted its larger Neopanamax locks in 2016, the three heaviest users have been container ships, liquified natural gas (LNG) carriers and liquefied petroleum gas (LPG) carriers. Now, transit demand for all three segments is simultaneously surging. On top of that, COVID issues are reportedly affecting canal operations. The consequence over the past month and a half: transit delays. The good news for containerized cargo shippers is that container lines have reserved booking slots. The delays are affecting ships without reservations. The good news for LNG and LPG shipowners is that delays are actually a tailwind for returns. Every day a bulk-cargo ship is stuck waiting at anchorage off Panama is a day less it can vie for spot contracts at the end of its voyage. Less competition equals higher rates. Panama Canal congestion is also spurring more LNG and LPG carriers to take the long route to Asia around the Cape of Good Hope. Longer voyages soak up more vessel capacity, another plus for rates.

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

The Vancouver Fraser Port Authority on December 2, 2020 released the 2020 mid-year statistics for goods moving through the Port of Vancouver. From January 1 to June 30, 2020, overall cargo through the port decreased by 1.1% from 72.4 to 71.7 million metric tonnes (MMT) over the same time last year. Despite an overall decrease in cargo moving through the port, new mid-year records were set for bulk and containerized grain, as well as total foreign tonnage and foreign exports. "We are experiencing unprecedented times in Canada and across the globe as we grapple with a pandemic that is causing economic impacts, making short term predictions difficult," said Robin Silvester, president and chief executive officer at the Vancouver Fraser Port Authority. "Despite these challenges, mid-year cargo volumes through the Port of Vancouver remained stable and Canada's trade has continued to flow, connecting Canadians and Canadian businesses to essential goods and international markets. This resiliency is a testament to the importance of diverse trading partners, foreign markets, and a range of cargo moving through the port."

#### **6. Agreement between the ports of Montreal and Trois-Rivières**

As part of the Cooperation Agreement signed at the end of 2018 aimed at improving their respective and/or common port services, the port authorities of Montreal and Trois-Rivières are pleased to announce the rollout of three projects that will improve the marine operations of both ports: the implementation of a common extranet portal to manage ship arrivals, the standardization of practices and procedures and the implementation of a single security access control system (Port Pass) for workers and visitors. The marine operations teams of the Montreal Port Authority (MPA) and the Trois-Rivières Port Authority (TRPA) have jointly developed an IT solution to standardize messages and pre-arrival notification forms (PANs), providing greater simplicity and efficiency for ship owners and crews calling at both ports. This solution is currently being pilot-tested with shipping agencies in both regions and will be deployed to all port clients in the coming months.

#### **7. Montreal and Trois Rivières launch joint projects**

The Port authorities of Montreal and Trois-Rivières will be working together on three new projects. They will build a common extranet to manage ship arrivals, standardize practices and procedures and introduce a single security system for staff and visitors. The marine operations teams of the Montreal Port Authority (MPA) and the Trois-Rivières Port Authority (TRPA) have jointly developed an IT solution to standardize messages and pre-arrival notification forms (PANs). It is currently being pilot-tested with shipping agencies in both regions and will be deployed to all port clients

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10. AGTC Hears U.S. Import Surge Could Last Through 2021, December 9, 2020, [www.ajot.com](http://www.ajot.com)

11. Completion of the Oceans Innovation Hub on the Strait of Canso, December 9, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

12. Important measures taken in 2020 to protect Southern Resident killer whales remain in effect, December 10, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

13. The port welcomes the city of Montreal's commitment to aivp agenda 2030, December 10, 2020, [www.portofmontreal.ca](http://www.portofmontreal.ca)

14. Seaway heading for total cargo decline despite grain surge, December 14, 2020, [www.ajot.com](http://www.ajot.com)

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17. Container ports are booming — and not just on West Coast, December 16, 2020, [www.freightwaves.com](http://www.freightwaves.com)

18. Port Houston posts highest November on record, December 16, 2020, [www.ajot.com](http://www.ajot.com)

19. Container ships suffer record delays as demand spikes, December 17, 2020, [www.freightwaves.com](http://www.freightwaves.com)

20. US East Coast ports avoid gridlock despite rising volumes, December 17, 2020, [www.joc.com](http://www.joc.com)

21. Shipping sheds its dirty problem with a little help from Covid, December 17, 2020, [www.ajot.com](http://www.ajot.com)

22. FreightWaves Classics: A.P. Moller – Maersk is a world leader in transportation and logistics, December 22, 2020, [www.freightwaves.com](http://www.freightwaves.com)

23. THE Alliance adding capacity to growing Asia-US Gulf trade, December 23, 2020, [www.joc.com](http://www.joc.com)

24. Outlook 2021: Steady trans-Atlantic trade sees demand rebound, December 24, 2020, [www.joc.com](http://www.joc.com)

25. THE Alliance new Asia service to call Port Houston, December 24, 2020, [www.ajot.com](http://www.ajot.com)

26. Maersk collaborating to 'alleviate supply chain pain points', December 28, 2020, [www.americanshipper.com](http://www.americanshipper.com)

27. Outlook 2021: Breakbulk eyes green energy recovery after 2020's 'double black swan', December 28, 2020, [www.joc.com](http://www.joc.com)

28. 3 C's see Port of New York and New Jersey through 2020, December 30, 2020, [www.freightwaves.com](http://www.freightwaves.com)



in the coming months.

#### **8. Stronger volumes spur Hapag-Lloyd to raise 2020 profit guidance**

Hapag-Lloyd reporting stronger-than-expected volumes in the 2020 fourth quarter comes after global volumes rose 4.6 percent year over year in October 2020, according to *Container Trade Statistics*.

#### **9. Georgia Ports continuing record-setting ways**

Georgia Ports Authority Executive Director Griff Lynch used PGA Masters Tournament announcer Jim Nantz's phrase to describe last month — "a November like no other." Unlike Tiger Woods' performance at the Masters, the GPA turned in record-setting results in November 2020. "In November we enjoyed our fourth consecutive month of growth. November was an all-time record, beating October, which was an all-time record," Lynch said. "We were up 28% year-over-year. We came in at 464,804 TEUs. It was a really great month." The GPA also had set a record in September 2020 with 412,148 twenty-foot equivalent units. That was followed with the 464,095 TEUs in October 2020.

#### **10. AGTC Hears U.S. Import Surge Could Last Through 2021**

Paul Bingham, an economist for IHS Markit, told the Agriculture Transportation Coalition (AgTC) members that the surge of imports into the United States from Asia in the second half of 2020 is likely to continue through 2021. The import surge has caused congestion at the Ports of Los Angeles and Long Beach and is complicating the efforts of agricultural exports to obtain equipment and vessel bookings for sails to Asia. Bingham, who addressed AgTC's midyear virtual conference on December 8th, said that IHS's projections are that there will be an annualized increase of 12% in imports into the United States during 2021. U.S. exports will also see an annualized increase in "double digits", suggesting robust opportunities for U.S. agricultural exporters.

#### **11. Completion of the Oceans Innovation Hub on the Strait of Canso**

The Member of Parliament for Cape Breton – Canso, Mike Kelloway, visited the Nova Scotia Community College (NSCC) on behalf of the Minister of Transport, the Honourable Marc Garneau, to mark the completion of the Oceans Innovation Hub on the Strait of Canso. The Oceans Innovation Hub was completed with the help of the Town of Port Hawkesbury and Cape Breton Partnership, and is funded through the Oceans Protection Plan's Marine Training Program. The Oceans Innovation Hub contains a dedicated classroom space and NSCC expects to train approximately 95 students per year at this location. The site will also be used as a preparatory orientation site for all marine students who will be boarding training vessels at the Port Hawkesbury Wharf. The Marine Training Program is part of the \$1.5 billion Oceans Protection Plan, the largest investment ever made to protect Canada's coasts and waterways.

#### **12. Important measures taken in 2020 to protect Southern Resident killer whales remain in effect**

On December 10, 2020, the Minister of Transport, the Honourable Marc Garneau, announced that vessels are still prohibited from approaching any killer whale within a 400 metre distance in B.C. coastal waters between Campbell River and Ucluelet until May 31, 2021. Canada's Marine Mammal Regulations, which require maintaining 200 metres away from killer whales off the coast of B.C., continue to apply year-round. From June 1 to November 30, 2020, three Interim Sanctuary Zones were created where Southern Resident killer whales were safe from boats and where fishing was not permitted. These zones gave the whales space to better socialize and kept the three pregnant females safe from human interactions. Only Indigenous peoples exercising their existing rights, vessels responding to boating emergencies, vessels accessing local residences or establishments, and human-powered vessels (kayaks, paddle boards, etc.) navigating within 20 metres of the shoreline were permitted in these zones. The Government of Canada also took additional action this year through the Whales Initiative to further promote the development of new technologies and quiet vessel designs, and reduce human-made underwater noise. This included deployment of an underwater listening station at Boundary Pass by JASCO Applied Sciences in May 2020. The 2020 measures resulted in more than 155 enforcement actions.

#### **13. The port welcomes the city of Montreal's commitment to AIVP agenda 2030**

The Port of Montreal is very pleased that the City of Montreal is adopting the AIVP Agenda 2030 initiative by the Worldwide Network of Port Cities (AIVP). The AIVP Agenda 2030 is the first global initiative aimed at adapting the seventeen sustainable development objectives of the United Nations to the specific context of port/city relations. The Montreal Port Authority has been on board since 2019.

#### **14. Seaway heading for total cargo decline despite grain surge**

The St. Lawrence Seaway, which links North America's industrial heartland to the Atlantic Ocean, has not failed to be impacted by the ongoing global pandemic. Current Seaway cargo flows through Canadian and U.S. Great Lakes ports served by the waterway's locks are experiencing a downward pattern in the high single digits, but sharp gains in grain shipments and a solid trend in wind-related project cargo are demonstrating the system's resiliency and vital trade role.

After handling 41 million metric tons in 2018, throughput dropped by 6.4% in 2019 to 38.3 million tons. In the commercial navigation period between April 1 and September 1, 2020, overall shipments totalled 23.2 million tons – representing an 8% decrease. Canadian grain shipments continued to show impressive growth, topping 6.2 million tons in the April 1, 2020 to end September 2020 commercial navigation period. This represented a 20% increase from a year

earlier. U.S. grain exports via the Seaway over the same period exceeded one million tons, or a 4% spike from a year earlier. However steel shipping was down.

#### **15. Brand strategies of container shipping lines following mergers and acquisitions: carriers' visual identity options**

Brand strategy is a fundamental part of corporate strategy and constitutes a key condition for companies operating in international B2B contexts, to effectively manage relations with customers, stakeholders and shareholders. Mergers and acquisitions (M&As) are drivers of change in both brand architecture and brand portfolio strategies pursued by B2B companies. The latest port study of *Port Economics* members Theo Notteboom, Giovanni Satta and Francesco Parola, aims at investigating brand architecture and brand portfolio management strategies in the B2B domain, by focusing on branding decisions of container shipping lines in the context of M&As. A taxonomy of branding options available to B2B companies is presented and empirically applied to the container shipping industry, which has undergone several waves of M&A activities in recent decades. The brand strategies of some of the most M&A active players in the industry (i.e. Maersk Line, Hapag-Lloyd and CMA CGM) are examined, with a particular focus on the corporate visual identity (i.e. the name and visual devices such as logo, typeface and colour) adopted after an M&A transaction.

#### **16. Liner capacity control and the future of container shipping**

The world's container liner business is now so consolidated that it can deftly match vessel capacity to cargo demand. This change — courtesy of mergers and alliances — is structural, not cyclical. If there's a single thesis for container shipping in 2020, that is it. Assuming it's true, there could be major future implications for the cargo shippers, yards, box-equipment owners and ship lessors who do business with liners. If liners can indefinitely calibrate capacity to cargo demand, the future new building order book should be far less of a threat to liner profits and far less of a saviour for shippers. If liners can keep managing capacity like they did this year, they may not need to lease as many containers or ships as they do now. Over the long term, it's cheaper to own than rent.

#### **17. Container ports are booming — and not just on West Coast**

The spotlight is squarely on the avalanche of containerized imports at America's largest gateway ports: Los Angeles and Long Beach. But it's not just California. Volumes are also surging at Gulf Coast and East Coast ports. And it's not just the U.S. "Chinese ports are completely filled with export cargo as carriers cannot cope with high cargo demand," reported *Alphaliner*. In Europe, "vessels are regularly arriving one to two weeks after their reserved berthing window." Analysts attribute this unexpected spike to consumers using money to buy goods that they can't spend on services due to COVID restrictions. Counter intuitively, the coronavirus pandemic has — at least temporarily — has precipitated a box-port boom.

#### **18. Port Houston posts highest November on record**

In a continued performance streak, Port Houston's November 2020 container activity set a new record for November 2020 TEUs, marking the second record-breaking month in a row for containers and helping pave the way for a strong finish for the year. Port Houston handled 7% more containers this November 2020 than last, recording 262,930 TEUs compared to November of 2019, when 245,738 TEUs were handled. "Our fourth quarter is shaping up to be the best in our history," Executive Director Roger Guenther said. "The past 11 months we have handled 2.72 million TEUs, which puts us virtually flat compared to our 2019 record year. Importers are taking advantage of Houston's consistent and solid vessel productivity and quick truck turn times through our gates at Bayport and Barbours Cut. Houston is not only the "International Port of Texas," supporting the nation's #1 export state, we're also well positioned to handle the huge pipeline of imports and exports across mid America. We're making history in Houston."

#### **19. US East Coast ports avoid gridlock despite rising volumes**

The import surge that hit Los Angeles-Long Beach this summer has arrived at major East Coast gateways, with a year-over-year increase in November 2020 imports from Asia of more than 30 percent. Despite the rising volumes, the US East coast ports have managed to avoid the gridlock problems.

#### **20. Container ships suffer record delays as demand spikes**

You need your ocean cargo ASAP. You know which container ship it's on. What's the chance that your ship arrives at the port on schedule? For the answer, flip a coin. Heads: The ship will dock on time. Tails: It'll be late — possibly very late. On December 17, 2020, Copenhagen-based Sea-Intelligence released its Global Liner Performance Report for November 2020. It found that average global carrier schedule reliability across 34 trade lines fell to just 50.1% last month. It is the worst global score recorded since *Sea-Intelligence* introduced its reliability measure in 2011. The second- and third-worst scores were recorded in September and October 2020.

#### **21. Shipping sheds its dirty problem with a little help from Covid**

It was meant to be one of the greatest transformations in the history of oil and shipping. Instead, a sweeping regulatory change this year to clean up the maritime industry's fuel passed successfully and with little fanfare, rendered a historical footnote by Covid-19. Vessel owners and oil refiners were expected to face major upheaval because of rules that took effect on Jan. 1, 2020 to help improve human health and combat environmental concerns by slashing the amount of

sulfur in ship fuel. The two industries did, indeed, undergo unprecedented turmoil—but the cause was a pandemic that upended economies and trashed oil demand. Known as IMO 2020, the regulation forced shippers to stop burning an old, dirty product they'd relied on for decades. Fears about the supply—and reliability—of low-sulfur alternatives proved largely unfounded: in short the rule change was a success. Vessels switched, the clean product was available and worked, and the industry eliminated a substantial part of its sulfur-dioxide emissions.

#### **22. FreightWaves Classics: A.P. Moller – Maersk is a world leader in transportation and logistics**

More than 70% of the imports that reach the United States come by ship and enter the country through its ports. One of the largest shipping companies in the world – A.P. Moller – Maersk – carries a share of those imported goods. According to the company website, “A.P. Moller – Maersk is an integrated transport and logistics company with multiple brands and is a global leader in container shipping and ports. The company employs roughly 76,000 employees across operations in 130 countries.” It is a huge company with a global reach. But like most global companies, it didn't start that way. This edition of *FreightWaves Classics* provides an overview of the company's history.

#### **23. THE Alliance adding capacity to growing Asia–US Gulf trade**

Unprecedented trans-Pacific volumes and steadily growing exports of petrochemicals, agricultural products, and resins have prompted members of THE Alliance to launch a new direct service between Asia and the US Gulf.

#### **24. Outlook 2021: Steady trans-Atlantic trade sees demand rebound**

A surprisingly strong rebound in the US economy through November 2020 bodes well for the headhaul trade between Europe and North America in 2021. Demand is steadily rebounding on the trans-Atlantic trade.

#### **25. THE Alliance new Asia service to call Port Houston**

Port Houston will be the first port of call in the United States on a new direct Trans-Pacific Asia service being launched by THE Alliance called the “EC6,” an East Coast all-water service via Panama calling the U.S. Gulf. Economic expansion and corporate relocations (Tesla, Hewlett Packard, Oracle are among several new corporate relocations recently announced) have fuelled a large and fast growing consumer base and strong housing market which has translated to new import distribution centers in Houston and throughout Texas. Combined with the biggest manufacturing region in the North America for exports, Houston and the U.S. Gulf is a prime area for carrier service growth.

#### **26. Maersk collaborating to ‘alleviate supply chain pain points’**

A.P. Møller – Maersk said it is taking container congestion and intermodal equipment scarcity seriously and addressing “the concerns of the U.S. export community and the trucking industry feeling the impact during this already difficult time.” Maersk North America said in a press release on December 28, 2020 that as a result of “surging U.S. imports and the resulting intermodal equipment flow imbalances, all members of the logistics sector have been challenged to find solutions. Maersk senior officials have stated that this is a situation the company takes very seriously. Every component of Maersk's integrated global logistics business model is working across the entire logistics spectrum to respond with solutions involving all supply chain participants.”

#### **27. Outlook 2021: Breakbulk eyes green energy recovery after 2020's ‘double black swan’**

Breakbulk and project logistics providers are adapting to a market in which the COVID-19 pandemic has accelerated a shift away from traditional oil and gas projects and toward more carbon-neutral energy sources and related industries.

#### **28. 3 C's see Port of New York and New Jersey through 2020**

It's been a year like no other for everyone everywhere, and resiliency has been a word used perhaps more in 2020 than any other year. It's a fitting word for U.S. ports, which saw huge numbers of cancelled sailings when factories shut down in China and then record import surges when manufacturing restarted and supply chains were rebooted. “As our industry navigates the ongoing economic and market impacts of COVID-19, which now includes record cargo volume, we must be resilient facing and overcoming the challenges associated with the shifting landscape,” said Sam Ruda, the port director for the Port Authority of New York and New Jersey (PANYNJ), in his final executive broadcast of 2020. “Just as we have done from the very start of this global health crisis, the port continues to closely *collaborate*, *communicate* and *coordinate* with our port partners to maintain the operational integrity of the gateway. As a port community, we have never been closer.”

## RAIL TRANSPORTATION

### 1. Transport Canada Updates Rail Employee Fatigue Rules

Transport Canada has updated the Duty and Rest Period Rules for Railway Operating Employees, placing new limits on duty-period length; increasing the minimum rest period between shifts; and establishing limits on total hours worked per week, month and year.

### 2. CSX confirms plans to acquire Pan Am Railways

CSX will buy short line Pan Am Railways after all. The Eastern U.S. railroad said on November 30, 2020 that it has signed a definitive agreement to acquire the railroad. Financial terms weren't disclosed. CSX has been considering purchasing the New England short line for weeks, according to reports. CSX says Pan Am's subsidiaries make Pan Am the largest regional railroad in North America. The short line operates nearly 1,200 miles of track across New England, with access to multiple ports and large-scale commodity producers. Pan Am also has a partial interest in Pan Am Southern. The acquisition will add Vermont, New Hampshire and Maine to CSX's 23-state network, and it will expand CSX's presence in Connecticut, Massachusetts and New York, according to the company.

### 3. CP announces best-ever November for Canadian grain transport

Canadian Pacific (CP) has completed its best-ever November and second-best-ever month for shipping Canadian grain and grain products, with 2.96 million metric tonnes (MMT) moved. This exceeds the previous November record in 2019 by 8 percent, and is second only to October 2020 for total monthly tonnage. CP has shipped 11.13 MMT of Canadian grain and grain products in the 2020-2021 crop year, exceeding the amount shipped at this time in the 2019-2020 crop year by 15 percent.

### 4. Q3 results: VIA rail continues to manage the impacts of the pandemic

Like others in the transportation industry, VIA Rail Canada (VIA Rail) continues to be severely impacted by the COVID-19 pandemic, reporting a significant decrease in ridership and passenger revenues compared to the same period last year. During this year's third quarter, VIA Rail recorded an 86% drop in passenger revenues as well as a decrease of 82% in ridership compared to the same quarter last year.

### 5. CSX plans to buy railroad raises competition concerns

CSX is acquiring a regional railroad in New England to bolster its network in the northeastern United States, but a rival railroad says the deal could hurt competition. CSX said on November 30, 2020 that it is acquiring Pan Am Railways, but it didn't disclose terms of the deal. The transaction will expand CSX's 23-state network into Vermont, New Hampshire and Maine while adding to its reach in New York, Connecticut and Massachusetts. If regulators approve the deal, CSX would also acquire Pan Am's partial ownership of a 600-mile joint venture with Norfolk Southern railroad called Pan Am Southern.

### 6. CN Delivers Over 3 Million Metric Tonnes of Grain for Second Month in a Row

November 2020 Marks the 9th Consecutive Month of Record Grain Movements as the Company Prepares for Winter 2020. CN is pleased to announce that it has set a new grain movement record in November with over 3.12 million metric tonnes (MMT) of Canadian grain moved. This follows an all-time record of 3.27 MMT moved in October 2020 and builds on monthly records going back to March 2020. Containerized grain is also setting records by moving at an unprecedented pace with over 400,000 metric tonnes shipped directly from western Canada alone since the beginning of the crop year, in addition to the tonnage shipped from eastern

## RAIL TRANSPORTATION

### Canada

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14. CP proposing multi-purpose logistics park, December 7, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
15. CN Recognized with Prestigious 'A' Score for Climate Change, December 7, 2020, [www.cn.ca](http://www.cn.ca)
16. VIA Rail Still Struggling, December 7, 2020, [www.railwayage.com](http://www.railwayage.com)
17. CDP recognizes CP for its leadership on climate action with an A- rating for climate disclosure, December 8, 2020, [www.cpr.ca](http://www.cpr.ca)
18. CN, CSX and CP achieve climate change leadership status, December 9, 2020, [www.americanshipper.com](http://www.americanshipper.com)
19. Railway Age names Canadian Pacific's Keith Creel Railroader of the Year 2021, December 9, 2020, [www.cpr.ca](http://www.cpr.ca)
20. AAR: Another Double-Digit Gain for Intermodal, December 9, 2020, [www.railwayage.com](http://www.railwayage.com)
21. CN eyes opportunities in Upper Midwest with new inland terminal, December 10, 2020, [www.americanshipper.com](http://www.americanshipper.com)
22. CP and Hapag-Lloyd renew agreement,

Canada.

### **7. CP supporting Canada's economic recovery with a transload and logistics hub on Canada's Pacific coast; community engagement process underway for the CP Logistics Park: Vancouver**

Canadian Pacific Railway Limited (CP) is proposing to build a multi-modal, multi-commodity transload and logistics facility on strategic land holdings adjacent to its existing intermodal rail facility in Pitt Meadows, B.C. The proposed facility, named the CP Logistics Park: Vancouver, is in the early stages of design and is subject to regulatory approval prior to CP's final investment decision.

### **8. Canadian Pacific, Hapag-Lloyd extend Port Saint John agreement**

Container shipping line Hapag-Lloyd and Canadian Pacific Railway (CP) are extending their rail service agreement to 2025 at the Port Saint John in New Brunswick, Canada. According to CP, the agreement comes after "successful calls" to the Port Saint John this past summer, and Germany-headquartered Hapag-Lloyd will begin regular service with CP in 2021. CP gained expanded access to the Port Saint John via its acquisition of the short line Central Maine & Quebec Railway. It also has connections via the Eastern Maine and New Brunswick Southern railways. CP also serves Hapag-Lloyd at the ports of Vancouver and Montreal. Earlier this year, the railway said it hoped to provide 24-hour service between Saint John and Montreal by the end of 2020. The rail service extension comes as CP seeks to expand market opportunities in Atlantic Canada and become a coast-to-coast railway. Both CP and competitor CN are also vying to provide additional access to the Midwest.

### **9. AAR: November Rail Traffic 'Making Up Lost Ground'**

In November 2020, U.S. rail traffic "continued to make up lost ground," with U.S. intermodal volumes at "near record highs" for the second consecutive month, Association of American Railroads (AAR) Senior Vice President John T. Gray reported on Dec. 2, 2020. Intermodal growth—driven by import volumes and internet purchasing by consumers, Gray said—again offset carload declines. U.S. rail traffic for November—2,036,889 carloads and intermodal units—rose 3.1%, compared with November 2019. U.S. railroads originated 900,194 carloads in November 2020, down 5.8%, or 55,198 carloads, from November 2019. They also originated 1,136,695 containers and trailers, up 11.5%, or 116,915 units, from the same month last year. Canadian railroads reported 81,713 carloads for the week, up 15.5%, and 74,960 intermodal units, up 9.4% compared with the same week in 2019. For the first 48 weeks of 2020, they reported cumulative rail traffic volume of 6,899,077 carloads and intermodal containers and trailers, down 4.9%.

### **10. Exports boost US and Canadian grain volumes**

U.S. and Canadian railroads continued to move significant amounts of grain in November 2020 as export demand boosted grain movements. Indeed, last month's World Agricultural Supply and Demand Estimates report from the U.S. Department of Agriculture anticipates U.S. soybean exports in the 2020-2021 crop year to grow to 2.2 billion bushels, compared with 1.7 billion bushels in 2019-2020. And Canadian wheat exports are expected to total around 25 million metric tonnes (MMTs) in 2020-2021, compared with 24.6 MMT in 2019-2020. In Canada, both CN and Canadian Pacific reported November-record totals that were just shy of the all-time records set in October 2020.

### **11. 2020: a key year for accessibility at VIA rail**

As part of the International Day of Persons with Disabilities, VIA Rail Canada wishes to reiterate its firm commitment to offering an accessible and inclusive travel experience. "Driven by our mission to put our

December 10, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)

23. Minister Garneau discusses Canada's commodity supply chain with stakeholders and launches consultation on freight rail reporting requirements, December 11, 2020, [www.tc.gc.ca](http://www.tc.gc.ca)

24. CN will open a terminal in New Richmond, Wis., on March 1 to provide direct CN Intermodal service to the Twin Cities market, December 11, 2020, [www.railwavage.com](http://www.railwavage.com)

25. HCRY Extends Closure Date To Mid-2021, December 14, 2020, [www.railwavage.com](http://www.railwavage.com)

26. BNSF ready for business in Kansas, Missouri and Texas, December 14, 2020, [www.americanshipper.com](http://www.americanshipper.com)

27. CN Announces Partnership for New Logistics Park in Alabama, December 16, 2020, [www.cn.ca](http://www.cn.ca)

28. Transport Canada seeks input on rail service data collection, December 16, 2020, [www.americanshipper.com](http://www.americanshipper.com)

29. AAR Week 50: Traffic Gains Based on Intermodal Strength, December 16, 2020, [www.railwavage.com](http://www.railwavage.com)

30. CN, others to develop plastics resins export facility in Alabama, December 17, 2020, [www.freightwaves.com](http://www.freightwaves.com)

31. Canadian Pacific and the IBEW reach a new tentative five-year collective agreement, December 17, 2020, [www.cpr.ca](http://www.cpr.ca)

32. Hydrogen Strategy for Canada's Railways, December 17, 2020, [www.railwavage.com](http://www.railwavage.com)

33. Vancouver TransLink Ordering 205 SkyTrain Cars, December 18, 2020, [www.rialwavage.com](http://www.rialwavage.com)

34. Railway carloadings, October 2020, December 21, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

35. Chart Charts Canadian Hydrogen Course, December 21, 2020, [www.railwavage.com](http://www.railwavage.com)

36. CN and CP above their Maximum Grain Revenue Entitlements for Crop Year 2019–2020, December 22, 2020, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

37. CP completes acquisition of Detroit River Rail Tunnel, December 22, 2020, [www.cpr.ca](http://www.cpr.ca)

38. Congress: \$900B COVID Relief Agreement; \$15B For Rail, December 21, 2020, [www.railwavage.com](http://www.railwavage.com)

39. Canadian Pacific launches hydrogen-powered locomotive project, December 23, 2020, [www.americanshipper.com](http://www.americanshipper.com)

40. AAR Week 51: Intermodal Continues to Deliver, December 23, 2020, [www.railwavage.com](http://www.railwavage.com)

41. Train cars carrying crude derail, burn north of Seattle, December 23, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)

42. Freight Rail Services Price Index, December 2020, December 24, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

43. Key rail safety technology done before deadline in U.S., December 30, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)

44. 100% PTC: An 'Unprecedented Undertaking', December 29, 2020, [www.railwavage.com](http://www.railwavage.com)

45. CN Completes U.S. Federal Requirement to Operate Positive Train Control Ahead Of Schedule, December 30, 2020, [www.cn.ca](http://www.cn.ca)

46. AAR Week 52: Another 'Win' for Intermodal, December 31, 2020, [www.railwavage.com](http://www.railwavage.com)

47. 5 big freight rail themes in 2020, December 30, 2020, [www.americanshipper.com](http://www.americanshipper.com)

passengers first and by our wish for a more sustainable and accessible Canada, we deployed in 2020 sustained efforts to continue to improve the travel experience of passengers with disabilities,” said Cynthia Garneau, President and Chief Executive Officer. “The projects completed this year reflect our determination to keep the momentum going and to participate in the collective effort to create a barrier-free Canada.” Despite the pandemic, 2020 has marked a turning point for accessibility at VIA Rail.

#### **12. VIA rail’s procurement process to modernize maintenance centres in Montréal and Toronto moves to second phase**

VIA Rail Canada (VIA Rail) is delighted to announce that it launched on November 30th, the second phase of its procurement process to modernize its maintenance centres in Montréal and Toronto in preparation for the arrival of its new Québec City-Windsor corridor fleet. Following the Request for qualifications, launched in January 2020, five companies have been selected to participate in two separate Request for proposals (RFP) processes and will need to submit their respective proposals by July 2021 (for the Toronto Maintenance Centre) and August 2021 (for the Montréal Maintenance Centre).

#### **13. STB Conference: New Approach for Class Exemption, Revocation Issues**

The Surface Transportation Board (STB) is holding a virtual conference Dec. 18, 2020 to address a new approach for considering class exemption and revocation issues. The proposed approach would help STB “evaluate market conditions using a variety of metrics related to or indicative of rail transportation competition.” The approach focuses on: 1) “Developing a snapshot of the current state of a commodity’s rail transportation market. 2) “Identifying changes in market conditions. 3) “Considering certain potential influences from alternative transportation modes that could impact that market.”

#### **14. CP proposing multi-purpose logistics park**

Canadian Pacific Railway Limited is proposing to build a multi-modal, multi-commodity transload and logistics facility next to its existing intermodal rail facility in Pitt Meadows, B.C. The proposed facility, named the CP Logistics Park: Vancouver, is in the early stages of design and is subject to regulatory approval prior to CP’s final investment decision.

#### **15. CN Recognized with Prestigious ‘A’ Score for Climate Change**

CN has been recognized for leadership in corporate sustainability by global environmental non-profit CDP, securing a place on its prestigious ‘A List’ for tackling climate change. CN was recognized for its actions to cut emissions, mitigate climate risks and develop the low-carbon economy, based on the data reported by the company through CDP’s 2020 climate change questionnaire. CN is one of a small number of high-performing companies out of 5,800+ that were scored. Through significant demonstrable action on climate, CN is leading on corporate environmental ambition, action and transparency worldwide.

#### **16. VIA Rail Still Struggling**

VIA Rail, Canada’s counterpart to Amtrak and a much-smaller system, is not doing well and seeking emergency government funding. It recently reported an 82% drop in ridership and an 84% decrease in revenue compared with last year, as well as a savings of 27.5% in operating expenses. Some of the savings came from reducing service, both on the railroad’s corridors in Ontario and Quebec, and on other trains. Here is a detailed rundown of the service currently offered. VIA Rail operates a small network of corridors in Ontario and Quebec, centered on Toronto, Ottawa and Montreal. Before the coronavirus hit, there was a scattered group of longer runs, none of which ran every day. They ranged from the Ocean between Montreal and Halifax; the Hudson’s Bay (an informal, not official name) from Winnipeg to Churchill, a frigid town on the Arctic waters of Hudson’s Bay; to the Canadian, a transcontinental train that made a four-day journey between Toronto and Vancouver only twice per week and featured dining cars and dome lounge cars that were hallmarks of luxury rail travel during a bygone era. The virus hit VIA Rail harder than it initially hit Amtrak. Additional details are provided in the reference cited.

#### **17. CDP recognizes CP for its leadership on climate action with an A- rating for climate disclosure**

Canadian Pacific Railway Limited (CP) is proud to announce that it received a leadership level score of A- from CDP for its 2020 climate change disclosure. This accomplishment represents a significant milestone in CP’s journey to integrate climate-related risks and opportunities into the company’s sustainability programs and reporting practices.

#### **18. CN, CSX and CP achieve climate change leadership status**

Railways CN, CSX and Canadian Pacific made it to the Carbon Disclosure Project’s (CDP) leadership level for climate change on December 8, 2020. Only 5% of the more than 5,800 companies scored by the [CDP](#) joined CSX and CN on the A List for climate. With scores ranging from A to F, Canadian Pacific (CP) received an A-minus climate rating from the CDP. The CDP annually scores companies that disclose environmental data related to the climate, deforestation and water scarcity. [CDP](#) said the benefits of disclosing the data include protecting company reputation, gaining a competitive advantage and benchmarking progress.

#### **19. Railway Age names Canadian Pacific’s Keith Creel Railroader of the Year 2021**

*Railway Age Magazine* has named Canadian Pacific President and CEO Keith Creel the 58th annual recipient of its Railroader of the Year Award. A cover profile of Mr. Creel and his leadership at CP will appear in the January 2021 issue.

#### **20. AAR: Another Double-Digit Gain for Intermodal**

For the week ending Dec. 5, 2020, total U.S. weekly rail traffic was 542,203 carloads and intermodal units—up 4.8% from the same period last year—based on a double-digit intermodal gain, according to an Association of American Railroads (AAR) Dec. 9 report. Total carloads were 244,986, down 1.4% compared with the same period in 2019, while U.S. weekly intermodal volume of 297,217 containers and trailers increased 10.5% compared with 2019. Canadian railroads reported 83,831 carloads for the week, down 2.5%, and 75,310 intermodal units, up 12.2% compared with the same week in 2019. For the first 49 weeks of 2020, they reported cumulative rail traffic volume of 7,058,218 carloads and containers and trailers, down 4.7%.

#### **21. CN eyes opportunities in Upper Midwest with new inland terminal**

Canadian railway CN seeks to expand its reach into the Upper Midwest through a new inland distribution terminal in New Richmond, Wisconsin. The facility will have an automotive compound for finished vehicles, as well as an intermodal terminal for shippers and receivers of greater Minneapolis and St. Paul, Minnesota. The railway expects the facility to open on March 1, 2021. CN says the terminal will serve as a new access point into the railway's tri-coastal network. CN hopes the terminal will provide an alternative shipping option to companies seeking to import or export goods such as automotive products, finished consumer goods, grain, soybeans and forest products.

#### **22. CP and Hapag-Lloyd renew agreement**

Canadian Pacific and Hapag-Lloyd AG have extended their long-term rail service agreement to the end of 2025. Additionally, after calls to the Port of Saint John, N.B., this summer, Hapag-Lloyd will begin regular service via CP and this key Atlantic Canada port starting in 2021. "It's a special day when we get to announce the renewal of a contract with Hapag-Lloyd, our largest customer by volume and a world-class ocean carrier," said CP president and CEO Keith Creel.

#### **23. Minister Garneau discusses Canada's commodity supply chain with stakeholders and launches consultation on freight rail reporting requirements**

On December 11, 2020, the Minister of Transport, the Honourable Marc Garneau, hosted the fall 2020 Commodity Supply Chain Table, which is a discussion forum for Canada's supply chain stakeholders that focuses on the resiliency, efficiency and effectiveness of Canada's freight rail-based transportation system. This meeting included an interactive panel that provided participants an opportunity to share relevant information with the Minister, voice concerns, and identify opportunities and potential collaborative solutions on the performance challenges of their supply chains. The Commodity Supply Chain Table also promoted collaborative discussions on: 1) logistical and capacity issues; 2) domestic and international trade and market trends; 3) potential collaborative solutions to inefficiencies within the transportation system; 4) supply chain performance metrics, and 5) responses to major rail transportation and supply chain-related events, such as the COVID-19 pandemic.

#### **24. CN will open a terminal in New Richmond, Wis., on March 1 to provide direct CN Intermodal service to the Twin Cities market**

The new CN facility will include an automotive compound for finished vehicles as well as an intermodal terminal to serve shippers and receivers in the Minneapolis and Saint Paul, Minn., metropolitan area. It will serve a range of import and export industries, including automotive and finished consumer goods, grain, soybean, and forest products. Keith Reardon, Senior Vice-President, Consumer Product Supply Chain, CN "The New Richmond terminal is strategically located at the center of the CN network allowing direct access to our reliable, three-coast rail network for importing vehicles and consumer products from around the globe," said Keith Reardon, CN Senior Vice-President, Consumer Product Supply Chain. "Customers now have another direct link to their Midwest markets as well as a new and efficient option for shipping export commodities to global markets."

#### **25. HCRY Extends Closure Date To Mid-2021**

Northern Ontario's Huron Central Railway (HCRY) will not shut its doors Dec. 18, 2020 as scheduled. Genesee & Wyoming Canada (GWCI) reported that it is extending operations until June 30, 2021, due to progress working with the provincial and federal governments to share the cost of the 173-mile line's rehabilitation. "Since the August 31 announcement of our difficult decision to cease operation of HCRY, we have engaged in regular discussions with both the Government of Ontario and the Government of Canada with the goal of avoiding this outcome," GWCI President Rick McClellan said. "Over the past two weeks, these negotiations have intensified as our government partners explore an agreement with GWCI and consider our revised proposal to co-invest in the rehabilitation of the railway." The company has said it needs C\$40 million for the Sault Ste. Marie-Sudbury line.

#### **26. BNSF ready for business in Kansas, Missouri and Texas**

Western U.S. railroad BNSF has named three locations in Kansas, Missouri and Texas to be part of its Certified Sites

industrial development program. The sites, all of which have access to BNSF's network, have been evaluated for their usability and infrastructure, making them eligible to be part of the railroad's industrial development program. BNSF says the Certified Sites program consists of properties where there might be customer demand and where prospective businesses could save six to nine months of construction time by building on these sites. "The goal of the program is to provide an inventory of rail-served sites that are available for immediate development," BNSF said. The railroad has 27 certified sites overall across its network.

#### **27. CN Announces Partnership for New Logistics Park in Alabama**

CN is pleased to announce that, in collaboration with Alabama Export Railroad, and Ray-Mont Logistics, it is launching the first phase of a new, innovative, high-tech logistics park in Mobile, AL. expected to open in late 2021. The first phase of the project will be a facility for bagging and containerizing plastic pellets. This terminal will include two bagging lines with an annual capacity of 25,000 Twenty-Foot Equivalent Units.

#### **28. Transport Canada seeks input on rail service data collection**

The Canadian government is pushing forward with its examination of what kind of service data it should collect from Class I railroads operating in Canada. Last week, Transport Canada said it was accepting comments through Feb. 26 on what service and performance data it should collect from the Class I railroads. The proposed regulation fulfills a requirement within the *Transportation Modernization Act of 2018* in which the Class I railroads would permanently be required to submit service and performance data as well as confidential waybill data. Transport Canada currently receives both these data elements on a temporary basis, the agency told *FreightWaves*. The end goal of this data collection is to increase transparency, Transport Canada said.

#### **29. AAR Week 50: Traffic Gains Based on Intermodal Strength**

While intermodal growth continues to lift U.S. weekly rail traffic figures in 2020, carloads are inching closer to what railroads reported in 2019. For the week ending Dec. 12, 2020, total U.S. weekly traffic was 546,209 carloads and intermodal units, up 4.9% compared with the same week last year, reported the Association of American Railroads (AAR) on Dec. 16, 2020. Total carloads were 238,193, down just 2.2%, and intermodal volume was 308,016 containers and trailers, up 11.1%, compared with 2019. Canadian railroads reported 86,457 carloads for the week, up 5.3%, and 75,479 intermodal units, rising 8.5% compared with the same week in 2019. For the first 50 weeks of 2020, they reported cumulative rail traffic volume of 7,220,154 carloads and intermodal containers and trailers, falling 4.5%.

#### **30. CN, others to develop plastics resins export facility in Alabama**

Canadian railway CN has partnered with others to develop a high-tech logistics facility near the Port of Mobile in Alabama for the export of plastics resins or pellets. CN, Mississippi Export Railroad subsidiary Alabama Export Railroad and Ray-Mont Logistics expect the first phase of the logistics park in Mobile to be open in late 2021. The facility, designed to bag and containerize plastic pellets, will have an annual capacity of 25,000 twenty-foot equivalent units. "With this new project CN is committed to enabling growth and success for our partners and our customers. CN is once again using the strength of its unique tri-coastal network, and close collaboration with its supply chain partners, to help customers win in their markets," said James Cairns, CN's senior vice president for the rail-centric supply chain.

#### **31. Canadian Pacific and the IBEW reach a new tentative five-year collective agreement**

Canadian Pacific Railway Limited and the International Brotherhood of Electrical Workers (IBEW) Canadian Signals and Communications System Council No. 11 are pleased to announce that they have successfully negotiated a new tentative five-year collective agreement. "This tentative collective agreement is the result of hard work and good faith negotiating between the IBEW and CP," said CP President and CEO Keith Creel. "We look forward to its ratification and to five years of continued growth and opportunity with these employees." The IBEW represents 360 Signal Maintainers at CP in Canada. The collective agreement is subject to ratification by union membership.

#### **32. Hydrogen Strategy for Canada's Railways**

Canada wants to bring back steam to its railways, but don't expect the return of glorious white plumes of condensation, drifting over deep-frozen prairies. This time, the steam would be the invisible exhaust of high-efficiency locomotives and self-propelled passenger units, powered by the on-board conversion of hydrogen into electricity and hot water vapor. Canada hopes to build upon its advantage as builder of the world's first HFC (hydrogen fuel cell) prime-mover. The Hydrogen Strategy for Canada, released Dec. 16, 2020 by the Canadian government, is driven in equal measure by the country's commitment to decarbonize, and the imperative of a massive economic recovery from the consequences of COVID-19. Without that political pincer squeeze, hydrogen could have lingered for years more as the obvious, but too costly, alternative to fossil fuels.

#### **33. Vancouver TransLink Ordering 205 SkyTrain Cars**

TransLink has selected Bombardier Transportation to supply 205 new SkyTrain cars for the Expo and Millennium lines of its automated rapid transit system in Vancouver. The C\$722.6 million contract will be signed in the coming days, the agency reported. Delivery of the first car is expected in 2023; all cars are slated for service by year-end 2027.

#### **34. Railway carloadings, October 2020**



The volume of rail freight carried in Canada continued to recover, moving closer to pre-pandemic levels, for the second month in a row. In October 2020, Canadian railways carried 32.6 million tonnes of freight, down 1.9% from 33.2 million tonnes in October 2019. While the overall tonnage in October 2020 was still down year over year, it was the highest level observed since March 2020, coming close to the previous five-year average for October.

### **35. Chart Charts Canadian Hydrogen Course**

Chart Industries, Inc., a significant player in the rail industry for providing equipment for LNG (liquefied natural gas)-powered locomotives, has made a significant investment in a Canadian supplier of hydrogen fuel cell technology. Chart, which describes itself as “a leading global manufacturer of liquefaction and cryogenic equipment serving multiple applications in the energy and industrial gas end markets, including hydrogen,” has acquired a 15.6% stake in Vancouver, B.C.-based Hydrogen Technology & Energy Corporation (HTEC), which designs, builds and operates hydrogen fuel supply solutions to support the deployment of hydrogen fuel cell (HFC) electric vehicles. Chart’s C\$20 million investment is in capital stock on a fully diluted basis. Chart’s investment in HTEC comes at the same time that the Canadian government deployed its Hydrogen Strategy for Canada, and Canadian Pacific announced that it is developing an HFC-powered line-haul locomotive. “Strategic collaborations have been a critical part of our company’s evolution,” said HTEC President and CEO Colin Armstrong. “We are proud to work with Chart and are excited about the range of products it offers that will play a key role in the global push toward more sustainable energy systems.”

### **36. CN and CP above their Maximum Grain Revenue Entitlements for Crop Year 2019–2020**

In a determination issued on December 22, 2020, the Canadian Transportation Agency (CTA) ruled that revenues of the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) were above their maximum grain revenue entitlements for the crop year 2019–2020. 1) CN’s grain revenue of \$933,502,041 was \$3,170,615 above its entitlement of \$930,331,426. 2) CP’s grain revenue of \$999,230,808 was \$2,170,010 above its entitlement of \$997,060,798. CN and CP now have 30 days to pay the amount by which they exceeded their 2019–2020 revenue entitlements, in addition to a five percent penalty of \$158,531 for CN and \$108,501 for CP. Regulations require these payments go to the Western Grains Research Foundation. This foundation is a farmer-financed and directed organization set up to fund research that benefits Prairie farmers.

### **37. CP completes acquisition of Detroit River Rail Tunnel**

Canadian Pacific announced on December 22, 2020 that it has completed its previously announced agreement to purchase an 83.5 percent stake in the Detroit River Rail Tunnel from certain affiliates of OMERS, the defined benefit pension plan for municipal employees in the province of Ontario. CP previously owned a 16.5 percent stake of the tunnel in partnership with OMERS. The purchase price for the transaction is approximately US\$312 million, subject to customary closing adjustments.

### **38. Congress: \$900B COVID Relief Agreement; \$15B For Rail**

Congress reached an agreement on Dec. 20, 2020 on a nearly \$900 billion pandemic relief package, and approved a one-day stop-gap bill to avoid a government shutdown and allow time for a vote, expected Dec. 21, 2020. It’s anticipated that the package will be combined with a \$1.4 trillion omnibus spending bill that will fund the government for the rest of the fiscal year. The bill includes \$14 billion for transit and \$1 billion for Amtrak.

### **39. Canadian Pacific launches hydrogen-powered locomotive project**

Canadian Pacific is starting a pilot project to develop a hydrogen-powered locomotive. As concerns for the environment rise, freight transporter companies face increasing pressure to reduce greenhouse gas (GHG) emissions. If successful, Canadian Pacific (CP) would be the first company in North America to run a line-haul hydrogen-powered locomotive, a release announcing the project from CP said. One of CP’s line-haul locomotives will be retrofitted with hydrogen fuel cells and battery technology, which will power the locomotive’s electric traction motors, according to the release.

### **40. AAR Week 51: Intermodal Continues to Deliver**

Total U.S. weekly rail traffic of 520,305 carloads and intermodal units was up 2.5% compared with the same 2020, 51<sup>st</sup> week last year. Total carloads were 230,838, down 5.8% compared with the same 2019 period, while U.S. weekly intermodal volume was 289,467 containers and trailers, up 10.3% compared with 2019. Canadian railroads reported 84,546 carloads for the week, decreasing 1.9%, and 73,122 intermodal units, rising 7.7% compared with the same week in 2019. For the first 51 weeks of 2020, they reported cumulative rail traffic volume of 7,377,822 carloads and intermodal containers and trailers, down 4.3%.

### **41. Train cars carrying crude derailed, burn north of Seattle**

Seven train cars carrying crude oil derailed on December 23, 2020 and five caught fire, sending a large black plume of smoke into the sky north of Seattle close to the Canadian border, authorities said. The derailment in the downtown Custer area closed nearby streets and spurred evacuation orders during a large fire response, Whatcom County officials said on Twitter. Interstate 5 (which becomes Highway 99 in British Columbia) was temporarily closed in the area in both directions.

#### **42. Freight Rail Services Price Index, December 2020**

The Freight Rail Services Price Index (2018=100) is now available for December 2020 on the Statistics Canada website. The index was 103.7 for December 2020, down from 104.6 in November 2020. Indices for product groups are given on the website.

#### **43. Key rail safety technology done before deadline in U.S.**

The U.S. railroad industry has installed an automatic braking system on nearly 93,000 kilometres (58,000 miles) of track where it is required ahead of a year-end deadline, federal regulators said on December 29, 2020. Federal Railroad Administration chief Ronald Batory said railroads worked together over the past 12 years to develop and install the long-awaited technology known as positive train control, or PTC. The roughly US\$15 billion braking system is aimed at reducing human error by automatically stopping trains in certain situations like when it's in danger of colliding, derailing because of excessive speed, entering track under maintenance or travelling the wrong direction because of switching mistakes. "PTC is a risk reduction system that will make a safe industry even safer, and provide a solid foundation upon which additional safety improvements will be realized," Batory said.

#### **44. 100% PTC: An 'Unprecedented Undertaking'**

Positive Train Control (PTC) is now in operation on all 57,536 required freight and passenger railroad route-miles, ahead of the federal deadline of Dec. 31, 2020, the Federal Railroad Administration reported on Dec. 29, 2020. The 41 railroads subject to the statutory mandate—comprising all seven Class I's, Amtrak, 28 commuter railroads, and five short lines regionals that host intercity or commuter service—plus industry associations, suppliers and other service providers, have worked for more than a decade to reach what FRA called "a landmark achievement" and what FRA Administrator Ronald L. Batory said was an "unprecedented undertaking" for the nearly 100 stakeholders. FRA has certified that each host railroad's PTC system complies with the technical requirements. Additionally, interoperability has been achieved between host and tenant railroads operating on PTC-governed main lines. Most railroads had reached the finish line some months ago. As of the end of third-quarter 2020 (Sept. 30), the railroad industry reached 99.6% of fully implementing PTC. At the end of 2019, PTC was in operation across 98.5% of the required Class I route miles.

#### **45. CN Completes U.S. Federal Requirement to Operate Positive Train Control Ahead Of Schedule**

CN announced on December 30, 2020 that it has successfully completed the federally required interoperability testing with tenant railroads so they can operate Positive Train Control (PTC) on CN's 35 subdivisions equipped with PTC in the United States. CN also announced that the Federal Railroad Administration (FRA) has approved and certified CN's PTC system. These important achievements underscore CN's continued progress in deploying technology. Rob Reilly, Executive Vice-President and Chief Operating Officer at CN said "Safety is a core value at CN and we are proud of what our CN railroaders have achieved, securing certification from the FRA of CN's PTC system and completing the interoperability testing by working with our tenant railroads. We look forward to using this investment in PTC as a platform for future technology initiatives to enhance the safety of our employees and the communities in which we operate."

#### **46. AAR Week 52: Another 'Win' for Intermodal**

For the week ending Dec. 26, total U.S. weekly rail traffic of 405,111 carloads and intermodal units rose 8.4% compared with the same period last year, the Association of American Railroads reported Dec. 30, 2020. That was based on the continuing trend of intermodal gains (up 20.8% to 220,082 units) compensating for carload losses (down 3.4% to 185,029) vs. the 2019 period. For the first 52 weeks of 2020, U.S. railroads reported cumulative volume of 11,279,815 carloads, a decline of 13% from the same point last year; and 13,455,711 intermodal units, down 2% from last year. Total combined U.S. traffic for the first 52 weeks of 2020 was 24,735,526 carloads and intermodal units, a decrease of 7.4% compared with last year. Canadian railroads reported 70,407 carloads for the week, down 0.8%, and 57,027 intermodal units, up 8.1% compared with the same week in 2019. For the first 52 weeks of 2020, they reported cumulative rail traffic volume of 7,505,256 carloads and intermodal containers and trailers, down 4.2%.

#### **47. 5 big freight rail themes in 2020**

To say that 2020 was a roller-coaster year might be an understatement. Effects of COVID-19 pandemic reverberated across freight rail. From COVID-19 to congestion, here are five themes that dominated the freight rail industry in 2020. 1) Coronavirus causes volume volatility; 2) E-commerce elevates to a new level; 3) Congestion around ports cause headaches; 4) Railroads consider deploying more longer trains; and 5) Surface Transportation Board gets active.

## HIGHWAY TRANSPORTATION

### 1. Alberta supporting truck driver training

Alberta has announced two programs to make driver training more affordable and less time consuming, thereby improving access to trucking jobs. The \$3-million Driving Back to Work grant program will cover up to 90 percent of the cost of the Mandatory Entry-Level Training (MELT) for 300 unemployed Albertans to earn a Class 1 commercial truck driver licence, the government said on November 26, 2020. One grant program will cover up to 90 percent of the cost of the Mandatory Entry-Level Training (MELT) for 300 unemployed Albertans

### 2. Free shipping? There is no such thing

The trucking industry is pushing back on the notion of “free shipping”, calling it a marketing ploy and an insult to those working in the sector. “Let’s face it, any reasonable person would understand that shipping can’t be free,” said Don Osterberg, who has held a number of high-profile roles in the industry before retiring as senior vice-president for safety and security at Schneider National. Experts say the cost of “free shipping” is invisible to consumers. “The trucks that motor carriers use are not provided to them free by the manufacturers, the drivers that they pay don’t work for free, and the fuel that they burn is not free. So, clearly, it is not possible for retailers to provide ‘free shipping,’” Osterberg told *Today’s Trucking* in an interview from Eagle River, Wis.

### 3. Urban public transit, September 2020

September is typically marked by a strong increase in urban transit traffic and revenues with the start of the school year and end of summer vacations. After transit fell drastically in March and April 2020 in response to COVID-19, the number of passenger trips has climbed steadily each month since to reach 67.0 million in September 2020. Despite this steady improvement, ridership remained 59.1% lower than the same month in 2019. One explanation for lower ridership is the large number of post-secondary students completing their studies online. Several transit agencies have reduced their service offerings to adapt to this situation. And with lower overall ridership, transit agencies continue to experience financial challenges. In September 2020, total operating revenues (excluding subsidies) reported by these agencies were \$145.5 million, down 60.6% from the same month last year.

### 4. Couriers and Messengers Services Price Index, October 2020

The Couriers and Messengers Services Price Index (2003=100) is now available for October 2020. The Couriers and Messengers Services Price Index was 208.7 for October 2020 down from 209.4 in September 2020. The couriers component was 225.3 down from 226.2 and the Messenger component was 148.5 down from 148.6.

### 5. Trucking HR to fleets: Prepare for Bill C-65

Trucking HR Canada is calling on employers to prepare for the new *Workplace Harassment and Violence Prevention Regulations*, which come into force on New Year’s Day. Bill C-65 replaces a patchwork of policies with a clear set of rules.

### 6. New Union Station Bus Terminal to Officially Open

The Ontario government is enhancing passenger safety and customer experience with the official opening of the new Union Station GO Bus Terminal. Beginning tomorrow transit riders will have full access to the new two-level, indoor terminal located on the north-east corner of Bay Street and Lake Shore Boulevard. It will provide riders travelling in and out of the Greater Toronto Area with more direct connections to GO trains, the TTC, VIA Rail and UP Express. “Our government is building accessible,

## HIGHWAY TRANSPORTATION Canada

1. Alberta supporting truck driver training, November 28, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
2. Free shipping? There is no such thing, November 30, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
3. Urban public transit, September 2020, December 1, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Couriers and Messengers Services Price Index, October 2020, December 1, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. Trucking HR to fleets: Prepare for Bill C-65, November 30, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
6. New Union Station Bus Terminal to Officially Open, December 4, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
7. Uber to sell self-driving unit to Aurora, December 7, 2020, [www.cargonews.com](http://www.cargonews.com)
8. Record demand for package delivery expected to continue into 2021, December 8, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
9. Truck arrivals continue to fall, December 8, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
10. October 2020 Freight Transportation Services Index (TSI) Rose Slightly, December 8, 2020, [www.bts.gov](http://www.bts.gov)
11. New multimodal hub going up in Ontario’s Niagara region, December 9, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)
12. Leading indicator of cross-border traveller volume, November 2020, December 10, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
13. Province Releases Comprehensive Transportation Plan for Northern Ontario, December 10, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
14. European Commission calls for conversion to zero-emission vehicles by 2050, December 11, 2020, [www.freightwaves.com](http://www.freightwaves.com)
15. Ontario Seeks Public Feedback to Improve the Towing Industry, December 11, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
16. Truck crashes remain a cause of concern, December 11, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
17. Ontario maps out commitments for northern highways, Dec 14, 2020, [www.freightwaves.com](http://www.freightwaves.com)
18. Increased freight, tight capacity to provide trucking tailwinds in 2021, December 14, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
19. Government of Ontario Seeking Feedback to Improve the Towing Industry, December 15, 2020, [www.ontruck.ca](http://www.ontruck.ca)
20. Schneider brings Bulk Express Intermodal services to Canada, December 15, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
21. 2021 trucking outlook comes into focus, December 17, 2020, [www.freightwaves.com](http://www.freightwaves.com)
22. Delivery demand pushes FedEx 2Q profit to US\$1.2 billion, December 18, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
23. Canadian spot market sets record for monthly load increases, December 18, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
24. 2020 has been wild ride for automaker Tesla, December 20, 2020, [www.americanshipper.com](http://www.americanshipper.com)
25. Ontario caps food delivery fees, December 22, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
26. Urban public transit, October 2020, December 22, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

modern transit infrastructure, and making public transit a safe and attractive option," said Caroline Mulroney, Minister of Transportation. "The opening of the new Union Station Bus Terminal demonstrates our government's promise to bring a better travel experience to the everyday lives of Ontarians."

#### **7. Uber to sell self-driving unit to Aurora**

Uber is selling its costly self-driving unit, the Advanced Technologies Group (ATG), to autonomous vehicle start-up Aurora, and also investing 400 million U.S. dollars into it, the companies said on December 7, 2020. Aurora will take the people and technology of Uber's ATG, which will make Aurora the company "best positioned to deliver the self-driving products," said Chris Urmson, the start-up's co-founder and CEO, in a statement released on its website.

#### **8. Record demand for package delivery expected to continue into 2021**

Courier services are grappling with a record-setting number of packages as the second wave of virus cases force more people to do their holiday shopping online. But unlike in every other year, when the surge subsided in the weeks after Christmas, this year's increase in package volume is showing no signs of slowing down. "We're thinking this is going to be a uniquely steady pace even into the new year," said John Ferguson, the CEO of Purolator, in an interview.

#### **9. Truck arrivals continue to fall**

The number of truck drivers entering the country fell to 118,483 during the week of Nov. 30-Dec. 6 from 121,358 in the comparable week last year, the Canada Border Services Agency said December 8, 2020. Truck arrivals have been inconsistent since Covid-19 struck in March 2020. Arrivals fell 1.2% during Nov. 23-29 following a gain of 1.8% the previous week.

#### **10. October 2020 Freight Transportation Services Index (TSI) Rose Slightly**

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.1% in October 2020 from September 2020, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From October 2019 to October 2020 the index fell 4.5% compared to a decline of 0.6% from October 2018 to October 2019 and a rise of 6.8% from October 2017 to October 2018.

#### **11. New multimodal hub going up in Ontario's Niagara region**

The Hamilton Oshawa Port Authority (HOPA) and developer Bioveld Canada Inc. are cooperating to create a multimodal hub in Thorold, Ontario. The site is adjacent to the Welland Canal, which connects Lake Ontario to Lake Erie. The Thorold Multimodal Hub has more than 500,000 square feet of warehouse space and a 200-acre outdoor storage and material handling space. Available spaces include a central warehouse, several other warehousing sites, truck dock and bays, train shed and manufacturing shops, as well as a wood shop, auto shop and offices. Some spaces are turnkey while others can be customized.

#### **12. Leading indicator of cross-border traveller volume, November 2020**

The number of American residents and returning Canadians crossing the border from the United States by automobile remained low in November 2020 as restrictions on non-essential travel continued throughout the month. In November 2020, 53,300 US travellers entered Canada by automobile through land ports with electronic sensors, down 93.7% compared with November 2019. Similarly, the number of Canadians returning from the United States by automobile through these ports dropped 92.5% year over year to 136,900 in November 2020.

#### **13. Province Releases Comprehensive Transportation Plan for Northern Ontario**

The Ontario government released its draft transportation plan for Northern Ontario, delivering on its commitment to build a better transportation network for the Region. The plan outlines more than 60 actions to expand highways and transit services, create Northern economic opportunities, keep people safe and provide reliable travel options for remote and First Nation communities.

#### **14. European Commission calls for conversion to zero-emission vehicles by 2050**

The European Commission is aiming to convert nearly all cars, buses and heavy-duty vehicles to zero emissions by 2050. That is one of the key takeaways from the EU Commission's Sustainable and Smart Mobility Strategy for European transport released on December 9, 2020. It includes new emission reduction strategies, freight shifting goals and digitization techniques. "The challenge we face is to try and make sure that the needs of Europeans are met and at the same time the carbon footprint of transport is decreased," said Frans Timmermans, executive vice president of the EU Commission's European Green Deal.

27. Ontario Cancelling Passenger Road Tests Across Ontario, December 22, 2020, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

28. Economic Watch: ATA tonnage index ventures into positive territory, December 22, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

29. The Couriers and Messengers Services Price Index, November 2020, December 23, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

30. For-hire Motor Carrier Freight Services Price Index, third quarter 2020, December 23, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)

31. Rates inch higher in October, cross-border LTL gains highest, December 23, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

32. CBSA: Truck arrivals rose 2% last week, December 24, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

33. Giant Tiger expands its trailers, December 30, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)

34. 5 reasons why 2021 will be better, December 31, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)

### **15. Ontario Seeks Public Feedback to Improve the Towing Industry**

Ontario has released a survey to gather feedback from the public on their experiences with the towing industry. The survey will remain open for five weeks until January 15, 2021. Input from the survey will be used to help inform the development of a provincial oversight model that will increase safety, outline protections for consumers, improve towing industry standards and consider tougher penalties for violators.

### **16. Truck crashes remain a cause of concern**

Ontario has made excellent progress on road safety over the past decade, but the top five problem areas, large truck crashes among them, remain a major concern, an official said on December 10, 2020. Michael McGrath, safety research adviser at the Ontario Ministry of Transportation, told the Fleet Safety Council's (FSC) provincial meeting that pedestrians, large trucks, impaired driving, unbelted occupants and speed contribute to a significant percentage of fatalities.

### **17. Ontario maps out commitments for northern highways**

Ontario has released a broad transportation plan for northern reaches of the province, highlighting a series of commitments to widen highways, expand truck parking, and more. The draft transportation plan, which follows a similar plan developed for southwestern Ontario, highlights earlier commitments to improve travel around remote communities and support economic growth. It has plans to widen highways, expand truck parking, with commitment of \$625 million in 2020/21.

### **18. Increased freight, tight capacity to provide trucking tailwinds in 2021**

Freight growth exceeded expectations in the 2020 third quarter, and the picture for 2021 is improving, according to industry forecasters from FTR. Providing a 2021 market outlook last week, FTR experts painted a positive picture for trucking. But Avery Vise, FTR's vice-president, trucking, reminded the industry that what looks like a fully recovered freight market is skewed by surging spot market volumes and rates, which only account for a third of the total market. Total truck loadings are down about 4% this year, but expected to bounce 5% next year. Flatbed is the segment that will see the strongest bounce, but also took the biggest hit in 2020. Dry van, reefer, and specialized trucking are all expected to increase loadings by about 6% next year, while tanker lags at 3%.

### **19. Government of Ontario Seeking Feedback to Improve the Towing Industry**

The government of Ontario released a survey to collect feedback from the public on its experiences with the towing industry. The survey – which is being led by the Ministry of Transportation and the Ministry of the Solicitor General – will remain open until January 15, 2021. OTA members are encouraged to provide their input. This survey is part of the provincial towing task force's work to help develop a regulatory model for the towing industry. The task force made up of six provincial ministries and law enforcement has consulted more than 70 stakeholders in the towing, consumer, automobile insurance, municipal and law enforcement sectors. Survey results will be used to help inform the development of a provincial oversight model that will increase safety, outline protections for consumers, improve towing industry standards and consider tougher penalties for violators.

### **20. Schneider brings Bulk Express Intermodal services to Canada**

Schneider has expanded its Bulk Express Intermodal services to Canada. This month (December 2020) it began offering shippers inbound and outbound Canadian services, with bulk loads shipped by rail and handled by local and regional drivers for the final dray. The company says its containers can haul up to 45,600 lbs of specialty chemical and liquid payloads. CN will manage the rail component, and Canadian drivers will manage the last leg of delivery in Canada.

### **21. 2021 trucking outlook comes into focus**

Several analysts have published transportation outlook reports for 2021 that are calling for continued strength in the trucking markets. Some are expecting the favorable truckload fundamentals that were in place in the back half of 2020 to continue unchanged through 2021. However, others believe the TL trade has grown long in the tooth and are pivoting to a more meaningful industrial recovery, which supports an improving freight environment for less-than-truckload carriers and the railroads.

### **22. Delivery demand pushes FedEx 2Q profit to US\$1.2 billion**

FedEx Corp. more than doubled its profit in the latest quarter (i.e. 2Q 2020), as holiday packages were being stuffed into delivery trucks alongside everyday goods that people buy online to avoid visiting stores during the pandemic. The delivery giant said on December 17, 2020 that it earned US\$1.23 billion in its fiscal 2020 second quarter, compared with \$560 million a year earlier. Revenue rose 19%.

### **23. Canadian spot market sets record for monthly load increases**

Canada's spot market freight volumes continued to climb in November 2020 led by Western Canada and inbound cross-border freight activity, *Loadlink Technologies* reports. November 2020 marked the seventh straight month of improved average daily and overall monthly load volumes, which is the longest streak Loadlink has recorded since tracking the data.

#### **24. 2020 has been wild ride for automaker Tesla**

Tesla Inc. received an invitation to join the prestigious S&P 500 index in November 2020. It was the latest milestone for the electric vehicle maker and CEO/founder Elon Musk, capping a year during which Tesla's growth and development reached new heights. For its innovative technology and unique business model, Tesla was recently awarded fourth place in the *FreightWaves* FreightTech 25 awards for the most innovative and disruptive companies. In July 2020, Tesla topped Toyota as the world's most valuable transportation company, buoyed by preorders for its new Cybertruck electric vehicle. Tesla's market capitalization reached \$208.3 billion on July 1, 2020, surpassing Toyota's \$194.5 billion.

#### **25. Ontario caps food delivery fees**

The *Supporting Local Restaurants Act, 2020* came into effect on December 19, 2020. Food delivery companies will be required to limit the rates they charge to 20 per cent for each transaction – with no more than 15 per cent for commission for food delivery services. The cap applies in areas where indoor dining is prohibited, to help restaurants stay in business. If indoor dining is prohibited in new regions, the cap will also apply in those locations.

#### **26. Urban public transit, October 2020**

Transit ridership fell drastically in March and April 2020 in response to the first wave of COVID-19. Although the number of passenger trips has climbed steadily each month since, ridership dipped slightly in October 2020 to 59.6 million from the 68.1 million recorded in September 2020, likely in response to a second wave. On a year-over-year basis, ridership was 64.8% lower than the same month in 2019. While several transit agencies have reduced their service offerings to adapt to lower ridership during the pandemic, all operators continue to experience financial challenges. In October 2020, for example, total operating revenues (excluding subsidies) reported by these agencies were \$133.3 million, down 63.5% from the same month last year.

#### **27. Ontario Cancelling Passenger Road Tests Across Ontario**

As a result of the Provincewide Shutdown, on December 26, 2020, the Ontario government will cancel all in-vehicle passenger tests across Northern Ontario until January 9, 2021 and for all 27 public health unit regions in Southern Ontario until January 23, 2021. This action is being taken to stop the spread of COVID-19.

#### **28. Economic Watch: ATA tonnage index ventures into positive territory**

More good news has emerged from analysts, with the American Trucking Association's For-Hire Truck Tonnage venturing into positive territory. The measure – which is dominated by contract freight rather than spot market shipments — increased 3.7% in November 2020 after falling 5% in October 2020.

#### **29. The Couriers and Messengers Services Price Index, November 2020.**

The Couriers and Messengers Services Price Index (2003=100) is now available for November 2020 on Statistics Canada website. The Index was 208.6 for November 2020 compared to 208.7 in October 2020. The couriers component of the index was unchanged at 225.3 and the messenger services component declined .2 to 148.3

#### **30. For-hire Motor Carrier Freight Services Price Index, third quarter 2020**

The For-hire Motor Carrier Freight Services Price Index (2013=100) is now available for the third quarter. The truck index was 109.0 for the 2020 third quarter, down 0.6 compared to the 2020 second quarter. The general freight index was 113.7 for the 2020 third quarter, down .3 compared to the 2020 second quarter.

#### **31. Rates inch higher in October, cross-border LTL gains highest**

Canadian shippers were paying marginally more to move their freight in October 2020, while cross-border LTL services have secured some of the biggest year-over-year increases. The monthly numbers published by the Canadian General Freight Index (CGFI) show that the total cost of ground transportation was up 0.74% when compared to September 2020 results.

#### **32. CBSA: Truck arrivals rose 2% last week**

There was a 2% rise in the number of truck drivers entering Canada during the week of Dec. 14-20, the Canada Border Services Agency said on December 24, 2020. It said 117,157 truckers arrived during that week, up from 114,831 in the comparable period last year.

#### **33. Giant Tiger expands its trailers**

Longer boxes growing in popularity. Giant Tiger's new 53-foot containers boast 60 percent more capacity than 40-footers. Giant Tiger is looking to boost productivity by expanding the physical size of equipment in its network. The fleet already incorporates long combination vehicles (LCVs), but is now making further investments into 53-foot intermodal containers that boast 60 percent more capacity than traditional 40-footers with standard heights. "We cube out way before we weigh out," explains James Johnstone, associate vice-president – transportation, referring to cargo that includes things like fashion items, towels, pillows and stuffed animals. Fifty such units are already in service, but others are scheduled to set sail from China on Dec. 27, 2020. The 53-foot containers are handled through a transload facility in Vancouver. From there a team cycles them to Montreal. Goods destined for Brampton, Ontario may even move by LCV.

### 34. 5 reasons why 2021 will be better

Congratulations. You've made it through one of the most unpredictable, volatile, chaotic years in the history of trucking. Or as some economists like to refer to it, a "dynamic" year. As 2020 came to a close Covid-19 cases were still surging, and regional lockdowns were being implemented in various regions of the U.S. and Canada. But, the delivery of vaccines was underway, being first administered to those most at risk of infection. As the vaccine is rolled out, we can all eagerly look forward to a return to some semblance of normalcy. But what will normal look like in trucking? All signs point to a much better year than the one we just endured. Here are five reasons to believe 2021 will be a better year for the trucking industry than 2020: 1) It's not 2020; 2) Rates are expected to rise; 3) Fleets are racing to secure build slots; 4) Driver shortage will keep lid on capacity; and 5) Inventory shortages persist

## GENERAL TRANSPORTATION

### Canada

#### 1. U.S. Department of Transportation is Preparing the Way for Swift COVID-19 Vaccine Transport

The U.S. Department of Transportation (Department) on December 1, 2020 announced that all of its necessary regulatory measures have been taken for the safe, rapid transportation of the coronavirus disease 2019 (COVID-19) vaccine by land and air. With the unprecedented pace of vaccine development through Operation Warp Speed, the Department has made preparations to enable the immediate mass shipment of the COVID-19 vaccine. "The Department has laid the groundwork for the safe transportation of the COVID-19 vaccine and is proud to support this historic endeavor," said U.S. Transportation Secretary Elaine L. Chao.

#### 2. Military will be ready for vaccine distribution, general says

The Canadian Armed Forces received formal orders last week to start planning for the distribution of COVID-19 vaccines, though the military's top commander says preparations have been underway for longer – and that his force will be ready. The order is contained in a planning directive issued last week by chief of the defence staff Gen. Jonathan Vance. It lays out in detail for the first time how the military expects to help with vaccine distribution.

#### 3. National vaccine distribution practice to take place

Federal and provincial governments will stage a dress rehearsal Monday [December 7, 2020] to test the complex plan to get precious COVID-19 vaccines distributed to every corner of Canada. Maj.-General Dany Fortin, who was named last week to lead the Canadian military's role in the vaccine distribution process, says the dry run is intended to get everyone involved comfortable with the intense requirements of distributing a vaccine that has to be kept below -70 C at all times.

#### 4. Canada's Airports See Air Sector Package as a First Step

Canada's airports are ready to work with the federal government to implement the air sector relief measures announced in the November 30th Fall Economic Statement. It's a positive first step, according to the Canadian Airports Council (CAC). "While it is good to see the air sector get direct attention in the Fall Economic Statement, what was announced on Monday appears to fall short of what Canada's airports and our industry partners need to endure COVID-19," said CAC president, Daniel-Robert Gooch. "While we are still seeking additional detail on what was announced, we do know more will be required to ensure airports are able to endure the difficult period ahead."

#### 5. US expected to make dairy-trade complaint against Canada

U.S. Trade Representative Robert Lighthizer is expected to unveil an enforcement action against Canada over its rules for U.S. dairy imports, according to a government official. The official, who asked not to be named because they aren't authorized to speak publicly on the matter, said the U.S. had informed Canada of its decision to file the enforcement action. Canada maintains that it is fully within its rights to apply tariff-rate quotas, or TRQs, which follow the rules laid out in the trade deal between the U.S., Canada and Mexico that went into effect in July 2020.

## GENERAL TRANSPORTATION

### Canada

1. U.S. Department of Transportation is Preparing the Way for Swift COVID-19 Vaccine Transport, December 1, 2020, [www.dot.gov](http://www.dot.gov)
2. Military will be ready for vaccine distribution, general says, Dec. 2, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
3. National vaccine distribution practice to take place Monday, December 4, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
4. Canada's Airports See Air Sector Package as a First Step, December 3, 2020, [www.cacairports.ca](http://www.cacairports.ca)
5. US expected to make dairy-trade complaint against Canada, October 8, 2020, [www.ajot.com](http://www.ajot.com)
6. Canada lays out \$1.5-billion strategy to develop hydrogen economy, December 16, 2020, [www.todaystrucking.com](http://www.todaystrucking.com)
7. Canada and U.K. sign deal to avert tariffs after Brexit, December 23, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)
8. Travel between Canada and other countries, October 2020, December 22, 2020, [www.statcan.gc.ca](http://www.statcan.gc.ca)
9. Transportation Statistics Annual Report 2020, December 23, 2020, [www.dot.gov](http://www.dot.gov)
10. Trump Signs \$2.3T Omnibus Spending Bill (UPDATED), December 23, 2020, [www.railwavage.com](http://www.railwavage.com)
11. UK clinches historic post-Brexit trade agreement with EU, December 24, 2020, [www.ajot.com](http://www.ajot.com)
12. The key terms of the Brexit deal analyzed, December 28, 2020, [www.ajot.com](http://www.ajot.com)
13. Industrial rents hit double digits, December 28, 2020, [www.insidelogistics.ca](http://www.insidelogistics.ca)
14. What transportation can expect from Biden's first 100 days, December 29, 2020, [www.freightwaves.com](http://www.freightwaves.com)
15. Major brands lack e-commerce skills, December 29, 2020, [www.insidelogistics.com](http://www.insidelogistics.com)

## **6. Canada lays out \$1.5-billion strategy to develop hydrogen economy**

The federal government has released an in-depth hydrogen strategy it says will position Canada as a global leader in the emerging clean fuel industry. The feds will put \$1.5 billion into developing the industry, through a Low-Carbon and Zero-Emission Fuels Fund. It indicates the strategy could help create up to 350,000 new jobs in Canada by 2050, while reducing GHG emissions by up to 45 million metric tonnes per year by 2030.

## **7. Travel between Canada and other countries, October 2020**

Restrictions on non-essential travel into Canada remained throughout October 2020, as well as the mandatory 14-day quarantine period for Canadians returning from abroad. As a result, arrivals to Canada both from the United States and from overseas countries were down 94.2% compared with October 2019. In October 2020, the number of Canadian residents returning from either the United States (-92.3%) or overseas countries (-90.9%) was down sharply year over year.

## **8. Canada and U.K. sign deal to avert tariffs after Brexit**

Canada and the United Kingdom have inked a temporary agreement that will head off an automatic increase in tariffs that was set to kick when Britain leaves the European Union next week. Deputy Prime Minister Chrystia Freeland announced the last-minute deal on December 22, 2020, ensuring that Canadian goods such as maple syrup, lobster, beef and car parts aren't slapped with British tariffs on Jan. 1, 2021.

## **9. Transportation Statistics Annual Report 2020**

The 26th edition of the Transportation Statistics Annual Report (TSAR), a congressionally-mandated report, is now available from the Bureau of Transportation Statistics (BTS). TSAR 2020 presents key transportation indicators along with an overview of the transportation system. It also includes data and statistics on passenger travel, freight movement, transportation and the economy, system reliability, safety, and energy use and environmental impacts of transportation.

## **10. Trump Signs \$2.3T Omnibus Spending Bill (UPDATED)**

Congress passed the \$2.3 trillion "Consolidated Appropriations Act of 2021" (H.R. 133), an omnibus spending bill that includes a \$900 billion COVID-19 emergency relief package as well as government appropriations for fiscal year 2021, tax extenders and other provisions. While many in the rail industry expressed appreciation—stressing that additional transit aid, for instance, will be needed—outgoing President Donald Trump did not. He refused to approve the bill—calling for higher direct relief checks to Americans and other changes—but he finally signed it into law late Dec. 27, 2020 averting a government shutdown Dec. 29, 2020.

## **11. UK clinches historic post-Brexit trade agreement with EU**

The U.K. clinched a historic trade deal with the European Union, averting the threat of an acrimonious breakup and laying the foundations for a new relationship with its biggest and nearest commercial partner. Negotiators finalized the accord, which will complete Britain's separation from the bloc, on Christmas Eve, days before the country is due to leave the bloc's single market and customs union. The accord struck has "resolved a question that has bedeviled our politics for decades," Prime Minister Boris Johnson told a press conference, adding that he expects a vote in parliament on Dec. 30, 2020. "We were told we couldn't have our cake and eat it," the premier said when asked about the compromises that had to be made. "I'm not going to claim that this is a 'cakeist' treaty, but it is I believe what the country needs at this time." "It was a long and winding road—but we have got a deal to show for it," European Commission President Ursula von der Leyen said. "It is fair, it is a balanced deal and it is the right and responsible thing to do for both sides."

## **12. The key terms of the Brexit deal analyzed**

U.K. Prime Minister Boris Johnson's post-Brexit trade deal is unique in that it will leave businesses facing more barriers to trade than they did while Britain was a member of the European Union. But that's the price of reclaiming sovereignty. While he can claim to have taken back control of Britain's domestic fishing waters and ended the role of the European Court of Justice, businesses and consumers will face a slew of additional barriers to trade after Dec. 31, 2020. The main points of the agreement in Trade in Goods are the agreement ensures that most goods traded between the EU and U.K. won't face new tariffs or quotas. However, British exporters will face an array of regulatory hurdles that will make it more costly and burdensome to do business in Europe. 1) Rules of origin: U.K. firms will have to certify the origin of their exports to qualify for tariff-free access to the EU. There will be limits on what proportion of goods can be assembled from parts made overseas to qualify for tariff-free access. 2) Cumulation: EU parts will count as local content. 3) Cars will face special restrictions. Gasoline or diesel vehicles will need to be made with at least 55% local content to escape tariffs. 4) Electric transition: electric and hybrid vehicles will be allowed to contain 60% overseas content—but that will fall to 55% by 2026. Batteries will be allowed to contain 70% international content, but that will drop over the same period of time to 50%. 4) Testing and certification: The absence of a mutual recognition agreement means U.K. regulatory bodies won't be able to certify products for sale in the EU, a potentially big barrier to trade. A summary for the other sectors can be found in this article.



### **13. Industrial rents hit double digits**

Demand for warehouse space is pushing vacancy rates down and average rents to \$10 per square foot across the country. Recently published research by industrial real estate specialist JLL Canada indicates that for Q3 2020 the average vacancy rate was holding at 2.8 percent. Some markets, such as Edmonton, which is suffering recessionary conditions thanks to both the pandemic and depressed oil and gas prices, saw vacancy rates climb a little. But others saw vacancies decline on the back of the pandemic-propelled surge in e-commerce. Montreal, for example, hit a low of 1.8 percent.

### **14. What transportation can expect from Biden's first 100 days**

Even before Pete Buttigieg was nominated by President-elect Joe Biden on Dec. 15, 2020 to be the next secretary of transportation in the US, it was made clear during the presidential campaign that climate change and civil rights would be a major focus of the next administration. During his nomination speech, Buttigieg made a point to emphasize the administration's stance on these issues when it comes to transportation policy. "This administration can deliver policies and resources in transportation that will create jobs, rise to the climate challenge and equitably serve all Americans — all while continuing to ensure the safety of travelers and workers alike," Buttigieg said. "We'll bring together leaders and communities from every corner — labor and business, left, right and center, urban and rural, communities of color, tribal nations, mayors, counties, states, and everyone who has a stake in American infrastructure — to design a better future."

### **15. Major brands lack e-commerce skills**

While there are key logistics capabilities required to build and maintain successful e-commerce operations, few brands excel at any of them. This is the key finding of a new study by Geodis and Accenture Interactive. The study confirms that the pandemic greatly accelerated online commerce growth. Brands estimate that e-commerce in 2020 will represent nearly half of their sales (compared to a third before Covid-19). Logistics underpinnings for successful operations need bolstering the study says.