

Transportation Information Update*

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AIR TRANSPORTATION

1. WestJet celebrates 25 years of low fares, vigorous competition and great service

WestJet on March 1, 2021 marks 25 years of low fares, vigorous competition and great service in Canada. WestJet states "A quarter century ago, WestJet provided Canadians with a choice in airlines; since that time, we have invested across the country to bring more options and competitive fares to millions of Canadians who couldn't afford the price of air travel prior," said Ed Sims, WestJet President and CEO. "We are thankful to the thousands of WestJetters who have dedicated themselves to building our airline and to the more than 300 million guests who have chosen to fly with us. A lot has changed, but care remains at the heart of what we do."

2. Air Canada Revises the Terms of its Capacity Purchase Agreement with Chorus Aviation for Regional Flying

Air Canada on March 1, 2021 announced an agreement to amend the Capacity Purchase Agreement (CPA) with Jazz Aviation LP, a wholly-owned subsidiary of Chorus Aviation Inc., under which Jazz currently operates certain regional Air Canada Express flights. Through the revised agreement, Air Canada will transfer operation of its Embraer E175 fleet to Jazz from Sky Regional and Jazz will become the sole operator of Air Canada Express services. The revisions to the CPA are subject to Jazz reaching an agreement with the Air Line Pilots Association, International. If this condition is satisfied, the CPA will be amended on a retroactive basis to January 1, 2021.

3. Porter Airlines' tentative return to flying shifts to May 19

The target date for Porter Airlines to resume flights is being pushed back to May 19, 2021. "The implementation of more restrictive travel rules by governments since our last update makes an early spring restart unviable," said Michael Deluce, president and CEO of Porter Airlines. "While there are signs of progress in containing the pandemic, it is necessary to reset our sights based on changing conditions. We remain optimistic that things are moving in the right direction, but it is possible that this tentative date may also need to be modified if vaccinations don't accelerate to enable the easing of travel restrictions." Porter previously set March 29, 2021 as its tentative restart date. Updates will be provided in the coming weeks about the status of flights. Operations were temporarily suspended on Mar. 21, 2020, due to COVID-19.

4. Passenger traffic deteriorates as domestic markets weaken

IATA released its traffic data for January 2021 on passenger traffic on March 2, 2021. The highlights were as follows: 1) Passenger traffic fell in January 2021. Industry-wide revenue passenger-kilometres (RPKs) were down by 6.6% compared to December 2020 and by 72.0% compared to pre-crisis (January 2019) levels. 2) In contrast to the trend observed since last year's low point in April 2020, this deterioration in traffic was primarily driven by domestic markets (down 47.4% versus January 2019), particularly in Asia. 3) January's 2021 renewed weakness in air travel was caused by new variants of

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2. Air Canada Revises the Terms of its Capacity Purchase Agreement with Chorus Aviation for Regional Flying, March 1, 2021, www.aircanada.ca
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9. Air Canada Recognized as One of Canada's Best Diversity Employers for the Sixth Consecutive Year, March 4, 2021, www.aircanada.ca
10. Canada's Airports Reinforce Call for Government Action as Expected Losses Grow with New Travel Restrictions, March 4, 2021, www.cacairports.ca
11. Progress at Canadian Ports, March 3, 2021, www.railwavage.com
12. ATAC Response to CTA Consultation Paper on New Airline Refund Requirements, March 4, 2021, www.atac.ca
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16. Mid-January Airline Industry Employment Up 19,311 Employees from Mid-December, March 9, 2021, www.bts.gov
17. Cargo Chartbook Q1 2021, March 10, 2021, www.iata.org
18. Weekly aircraft movements, February 20 to

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

the virus leading to a surge of new COVID cases and governments increasing travel restrictions.

5. Air cargo volumes reach pre-pandemic levels

IATA released its traffic data for January 2021 on freight traffic on March 2, 2021. The highlights were as follows: 1) Air cargo volumes rose sharply for another month and reached levels last seen before the pandemic started. Industry-wide cargo tonne-kilometres (CTKs) were higher by 1.1% vs. the pre-crisis levels (Jan 2019). In month-on-month terms, volumes picked up by ~3% – a similar growth rate as in the previous month. 2) Drivers of air cargo demand related to manufacturing and economic activity remained generally supportive. However, emerging markets reported weaker export demand amidst COVID-19 outbreaks. 3) The recovery in air cargo capacity was adversely impacted by new capacity cuts on the passenger side of the business. Industry-wide available cargo tonne-kilometres fell by 5% month-on-month – the first monthly decline since the recovery started in May.

6. Weekly aircraft movements, February 13 to 19, 2021

Data on weekly aircraft itinerant movements are now available for February 13 to 19, 2021. For the week ending February 13, 2021 domestic movements were 24,197 compared to 23,702 on February 6, 2021.

7. U.S. Airlines January 2021 Fuel Use Down 8% from December 2020

The Department of Transportation's Bureau of Transportation Statistics (BTS) on March 3, 2021 released U.S. airlines' January Fuel Cost and Consumption numbers. U.S. airlines' January 2021 fuel consumption was 8.1% lower than December 2020, and almost double consumption in April 2020. April was the lowest monthly fuel usage on record (447M gallons), dating back to 2000. January 2021 fuel consumption was down 42% from January 2020.

8. U.S airlines remain in 'dire straits,' need new government assistance: industry group

The head of a group representing major U.S. passenger airlines and a senior union official made the case to lawmakers on March 3, 2021 for a third round of federal government assistance, according to testimony seen by *Reuters*. Since March 2020, Congress has awarded passenger and cargo airlines, airports and contractors nearly \$90 billion in government assistance and low-cost loans, including two prior rounds of payroll assistance for U.S. passenger airlines totaling \$40 billion. The \$1.9 trillion COVID-19 relief package approved by the U.S. House last week includes another \$14 billion for passenger airlines to keep workers on payrolls for an additional six months. It awaits action by the U.S. Senate. "We are still struggling and in dire straits," Nick Calio, who heads Airlines for America, a trade group representing American Airlines, Delta Air Lines, United Airlines and others, said in testimony before the House Transportation and Infrastructure's aviation subcommittee. "We were hoping it would be better by now."

9. Air Canada Recognized as One of Canada's Best Diversity Employers for the Sixth Consecutive Year

Air Canada has been named one of Canada's Best Diversity Employers for the sixth consecutive year by Mediacorp Canada Inc. The airline was selected again this year for its ongoing commitment to inclusiveness through various initiatives and programs that promote equal opportunities for all people and a work environment where all employees feel respected and recognized.

10. Canada's Airports Reinforce Call for Government Action as Expected Losses Grow with New Travel Restrictions

Canada's airports are calling on federal and provincial governments to work with airports and other industry stakeholders as a matter of urgency if our country is to emerge from the pandemic with a functioning air sector that supports Canadian travel, tourism and trade. The air sector needs a plan that

26, 2021, March 10, 2021, www.statcan.gc.ca
19. Full Year 2020 and December 2020 U.S. Airline Traffic Data, March 11, 2021, www.bts.gov
20. Skies brighten for US airlines after Congress approves aid, March 11, 2021, www.iata.org
21. U.S. Airlines January 2021 Passengers Decreased 63% from January 2020 (Preliminary), March 12, 2021, www.bts.gov
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23. Annual civil aviation statistics, 2019, March 16, 2021, www.statcan.gc.ca
24. Edmonton International Airport will receive an \$18-million grant under the National Trades Corridor Fund to support a \$36-million expansion of cargo operations, March 17, 2021, www.insidelogistics.ca
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26. Mid-January 2021 U.S. Passenger Airline Employment Up Nearly 19,000 FTEs from Mid-December, March 17, 2021, www.bts.gov
27. Government of Canada announces agreement with Government of Saskatchewan to support essential air access to remote communities, March 17, 2021, www.tc.gc.ca
28. Rewards Canada names TD Aeroplan Visa Infinite Card Best Airline Credit Card, March 18, 2021, www.aircanada.ca
29. U.S. Airlines Carried 13% More Cargo in January 2021 than January 2020, March 18, 2021, www.bts.gov
30. Passengers on All 2020 U.S.-Based Flights Down 62% from 2019, March 18, 2021, www.bts.gov
31. FedEx to expand international air offerings next quarter, March 18, www.freightwaves.com
32. WestJet Cabin Crew Members, represented by CUPE Local 4070, ratify five-year collective agreement, March 20, 2021, www.westjet.ca
33. U.S. Department of Transportation Launches "Mask Up" Campaign, March 19, 2021, www.dot.gov
34. FedEx quarterly profit nearly triples on online shopping boom, March 19, 2021, www.insidelogistics.ca
35. Airports Council Marks One Year Anniversary of U.S. – Canada Border Closure to Non-Essential Travel Reopening International Borders Starts with Healthy Airports, March 22, 2021, www.cacairports.ca
36. WestJet to restore regional routes suspended due to COVID-19, March 24, 2021, www.westjet.ca
37. WestJet and the Government of British Columbia partner to assist with vaccine clinics in Greater Vancouver, March 24, 2021, www.westjet.ca
38. Weekly aircraft movements, March 6 to 12, 2021, March 24, 2021, www.statcan.gc.ca
39. United States and United Kingdom Open Skies Agreement Enters into Force, March 26, 2021, www.dot.gov
40. Air Travel Consumer Report: January 2021 Numbers, March 26, 2021, www.bts.gov

will reverse domestic and international travel restrictions when the time is right, and ensure Canada has a strong, competitive air sector on the other side of this crisis. With the increase in air travel restrictions, and new quarantine and testing requirements imposed during the last quarter of 2020 and early 2021, the Canadian Airport Council's December 2020 outlook projects that revenue losses for Canada's airports have deepened to \$5.5 billion for 2020 and 2021 – a \$1 billion deterioration since the last analysis was released in August 2020. Given that no more than 20 percent of the measures outlined in the federal Fall Economic Statement will come in the form of direct grants to address operational losses, Canada's airports expect to take on about \$2.8 billion in additional debt in 2020 and 2021.

11. Progress at Canadian Ports

Canadian Minister of Environment and Climate Change Jonathan Wilkinson gave the go-ahead to the proposed port expansion in a March 1, 2021 Environmental Assessment Decision Statement issued to MPA. It follows a five-year environmental analysis by the Impact Assessment Agency of Canada. MPA welcomed the decision. But before taking the next step of obtaining permits, it must agree to comply with 330 legally binding conditions that the decision sets out. They include measures to protect human health, fish and fish habitat, migratory birds, wetlands, First Nations use of land and resources, natural and cultural heritage, and species at risk. The Vancouver Fraser Port Authority has reported that cargo moving through the Port of Vancouver increased 1% in 2020 to 145.5 million metric tonnes (MMT) vs. 2019. For the fifth consecutive year, global demand for Canadian grain resulted in a new annual record of 35.1 MMT of grain shipped both in bulk ships and containers, a 24% increase compared with the previous year, according to the Port Authority.

12. ATAC Response to CTA Consultation Paper on New Airline Refund Requirements

On December 18, 2020, the Minister of Transport wrote to the CTA's Chair and CEO to indicate that he intends to issue a Direction giving the CTA the authority to establish an obligation for airlines to provide a refund when there is a flight cancellation for reasons outside of the airline's control and the airline cannot complete the passenger's itinerary within a reasonable time. The letter also raised the possibility of extending this requirement to lengthy delays outside airlines' control. With this direction, the CTA will be able to take action to fill the gap that became obvious after the onset of the pandemic and the collapse of air travel.

13. Air Canada Salutes the Contributions and Achievements of its Women Employees on International Women's Day 2021

Air Canada marked International Women's Day 2021 by celebrating the contributions and achievements of its women employees. Four Air Canada women in non-traditional aviation careers share how they pivoted, then navigated with flexibility and resilience the ever-changing events related to the COVID-19 pandemic during a year like no other. The airline also championed the next generation of women aviators as it announced four winners in the second year of the Captain Judy Cameron Scholarship. "On International Women's Day, we proudly acknowledge the achievements and contributions of all our women employees around the world. Our airline met COVID-19's unprecedented challenges by collectively finding solutions and women across Air Canada held key, extraordinary roles as we navigated through the complexities," said Arielle Meloul-Wechsler, Executive Vice President, Chief Human Resources Officer and Public Affairs at Air Canada.

14. Canadian airlines lost 23% of international market share: WestJet chief

Airlines in Canada during the coronavirus pandemic have lost 23% of their market share on international routes to competitors in Europe and the USA whose governments have provided sector-specific relief funds, WestJet chief executive Ed Sims said during an online discussion hosted by multinational aviation group Eurocontrol on 2 March, 2021. The Calgary-based airline has been hit with "a double whammy" that forced it to dramatically reduce capacity amid a lack of federal airline stimulus and restrictions for domestic and international air travel, Sims says.

15. Aeroplan announces first-of-its-kind partnership with Starbucks Canada so Members can pour on the points to their next reward

Aeroplan is proud to announce that its millions of Members can now earn and redeem points by enjoying their favourite Starbucks beverages and snacks. Starting on March 8, 2021, members can link their Aeroplan account to a Starbucks Rewards account and double-dip by earning both Aeroplan points and Starbucks Stars at participating Starbucks locations throughout Canada. Linking takes less than a minute and can be done at aircanada.com/starbucks.

16. Mid-January Airline Industry Employment Up 19,311 Employees from Mid-December

U.S. airlines employed 713,949 workers in the middle of January 2021, 19,311 more than in mid-December 2020 (694,638) but 41,078 fewer than in March 2020 (755,027). The January 2021 total was the highest since April (716,693). The employment increase from December 2020 to January 2021 was caused primarily by two factors. First, United Airlines reported an increase of 13,728 employees in January 2021 from December 2020. Second, Piedmont Airlines, required to report for the first time in January 2021, reported 8,229 employees that were not included in previous monthly totals.

17. Cargo Chartbook Q1 2021

IATA reports that strong economic backdrop supports cargo volumes and revenues. The major highlights were: 1) In the three months to January 2021, industry-wide cargo tonne-kilometres (CTKs) were down 0.6% year-on-year versus pre crisis levels a year ago. Seasonally adjusted (SA) volumes were also close to 2019 values. Air cargo has been underperforming global goods trade, but this has moderated in the past few months, as economic upturns usually see air cargo over perform. 2) Most drivers of air cargo are now supportive. Trade and industrial production are back to pre-crisis values, inventories are low compared to sales, business confidence is expanding and new export orders are generally robust. 3) The lack of cargo capacity – down 18.7% year-on-year in the three months to January – has so far prevented a stronger rebound in CTKs. Consequently, cargo load factors and rates are at or close to all-time high values, which continues to bring support to airlines in the form of cargo revenues. However, this only offsets a part of the fall in passenger revenues.

18. Weekly aircraft movements, February 20 to 26, 2021

Data on weekly aircraft itinerant movements are now available for February 20 to 26, 2021. For the week ending February 20, 2021, domestic movements were 27,134 compared to 24, 197 for the week ending February 13, 2021.

19. Full Year 2020 and December 2020 U.S. Airline Traffic Data

U.S. airlines carried 557 million fewer passengers in 2020 than in 2019, down 60% year-to-year. For the full year 2020, January through December, U.S. airlines carried 369 million passengers (unadjusted) down from 927 million in 2019 and 889 million in 2018. Passenger traffic in 2020 was the lowest on U.S. airlines since the mid-1980s.

20. Skies brighten for US airlines after Congress approves aid

Major US airlines on March 10, 2021 officially dropped plans to lay off thousands of workers after Congress approved President Joe Biden's \$1.9 trillion economic relief package. The legislation, which includes \$14 billion in payroll support for flight attendants, pilots and other staff, comes as the industry awaits the first signs of a sustained recovery from the coronavirus downturn. The hope is that the funding will be the last needed before they can return to profitability. This is Congress' third round of help to carriers since the coronavirus devastated the US travel industry.

21. U.S. Airlines January 2021 Passengers Decreased 63% from January 2020 (Preliminary)

U.S. airlines carried 63% fewer scheduled service passengers in January 2021 (preliminary) than in January 2020, according to data filed with the Bureau of Transportation Statistics (BTS) by 20 airlines that carry more than 90% of the passengers. The large airlines carried 25.8 million passengers in January 2021 (preliminary), compared to 70.5 million passengers in January 2020 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.

22. Air Canada Commits to Ambitious Net Zero Emissions Goal by 2050

Air Canada on March 15, 2021 announced its long-term commitment to advancing climate change sustainability throughout its business. The airline has set ambitious climate targets to realize a goal of net-zero greenhouse gas emissions (GHG) throughout its global operations by 2050. To reach this, Air Canada has set absolute midterm GHG net reduction targets by 2030 in its air and ground operations compared to its 2019 baseline, and has committed to investing \$50 Million in Sustainable Aviation Fuel (SAF), and carbon reductions and removals. In other words, its goal is: 1) 2030 absolute targets of 20 per cent GHG net reductions from flights plus 30 per cent GHG net reductions from ground operations compared to 2019 baseline; 2) Investment of \$50 Million in SAF and carbon reductions and removals; and 3) 2050 goal of net zero GHG emissions from all operations globally

23. Annual civil aviation statistics, 2019

Canadian air carriers transported 94.1 million passengers in 2019, up 0.8% from the previous year. The growth in passengers was the 10th consecutive increase in traffic following the economic downturn in 2009. With upward pressure on prices, operating revenue earned by Level I to III air carriers in 2019 rose 5.4% to \$29.5 billion. Net operating income increased 18.3% to \$2.2 billion in 2019, bouncing back from an 18.9% decrease in 2018.

24. Edmonton airport embarks on \$36-million cargo upgrade

Edmonton International Airport will receive an \$18-million grant under the National Trades Corridor Fund to support a \$36-million expansion of cargo operations. Edmonton International Airport (EIA) will receive an \$18-million grant under the National Trades Corridor Fund to support a \$36-million expansion of cargo operations. EIA will contribute 50 percent of the required funding. This project will expand the cargo-area apron, allowing the airport to accommodate more planes at one time for loading and unloading. EIA will also install a new hydrant fueling system specific for cargo refueling needs, replacing the truck-based fueling system increasing safety and how fast refueling can be done. Finally, the airport's Fresh Cargo Centre, the cold-storage area, will be expanded in order to facilitate increased throughput.

25. Weekly aircraft movements, February 27 to March 5, 2021

Data on weekly aircraft itinerant movements are now available for February 27 to March 5, 2021. Domestic movements for the week ending February 27, 2021 were 27,944 compared to 27, 134 for the week ending February 20, 2021.

26. Mid-January 2021 U.S. Passenger Airline Employment Up Nearly 19,000 FTEs from Mid-December

The 22 U.S. scheduled passenger airlines employed 4.9% more full-time equivalents (FTEs) in mid-January 2021 than in mid-December 2020: 1) Mid-January's total number of FTEs (397,999) was up 18,697 from mid-December 2020 (379,302) and down 62,034 from mid-March 2020 (460,033). January 2021 was the lowest FTE total for the month of January since 2015 (386,528). 2) Mid-January FTEs were down 58,535, a 12.8% drop from mid-January 2020 (456,534). In mid-January, scheduled passenger airlines employed 61% of the total airline industry FTEs, down from 66% in March 2020. Total industry FTEs, released on March 9, 2021 rose 18,073 FTEs (2.8%) from mid-December to mid-January. Total industry includes cargo and charter.

27. Government of Canada announces agreement with Government of Saskatchewan to support essential air access to remote communities

On March 17, 2021, the Minister of Transport, the Honourable Omar Alghabra, and the Saskatchewan Minister of Highways, the Honourable Fred Bradshaw, announced a new agreement with the Government of Saskatchewan to support essential air access to remote communities. The Government of Canada is contributing up to \$1,592,000 for air services to remote communities. Under this agreement, the Government of Saskatchewan will allocate funding to air operators to ensure the continued supply of food, medical supplies, and other essential goods and services to these communities. In 2019-2020, the Government of Saskatchewan provided \$915,000 to operate remote airports in Stony Rapids, Fond-du-Lac, Uranium City, Wollaston Lake and Camsell Portage.

28. Rewards Canada names TD Aeroplan Visa Infinite Card Best Airline Credit Card

The TD Aeroplan Visa Infinite Card was awarded Top Airline Credit Card in Rewards Canada's 13th annual ranking of the Top Travel Rewards Credit Cards in Canada. The card was also ranked third under the Top Overall Card category. "We're thrilled to receive this recognition from Rewards Canada," said Mark Nasr, Senior Vice President, Products, Marketing and eCommerce, Air Canada. "Consumer advocates and industry experts around the country agree that the reimagined Aeroplan program offers exceptional value and benefits. We're grateful to see the new Aeroplan credit cards being recognized by Canada's premier loyalty rewards resource."

29. U.S. Airlines Carried 13% More Cargo in January 2021 than January 2020

U.S. airlines carried 13% more cargo by weight in January 2021 (preliminary) than in January 2020. The rise was fueled by gains of 12% in domestic cargo and 15% 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.

30. Passengers on All 2020 U.S.-Based Flights Down 62% from 2019

U.S. airlines and foreign airlines serving the U.S. carried 398 million systemwide (domestic and international) scheduled service passengers in 2020, 62% fewer than in 2019 when the record high of 1.1 billion annual passengers was reached.

31. FedEx to expand international air offerings next quarter

FedEx Corp. said on March 18, 2021 that it will roll out two intercontinental delivery products within the next couple of months as it looks to beef up its lagging global e-commerce operations and capitalize on the continued tightness of international air cargo capacity resulting from government restrictions on air travel due to the COVID-19 pandemic. The Memphis, Tennessee-based company will add nine European countries to its Europe-to-U.S. priority air delivery network, a move that executives said will give it a sizable coverage advantage over rival UPS Inc. and DHL Express, the international air express unit of Deutsche Post DHL. FedEx would not identify the countries to be added. FedEx will also start a service called International Connect Plus, which will be designed for e-commerce customers and link Europe, the U.S. and Asia.

32. WestJet Cabin Crew Members, represented by CUPE Local 4070, ratify five-year collective agreement

WestJet on March 20, 2021 announced that WestJet Cabin Crew Members, represented by the Canadian Union of Public Employees (CUPE), have successfully ratified their first five-year agreement. This ratified agreement is in place retroactively from March 1, 2021, through to and including December 31, 2025. "We are pleased that we were able to achieve our first collective agreement with CUPE," said Ed Sims, WestJet President and CEO. "The resulting agreement is a reflection of the interest-based bargaining required to achieve this positive outcome and it is a strong example of how we can work together, respectfully with dedication and professionalism, to benefit our employees and our guests during these challenging times."

33. U.S. Department of Transportation Launches "Mask Up" Campaign

The U.S. Department of Transportation announced on March 19, 2021 the "Mask Up," campaign to help ensure the safety of transportation workers. The campaign is a joint effort by the Federal Aviation, Motor Carrier Safety, Railroad and Transit Administrations across all forms of transportation. The centerpiece of the campaign is a digital toolkit including posters, social media, FAQs and other resources.

34. FedEx quarterly profit nearly triples on online shopping boom

FedEx said on March 18, 2021 that its profit nearly tripled in its most recent quarter, despite winter weather that hobbled some of its facilities. Online shopping has surged during the pandemic as more people avoid going inside stores. That has made package delivery companies like FedEx in high demand. CEO Frederick Smith said he expects demand to “remain very high for the foreseeable future.” Besides delivering shoppers’ orders, the company has also been shipping Covid-19 vaccines, which Smith called “the most important work in the history of FedEx.”

35. Airports Council Marks One Year Anniversary of U.S. – Canada Border Closure to Non-Essential Travel Reopening International Borders Starts with Healthy Airports

Airports Council International – North America (ACI-NA), the trade association representing commercial service airports in the United States and Canada, on March 22, 2021 marked the one year anniversary of the decision to close the U.S. and Canadian border to non-essential travel to contain the spread of COVID-19. “One year ago this week, governments around the world began implementing travel restrictions and lockdowns to mitigate the spread of COVID-19. At the time, we commended the U.S. and Canadian governments for their leadership in making the difficult but necessary decision to prioritize the protection of the health and safety of citizens of both countries. Now, it is time to begin thinking about how we will safely and securely reopen the U.S. and Canadian border.

36. WestJet to restore regional routes suspended due to COVID-19

WestJet on March 24, 2021 announced it will restore flights to the communities of Charlottetown, Fredericton, Moncton, Sydney and Quebec City after service was suspended as a result of COVID-19. The reinstatement of service will restore WestJet's complete network of pre-COVID-19 domestic airports. "We committed to return to the communities we left, as a result of the pandemic, and we will be restoring flights to these regions in the coming months, of our own volition," said Ed Sims, WestJet, President and CEO. "These communities have been a crucial factor in our success over our 25 years and it is critical for us to ensure they have access to affordable air service and domestic connectivity to drive their economic recovery."

37. WestJet and the Government of British Columbia partner to assist with vaccine clinics in Greater Vancouver

WestJet has partnered with the Government of British Columbia to return approximately 200 furloughed WestJetters to work to assist at mass vaccination clinics in Greater Vancouver. The first confirmed clinic begins March 29, 2021 at the University of British Columbia with Vancouver Coastal Health while planning is underway to open additional clinics in the coming weeks including the Guildford Recreation Centre in Surrey with Fraser Health. "The caring experience that our people provide is not exclusive to travel; it's a mindset that all WestJetters embody," said Mark Porter, WestJet Executive Vice-President People and Culture. "With our operational experience in moving people through airports, WestJetters will help put people at ease and aid in ensuring clinics run smoothly. We are proud to partner with Premier Horgan, Minister Dix, Dr. Henry and Dr. Ballem to bring our people back to work on this critical initiative which will help protect our citizens and get our lives and economies moving again."

38. Weekly aircraft movements, March 6 to 12, 2021

Data on weekly aircraft itinerant movements are now available for March 6 to 12, 2021. For the week ending March 6, 2021, domestic movements were 33,281 compared to 27,944 for the week ending February 27, 2021.

39. United States and United Kingdom Open Skies Agreement Enters into Force

The United States and the United Kingdom on March 25, 2021 completed an exchange of diplomatic notes that brings into force the Air Transport Agreement (the Agreement) between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland. The United States and the United Kingdom signed the Agreement on November 10 and November 17, 2020, respectively, and began applying the terms of the Agreement on the basis of comity and reciprocity on January 1, 2021.

40. Air Travel Consumer Report: January 2021 Numbers

The U.S. Department of Transportation on March 26, 2021 released its March 2021 Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of January 2021. The ATCR and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>.

WATER TRANSPORTATION

1. Strong 2020 cargo volumes show resiliency of the Port of Vancouver and port industries during a challenging year

The Vancouver Fraser Port Authority on March 1, 2021 released the 2020 year-end statistics for goods moving through the Port of Vancouver. Overall, cargo through the port increased by 1% from 144.2 to 145.5 million metric tonnes (MMT) over the same time last year, with new annual records set for grain, potash, and container trade. Robin Silvester, president and chief executive officer of the Vancouver Fraser Port Authority said “During what was most definitely a year that will be in the history books amid a myriad of challenges and global economic uncertainty, the value and resiliency of Canada’s largest port has certainly been showcased” The determination and commitment of so many to keep the supply chain operating well, while safely managing the far-reaching impacts of the pandemic, were critical to Canadians and Canada’s economy, though some sectors, like cruise, were hard-hit last year.” For the fifth year in a row, global demand for Canadian grain resulted in a new annual record of 35.1 MMT of grain shipped both in bulk ships and containers, an increase of fully 24% or 6.8 MMT compared to the previous year. Increases in wheat, up 25%, canola, up 45%, and specialty crops, up 12%, contributed to the record. Fertilizer inputs were also up; potash exports increased by 11% from last year’s record and sulphur increased by 8%. Growth in total foreign exports resulted in a year-end record of 99.0 MMT, up 3%, due to the increases in grain and fertilizers, as well as petroleum cargos. Shipping container quantities, measured by 20-foot equivalents or TEUs, were a record 3.5 million TEUs, an increase of 2% compared to the previous year. The port authority recently updated its container forecasts, and expects continued growth in this sector.

2. Contrecoeur gets environmental green light

The Port of Montreal’s Contrecoeur container terminal has received the go-ahead from the Impact Assessment Agency of Canada. The federal environmental assessment began in January 2016. The Port Authority has proposed to build a container terminal with a maximum annual capacity of 1.15 million containers on its property located in Contrecoeur, approximately 40 kilometres downstream from Montreal, on the St. Lawrence River. Located in an industrial zone, the Contrecoeur land reserve was acquired over 30 years ago by the port authority.

3. Global cargo traffic jam could last into 2022, Freight CEO warns

A cargo traffic jam on the world’s roads, seas and air corridors could easily continue into next year, continuing to increase shipping costs, according to the head of one of the biggest U.S. freight brokers. “The domestic freight markets are extremely dislocated and the global air-freight and ocean markets have tremendous amounts of constraints around them,” said Bob Biesterfeld, chief executive officer of C.H. Robinson Worldwide Inc. “We could be standing up a pretty strong freight market throughout 2021, if not into 2022.” That promises a windfall for truckers, air-freight companies and maritime shipping lines. Retailers, manufacturers and anyone else who pays to get goods across the globe will get pinched. As a broker, contracting with carriers on behalf of shipping customers, C.H. Robinson can get squeezed when long-term contracts don’t keep pace with spot costs but adjust as new contracts are negotiated. The Eden Prairie, Minnesota-based company projects an adjusted operating margin of 40% for its North America Surface Transportation unit this year, improved from about 33% last year. Annual contracts for long-haul trucking will probably rise in the low-double-digit percentages this year, driven by spot rates that have jumped 35% from a year ago, Biesterfeld said in an interview. Air-freight prices have almost doubled from a year ago.

WATER TRANSPORTATION Canada

1. Strong 2020 cargo volumes show resiliency of the Port of Vancouver and port industries during a challenging year, March 1, 2021, www.portofmetrovancover.com
2. Contrecoeur gets environmental green light, March 2, 2021, www.insidelogistics.com
3. Global cargo traffic jam could last into 2022, Freight CEO warns, March 2, 2021, www.ajot.com
4. Slower container circulation cripples global shipping system, March 6, 2021, www.joc.com
5. Northwest Seaport Alliance volumes up 9% in January, March 8, 2021, www.ajot.com
6. Port of Montreal strike threat already disrupting shippers, March 9, 2021, www.insidelogistics.ca
7. Container shortage slows farm exports, March 10, 2021, www.insidelogistics.ca
8. Port of Long Beach volume jumps 43.3% year-over-year, March 10, 2021, www.freightwaves.com
9. North America’s tallest cranes rise at the Port of Oakland, March 12, 2021, www.ajot.com
10. Shipping congestion at Los Angeles ports shows signs of easing, March 15, 2021, www.ajot.com
11. Port congestion? Maybe Houston is the alternative, Mar 16, 2021, www.freightwaves.com
12. Port of Toronto reports strong 2020, March 17, 2021, www.insidelogistics.ca
13. Hapag-Lloyd profit skyrockets with ‘stellar performance’, March 18, 2021, www.freightwaves.com
14. DP World 2020 profits drop 29 percent, March 18, 2021, www.insidelogistics.ca
15. Déjà vu as Port of Montreal strike looms, March 19, 2021, www.freightwaves.com
16. Montreal longshore workers reject employer offer, March 22, 2021, www.insidelogistics.ca
17. Hapag-Lloyd warns customers of possible effects of labour issues, March 23, 2021, www.insidelogistics.ca
18. Seaway celebrates 2021 opening, March 23, 2021, www.insidelogistics.ca
19. Scores of container ships waiting to transit Suez Canal, March 24, 2021, www.freightwaves.com
20. Ever Given remains stuck in Suez Canal, March 25, 2021, www.insidelogistics.ca
21. The giant ship stuck in the Suez Canal is costing the global economy an estimated \$400 million per hour, March 26, 2021, www.cargonews.com
22. Suez salvage operators consider removing cargo to lighten distressed vessel, March 28, 2021, www.freightwaves.com
23. Ever Given ‘partially refloated’, but still stuck, March 29, 2021, www.insidelogistics.ca
24. It’s free! Ever Given refloated in Suez Canal, March 29, 2021, www.freightwaves.com
25. EVER GIVEN Successfully Refloated Normal Transits of Suez Canal Resume, March 29, 2021, www.ajot.com

4. Slower container circulation cripples global shipping system

Just when the container shipping system needed more capacity to handle resurgent volumes, the reduced circulation of containers caused a contraction in available capacity, driving up rates and further compounding massive cargo delays.

5. Northwest Seaport Alliance volumes up 9% in January

Northwest Seaport Alliance (NWSA) CEO John Wolfe reported in an online conference on March 3rd that container freight volumes rose by 9% in January 2021 compared to January 2020 totaling 288,289 TEUs. Wolfe said NWSA, a partnership between the ports of Seattle and Tacoma, January container numbers showed an 11% increase in imports but a 13% decline in exports. He said he expects “a strong first half for 2021” but would not speculate for the second half of the year. In answer to a question, Wolfe said NWSA is not as congested as the Southern California ports of Los Angeles and Long Beach because the two ports collectively annually handle over 17 million TEUs compared to NWSA which annually handles around 3.8 million TEUs.

6. Port of Montreal strike threat already disrupting shippers

The Shipping Federation of Canada is warning that a potential strike at the Port of Montreal is already having a damaging impact even as negotiations are set to resume March 10, 2021 with the help of mediators. The trade association representing the interests of ocean-going ships says the threat of a work stoppage is forcing North American importers and exporters to divert large volumes of international cargo away from the port and is causing havoc to supply chains.

7. Container shortage slows farm exports

Farm exporters in Washington State have been left with stockpiles of product and idle trucks as the pandemic has created a shortage of cargo containers. Dave Martin, export sales manager for Stemilt Growers in Wenatchee, one of the state’s biggest tree-fruit exporters, said the company would ship up to 15 containers of fruit a week to Taiwan before the pandemic. “This week, we will not have a ship,” he said. The shortage has prompted foreign customers of Stemilt to look to competitors in countries such as Chile, where the apple harvest just started.

8. Port of Long Beach volume jumps 43.3% year-over-year

The Port of Long Beach announced on March 10, 2020 that “an unseasonable surge in cargo” had led to its busiest February 2021 on record. That surge has put the entire container shipping world’s focus on California’s San Pedro Bay, where historic congestion has resulted in an unprecedented backlog of vessels laden with cargo waiting for berth space. “We understand that shippers are awaiting their cargo and we are collaborating with our industry partners to deliver shipments as quickly as possible,” Port of Long Beach Executive Director Mario Cordero said in a press release. “The supply chain workforce is giving its all to keep the cargo moving, even as their ranks are hit by the pandemic. New records are being set, demonstrating how busy they have been,” Cordero said.

9. North America’s tallest cranes rise at the Port of Oakland

They’re new, they’re huge and they’re the tallest in North America; three, gigantic cranes are now part of the skyline at the Port of Oakland, California, U.S.A. It takes weeks to build each crane and the third one was completed last week. The next phase is testing the cranes and then commissioning them for work. The first of three cranes may be going into service as soon as late March or early April, 2021. “These new cranes at Oakland are going to make a significant difference in the ability to handle cargo more efficiently” said Port of Oakland Maritime Director Bryan Brandes. “Oakland international Container Terminal is the largest marine terminal at our port; and now it is home to the tallest cranes that can receive the biggest ships calling North America.” Stevedoring Services of America (SSA) operates Oakland International Container Terminal (OICT). SSA ordered the cranes from Shanghai Zhenhua Heavy Industries Company Limited (ZPMC) where they were first constructed. The cranes were sent on a ship in sections to Oakland where the cranes have been assembled on the wharf over the last two months. These larger cranes support maritime business and related jobs in Oakland and the region.

10. Shipping congestion at Los Angeles ports shows signs of easing

Shipping congestion outside the biggest U.S. gateway for imports from Asia showed signs of easing over the past week as dockworkers made progress reducing by almost half a backlog that peaked at 40 vessels six weeks ago. Twenty-two container ships were waiting to offload at the adjacent ports of Long Beach and Los Angeles as of March 14, 2021, compared with 29 a week earlier, according to officials who monitor marine traffic in Southern California’s San Pedro Bay. Thirteen more are scheduled to arrive over the next three days, with nine of those set to drop anchor. The average wait for berth space was 7.6 days, little changed from 7.5 days a week ago, according to the L.A. port.

11. Port congestion? Maybe Houston is the alternative

Port Houston is positioning itself as a viable option for handling more containerized imports from Asia, thanks to congestion woes for importers on the West and East coasts. Austin, Texas-based cooler and drink ware manufacturer Yeti is testing Port Houston as an alternative to the Port of Los Angeles and Long Beach or Port of New York/New Jersey for importing its shipments from Asia, according to Paul Carbone, Yeti’s CFO. “We’re seeing some elongated wait times coming through the ports in the process of shipments,” Carbone said during Bank of America’s 2021

Consumer and Retail Technology Conference on March 9, 2021. To mitigate wait times and supply chain risks, Carbone said Yeti is cross-docking its shipments, using some different shipping lanes, and using faster shipping lanes out of Southeast Asia “to cut down on the transport time.”

12. Port of Toronto reports strong 2020

For the fourth consecutive year, the Port of Toronto moved more than two million tonnes of bulk and general cargo. Despite the challenges of the Covid-19 pandemic, 2020 was another strong year for steel imports and cement. It also saw the return of containers, with shipments arriving from Montreal. In 2020, 174 cargo vessels visited the Port of Toronto, offloading a range of containers, bulk, project and general cargo products. Overall, the Port moved 2,208,358 tonnes of cargo, including road salt, sugar, cement, aggregate and steel. With the Greater Toronto Area’s construction industry showing no signs of slowing down, the port recorded its highest cement cargo imports in 16 years with more than 728,600 tonnes delivered through the port last year. The Port also recorded a 11 percent increase in sugar imports, with 638,283 tonnes imported from Central and South America to support Toronto’s food and beverage industry.

13. Hapag-Lloyd profit skyrockets with ‘stellar performance’

Hapag-Lloyd Group’s 2020 net profit was up a staggering 155.4% to \$1.06 billion from \$418 million the previous year. “2020 has been exceptional, with stellar performance in the industry,” Chief Financial Officer Mark Frese said during Hapag-Lloyd’s presentation of its 2020 annual report with audited financial figures on a call on March 18, 2021 morning. The figures were not surprising as they were in line with the preliminary numbers released in January 2021, but they reinforced just how good the second-half performance was for the world’s ocean container carriers. Full-year 2020 earnings before interest, taxes, depreciation and amortization (EBITDA) were \$3.08 billion, a 38.6% hike from the \$2.23 billion posted in 2019. Earnings before interest and taxes (EBIT) took a 65.3% leap from \$908 million in 2019 to \$1.5 billion in 2020. Hapag-Lloyd said the main drivers of the “improved” results were cost savings of more than \$500 million as well as “slightly improved freight rates and lower bunker prices.” The cargo surge of the third and fourth quarters was not the case in Q2, when “transport volumes plummeted” and full-year transport volumes were down 1.6% from 12 million twenty-foot equivalent units (TEUs) in 2019 to 11.8 million TEUs in 2020.

14. DP World 2020 profits drop 29 percent

Dubai-based port operator DP World’s profits slid 29 percent in 2020 from the previous year to US\$846 million, as the coronavirus pandemic froze supply chains and upended the world’s trade flows. The port operator, which delisted from the stock exchange and returned to full state ownership last June, stressed that it defied analysts’ low expectations for global trade over the difficult period. The maritime firm, one of the world’s largest, has faced various challenges with the virus surging, regional tensions rising and trade wars continuing. In its annual report, DP World said its revenue in 2020 climbed 11 percent to \$8.53 billion, a rise it attributed to a year of acquisitions. DP World reported revenues of \$7.68 billion and profits of \$1.19 billion in 2019.

15. Déjà vu as Port of Montreal strike looms

At the Port of Montreal longshore workers and their employers the union representing 1,125 longshore workers and the Maritime Employers Association have remained at loggerheads over a new contract. While both sides have been tight-lipped about negotiations, they do not appear to have gone well. A federal administrative tribunal, the Canada Industrial Relations Board, on March 17, 2021, rejected a complaint by the MEA, which accused the union, CUPE 375, of bargaining in bad faith. “All the stakeholders know this would be an ugly, ugly mess,” said Corey Darbyson, director of Transport Dsquare, an intermodal trucking and logistics company that serves the port. “If a strike happens again, it’s a black eye for Canada, Quebec and the port.”

16. Montreal longshore workers reject employer offer

Members of the local union of the Canadian Union of Public Employees (CUPE), affiliated with the FTQ, strongly rejected the contract offer from the Maritime Employers Association. The offer was presented to union members on Sunday, March 21, 2021 at a special general meeting. The vote was 99.7 percent against the proposal. The union does not intend, for the moment, to send a strike notice, a mandatory step to trigger a work stoppage.

17. Hapag-Lloyd warns customers of possible effects of labour issues

Container line Hapag-Lloyd on March 23, 2021 warned customers that it may begin diverting vessels away from call at the Port of Montreal if the labour situation deteriorates. In an email, the company said: “With the risk of potential industrial action at the Port of Montreal, we expect that terminal performance in the port will be severely impacted....As the situation develops, it may prove necessary to divert vessels...” Hapag-Lloyd also notified shippers of the additional charges for moving containers by rail to or from the alternate ports of call, Saint John, New Brunswick, or Halifax, Nova Scotia in the event of a diversion.

18. Seaway celebrates 2021 opening

The St. Lawrence Seaway Management Corporation (SLSMC) announced the opening of its 63rd navigation season March 21, 2021. The CSL Group’s Baie St. Paul, a Trillium-class Laker, was the first ship through the St. Lambert Lock in Montreal in a virtual opening ceremony attended by a number of dignitaries, including the Omar Alghabra,

Minister of transport, and the Pete Buttigieg, U.S. Secretary of Transportation.

19. Scores of container ships waiting to transit Suez Canal

Speculation is swirling that wind blew one of the world's largest container ships off course and caused it to be lodged between the banks of the Suez Canal. Social media also was flooded on March 24, 2021 with varying reports on the status of the Ever Given, which ran aground March 23, 2021 morning. What is certain is that dozens of ships are waiting to transit the roughly 119-mile-long canal. Fifty ships on average use the canal between the Red and Mediterranean seas each day. Traffic in both directions has been at a standstill since about 6 a.m. in Egypt on March 23, 2021.

20. Ever Given remains stuck in Suez Canal

At least 150 other vessels are waiting to pass through Egypt's Suez Canal as the MV Ever Given remains stuck across the waterway. The Ever Given is a Panama-flagged 20,000-TEU containership that carries cargo between Asia and Europe, ran aground March 23, 2021 in the narrow, man-made canal dividing continental Africa from the Sinai Peninsula. In the time since, efforts to free the ship using dredgers, digging and the aid of high tides have yet to push the container vessel aside – affecting billions of dollars' worth of cargo. The Ever Given was headed northbound from ports in Asia to Rotterdam, Felixstowe and Hamburg.

21. The giant ship stuck in the Suez Canal is costing the global economy an estimated \$400 million per hour

A cargo ship the size of the Empire State Building has been jammed in a vital trade route for days. The Ever Given's blockage of the Suez Canal is costing \$400 million per hour, Lloyd's List estimates. On average, \$9.7 billion in goods travel through the canal, connecting Asia and Europe, every day.

22. Suez salvage operators consider removing cargo to lighten distressed vessel

Efforts continued on March 27, 2021 to dislodge a massive container ship that ran aground in the Suez Canal during a windstorm six days ago and is blocking hundreds of cargo vessels, but there is no immediate end in sight to the shipping crisis as the ripple effects pile up. Two more large tug boats joined the operation to refloat the 20,000-TEU Ever Given, and there are reports that the vessel was moved about 95 feet so far with the help of dredging vessels and onshore diggers. The next refloating effort is scheduled to begin about 4 P.M. ET. Osama Rabie, the head of the Suez Canal Authority, told an Egyptian television station that containers may have to be unloaded to lighten the massive vessel, which is operated by Taiwanese company Evergreen Marine, as reported by NBC News. He said officials have been in discussions with the U.S. about removing some of the cargo.

23. Ever Given 'partially refloated', but still stuck

Engineers on March 29, 2021 "partially refloated" the colossal container ship that continues to block traffic through the Suez Canal, authorities said, without providing further details about when the vessel would be set free. Satellite data from MarineTraffic.com showed that the ship's bulbous bow, once lodged deep in the canal's eastern bank, had been partly wrested from the shore – although it remained stuck at the canal's edge. The ship's stern had swung around and was now in the middle of the waterway, tracking data showed. Although the development marked the vessel's most significant movement since getting stuck last week, the salvage crew urged caution as obstacles loomed.

24. It's free! Ever Given refloated in Suez Canal

Peter Berdowski, CEO of the salvage company Boskalis that was hired to free the Ever Given, shared the news in a statement with the headline: "We pulled it off!" "Shortly following the grounding of the Ever Given we were requested through SMIT Salvage to provide assistance with the salvage operation. I am excited to announce that our team of experts, working in close collaboration with the Suez Canal Authority, successfully refloated the Ever Given on 29 March at 15:05 hrs local time, thereby making free passage through the Suez Canal possible again," Berdowski wrote.

"I'm extremely proud of the outstanding job done by the team on site as well as the many SMIT Salvage and Boskalis colleagues back home to complete this challenging operation under the watchful eye of the world. The time pressure to complete this operation was evident and unprecedented and the result is a true display of our unique capabilities as a dredging and marine services provider."

25. EVER GIVEN Successfully Refloated Normal Transits of Suez Canal Resume

Evergreen Line is pleased to confirm that EVER GIVEN has been successfully refloated within the Suez Canal at approximately 15:00 March 29 local time. In order for the Canal to resume normal operation, the vessel is leaving the grounding site with assistance of tugboats. The chartered vessel will be repositioned to the Great Bitter Lake in the Canal for an inspection of its seaworthiness. The outcome of that inspection will determine whether the ship can resume its scheduled service. Once the inspection is finalized, decisions will be made regarding arrangements for cargo currently on board.

RAIL TRANSPORTATION

1. Minister Alghabra receives the Office of the Auditor General's 2021 report on Transport Canada's rail safety oversight

On February 25, 2021, the Minister of Transport, the Honourable Omar Alghabra, issued this statement about the Office of the Auditor General's 2021 audit of Transport Canada's rail safety oversight: "I welcome the Auditor General's follow-up audit of Transport Canada's oversight of rail safety, which focused on select elements of its 2013 audit. ... As Minister of Transport, the safety and security of passengers and of the rail transportation system remains one of my top priorities. My department is already working to address all of the Auditor General's recommendations to further improve the effectiveness of our safety oversight and is continuously looking for ways to make our railway system safer for Canadians."

2. Canadian Auditor General: Transport Canada Safety Oversight Lacking

The Auditor General's report comes close to eight years after the tragic July 2013 Lac-Mégantic, Quebec, runaway wreck of a crude oil unit train that killed 47 and destroyed most of the town's downtown business district. Its previous audit, however, was conducted several months prior to Lac-Mégantic. "It remains crucial to determine whether [TC's] oversight is having a positive impact," said Auditor General Karen Hogan. "We found that the department could not demonstrate the extent to which its oversight activities have improved the railway companies' compliance with regulations that mitigate key safety risks." TC did not produce sufficient evidence demonstrating that its oversight initiatives contributed to improved rail safety, though some progress—for example, following up on rail flaws found during inspections—has been made. "I am very concerned that while Transport Canada has taken some actions to address our recommendations, eight years after our last audit, there is still much left to do to improve the oversight of rail safety in Canada," she said.

3. BNSF's fourth-quarter 2020 net profit up 5%

For the final quarter of 2020, a 6% decline in operating expenses contributed to a 5% increase in overall fourth-quarter net profit for BNSF. BNSF is a subsidiary of Berkshire Hathaway, which acquired the western U.S. railroad in February 2010. Net income was \$1.5 billion in the fourth quarter of 2020, a 5% increase from \$1.4 billion in the fourth quarter of 2019. Total revenue slipped 3% to nearly \$5.7 billion in the fourth quarter, while operating expenses fell 6% to \$3.5 billion. Among BNSF's business units, revenue gains for consumer and agricultural products were enough to offset losses for coal and industrial products. Consumer products volumes rose 13% in the fourth quarter, while revenue rose 3% to \$2 billion amid heightened e-commerce activity. Increased retail sales and inventory replenishments by retailers contributed to fourth-quarter volume increases, BNSF said.

4. CSX seeks STB approval of Pan Am Railways acquisition

Eastern U.S. railroad CSX (CSX) has started the regulatory process to acquire New England short line operator Pan Am Railways in a move that CSX hopes will strengthen its intermodal presence in the region. The company on February 25, 2021 submitted its application to the Surface Transportation Board. The application includes a request both to acquire the Pan Am System, which includes Pan Am Railways, and a 50% ownership of Pan Am Southern (PAS). "CSX is excited to introduce our customer-centric focus, supply chain solutions and industry-leading operating model to shippers and industries served by Pan Am," CSX said in a statement on February 26, 2021. "The decision to acquire Pan Am reflects CSX's interest in leveraging its best-in-class service and safety to improve rail's

RAIL TRANSPORTATION Canada

1. Minister Alghabra receives the Office of the Auditor General's 2021 report on Transport Canada's rail safety oversight, February 25, 2021, www.tc.gc.ca
2. Canadian Auditor General: Transport Canada Safety Oversight Lacking, March 1, 2021, www.railwayage.com
3. BNSF's fourth-quarter 2020 net profit up 5%, March 1, 2021, www.freightwaves.com
4. CSX seeks STB approval of Pan Am Railways acquisition, Mar 1, 2021, www.freightwaves.com
5. CN Sets Grain Movement Record for Twelve Consecutive Months, March 2, 2021, www.cn.ca
6. VIA rail obtains LEED gold certification for its heritage Ottawa station, March 2, 2021, www.viarail.ca
7. Railroads tout trains over trucks in climate pitch to Biden, March 1, 2021, www.ajot.com
8. Senate-Passed American Rescue Plan: \$30.5B in Transit Relief, March 8, 2021, www.railwayage.com
9. CP to employ Ballard fuel cells in Hydrogen Locomotive Project, March 9, 2021, www.cpr.ca
10. Improving Customer Supply Chain Visibility, December 9, 2021, www.railwayage.com
11. Building safer communities: Minister of Transport orders measures to further reduce the risk of serious rail accidents, March 10, 2021, www.tc.gc.ca
12. AAR: Week 9 Traffic Thaw Following Frozen February, March 11, 2021, www.raileavage.com
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15. Collective agreements between via rail and Unifor ratified, March 15, 2021, www.viarail.ca
16. What is positive train control?, March 15, 2021, www.freightwaves.com
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18. Continues to Move Forward with Yonge North Subway Extension, March 18, 2021, www.mto.gov.on.ca
19. CP-KCS plan to merge to create first US-Canada-Mexico railroad, March 19, 2021, www.joc.com
20. Canadian Pacific intends to acquire Kansas City Southern for \$29B, March 21, 2021, www.freightwaves.com
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22. CP Rail's purchase of U.S. rival is a bet on production moving out of China in COVID-19 aftermath, March 22, 2021, www.financialpost.ca
23. Railway carloadings, January 2021, March 23, 2021, www.statcan.gc.ca
24. RAC Releases 10-Year Canadian Rail Snapshot, March 22, 2021, www.railwayage.com
25. Surface Transportation Board chair weighs in on proposed mergers, March 23, 2021,

competitiveness with other transportation modes and to reduce the number of trucks operating in New England.” According to CSX’s filing, the short lines and assets associated with Pan Am Railways include Pan Am Systems, Pan Am Railways, the Boston and Maine Corp., Maine Central Railroad, Northern Railroad, Portland Terminal, Springfield Terminal Railway, Stony Brook Railroad and Vermont & Massachusetts Railway.

5. CN Sets Grain Movement Record for Twelve Consecutive Months

CN is proud to announce that for the 12th consecutive month it has set a new record by shipping over 2.28 million metric tonnes (MMT) of Canadian grain and processed grain products via carload in February 2021. This exceeds the previous February record set in 2019 of 2.12 MMT by over 7%. So far, during the 2020-2021 crop year, CN has moved over 19.7 MMT of Canadian Grain. This is 24% higher than the three-year average of 15.9 MMT, and 17% higher than the record of 16.9 MMT set in the 2018-2019 crop year. CN is also breaking records with over 700,000 metric tonnes of grain moving directly from western Canada via containers, in addition to volumes shipped from eastern Canada.

6. VIA rail obtains LEED gold certification for its heritage Ottawa station

VIA Rail Canada (VIA Rail) is proud to announce that its Ottawa station earned the LEED® Gold v4.1 certification for Operations and Maintenance for Existing Buildings – Canada Green Building Council’s (CaGBC) second-highest level of accreditation.

7. Railroads tout trains over trucks in climate pitch to Biden

U.S. freight railroads are trying to take advantage of a train enthusiast president who’s concerned about global warming with a lobbying campaign depicting their industry as a solution to climate change. The Association of American Railroads, which represents such heavyweights as CSX Corp. and Berkshire Hathaway Inc.’s Burlington Northern Santa Fe, is advancing policy proposals it says would help pare greenhouse gas emissions—including some that would disadvantage competitors’ trucking goods. The proposals include replacing the current gasoline tax with a fee on vehicle miles traveled and dedicated government funding for passenger rail that could appeal to President Joe Biden’s fondness for Amtrak. The group is outlining its ideas in a white paper being released on March 8, 2021.

8. Senate-Passed American Rescue Plan: \$30.5B in Transit Relief

The U.S. Senate has passed an amended version of H.R. 1319, the American Rescue Plan Act of 2021, providing \$30.5 billion in emergency funding for transit and \$1.7 billion for Amtrak. The \$1.9 trillion bill was passed by the U.S. House of Representatives on Feb. 27, 2021 and includes \$500 million more for transit and \$200 million more for Amtrak than what the House Committee on Transportation and Infrastructure’s Budget Reconciliation Title proposed last month. It is also more than what was included in President Joseph Biden’s American Rescue Plan, which was unveiled Jan. 14, 2021 and supported a \$20 billion investment to “protect the future of transit.” “We greatly appreciate that the bill includes \$30.5 billion of emergency transit funding and distributes these funds in a manner that ensures that all public transit agencies can continue to be a lifeline for our essential workers,” American Public Transportation Association (APTA) President and CEO Paul P. Skoutelas said in a statement after the bill was passed March 6, 2021.

9. CP to employ Ballard fuel cells in Hydrogen Locomotive Project

Ballard Power Systems and Canadian Pacific (CP) announced on March 9, 2021 that CP will employ Ballard fuel cell modules in CP’s pioneering Hydrogen Locomotive Program. The modules will provide a total of 1.2 megawatts of electricity to power the locomotive. “With this purchase from Ballard, a leader in the hydrogen fuel cell industry, CP further demonstrates its commitment to developing the next generation of locomotive – one that produces zero emissions,” said CP President and CEO Keith Creel. “How we power our trains matters to our customers, employees, shareholders and to the communities we operate in. This technology holds the possibility of eliminating emissions from freight train operations, which already represent the most efficient method of moving goods over land.”

10. Improving Customer Supply Chain Visibility

As part of a special series in *Railway Age*’s March 2021 issue, 11 North American railroad CEOs address the daunting challenges the freight rail industry faces as the 21st century enters its third decade—from operations and technology to marketing and growth. Here, JJ Ruest, President and CEO of Canadian National Railway Company, covers delivering a seamless experience for the whole supply chain. He points that even if our beginnings date back to the Industrial Revolution, CN has always been at the forefront of innovation, the main agent of change for our company. We were the first North American railroad to use diesel engines in mainline service and we invented remote-operated locomotives, to name just two examples. CN also pioneered a revolutionary model for railroading, Precision Scheduled Railroading (PSR), which has become the standard for the industry. Now, CN is moving from PSR toward Digitalized Scheduled

www.freightwaves.com

26. U.S. analysts think CP deal will be approved, March 2021, www.insidelogistics.ca

27. CP merger to streamline bitumen transport, producer says, March 24, 2021, www.insidelogistics.ca

28. Week 11 Marks One Year of Pandemic-Related Traffic Disruption: AAR, March 24, 2021, www.railwayage.com

29. Kansas City Southern expands Mexico rail service, March 28, 2021, www.freightwaves.com

30. CSX-Pan Am Deal a “Significant” Transaction: STB, March 25, 2021, www.railwayage.com

31. Freight Rail Services Price Index, March 2021, March 29, 2021, www.statcan.gc.ca

32. Cowen: CP-KCS Merger Synergies ‘Promising’, March 29, 2021, www.railwayage.com

Railroading (DSR) to create more operational efficiency and more value for our customers and their supply chains. The freight and logistics industry has undergone a major transformation in the way goods are transported.

11. Building safer communities: Minister of Transport orders measures to further reduce the risk of serious rail accidents

On March 10, 2021, the Minister of Transport, the Honourable Omar Alghabra, issued two Ministerial Orders, under the *Railway Safety Act*, to further reduce the risk of uncontrolled movement of rail equipment. These orders are prompted by the uncontrolled movement of a Goderich-Exeter Railway train, which led to a derailment in Goderich, Ontario, on February 1, 2021. The first Ministerial Order requires the railway companies to implement specific procedures that must be followed by their locomotive engineers to prevent the uncontrolled movement of railway equipment due to an unintended release of the train's air brakes. The second Ministerial Order requires that the railway industry add an additional layer of defence to prevent the uncontrolled movement of railway equipment by proposing amendments to the Railway Locomotive Inspection and Safety Rules and the Canadian Rail Operating Rules (CROR) for the Minister's approval. The amendments will include: 1) improving performance standards for locomotives equipped with roll-away protection, which is a feature designed to apply the air brakes when movement is detected; and, 2) clarifying the definition of an 'unattended train' under the CROR, for more consistent application of the rule.

12. AAR: Week 9 Traffic Thaw Following Frozen February

Total U.S. rail traffic for the week ending March 6, 2021 was 515,135 carloads and intermodal units, up 11.4% compared with the same week last year, according to the Association of American Railroads (AAR) on March 10, 2021. Traffic volumes are continuing to rise following a "polar vortex hit" in February, as *Railway Age* noted March 3, 2021 following AAR's report for the month and week ending Feb. 27, 2021. Both U.S. carloads and intermodal volume saw gains for the week ending March 6. Total carloads (232,494) rose 1.1% and containers and trailers (282,641) were up 21.5% compared with the same week in 2020. Canadian railroads reported 81,996 carloads for the week, down 2.8%, and 76,123 intermodal units, up 19.1% compared with the same week in 2020. For the first nine weeks of this year, they reported cumulative rail traffic volume of 1,343,654 carloads, containers and trailers, a 5.3% increase.

13. International intermodal traffic climbs amid import boom

Double-digit percentage gains for international intermodal container volume is helping boost overall U.S. intermodal traffic as the supply chain responds to strong e-commerce activity. According to *FreightWaves* SONAR, the 22% year-over-year increase in U.S. container volume over the last week was propelled largely by gains in international intermodal volume. International intermodal volume rose 44% year-over-year, while domestic intermodal volume rose 3% during the same time frame. The data represents seven-day moving averages. AAR says intermodal traffic up 21.5% last week, carloads up 1.1%

14. COVID-19 Rescue Package Signed: What's in Store for Transit and Amtrak

It has now been a full year since the COVID-19 virus began to ravage the United States, along with everywhere else in the world. More than a half-million of us have already succumbed to its wrath, and schools, businesses, restaurants and entertainment venues shut down. Ridership on Amtrak and transit declined drastically, exacerbating those agencies' financial woes. Things are beginning to look up, though, as many Americans now play a computer-driven lottery to get appointments for the elusive shots. In the last report on the subject the COVID Rescue Plan was making its way through Congress. The Senate passed it, and there were changes. The House ratified the changes, and President Biden has signed the bill into law. The final deal was better for Amtrak and for some transit providers than the original. The transit share was increased by \$500 million (less than 2%), while Amtrak's was increased by \$200 million (more than 13%).

15. Collective agreements between via rail and Unifor ratified

Following the tentative agreements reached in January 2021, VIA Rail Canada (VIA Rail) is pleased to announce the ratification of collective agreements 1 and 2 by the members of Unifor Council 4000, the union representing more than 1,600 VIA Rail employees in stations, on board trains, in call centres and in administrative offices. These two-year agreements (from January 1, 2020, to December 31, 2021) were ratified by the membership on March 12, 2021 and include a 2% wage increase for 2021, benefits improvements as well as the review of several work rules. Terms of the agreements include a 2% wage increase for 2021, benefits improvements and the review of several work rules.

16. What is positive train control?

Positive train control (PTC) is a way to automatically stop a freight or passenger train before a collision. PTC was designed as the last line of defense to prevent collisions or derailments caused by human error such as excessive speed, misaligned track switches or unauthorized entry into work zones. PTC systems are on Class I railroads' main lines, over which 5 million or more gross tons of annual traffic and certain hazardous materials are transported, according to the Federal Railroad Administration (FRA). They are also on any main lines over which intercity or commuter rail passenger transportation is regularly provided. PTC systems are interoperable, meaning the locomotives of any host

and tenant railroads operating on the same PTC-equipped main line communicate with and respond to the PTC system, including during uninterrupted movements over property boundaries.

17. Carload, Intermodal Growth Trend Continues in Week 10: AAR

For the week ending March 13, 2021, AAR reported that total carloads came in at 230,684, up 2.1% vs. the same period last year, and intermodal volume was 290,052 containers and trailers, up 22.4%. Total weekly rail traffic was 520,736 carloads and intermodal units, a 12.5% increase, compared with the same week last year. U.S. carloads and intermodal units saw gains of 2.1% and 22.4%, respectively, for the week ending March 13, the Association of American Railroads (AAR) reported March 17, 2021. Canadian railroads reported 82,428 carloads for the week, declining 2.6%, and 74,677 intermodal units, increasing 22.9% vs. the comparable week in 2020. For the first 10 weeks of 2021, they reported cumulative rail traffic volume of 1,500,759 carloads, containers and trailers, up 5.6%.

18. Ontario Continues to Move Forward with Yonge North Subway Extension

The Ontario government is moving to the next stage of planning for the Yonge North Subway Extension as part of its commitment to build a modern and reliable transit system for the Greater Toronto Area. The Initial Business Case and supplementary analysis for the project, released by Metrolinx, shows that the extension would strengthen connections to jobs and housing, take thousands of cars off our roads and provide more people with access to transit.

19. CP-KCS plan to merge to create first US-Canada-Mexico railroad

If approved by regulators, the planned merger of Canadian Pacific and Kansas City Southern railways would offer cargo owners a single network straddling the largest global trade bloc.

20. Canadian Pacific intends to acquire Kansas City Southern for \$29B

Canadian Pacific and Kansas City Southern (KSU) are planning to merge in a deal worth \$29 billion (US). CP says the acquisition will “create enhanced competition and better service for customers” while also fostering North American economic growth. The acquisition will include an assumption of \$3.8 billion in outstanding Kansas City Southern debt. The merger also has the unanimous support of both boards of directors, according to CP. The approval is pending approval from the Surface Transportation Board, and CP estimates that STB’s review would be completed by the middle of 2022. Should the merger proceed, it would provide shippers with access to both Canadian coasts as well as the U.S. Gulf Coast and KCS’ operations in Mexico. “This transaction will be transformative for North America, providing significant positive impacts for our respective employees, customers, communities and shareholders,” said CP President and CEO Keith Creel. “This will create the first U.S.-Mexico-Canada railroad, bringing together two railroads that have been keenly focused on providing quality service to their customers to unlock the full potential of their networks. CP and KCS have been the two best performing Class I railroads for the past three years on a revenue growth basis.”

21. Goldman, BMO to provide \$8.6 billion bridge loan on CP Rail deal to buy Kansas City Southern

Bank of Montreal and Goldman Sachs Group have committed to an \$8.6 billion bridge loan for Canadian Pacific Railway Ltd. to help finance the purchase of Kansas City Southern, according to a person familiar with the matter. 1) The bridge loan is expected to be syndicated, said the person, who spoke on condition they not be identified; 2) CP’s proposed \$275-per-share offer for Kansas City Southern includes \$90 per share, or more than \$8 billion, in cash; and 3) Total deal value is about \$29 billion including the assumption of debt, according to a statement

22. CP Rail’s purchase of U.S. rival is a bet on production moving out of China in COVID-19 aftermath

Canadian Pacific Railway Ltd.’s purchase of Kansas City Southern is a US\$25-billion bet that the future of trade in North America is north-south, not east-west. The combined CP/KCS railway network could introduce some competition among the railways to move oil barrels. Canadian oil producers see new route to Gulf Coast refineries coming from CP Rail deal. The combined company would still be the smallest of the six big North American railways, but it alone would be able to offer a direct link from the northern reaches of British Columbia and Alberta to ports in southern Mexico, while at the same time touching the Pacific via the Port of Vancouver and the Atlantic through Saint John, N.B. “The pandemic has taught us that global, extended supply chains involve greater risk than perhaps a lot of industrial companies are willing to take,” KCS chief executive Patrick Ottensmeyer said on a conference call with analysts on March 21. “There is a trend in supply-chain strategy to shrink and de-risk those supply chains and North America is going to continue to be a very attractive source of investment and growth, particularly in manufacturing and industrial activity. He added: “This network is not only going to be in a position to benefit from those trends, but to help drive those trends.”

23. Railway carloadings, January 2021

In January 2021, the volume of cargo carried by Canadian railways reached 32.6 million tonnes, up 7.7% from January 2020. This marked the third straight month of year-over-year growth. The overall tonnage was higher than normal for this time of year, well above the five-year average for the month of January and surpassing the prior record of 32.4 million tonnes set in January 2019.

24. RAC Releases 10-Year Canadian Rail Snapshot

The Railway Association of Canada (RAC) has published the 28th edition of its Trends Report, providing a ten-year performance overview (2010-19) of its member passenger and freight railroads. RAC members include Class I railroads (six; Kansas City Southern is not included); short lines (39); and tourist (six), intercity passenger (two) and commuter (five) railroads. CN and Canadian Pacific account for the majority of freight rail activity. Two of the reports highlights are: 1) Over the past decade, the freight and passenger accident rates have decreased by 20% and 59% respectively. In 2019, the freight rail sector's accident rate rose 3.6% from the previous year to 2.13 accidents per billion gross ton-miles; the passenger rail sector's accident rate was 0.44 accidents per million riders, representing a 45% improvement from 2018. 2) In 2019, Canada's railroads originated 47% more carloads and moved 47% more people compared with 2010. RAC attributes this growth to its members investing a record \$3.1 billion into Canadian assets in 2019, breaking the previous record of \$2.4 billion set in 2018. RAC noted that "while investments increased across many asset categories, the most notable increase was the \$308 million, or 84%, increase in investments in rolling stock (particularly for grain transportation and VIA's fleet replacement program)."

25. Surface Transportation Board chair weighs in on proposed mergers

Surface Transportation Board (STB) Chairman Martin J. "Marty" Oberman provided glimpses on March 23, 2021 into how the agency will consider two proposed acquisitions: CSX's plan to purchase New England short line Pan Am Railways and Canadian Pacific's goal of merging with Kansas City Southern. The board expects to treat the proposed CP-Kansas City Southern (KCS) merger as a "major" transaction. This acquisition would be "the first major transaction to seek board approval in more than two decades," Oberman said. CP and KCS had expressed plans on March 21, 2021 to apply for their merger under KCS' exemption from a rule regulators adopted in 2001 placing a heavier burden on railroads to show their mergers would not decrease options for rail service. Mergers in the 1980s and 1990s resulted in a dramatic reduction in the number of major railroads. According to KCS, a number of mergers were happening around KCS' network at the time, and the exemption was meant to protect KCS' network. Meanwhile, STB expects to publish a notice in the Federal Register on March 24 2021 stating whether CSX's plan to acquire Pan Am Systems and Pan Am Railways would be classified as a "significant" or "minor" transaction. CSX is proposing that its acquisition be deemed a minor transaction, but other stakeholders in the region want the transaction considered "significant" because of concerns over competition.

26. U.S. analysts think CP deal will be approved

Wary regulators have not approved a major railroad merger since the 1990s, but industry analysts say Canadian Pacific's proposed \$25 billion acquisition of Kansas City Southern has a good chance of getting the green light because there is little overlap between the two lines. The deal is also set to capitalize on growing trade across North America by creating the first railroad that would link the United States, Mexico and Canada. Executives at the companies say those opportunities should help the combined railroad generate more revenue.

27. CP merger to streamline bitumen transport, producer says

A partner in a project designed to allow more oilsands bitumen to be shipped by rail from Canada to Texas says the US\$25-billion merger of Canadian Pacific Railway Ltd. and U.S. rival Kansas City Southern announced on March 21, 2021 promises to provide new benefits. The two railroads have been "instrumental" in moving forward Western Canada's first diluent recovery unit, now under construction at the Hardisty oil storage and handling hub in east central Alberta, said Jim Albertson, senior vice-president of the Canadian business unit for Houston-based USD Group.

28. Week 11 Marks One Year of Pandemic-Related Traffic Disruption: AAR

Total U.S. rail traffic came in at 513,325 carloads and intermodal units for the week ending March 20, an "inflated" 11.6% increase over the same period last year when the pandemic caused "widespread economy-wide shutdowns—and [a] subsequent large reduction in rail volumes," the Association of American Railroads (AAR) reported March 24, 2021. Canadian railroads reported 81,088 carloads for the week, down 3.6%, and 73,409 intermodal units, up 20.4% vs. the same week in 2020. For the first 11 weeks of 2021, they reported cumulative rail traffic volume of 1,655,256 carloads, containers and trailers, rising 5.7%.

29. Kansas City Southern expands Mexico rail service

The proposed \$29 billion merger between Canadian Pacific and Kansas City Southern aims to capitalize on an expected increase in the flow of trade among the U.S., Canada and Mexico. The merger would create the first company with a rail network spanning all three countries and enhance the facilitation of the movement of goods across the three nations. The proposed CP-KCS merger comes against the backdrop of Kansas City Southern's \$167 million investment in Mexico last year. Kansas City Southern de México (KCSM), KCS' Mexican operations, include railways serving northeastern and central Mexico as well as key port cities including Veracruz, Tampico and Lazaro Cardenas. One of KCS' major projects was the completion of part of a 12.11-mile double-track line that connects Mexico's port of Veracruz on the Gulf of Mexico. KCSM ran the first revenue train over the new double-track access into the expanded Port of Veracruz in February, company spokeswoman Doniele Carlson told FreightWaves. "This new rail infrastructure is anticipated to make the port more competitive and productive for imports from the U.S., South America and Europe,"

Carlson said. “The project was completed in coordination with the Integral Port Administration of Veracruz (APIVER) to improve rail and ship asset utilization, efficiency and connectivity. Before the bypass, KCSM did not have direct access into the Port of Veracruz.”

30. CSX-Pan Am Deal a “Significant” Transaction: STB

The STB “ has reviewed the submission filed Feb. 25, 2021, by CSX Corporation (CSXC), CSX Transportation Inc. (CSXT), 747 Merger Sub 2, Inc. (747 Merger Sub 2), Pan Am Systems, Inc. (Systems), Pan Am Railways, Inc. (PAR), Boston and Maine Corporation (Boston & Maine), Maine Central Railroad Company (Maine Central), Northern Railroad (Northern), Portland Terminal Company (Portland Terminal), Springfield Terminal Railway Company (Springfield Terminal), Stony Brook Railroad Company (Stony Brook), and Vermont & Massachusetts Railroad Company (V&M) (collectively, Applicants),” the agency said in the Federal Register. “The submission is styled as an application for a ‘minor’ transaction seeking Board approval for: (1) CSXC, CSXT, and 747 Merger Sub 2 to control the seven railroads controlled by Systems and PAR, and (2) CSXT to merge six of the seven railroads into CSXT. This proposal is referred to as the ‘Proposed Transaction.’” “The Board finds that the Proposed Transaction would be a ‘significant’ transaction,” STB said.

31. Freight Rail Services Price Index, March 2021

The Freight Rail Services Price Index (2018=100) is now available for March 2021 on Statistics Canada website. The index for March 2021 was 105.2 unchanged from the previous month. For the first quarter of 2021, the index was 104.9 up by .04 from the last quarter of 2020 (i.e. 105.9). The index is also available by commodities.

32. Cowen: CP-KCS Merger Synergies ‘Promising’

The majority of shippers participating in Cowen and Company’s survey on the proposed Canadian Pacific (CP)/Kansas City Southern (KCS) merger have a positive view of the transaction, and merger synergies “look promising,” according to the firm, which released results March 29. These shippers (44%) were joined by respondents who said they have “no opinion” of the merger (38%); only 18% said they had a negative view. “This is encouraging,” said Cowen and Company Managing Director and Railway Age Wall Street Contributing Editor Jason Seidl. While it’s still early in the process, 50% of those with a negative opinion said they do not plan to take action with the Surface Transportation Board (STB), while 3% do and 47% have not yet decided, according to the Cowen Rail Shipper Survey. Cowen and Company Managing Director and Railway Age Wall Street Contributing Editor Jason Seidl “We do acknowledge and expect more organizations (as we saw with the NITL) to come forward and express comments toward the pending merger prior to the initial 10-day period regarding the exemption ending April 1,” Seidel reported.

HIGHWAY TRANSPORTATION

1. Couriers and Messengers Services Price Index, January 2021

The Couriers and Messengers Services Price Index (2003=100) is now available for January on the Statistics Canada website. The Couriers and Messengers index rose to 215.3 in January 2021 from 210.2 in December 2020.

2. North American Transborder Freight up 0.4% in December 2020 from December 2019

Transborder freight between the U.S. and North American countries (Canada and Mexico) for December 2020 was reported by the US Bureau of Transportation Statistics on February 26, 2021. Total transborder freight was \$96.8 billion of moved by all modes of transportation, up 0.9% compared to November 2020 and up 0.4% compared to December 2019. Most-used mode was truck \$60.5 billion of freight, down 3.5% compared to November 2020, up 5.8% compared to December 2019. US-Canada trade for December 2020 was: Truck: \$26.6b; Rail: \$7.4b; Pipeline: \$4.8b; Air: \$2.9b; and Vessel: \$1.8b.

3. Ontario Increases Support for Transit Across the Province

The Ontario government is providing \$150 million in additional funding to help municipal transit systems address the financial impacts of the COVID-19 pandemic. This funding is in addition to the \$2 billion previously committed by Ontario and the federal government through the Safe Restart Agreement to help municipalities continue to deliver critical transit services.

HIGHWAY TRANSPORTATION

Canada

1. Couriers and Messengers Services Price Index, January 2021, February 26, 2021, www.statcan.gc.ca
2. North American Transborder Freight up 0.4% in December 2020 from December 2019, February 26, 2021, www.bts.gov
3. Ontario Increases Support for Transit Across the Province, March 1, 2021, www.mto.gov.on.ca
4. New CFIA License Requirements Coming into Effect for Importers, March 1, 2021, www.cantruck.ca
5. Ontario Improving Safety and Enforcement for Towing Industry, March 2, 2021, www.mto.gov.on.ca
6. CTA: Federal Minister Reconfirms Date and Need for Progressive ELD Enforcement Strategy, March 2, 2021, www.ontruck.ca
7. Alberta carriers struggling with skyrocketing insurance rates, March 2, 2021, www.todaystrucking.com
8. U.S. Department of Transportation Announces Up to \$448 Million Loan for the 183A Phase III, 183S, and 290E Phase III Road Projects in Austin, March 2, 2021, www.dot.gov

During the peak of the pandemic, ridership dropped up to 90% of normal levels for some of Ontario's transit systems, which resulted in significant financial impacts for municipalities.

4. New CFIA License Requirements Coming into Effect for Importers

The Canadian Trucking Alliance (CTA) received a notice from the Canada Border Services Agency (CBSA) advising stakeholders that as of March 15, 2021, import transactions of food commodities (meat, fish, dairy, eggs, processed eggs, processed fruits or vegetables, honey, maple and, fresh fruits or vegetables) will automatically be rejected by the Canadian Food Inspection Agency (CFIA) when transmitted electronically, unless a valid Safe Food for Canadians (SFC) licence is obtained by importers moving goods into the country. Importers must obtain their SFC licence before presenting their shipment at the border and will not be able to obtain an SFC licence at the border if needed. Shipments may be refused/rejected entry into Canada by CFIA if importers have not met this requirement, potentially causing delays for trucks crossing the border.

5. Ontario Improving Safety and Enforcement for Towing Industry

The Ontario government is making our roads and highways safer by launching a Joint Forces Operation team to address violence in the towing industry and introducing a tow zone pilot on designated sections of provincial highways. Ontario's provincial towing task force has also recommended additional actions to better protect customers and improve towing industry safety, including establishing an oversight model of the towing and storage industry, exploring licencing for tow truck drivers, and introducing clearer equipment standards.

6. CTA: Federal Minister Reconfirms Date and Need for Progressive ELD Enforcement Strategy

Transport Minister Omar Alghabra once again committed the Government of Canada to the ELD mandate, coming into force June 2021. The statement reinforced support for industry and government working together to develop a successful and progressive enforcement strategy.

7. Alberta carriers struggling with skyrocketing insurance rates

Insurance premiums have increased exponentially over the past decade for Alberta fleets, impacting the bottom lines and hiring practices for carriers. Whether large or small, carriers across the province have seen insurance rates skyrocket, including Rosenau Transport, where premiums have doubled in the past 10 years. In an attempt to keep premiums from ballooning, Rosenau's driver training program has increased and been intensified, but that too comes at a cost. As Carl Cave, director of risk and compliance for Rosenau, explained to *Today's Trucking*, fleets must look for a variety of ways to mitigate rising insurance rates.

8. U.S. Department of Transportation Announces Up to \$448 Million Loan for the 183A Phase III, 183S, and 290E Phase III Road Projects in Austin

U.S. Transportation Secretary Pete Buttigieg on March 2, 2021 announced that the U.S. Department of Transportation's Build America Bureau (the Bureau) has provided up to \$448.38 million consolidated Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to the Central Texas Regional Mobility Authority (CTRMA) for tollway projects in the Austin, Texas metropolitan area. This is the first TIFIA loan to be closed under the Biden Administration. This TIFIA loan will finance a new project and refinance and replace two current loans that the Bureau provided to CTRMA for two tollway projects in November 2015 and March 2019 respectively. The new loans, at a lower interest rate, will save CTRMA more than \$80 million in interest costs, providing relief from the COVID-19 pandemic.

9. Statement by the Minister of Transport on electronic logging devices for commercial vehicles, March 2, 2021, www.tc.gc.ca

10. The Today's Trucking Top 100 — Canada's definitive ranking of the nation's largest truck fleets by size — has been upended by recent mergers and acquisitions, March 3, 2021, www.todaystrucking.com

11. FedEx plans carbon neutral operations by 2040, March 3, 2021, www.insidelogistics.ca

12. Republicans to White House: Limit infrastructure spending to roads and bridges, March 4, 2021, www.freightwaves.com

13. Five Steps to Better Trucking: CTA Makes 2021 Federal Budget Recommendations, March 4, 2021, www.cantruck.ca

14. Borderlands: Laredo looks to add, expand bridges to boost Mexico trade, March 7, 2021, www.freightwaves.com

15. Carriers could achieve record profits this year: ACT Research, March 5, 2021, www.todaystrucking.com

16. CTA Creates ArriveCAN Training Package for Trucking Industry, March 5, 2021, www.ontruck.ca

17. Mullen Group signs letter of intent to acquire APPS Transport, March 8, 2021, www.todaystrucking.com

18. Annual North American Transborder Freight down 13% in 2020 from 2019, March 8, 2021, www.bts.gov

19. Mullen Group acquiring Apps businesses, March 9, 2021, www.insidelogistics.ca

20. Titanium sets record in Q4 with sights set on huge '21, March 9, 2021, www.freightwaves.com

21. January 2021 Freight Transportation Services Index (TSI) Declined 3.6% from December, March 10, 2021, www.bts.gov

22. Vaccine, Stimulus to Boost Trucking in the Near Term, March 10, 2021, www.ontruck.ca

23. 2 Canadian trucking companies close amid financial struggles, March 15, 2021, www.freightwaves.com

24. Groupe Robert to build \$150-M warehouse in Varennes, March 15, 2021, www.todaystrucking.com

25. Autonomous Semi-Tractor Trailers in Canada?, March 15, 2021, www.railwayage.com

26. Canada Cartage expands in Western Canada by acquiring Kore Logistics, March 16, 2021, www.todaystrucking.com

27. Carbon pricing to cost Canadian truckers \$538 million in 2021, CTA says, March 17, 2021, www.todaystrucking.com

28. U.S. driver scarcity worsens: ACT Research, March 19, 2021, www.todaystrucking.com

29. DHL plans US\$8 billion spend on decarbonisation, March 22, 2021, www.insidelogistics.ca

30. Winter weather pushed down February freight tonnage: ATA, March 23, 2021, www.todaystrucking.com

31. North American Transborder Freight down 2.9% in January 2021 from January 2020, March 24, 2021, www.bts.gov

32. A (virtual) test ride in a Waymo long-haul truck, March 24, 2021, www.ajot.com

33. Unions Urge DOT to Halt Trump Admin's Automated Vehicles Plan, March 25, 2021,

9. Statement by the Minister of Transport on electronic logging devices for commercial vehicles

On March 2, 2021, the Minister of Transport, the Honourable Omar

Alghabra, issued the following statement: “Road safety is a priority for the Government of Canada. That is why, in 2019, we took new action to prevent commercial driver fatigue and improve road safety by mandating electronic logging devices. These devices track drivers’ working hours to ensure all federally regulated motor carriers and their drivers operate safely. Consultations in the lead-up to the logging devices have begun. As Minister of Transport, I am firmly committed to this timeline – these devices will further strengthen road safety in Canada. At the same time, the impact of COVID-19 on commercial vehicle operations has been unprecedented and must be acknowledged. ...”

www.ontruck.ca

34. Minister of Transport announces funding for new projects to improve the safety for road users, March 26, 2021, www.tc.gc.ca

10. The Today’s Trucking Top 100 — Canada’s definitive ranking of the nation’s largest truck fleets by size — has been upended by recent mergers and acquisitions.

TFI International is purchasing UPS Freight, among others. Bison Transport has been acquired by James Richardson and Co. And Seaboard Transportation Systems is acquiring Armour Transportation Systems. Fleets throughout the list have added capacity and tucked in new operations. But as much as things change, some things remain the same. There’s a familiar face at the top of the leader board for 2021. The Top six Canadian trucking companies are: 1. TFI; 2. Canadian National Transportation; 3. Day and Ross. 4. Mullen transportation. 5. Bison. 6. Trimac.

11. FedEx plans carbon neutral operations by 2040

FedEx Express is slated to be the first customer of the BrightDrop EV600, and will begin receiving their vehicles later this year. (GM image). FedEx Corp. plans to achieve carbon neutral operations globally by 2040. To help reach this goal, the company will spend more than US\$2 billion in three areas: vehicle electrification, sustainable energy, and carbon sequestration. As part of this plan, FedEx is spending \$100 million to fund the creation of the Yale University Center for Natural Carbon Capture. The centre will research methods of carbon sequestration, with an initial focus on helping to offset greenhouse gas emissions equivalent to current airline emissions.

12. Republicans to White House: Limit infrastructure spending to roads and bridges

As the Biden administration looks ahead to the “recovery” portion of its Build Back Better plan while the \$1.9 billion COVID-19 relief bill is considered in the Senate, Republicans are drawing a line across the road when it comes to infrastructure investment. After a White House meeting on March 4, 2021 that included President Joe Biden and Department of Transportation Secretary Pete Buttigieg, Rep. Sam Graves, R-Missouri, the ranking member of the House Transportation and Infrastructure Committee, said he made it clear that for an infrastructure bill to happen, Republican priorities had to be considered. “It cannot be a ‘my way or the highway’ approach like last Congress,” Graves said.

13. Five Steps to Better Trucking: CTA Makes 2021 Federal Budget Recommendations

The Canadian Trucking Alliance reiterated five important industry positions that would improve the safety, diversify and expand labour opportunities in trucking, cut down on the trucking industry’s environmental footprint and boost competitiveness by cracking down on non-compliant carriers, among other policies. CTA’s recommendations, which dovetail with Canada’s own economic, environmental and social goals, were made last week to the federal government in our 2021 pre-budget submission: 1. Standing up for business and promoting Equity. 2. Capping the carbon price for diesel fuel at its current price. 3. Investing in skills training in our sector. 4. Supporting immigration and protecting new Canadians. 5. Supporting key infrastructure projects aimed to help facilitate Canadian trade.

14. Borderlands: Laredo looks to add, expand bridges to boost Mexico trade

The World Trade Bridge in Laredo, Texas, could reach capacity by 2030, negatively impacting commercial truck wait times and trade flows, according to a new study. The findings are part of the city of Laredo’s bridge master plan, discussed during a Feb. 22 council meeting. The goal of the plan is to increase trade between Mexico and the United States at all of Laredo’s international bridges. “The report has started signaling that the bridge should be pretty close to capacity by 2030, if nothing is done,” Robert Eads, Laredo’s city manager, told *FreightWaves*. “The good thing is we’re doing things today, major projects that we know will extend that capacity, but we’re still going to end up at the same point; we will still always be building out. Our true opportunity is going to be expansion of the World Trade Bridge and the greater use of the Colombia-Solidarity Bridge.”

15. Carriers could achieve record profits this year: ACT Research

Carrier profitability in the U.S. is expected to reach record levels this year, as the freight-generating sectors of the economy are the strongest, according to the Commercial Vehicle Dealer Digest from ACT Research. However, the report also raised concerns about the supply chain and how disruptions may affect commercial vehicle production. “The supply chain’s ability to respond to demand will be the key determinant of Class 8 and van trailer production in 2021,” said Kenny Vieth, ACT’s president and senior analyst. “The silicon chip shortage that came to the world’s attention in early January appears to be the greatest risk to production in the near-term. According to reports, the supply situation is unlikely to be rectified before mid-year, so there are risks that this situation lingers into Q3.”

16. CTA Creates ArriveCAN Training Package for Trucking Industry

The Government of Canada recently announced that all travellers, including truck drivers, would be required to use ArriveCAN as part of the re-entry process back into Canada at the land border. In order to facilitate a smooth transition to this new mandatory requirement, as well as recognizing that upwards of 20 percent of commercial drivers do not have access to smart phone technology, CTA worked with the Government of Canada and other stakeholders on the development of a transition period. Part of this plan included the ability for commercial drivers to make an oral declaration at primary, instead of an electronic submission through ArriveCAN prior to arriving at the border. “In recognition of these changes, CTA has created a training package that will help drivers and their companies understand how to utilize the ArriveCAN App and ensure their border crossing experience remains as seamless as possible. ...”

17. Mullen Group signs letter of intent to acquire APPS Transport

Mullen Group has announced it has reached an agreement to acquire APPS Transport Group, including APPS Cartage and APPS Cargo Terminals. APPS had reached an agreement last year to sell to TFI International but the acquisition was terminated following scrutiny by the Competition Board of Canada. Mullen says it has signed a letter of intent to take over the company and has initiated due diligence and the execution of a purchase and sale agreement. It expects to close the deal on June 1, 2021. Murray Mullen, chairman and CEO of Mullen Group, said APPS will operate as a standalone entity and that its founder Rob McDonald will stay on with the company.

18. Annual North American Transborder Freight down 13% in 2020 from 2019

Total Transborder freight between the U.S. and other North American countries (Canada and Mexico) in 2020 was \$1.06 trillion by all modes of transportation, down 13.3% from 2019. It declined in 2020 from 2019 in every month from the start of the COVID-19 pandemic until a 0.4% increase at the end of the year in December. US-Canada trade by mode was as follows: truck \$309b; rail \$79b; pipeline \$48b; air \$32b; and vessel \$32b. Almost all (99.4%) of pipeline freight between the U.S. and Canada were mineral fuels, primarily oil and gas. Most of these freight flows were on pipelines linking Canada and the American Midwest.

19. Mullen Group acquiring Apps businesses

Mullen Group Ltd. will acquire Mississauga based Apps Transport Group Inc. and the businesses Apps Cartage Inc. and Apps Cargo Terminals Inc. The deal is scheduled to close on June 1, 2021, subject to regulatory approval. Apps was founded in 1985 and provides less-than-truckload (LTL), along with truckload, intermodal and some warehousing services primarily from its head office in Mississauga, Ontario. It also has five locations throughout western Canada. This deal is scheduled to close on June 1, 2021 and needs regulatory approval.

20. Titanium sets record in Q4 with sights set on huge '21

Canadian cross-border trucking and logistics firm Titanium Transportation Group closed 2020 firing on all cylinders, reporting record revenue March 8, 2021 for the fourth quarter and full year on the strength of its U.S. brokerage operations. The Ontario-based company reported adjusted net income of CA\$2.1 million (\$1.66 million), or 6 cents per share, on CA\$65.9 million in revenue. Fourth-quarter revenue came in 52.1% higher than a year ago, while net income came in more than 600% higher. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 46.2% to CA\$6.5 million compared to a year earlier. “Record fourth quarter results marked a strong finish to an extraordinary year that exceeded expectations,” CEO Ted Daniel said in a statement.

21. January 2021 Freight Transportation Services Index (TSI) Declined 3.6% from December

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 3.6% in January 2021 from the revised December 2020 level, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS). From January 2020 to January 2021 the index fell 0.1% compared to a decline of 1.4% from January 2019 to January 2020 and a rise of 5.3% from January 2018 to January 2019.

22. Vaccine, Stimulus to Boost Trucking in the Near Term

The wide-scale distribution of COVID-19 vaccines and additional government stimulus in the U.S. will drive economic growth in 2021 and 2022, according to trucking economists. As reported by the *Trucker magazine*, freight volumes got the year 2021 off to a good start with more to come as the vaccine and stimulus continue to pay off. “The headwind of COVID-19 is mixing with the tailwinds of vaccine distribution and economic stimulus,” said Ken Adamo, chief of analytics for DAT. “There’s still uncertainty about whether consumers will continue to spend, what they’ll buy now and how networks will respond as e-commerce drives more final-mile delivery and fulfillment houses move closer to where customers live.”

23. 2 Canadian trucking companies close amid financial struggles

Two Canadian trucking companies operating in the same Toronto site have shut down as their owner faced a mountain of debt and largely unprofitable businesses, bankruptcy court records show. Orbit Freight ceased operating in February 2021 following the shutdown of Delta Carrier, according to filings in Ontario Superior Court in March 2021. The size

of either carrier wasn't clear at the time of closure. At its peak, in 2018, Orbit had 25 power units and 66 drivers registered in the U.S with the Federal Motor Carrier Safer Administration.

24. Groupe Robert to build \$150-M warehouse in Varennes

Group Robert, which operates one of Quebec's largest trucking operations, has announced plans to build a \$150-million automated distribution center in Varennes, Que. The projects will be supported by \$40 million from the Fonds de solidarite FTQ and a \$15 million loan from the provincial government.

25. Autonomous Semi-Tractor Trailers in Canada?

Backed by a \$1 million matching grant from the Ontario government through the province's Autonomous Vehicle Innovation Network (AVIN), national retailer Canadian Tire and Toronto-based startup NuPort Robotics, Inc., are each contributing \$1 million toward a two-year project to apply proprietary AI (artificial intelligence) technology from NuPort Robotics to retrofit two conventional semi-tractor trailers with sensors and controls, a touchscreen navigation system and other advanced features such as obstacle and collision avoidance. The trucks will be attended-autonomous, meaning that there will be a driver in the cab.

26. Canada Cartage expands in Western Canada by acquiring Kore Logistics

Canada Cartage continues to grow its final mile operations with the acquisition of Kore Logistics, one of Western Canada's largest providers of final mile fulfillment and home deliveries. It's the third acquisition for Canada Cartage this year, following purchases of Stalco and City Transfer. "Canada Cartage has a long, successful history in the home delivery market in Canada," said president and CEO Jeff Lindsay. "It is an area of growth for us now and in the coming years, and bringing together our company with Kore helps accelerate that growth. They have a great reputation in the Western Canada market, and we want to help build that success into new markets and with new customers."

27. Carbon pricing to cost Canadian truckers \$538 million in 2021, CTA says

Canada's largest trucking association continues to push against carbon pricing, citing a lack of "meaningful environmental changes" that result. In letters to multiple ministers, the Canadian Trucking Alliance (CTA) has stressed that fleets already closely monitor fuel consumption – and that carbon pricing offers no added incentive to adopt new technologies or business strategies. The alliance estimates Canada's trucking industry will pay \$538 million in carbon pricing this year, rising to \$1.2 billion by 2023, and \$3 billion by 2030. The federal carbon price on diesel is set to increase \$0.1073 per liter on April 1, 2021. Carbon pricing is set to be worth \$15 per tonne by 2030.

28. U.S. driver scarcity worsens: ACT Research

Truck driver scarcity has reached a three-year high, according to ACT Research's For-Hire Trucking Index for February. Its Driver Availability Index read 23.6, down from 25 in January. "As fleets often like to be gearing up for springtime volume growth in February, the tightness in the driver market feels acute. For the third straight month, this was the tightest reading in the three-year history of this index," said Tim Denoyer, vice-president and senior analyst.

29. DHL plans US\$8 billion spend on decarbonization

Deutsche Post DHL Group is planning to spend US\$8 billion (seven billion euros) over the next 10 years to decarbonize its operations. It plans to target three areas: alternative aviation fuels, the expansion of the zero-emission e-vehicle fleet and climate-neutral buildings. Four years ago, DHL committed to be producing zero emissions by 2050. Now it has added interim targets. For example, it commits as part of the Science Based Target initiative (SBTi) to reduce its greenhouse gas emissions by 2030 in line with the Paris Climate Agreement.

30. Winter weather pushed down February freight tonnage: ATA

U.S. for-hire truck tonnage fell 4.5% in February 2021, and was down 5.9% year-over-year, according to the latest data from the American Trucking Associations (ATA). "February's drop was exacerbated, perhaps completely caused, by the severe winter weather that impacted much of the country during the month," said ATA chief economist Bob Costello. "Many other economic indicators were also soft in February due to the bad storms, but I continue to expect a nice climb up for the economy and truck freight as economic stimulus checks are spent and more people are vaccinated."

31. North American Transborder Freight down 2.9% in January 2021 from January 2020

Transborder freight between the U.S. and North American countries (Canada and Mexico) in January 2021 was \$94.3 billion. Transborder freight moved by all modes of transportation was down 2.6% compared to December 2020 and down 2.9% compared to January 2020. Total Canada-US Freight was down 3.7% compared to December 2020 and 4.5% compared to January 2020. U.S.-Canada trade in both directions were as follows: Truck: \$26.6 billion; Rail: \$7.4 billion; Pipeline: \$4.7 billion; Air: \$2.3; billion and Vessel: \$1.8 billion.

32. A (virtual) test ride in a Waymo long-haul truck

Earlier on March 24, 2021, around 10 a.m. in Phoenix, a baby blue Peterbilt truck pulled onto a westbound lane of Interstate 10 southeast of the city. At the wheel was an "autonomous specialist," as Alphabet Inc.'s self-driving vehicle unit Waymo calls him, named Dave. A few seconds after merging onto the interstate, Dave released his grip on the wheel and let the truck begin driving itself. With the pandemic limiting in-person reporting, Waymo offered its first

long-haul trucking demonstration for journalists virtually. Along with a couple dozen other reporters, I took the ride via live stream, on a one-minute delay. “I’m definitely looking forward to the time when we can do this in person again,” said Pablo Abad, product manager for Waymo’s trucking division Via. Together with planning and behavior engineering lead Brad Neuman, Abad narrated as the robot driver hauled a trailer for about 15 miles along I-10 and Route 202.

33. Unions Urge DOT to Halt Trump Admin’s Automated Vehicles Plan

Two prominent labour unions in the U.S. want the U.S. Department of Transportation (DOT) to reject the former Trump administration’s automated vehicle (AV) strategy. The unions claim the plan relies too much on the viewpoint from industry without enough attention paid to “potential damage to worker safety and jobs,” reports *FreightWaves*. The Automated Vehicles Comprehensive Plan (AVCP), one of the last documents released for public comment by DOT under former Secretary Elaine Chao, laid out the previous administration’s vision for integrating AVs – both cars and heavy trucks – into the U.S. transportation system.

34. Minister of Transport announces funding for new projects to improve the safety for road users

On March 26, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced a new call for proposals under the Enhanced Road Safety Transfer Payment Program, which is making \$12 million available to fund projects which: 1) promote road safety awareness; 2) increase knowledge of road safety issues, practices, and behaviours; 3) improve support for innovative and emerging technologies; and 4) bolster the safe introduction of features for connected and automated vehicles. These road safety initiatives benefit Canadians by improving vehicle safety and reducing the risk of collisions. Provincial and territorial governments, non-governmental organizations, academia, safety organizations, and private sector enterprises can apply for funding. Transport Canada offers a maximum contribution of up to 75 per cent of the total project eligible costs. To be eligible for this year’s program funding, applicants must submit their initiatives to Transport Canada no later than May 10, 2021.

GENERAL TRANSPORTATION

Canada

1. Transportation capacity sees ‘accelerated contraction’ in February

A February 2021 survey of logistics executives showed growth in the supply chain is “increasing at an increasing rate.” The Logistics Managers’ Index (LMI), a reading on changes in several areas of the supply chain, increased 4.2 percentage points during February 2021 to 71.4%. The reading was notably higher than the historical average of 62.7% and well above the February 2020 level of 52.6%. The LMI is a diffusion index wherein a reading above 50% indicates expansion and a reading below 50% indicates contraction. The survey is designed to capture the rate of change in areas like transportation, inventory and warehousing. “The combination of tight capacity and high prices are the primary drivers behind the increasing rate of growth detected in this month’s LMI,” the report read. A couple of categories — transportation prices (88%), warehousing prices (79%) and inventory costs (76.8%) — hit their highest levels in more than two years.

2. Feds developing comprehensive security plan

The Trudeau government is pressing ahead with efforts to counter economic-based threats to national security, such as theft of valuable intellectual property and damage to critical energy and information networks. In its newly published plan for the coming year, Public Safety Canada says it will lead with the development of a comprehensive framework across the government to deal with the broad range of risks to Canada’s economic well-being. The move comes as security agencies warn Canadians of the rising danger of hostile nations pilfering trade secrets and cybercriminals demanding ransom for sensitive files.

3. Nunavut research project to address the impacts of climate change on northern transportation infrastructure

GENERAL TRANSPORTATION

Canada

1. Transportation capacity sees ‘accelerated contraction’ in February, March 2, 2021, www.freightwaves.com
2. Feds developing comprehensive security plan, March 2, 2021, www.insidelogistics.com
3. Nunavut research project to address the impacts of climate change on northern transportation infrastructure, March 3, 2021, www.tc.gc.ca
4. Canadian economy enters 2021 with double digit growth, March 4, 2021, www.insidelogistics.ca
5. Export boom drives Canada’s largest trade surplus since 2014, March 5, 2021, www.nationalpost.ca
6. Competition: Commission invites stakeholders to provide comments on the application of EU competition law to collective bargaining agreements for self-employed, March 5, 2021, www.europa.eu
7. China remains top US trade partner, Mexico No. 2, March 9, 2021, www.freightwaves.com
8. New grain transloading facility at Manitoba border with U.S., March 10, 2021, www.insidelogistics.ca
9. Amazon ordered to shut down Brampton, Ontario, DC, March 13, 2021, www.insidelogistics.ca
10. U.S. execs keen on globalization, study shows, March 12, 2021, www.insidelogistics.ca
11. Canadian governments invest \$100 million in battery plant north of Montreal, March 15, 2021, www.nationalpost.ca
12. Fact Sheet: U.S. Department of Transportation Details the American Rescue Plan’s Benefits for Transportation, March 17, 2021, www.dot.gov
13. Canada to ratify trade agreement with United Kingdom, March 19, 2021, www.financialpost.ca
14. Travel between Canada and other countries, January 2021, March 23, 2021, www.statcan.gc.ca
15. Supreme Court backs federal carbon tax, March

On March 3, 2021, the Minister of Northern Affairs, the Honourable Daniel Vandal, on behalf of the Minister of Transport, the Honourable Omar Alghabra, and the Government of Nunavut Minister of Economic Development and Transportation, the Honourable David Akeegok,

25, 2021, www.todaystrucking.com

16. U.S. Transportation Secretary Pete Buttigieg Announces \$30.5 Billion to Help the Nation's Public Transportation Systems Respond to COVID-19, March 29, 2021, www.dot.gov

announced an important climate change adaptation research project under the Northern Transportation Adaptation Initiative. The Government of Nunavut will be leading a permafrost study to support increased climate resilience of the transportation system serving communities in Nunavut. The project will develop data to assist in decision-making processes for airports in Pangnirtung and Rankin Inlet, and in the analysis of how long-term changes in the climate may affect transportation underlain by permafrost in these and 14 other territorial communities. The total cost of the project is \$540,335: Transport Canada is providing up to \$349,000, while the Government of Nunavut is contributing \$116,335. The Canada-Nunavut Geoscience Office is also offering in-kind contribution.

4. Canadian economy enters 2021 with double digit growth

The Canadian economy sprinted to the finish line of 2020 with nearly double-digit growth in the fourth quarter, ending its worst year on record on a strong note that has continued into the start of 2021. The economy grew at an annualized rate of 9.6 percent over the last three months of 2020, Statistics Canada reported on March 2, 2021, down from an annualized growth rate of 40.6 percent in the 2020 third quarter when the country fully emerged from the near-shutdown last spring.

5. Export boom drives Canada's largest trade surplus since 2014

Canada's trade sector unexpectedly recorded its largest surplus in more than six years on across-the-board increases in exports. The nation ran a surplus of \$1.4 billion (US\$1.1 billion) in January 2021 from a revised deficit of \$1.98 billion in December 2020, Statistics Canada said on March 6, 2021 in Ottawa. Economists were predicting a gap of \$1.4 billion. It marked the first time Canada has run a monthly trade surplus since May 2019, and represents the largest since 2014.

6. Competition: Commission invites stakeholders to provide comments on the application of EU competition law to collective bargaining agreements for self-employed

The European Commission has launched March 5, 2021 a public consultation to gather views and evidence from citizens, businesses, social partners, academia, government bodies and all interested parties as part of an initiative to ensure that EU competition rules do not stand in the way of collective bargaining by certain solo self-employed people. Both in the digital economy and beyond, some solo self-employed might be in a situation of unbalanced negotiating power vis-à-vis certain companies/buyers of labour, leading them to have little influence over their payment and working conditions. Collective bargaining can be a powerful tool to achieve better working conditions.

7. China remains top US trade partner, Mexico No. 2

China was the United States' top trading partner for the 10th consecutive month in January 2021, and was No. 1 overall in 2020, according to U.S. Census Bureau data released on March 5, 2021. Mexico was No. 2, as its total trade with the U.S. fell 1.3% to \$48.5 billion in January 2021, compared to the same period in 2019. Canada was third with \$45.8 billion. China's total trade with the U.S. rose 28% to \$52 billion in January 2021, with imports to the U.S. increasing 18% to \$39 billion. Cell phones, related equipment, computers and plastic articles were the top three imports, according to Census Bureau data analyzed by World City.

8. New grain transloading facility at Manitoba border with U.S.

Mid Canada Transload Services Ltd (MCTS) has opened a new grain facility. MCTS is one of the largest privately owned inland ports in Manitoba. Located at the U.S.-Canada Border at Emerson, Manitoba, it specializes in transloading agricultural products, food grade and organic products, and manufactured goods. The 250-acre site is situated alongside Highway 75, Manitoba's main artery connection to the United States and main entry port for commercial traffic for Western Canada. The site is one hour from Grand Forks, North Dakota or from Winnipeg, Manitoba. MCTS also has daily rail service from the CN and BNSF railways.

9. Amazon ordered to shut down Brampton, Ontario, DC

Thousands of workers at an Amazon warehouse in Brampton, Ont., were ordered to isolate on March 13, 2021 as public health authorities sought to contain a growing outbreak at the facility. Peel Region's public health unit said everyone working at the site might have had high-risk exposure to COVID-19. "This is really about trying to make sure that we control spread in our community," Dr. Lawrence Loh, Peel's medical officer of health, said in an interview.

10. U.S. execs keen on globalization, study shows

New DHL survey finds business leaders believe their organizations depend on international business partners and global trade. Executives in the largest American companies believe their future depends on global trade and international business. Results of a new survey released by DHL found a positive outlook toward international trade and travel this year, despite ongoing pandemic-related restrictions. Most senior decision makers surveyed said their organization's

recovery from the economic recession caused by the global health crisis depends on robust international flows of trade, people, information and capital.

11. Canadian governments invest \$100 million in battery plant north of Montreal

Not two weeks after our own Driving into the Future, panelists predicted Canada could soon become a powerhouse in electric vehicle battery production, Prime Minister Justin Trudeau and Quebec Premier Francois Legault on March 15, 2021 announced their governments will each provide \$50 million to Lion Electric to build a battery manufacturing facility in St-Jerome, Quebec, an hour north of Montreal.

12. Fact Sheet: U.S. Department of Transportation Details the American Rescue Plan's Benefits for Transportation

On March 17, 2021, the U.S. Department of Transportation highlights the transportation elements of the historic American *Rescue Plan Act of 2021* (ARP), which will provide immediate relief for American workers, help communities that are struggling in the wake of COVID-19, and ensure that our transportation system keeps running. ARP includes a total of \$43.2 billion in resources for the Department to continue its response to the ongoing COVID-19 pandemic.

13. Canada to ratify trade agreement with United Kingdom

Canada's Minister of International Trade says the country will ratify its Trade Continuity Agreement with the United Kingdom. Mary Ng told the U.K.'s Secretary of State for International Trade that Canada agrees to the deal in a phone call on March 19, 2021. The agreement will provide Canadian exporters and businesses with continued preferential access to the U.K. market

14. Travel between Canada and other countries, January 2021

Arrivals to Canada from the United States and other countries were down 92.3% in January 2021, compared with the same month a year earlier. Similarly, the number of Canadian residents returning from abroad was down 90.4% over the same period. While the number of Canadians flying home from abroad in January 2021 was down 89.9% year over year, over 233,200 Canadians flew home during the month, up by over one-third (+36.6%) from December 2020.

15. Supreme Court backs federal carbon tax

The Supreme Court of Canada has ruled that Canada's national carbon pricing is constitutional, dealing a blow to several provinces that had mounted a challenge against the so-called "carbon tax". Under the Greenhouse Gas Pollution Pricing Act, provinces and territories had to implement carbon pricing on fuels before Jan. 1, 2019, or adopt prices imposed by the federal government.

16. U.S. Transportation Secretary Pete Buttigieg Announces \$30.5 Billion to Help the Nation's Public Transportation Systems Respond to COVID-19

The U.S. Department of Transportation's Federal Transit Administration (FTA) on March 29, 2021 announced that a total of \$30.5 billion in Federal funding is now available to support the nation's public transportation systems as they continue to respond to the COVID-19 pandemic and support President Biden's call to vaccinate the U.S. population. Funding is provided through the American Rescue Plan Act of 2021 (Pub. L. 117-2), signed by President Biden on March 11, 2021.