

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Canada's Airports Welcome Expert Panel of Physicians' Recommendations on New Travel Border Measures

The Canadian Airports Council, which represents 54 major Canadian airports, on May 28, 2021 welcomed a new set of recommendations for testing and border measures from a government-appointed expert panel of physicians. The CAC urges the federal government to work with industry quickly to put the recommendations into action in an operationally practical way.

### 2. Weekly aircraft movements, May 15 to 21, 2021

Weekly data on aircraft itinerant movements are now available for May 15 to 21, 2021 on the Statistics Canada website. For the week ending May 15, 2021 total movements were 37,021 compared to 35,977 for the week ending May 8, 2021.

### 3. From Data to Travel Freedom

The International Air Transport Association (IATA) urged governments to make data-driven decisions to manage the risks of COVID-19 when reopening borders to international travel. Strategies without quarantine measures can enable international travel to restart with a low risk of introduction of COVID-19 to the travel destination. "Data can and should drive policies on restarting global travel that manage COVID-19 risks to protect populations, revive livelihoods and boost economies. We call on the G7 governments meeting later this month to agree on the use of data to safely plan and coordinate the return of the freedom to travel which is so important to people, livelihoods and businesses," said Willie Walsh, IATA's Director General.

### 4. Global air cargo volumes dip -4% in May, leaving a question mark over market recovery

Continued market uncertainties and (extended) public holidays contributed to a -4% drop in global air cargo demand in May 2021 versus the pre-Covid level in 2019, according to the latest industry volume, load factor and rates analysis by CLIVE Data Services and TAC Index. To offer a meaningful perspective of the air cargo industry's performance, CLIVE Data Services is continuing to focus on comparing the current state of the market to pre-Covid 2019 volume, cargo capacity and load factor data until at least Q3 of this year. This is being produced alongside the 2020 comparison. After more positive indicators for the air cargo market in the first four months of the year, May 2021 data showed a less favourable trend, with the fall in demand joined by a second consecutive month-over-month drop in 'dynamic loadfactor' and airfreight rates, which peaked in early May 2021, falling away towards the end of the month.

### 5. U.S. Airlines April 2021 Fuel Use Up 3.7% from March

The Department of Transportation's Bureau of Transportation Statistics (BTS) on June 3, 2021 released U.S. airlines' 2021 April Fuel Cost and Consumption numbers. U.S. airlines used 3.7% more fuel in April 2021 than in March 2021 to reach the highest monthly consumption level since March 2020. In April 2021, airlines used more than twice the amount of fuel that

## AIR TRANSPORTATION Canada

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2. Weekly aircraft movements, May 15 to 21, 2021, June 2, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. From Data to Travel Freedom, June 2, 2021, [www.iata.org](http://www.iata.org)
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17. Transat shares hit highest point since March as it plans July 30 restart, June 10, 2021, [www.financialpost.ca](http://www.financialpost.ca)
18. March 2021 U.S. Airline Traffic Rose 30% from February, June 10, 2021, [www.bts.gov](http://www.bts.gov)
19. Air Canada unveils routes for converted freighters, June 14, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

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

they did in April 2020 and 70% of the amount they used in April 2019.

#### **6. Air Canada Clarifies and Updates 2020 Compensation Programs**

Air Canada is providing updates regarding its 2020 compensation outcomes and announcing additional actions being taken by its Senior Executives. In general: 1) The 2020 compensation outcomes for all Air Canada employees were among the many important decisions made during the pandemic in the best interest of Air Canada and its stakeholders. 2) These compensation outcomes were approved by the Board of Directors in mid-2020 in consultation with external advisors, and in conformity with the Corporation's governance principles and best practices. 3) They were consistent with compensation outcomes at companies that also suffered significantly during the pandemic and comply with all of the company's agreements and any applicable filing or other requirements. 4) Air Canada worked hard to preserve as many jobs as possible through the pandemic, with employee retention being a critical priority to enable continued operations through this extended crisis and to prepare for sustainable emergence from the pandemic. Further details of the 2020 Compensation programs are also provided.

#### **7. Air Canada's senior executives to return 2020 bonuses over 'public disappointment'**

Air Canada said that its senior executives will give back its bonuses and stock awards citing public disappointment. Air Canada scrapped its bonus plan during the COVID-19 pandemic and replaced it with a new plan that paid \$10-million in "COVID-19 Pandemic Mitigation Bonuses" earlier this year. It also gave out special share-appreciation units at the end of 2020 that were designed to compensate executives and management for salary cuts the airline announced publicly during the pandemic.

#### **8. Cash flow generation varies by region**

In IATA's latest *Airlines Financial Monitor* they showed that the airline industry posted Q1 net losses similar to those in Q4 as the global resurgence of COVID-19 halted air travel recovery in early-2021 and fuel costs increased. On a more positive note, rate of cash burn slowed over the same period. Based on the initial financial results, industry-wide Q1 net cash outflow (NCF) from operating activities was at ~5% revenues and free cash outflow (FCF) at 18% of revenues – robust improvement on -37% (NCF) and -52% (FCF) results in Q4. Looking forward, financial performance will vary across regions. Airlines with large share of domestic traffic is expected to recover first. For now, the outlook is the most positive for North American carriers – some of which should stop burning cash in Q2 and reach profitability in H2 should the US domestic bookings momentum continue over the summer.

#### **9. Air Cargo Up 12% in April Compared to Pre-COVID Levels**

The International Air Transport Association (IATA) released April 2021 data for global air cargo markets showing that air cargo demand continued to outperform pre-COVID levels (April 2019) with demand up 12%. The highlights were: 1) Global demand, measured in cargo tonne-kilometers (CTKs\*), was up 12% compared to April 2019 and 7.8% compared to March 2021. Seasonally adjusted demand is now 5% higher than the pre-crisis August 2018 peak. 2) The strong performance was led by North American carriers contributing 7.5 percentage points to the 12% growth rate in April. Airlines in all other regions except for Latin America also supported the

growth. 3) Capacity remains 9.7% below pre-COVID-19 levels (April 2019) due to the ongoing grounding of passenger aircraft. 4) Airlines continue to use dedicated freighters to plug the lack of available belly capacity. International capacity from dedicated freighters rose 26.2% in April 2021 compared to the same month in 2019, while belly-cargo capacity dropped by 38.5%.

20. WestJet introduces service to Amsterdam from Calgary, June 14, 2021, [www.westjet.ca](http://www.westjet.ca)
21. U.S. Airlines Narrow Net Loss in 1st Quarter 2021 from 4th Quarter 2020, June 14, 2021, [www.bts.gov](http://www.bts.gov)
22. Air Canada Supports Economic Recovery as the Country's Leading Carrier, Serving 50 Cities Across Canada to Enable Canadians to Conveniently Connect, June 15, 2021, [www.aircanada.ca](http://www.aircanada.ca)
23. Government of Canada supporting the Ottawa Macdonald-Cartier International Airport with new funding, June 17, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
24. Weekly aircraft movements, May 29 to June 4, 2021, June 16, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
25. Air Transat plans flights to nearly 50 destinations this winter as travel set to resume, the Globe and Mail, June 16, 2021, [www.globeandmail.ca](http://www.globeandmail.ca)
26. Government of Canada supporting the Ottawa Macdonald-Cartier International Airport with new funding, June 16, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
27. Minister of Transport provides update on Safer Skies Initiative at ICAO Council meeting, June 18, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
28. Air Canada Inaugurates New Service from Montreal to Cairo, Egypt, June 18, 2021, [www.aircanada.ca](http://www.aircanada.ca)
29. Government of Canada providing additional funding to support essential air services for remote communities in Yukon, June 21, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
30. Annual civil aviation statistics: First look, 2020, June 21, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
31. Ottawa eases quarantine for vaccinated travellers, but won't give firm date for full reopening of U.S. border, June 21, 2021, [www.nationalpost.ca](http://www.nationalpost.ca)
32. Air Travel Consumer Report: April 2021 Numbers, June 21, 2021, [www.dot.gov](http://www.dot.gov)
33. Government of Canada providing additional funding to support essential air services for remote communities in the Northwest Territories, June 21, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
34. Statement on June 21 government announcement, June 23, 2021, [www.cacairports.ca](http://www.cacairports.ca)
35. U.S. Airlines April 2021 Passengers Increased 9% from March 2021 (Preliminary), June 22, 2021, [www.bts.gov](http://www.bts.gov)
36. Weekly aircraft movements, June 5 to 11, 2021, June 23, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
37. Westjet Cargo Announces Dedicated Freighters to Better Serve Canada, June 23, 2021, [www.westjet.ca](http://www.westjet.ca)
38. U.S. Passenger Airline Employment Down in April 2021 from March, June 24, 2021, [www.bts.gov](http://www.bts.gov)
39. WestJet reconnecting routes across British Columbia, June 25, 2021, [www.westjet.ca](http://www.westjet.ca)

#### **10. April Airline Industry Employment Down 1% from March**

U.S. airlines employed 706,504 workers in April 2021, 6,531 fewer than in March 2021 (713,035) and 48,591 fewer than in March 2020 (755,095). The April 2021 industry numbers consist of 592,931 full-time and 113,573 part-time workers. The largest March to April 2021 reductions among major airlines were American Airlines, down 2,410 employees, and SkyWest Airlines, down 2,329 employees. From the start of the pandemic in March 2020, the largest employment reductions were Delta Air Lines, down 24,321 employees, and United Airlines, down 23,632 employees. From March 2020 to April 2021, Federal Express added 24,392 employees.

#### **11. Weekly aircraft movements, May 22 to 28, 2021**

Weekly data on aircraft itinerant movements are now available for May 22 to 28, 2021 on Statistics Canada website. For the week ending May 22, 2021 total domestic aircraft movements were 28,849 compared to 37,021 for the week ending May 15, 2021.

#### **12. Easing of quarantine restrictions for Canadians a good step, but Canada still needs a restart plan**

The June 9, 2021 announcement by the federal government of new border requirements for fully vaccinated Canadians and permanent residents is a move in the right direction, Canada's airports say. But airports are disappointed the new measures do not more fully incorporate the recommendations of Health Canada's Expert Advisory Panel report "Priority strategies to optimize testing and quarantine at Canada's borders" and that there is still no plan for the restart of air travel. "Canada urgently needs a plan to end hotel quarantines for all vaccinated international travellers, and an end to the funneling of international flights to just four airports," said CAC President Daniel-Robert Gooch. "We also need the government to engage with industry on how travellers will be treated based on vaccination levels in future phases, in order for airports and our industry partners to properly plan, and progress on digital health certificates."

#### **13. April travel demand a tale of 2 markets: Domestic recovery & international stagnation**

The International Air Transport Association (IATA) announced that domestic travel demand improved in April 2021 compared to the prior month, although it remained well below pre-pandemic levels, while recovery in international passenger travel continued to be stalled in the face of government-imposed travel restrictions. Because comparisons between 2021 and 2020 monthly results are distorted by the extraordinary impact of COVID-19, unless otherwise noted all comparisons are to April 2019, which followed a normal demand pattern. 1. Total demand for air travel in April 2021 (measured in revenue passenger kilometers or RPKs) was down 65.4% compared to April 2019. That was an improvement over the 66.9% decline recorded in March 2021 versus March 2019. The better performance was driven by gains in most domestic markets. 2. International passenger demand in April was 87.3% below April 2019, little changed from the 87.8% decline recorded in March 2021 versus two years ago. 3. Total domestic demand was down 25.7% versus pre-crisis levels (April 2019), much improved over March 2021, when domestic traffic was down 31.6% versus the 2019 period. As with March, all markets except Brazil and India showed improvement compared to March 2021, with both China and Russia reporting traffic growth compared to pre-COVID-19 levels. "The continuing strong recovery in domestic markets tells us that when people are given the freedom to fly, they take advantage of it. Unfortunately, that freedom still does not exist in most international markets. When it does, I'm confident we will see a similar resurgence in demand," said Willie Walsh, IATA's Director General.

#### **14. WestJet to offer Canadians the most flights to Hawaii this winter**

WestJet on June 10, 2021 announced significant growth to its Hawaii network, featuring more *Dreamliner* flight options from Western Canada to Maui and new non-stop service from Calgary to Kona and Lihue this winter. With 57 weekly roundtrip flights on 10 nonstop routes, WestJet offers more service between Canada and Hawaii than any other airline. "With easing travel restrictions, we know our guests are planning to turn their long-awaited Hawaiian getaway dreams into a well-deserved reality," said John Weatherill, WestJet, Chief Commercial Officer. "We've increased our winter service to Hawaii by more than 25 per cent from 2019 to ensure our guests have increased flexibility and the most affordable, non-stop options from Western Canada."

#### **15. Air Canada Extends Deadline of Its COVID-19 Refund Policy by 30 Days**

Air Canada announced on June 10, 2021 a 30-day extension of its COVID-19 refund policy. The policy allows eligible customers who purchased a non-refundable ticket before April 13, 2021 for travel on or after February 1, 2020, but who did not fly for any reason, to submit their request for a refund online or with their travel agent. Eligible customers now have until July 12, 2021 to submit a refund request. Since April 13, 2021, approximately 40% of eligible customers have requested a refund; and 92% of submitted requests have been processed.

#### **16. Airports Council Urges President Biden, Prime Minister Trudeau, and G7 leaders to support the development of interoperable digital health passes at the G7 Summit**

Airports Council International – North America (ACI-NA) President and CEO Kevin M. Burke and Canadian Airports Council President Daniel-Robert Gooch recently joined ACI World Director General Luis Felipe de Oliveira in writing to U.S. President Joe Biden and Canadian Prime Minister Justin Trudeau to urge G7 leaders to support the continued development and proliferation of interoperable digital health passes at the G7 Summit, beginning Friday, June 11, 2021

which will promote the safe and swift reopening of international borders.

**17. Transat shares hit highest point since March as it plans July 30 restart**

Transat AT Inc., the vacation operator that Air Canada tried to buy, will discontinue its nascent hotel division and increase its presence in Eastern Canada in an effort to restart its business and return to profit. The Montreal-based company will gradually resume operations starting July 30, 2021 it said in a statement on Thursday, March 24, 2021. As part of its new strategy, it plans to seek partnerships with other carriers to expand its network, renegotiate some aircraft leases and real-estate contracts, and narrow its fleet to only two Airbus SE plane models.

**18. March 2021 U.S. Airline Traffic Rose 30% from February**

U.S. airlines carried 41.2 million systemwide (domestic and international) scheduled service passengers in March 2021, seasonally-adjusted, according to the Bureau of Transportation Statistics (BTS), up 29.6% from February 2021. BTS reported 37.8 million domestic passengers and 3.4 million international passengers on U.S. airlines flights in March 2021. U.S. airline traffic reports are filed monthly with BTS.

**19. Air Canada unveils routes for converted freighters**

Air Canada and Air Canada Cargo have announced routes for the Boeing 767-300ER freighters scheduled to enter service this fall. Air Canada is converting several of its Boeing 767 aircraft into dedicated freighters. When the first two converted 767 freighters enters service in October 2021, they will fly primarily out of Toronto Pearson International Airport, and will operate on routes linking Toronto to Miami; Quito, Ecuador; Lima, Peru; Mexico City and Guadalajara, the first time Air Canada Cargo will serve this destination. As more freighters enter service in 2022, the carrier plans to add flights to Halifax, St. John's, Madrid and Frankfurt.

**20. WestJet introduces service to Amsterdam from Calgary**

WestJet on June 14, 2021 announced that it is expanding its international network to include one of the world's most connected cities, Amsterdam, Netherlands. As the airline with the most flights from Calgary, the new service from WestJet's hub will operate on the 787 Dreamliner, starting August 5, 2021. "We are committed to putting international investments in place, as leaders of the travel and tourism industry, to support a safe restart to international travel and further Canada's economic recovery," said John Weatherill, WestJet, Chief Commercial Officer. "With flights set to begin later this summer, we look forward to helping connect Canadians to their loved ones in Europe, while continuing to provide affordable options for those who want to visit or reconnect with friends and family across our great country."

**21. .S. Airlines Narrow Net Loss in 1st Quarter 2021 from 4th Quarter 2020**

U.S. scheduled passenger airlines reported a first-quarter 2021 after-tax net loss of \$4.2 billion and a pre-tax operating loss of \$12.7 billion. While these first-quarter losses are the fifth consecutive quarterly losses, the extent of the losses is narrowing. The airlines reduced their losses in the first quarter from the fourth quarter of 2020. The first-quarter after-tax net loss of \$4.2 billion was reduced from the fourth-quarter loss of \$7.0 billion. The first-quarter pre-tax operating loss of \$12.7 billion was increased from the fourth-quarter loss of \$9.7 billion. U.S. airline financial reports are filed quarterly with the Bureau of Transportation Statistics (BTS). Additional first-quarter 2021 financial results can be found on its website.

**22. Air Canada Supports Economic Recovery as the Country's Leading Carrier, Serving 50 Cities Across Canada to Enable Canadians to Conveniently Connect**

Air Canada's domestic peak summer schedule beginning at the end of June 2021 has been developed to advance the country's economic recovery and support Canada's tourism and hospitality businesses during the important summer period. Three new domestic Canada routes, service to 50 Canadian airports, the re-establishment of select regional routes, and wide-body aircraft featuring Air Canada Signature Class and Premium Economy Class on select transcontinental routes are included. Seats with attractive pricing in all cabins are available for purchase now at aircanada.com, via the Air Canada App, Air Canada's Contact Centres and travel agencies. In brief: 1. The most extensive domestic schedule supports Canada's tourism and hospitality sector; 2. The plan includes three new routes, re-established routes plus Air Canada Signature Class and Premium Economy Class cabins on select transcontinental routes; and 3. A new refund policy gives additional peace of mind.

**23. Government of Canada supporting the Ottawa Macdonald-Cartier International Airport with new funding**

On June 16, 2021, the Minister of Transport, the Honourable Omar Alghabra, along with the Minister of Infrastructure and Communities, the Honourable Catherine McKenna, and the Member of Parliament for Ottawa South, the Honourable David McGuinty, announced new funding to help the Ottawa Macdonald-Cartier International Airport recover from the effects of the COVID-19 pandemic and to support continued air services and important transportation infrastructure projects at the airport. The Government of Canada is providing the Ottawa Macdonald-Cartier International Airport Authority with \$6.4 million from Transport Canada's Airport Critical Infrastructure Program for the construction of a light rail transit (LRT) station at the airport. The government also remains committed to working with the Ottawa Airport to ensure this important project is seen through until completion.

**24. Weekly aircraft movements, May 29 to June 4, 2021**

Weekly data on aircraft itinerant movements are now available for May 29 to June 4, 2021 on the Statistics Canada website. For the week ending May 29, 2021 total domestic movements were 39,251 compared to 28,849 for the week ending May 22, 2021.

**25. Air Transat plans flights to nearly 50 destinations this winter as travel set to resume**

Air Transat plans to offer flights to nearly 50 cities this winter as Canadians look to resume travelling after the industry came to standstill during the pandemic. The airline says it will fly to destinations in the Caribbean, Mexico, Central and South America, the USA and Europe starting Nov. 1, 2021. "We know that our clients are eager to travel, whether it's to visit loved ones or for a change of scenery," said A. Guerard, President and CEO of Transat in a statement.

**26. Government of Canada supporting the Ottawa Macdonald-Cartier International Airport with new funding**

On June 16, 2021 the Government of Canada announced new funding to help the Ottawa Macdonald-Cartier International Airport recover from the effects of the COVID-19 pandemic and to support continued air services and important transportation infrastructure projects at the airport. The Government of Canada is providing the Ottawa Macdonald-Cartier International Airport Authority with \$6.4 million from Transport Canada's Airport Critical Infrastructure Program for the construction of a light rail transit (LRT) station at the airport. The government also remains committed to working with the Ottawa Airport to ensure this important project is seen through until completion.

**27. Minister of Transport provides update on Safer Skies Initiative at ICAO Council meeting**

On June 18, 2021, the Minister of Transport, the Honourable Omar Alghabra, virtually joined the 23rd session of the International Civil Aviation Organization (ICAO) Council to discuss the latest developments on the downing of Flight PS752 and Canada's Safer Skies Initiative. The Minister reiterated Canada's long-standing position on the downing of Flight PS752 and condemned Iran, in the strongest terms, for its actions that led to the tragedy and its handling of the aftermath, including its failure to provide answers. He noted that Iran failed to recognize the danger of their military operations and neglected to take measures to prevent this tragedy. The Minister also expressed Canada's continued commitment to obtaining justice, transparency and accountability for the victims of Flight PS752 and their families.

**28. Air Canada Inaugurates New Service from Montreal to Cairo, Egypt**

Air Canada operated on June 18, 2021 its first non-stop service between Montreal and Cairo, serving the large Egyptian community established in Montreal and throughout North America, and providing an additional gateway to Africa. "Air Canada is pleased to offer its first scheduled flights to Egypt. We are strategically rebuilding our international network by adding new routes that support leisure and visiting friends and family travel. With few non-stop options to Egypt from North America, we see opportunities to launch new non-stop flights to Cairo from Montreal where there is an established Egyptian community. We have also built convenient connections to and from our Cairo flights from across Canada and the US at our Montreal hub. This new route shows our commitment to rebuild our international network and our Montreal hub, which have been dramatically affected by the COVID-19 pandemic," said Mark Galardo, Senior Vice President, Network Planning and Revenue Management.

**29. Government of Canada providing additional funding to support essential air services for remote communities in Yukon**

On June 21, 2021, the Minister of Transport, the Honourable Omar Alghabra, the Minister of Northern Affairs, the Honourable Daniel Vandal, the Minister of Highways and Public Works for the Government of Yukon, the Honourable Nils Clarke, and the Member of Parliament for Yukon, Larry Bagnell, announced that the Government of Canada is providing an additional \$1 million to the Government of Yukon to continue the support of essential air services for remote communities in Yukon. The funding announced is in addition to the \$7.16 million provided to the Government of Yukon in 2020 to maintain essential air services to remote communities.

**30. Annual civil aviation statistics: First look, 2020**

Canadian air carriers transported 28.3 million passengers in 2020, down 70.0% from the 94.0 million passengers carried in 2019, the first such decline since the economic downturn in 2009. Domestic traffic (within Canada) was down 66.8% to 16.2 million passengers, while international traffic fell 73.3% to 12.1 million passengers, with most (approximately 70%) passengers flown in the first three months of 2020. Canadian air carriers provided 63.0 billion (correction) passenger-kilometres of service in 2020, a decline of 73.0% from the previous year. On average, each passenger travelled 2,229 kilometres, down 10.0% compared with 2019, while total hours flown decreased by 58.7% to 1.4 million hours. In 2020, operating revenue earned by Level I to III air carriers fell 61.5% to \$11.3 billion, pushed down by passenger revenue dropping 68.0% on lower demand for flights amid the COVID-19 pandemic. Operating expenses declined 43.9% to \$15.3 billion, mainly from lower fuel costs, which fell by 63.9%.

**31. Ottawa eases quarantine for vaccinated travellers, but won't give firm date for full reopening of U.S. border**

Federal cabinet ministers are refusing to outline a clear threshold for when the Canada-U.S. border can reopen for non-essential travel, saying instead that they are looking at a wide range of factors — and that even if Canada's domestic numbers look good, the international situation may not allow for it. Health Minister Patty Hajdu suggested that one key

metric will be getting 75 per cent of eligible Canadians fully vaccinated. But she went on to list numerous other metrics that could play a role in reopening, including whether other countries have their own COVID-19 case rate under control. Business groups, travel companies and politicians on both sides of the border have been calling for a gradual opening of the U.S. border or, at the very least, a clear plan for when the restrictions can be rolled back for fully vaccinated travellers. Over the weekend, U.S. Senate Majority Leader Charles Schumer told the *Buffalo News* he was “really angry” that the border is staying closed for another month, and had called Canada’s ambassador to the United States to voice his concerns. The border has been closed to non-essential travel since March 2020.

### **32. Air Travel Consumer Report: April 2021 Numbers**

The U.S. Department of Transportation on June 21, 2021 released its June 2021 Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of April 2021. The ATCR is designed to assist consumers with information on the quality of services provided by airlines. The ATCR and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>.

### **33. Government of Canada providing additional funding to support essential air services for remote communities in the Northwest Territories**

On June 21, 2021, the Minister of Transport, the Honourable Omar Alghabra, the Minister of Northern Affairs, the Honourable Daniel Vandal, and the Minister of Finance for the Government of the Northwest Territories, the Honourable Caroline Wawzonek, and Michael McLeod, Member of Parliament for the Northwest Territories, announced that the Government of Canada is providing an additional \$12.5 million to the Government of the Northwest Territories to continue the support of essential air services for remote communities in the Northwest Territories. The funding announced is in addition to the \$17.1 million provided to the Government of the Northwest Territories in 2020 to maintain essential air services to remote communities.

### **34. Statement on June 21 government announcement**

While the June 21, 2021 federal announcement confirms that it will be easier for Canadians to travel internationally this summer, Canada’s airports are disappointed that the federal government is providing no information on the subsequent phases in its restart plan, leaving Canadians and the travel and tourism sector in the dark on what is planned for the coming weeks and months. Canada’s airports are calling on the federal government to release and quickly implement a multi-phased plan to reopen travel based on recommendations made by the federal government’s medical experts on its Expert Advisory Panel on Testing and Screening, including elimination of hotel quarantine for all travellers, elimination of quarantine for all fully vaccinated travellers, and new measures for partially vaccinated and unvaccinated travellers. The restart plan should also include measures to eliminate funneling of international passengers to four airports, moving arrivals testing away from airport terminals, and reducing the two-metre physical distancing requirement.

### **35. U.S. Airlines April 2021 Passengers Increased 9% from March 2021 (Preliminary)**

U.S. airlines carried 9.5% more scheduled service passengers in April 2021 than in March 2021 (preliminary) but 39% fewer passengers than in pre-pandemic April 2019, according to data filed with the Bureau of Transportation Statistics (BTS) by 18 airlines that carry more than 90% of the passengers. The large airlines carried 46.6 million passengers in April 2021 (preliminary), compared to 3 million passengers 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.

### **36. Weekly aircraft movements, June 5 to 11, 2021**

Weekly data on aircraft itinerant movements are now available for June 5 to 11, 2021 on Statistics Canada website. Domestic movements for the week ending June 5, 2021 were 34,668 compared to 39,251 on May 29, 2021.

### **37. WestJet Cargo Announces Dedicated Freighters to Better Serve Canada**

WestJet on June 23, 2021 announced that it is launching a new dedicated cargo service, using 737-800 Boeing Converted Freights (BCF), as dedicated aircraft, to fulfill the larger-scale needs of Canadian businesses, freight forwarders, shippers and individual customers. The first of these dedicated 737-800BCFs are expected to be in service by the second quarter of 2022.

### **38. U.S. Passenger Airline Employment Down in April 2021 from March**

The 23 U.S. scheduled passenger airlines employed 0.9% fewer full-time equivalents (FTEs) in April 2021 than in March 2021. First, April’s total number of FTEs (391,501) was down 3,562 from March (395,063) and down 70,096, a 15.2% drop from the onset of the pandemic in March 2020 (461,597). Second, April 2021 was the lowest FTE total for the month of April since 2014 (384,265). Third, April 2021, scheduled passenger airlines employed 60% of the total airline industry FTEs, down from 63% in March 2020. Total industry includes cargo and charter.

### **39. WestJet reconnecting routes across British Columbia**

WestJet is further restoring British Columbia’s domestic and interprovincial connectivity with the restart of eight routes to and from destinations across Alberta, Saskatchewan, Manitoba and Ontario. It is also reconnecting routes in the Atlantic Provinces. The airline is also set to inaugurate 10 new routes by July 5, 2021. Full schedule details and resumption dates are outlined on its website.



## WATER TRANSPORTATION

### 1. Seal Cove Salt Marsh project on schedule for summer opening

Prince Rupert's Seal Cove is being transformed. The neglected waterfront next to the Coast Guard and seaplane base is being turned into a place where marine life can thrive, and people can learn about the environment — or just enjoy the view. The Prince Rupert Port Authority (PRPA) is revitalizing the Seal Cove Salt Marsh as part of a habitat restoration project that will also improve recreational waterfront access for the public. "We are overhauling the site, rebuilding the marine riparian and intertidal areas, mudflats, and eelgrass beds to create new fish habitat, which will also attract other wildlife," says Ken Veldman, Prince Rupert Authority's Vice President of Public Affairs and Sustainability. "The goal is to support the regeneration, growth and sustainability of local marine life, while simultaneously offering a unique outdoor asset for our community that connects to the existing Rushbrook Trail. It's a great example of how we can balance new economic development with win-win solutions that improve our environmental and social well-being."

### 2. SC Ports welcomes record-breaking CMA CGM MARCO POLO

Hundreds of people stood on the shoreline snapping pictures as the massive CMA CGM MARCO POLO sailed into Charleston, on June 1, 2021 setting the record as the largest ship to ever call the U.S. East Coast and the Port of Charleston. South Carolina Ports welcomed the record-breaking CMA CGM MARCO POLO to Wando Welch Terminal. The vessel measures 1,300 feet long and has the capacity to carry 16,022 TEUs (twenty-foot equivalent container units). When compared to iconic markers in, the ship equals 1.5 USS Yorktowns and seven 787-8 Boeing-made Dreamliner jets.

### 3. The MPA renews its partnership with the St. Lawrence action fund

To mark the GreenTech 2021 Environmental Virtual Conference held by Green Marine, June 2 to 4, 2021 the MPA is proud to announce the renewal of its financial support of the St. Lawrence Action Fund, whose mission is to support projects that contribute to the sustainability of ecosystems of the St. Lawrence River and the Gulf of St. Lawrence. More specifically, the MPA is renewing its annual contribution to the St. Lawrence Marine Biodiversity Program: \$105,000 in funding over three years to support restoration, conservation and enhancement efforts on the St. Lawrence River, such as projects on bird habitats and integrated control of invasive alien species. The MPA is also introducing a new grant for two St. Lawrence-related arts and awareness initiatives.

### 4. Nineteen port customers recognized with Blue Circle Awards for voluntary efforts to conserve energy and reduce emissions at the Port of Vancouver

On June 2, 2021, at the Vancouver Fraser Port Authority's virtual Annual General Meeting, thirteen shipping lines, four coastal marine operators and two terminal operators were recognized for their voluntary efforts to conserve energy and reduce emissions at the Port of Vancouver. The port authority's Blue Circle awards were presented to port customers that excel in environmental stewardship and attain the highest level of participation in the port authority's voluntary environmental programs such as the *EcoAction Program* and the *Energy Action Initiative*.

### 5. Drewry World Container Index - June 3

Drewry's composite World Container index increased 3.3% or \$207 to \$6,463.78 per 40ft container. Freight rates on Shanghai-Rotterdam grew \$288 to \$10,462 for a 40ft container and those on Shanghai-New York surged \$412 to come in at \$7,559 for a 40ft box. Likewise, rates on Shanghai-Genoa gained \$238 to \$9,900 per FEU (fortyfoot equivalent units). Similarly, spot rates from Shanghai to Los Angeles increased \$210 to \$5,952 for a 40ft

## WATER TRANSPORTATION

### Canada

1. Seal Cove Salt Marsh project on schedule for summer opening, May 31, 2021, [www.rupertport.com](http://www.rupertport.com)
2. SC Ports welcomes record-breaking CMA CGM MARCO POLO, June 1, 2021, [www.ajot.com](http://www.ajot.com)
3. The MPA renews its partnership with the St. Lawrence action fund, June 2, 2021, [www.portofmontreal.ca](http://www.portofmontreal.ca)
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5. Drewry World Container Index - June 3, June 3, 2021, [www.ajot.com](http://www.ajot.com)
6. New container ship service sets sail between Hamilton and Montreal, June 4, 2021, [www.ajot.com](http://www.ajot.com)
7. Vessel and container shortage slowing global recovery, shippers say, June 4, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
8. Stronger Q1 pricing, volumes push CMA CGM to \$2.1 billion profit, June 4, 2021, [www.joc.com](http://www.joc.com)
9. Students collaborate with Port Authority to preserve North Coast marine life, June 7, 2021, [www.rupertport.com](http://www.rupertport.com)
10. Double-digit increases for container volume, autos and record-breaking month for rail at the Port of NY & NJ, June 7, 2019, [www.ajot.com](http://www.ajot.com)
11. The Government of Canada releases the 4th Oceans Protection Plan Report to Canadians, highlighting results achieved to protect our coasts, June 8, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Top 10 liners control 85% of market — and they're not done yet, June 9, 2021, [www.freightwaves.com](http://www.freightwaves.com)
13. Port of Long Beach achieves record month in May, June 9, 2021, [www.ajot.com](http://www.ajot.com)
14. Prince Rupert Port authority highlights importance of exports to northern BC, June 10, 2021, [www.rupertport.com](http://www.rupertport.com)
15. Port of Los Angeles surpasses 10 million containers in 12 months, June 11, 2021, [www.ajot.com](http://www.ajot.com)
16. Air and water quality at the Port measured around-the-clock, June 14, 2021, [www.rupertport.com](http://www.rupertport.com)
17. The Port of Montreal sets course for innovative new green energy solutions, June 14, 2021, [www.ajot.com](http://www.ajot.com)
18. Home Depot charters containership for first time amid disruption chaos, June 14, 2021, [www.tradewinds.com](http://www.tradewinds.com)
19. Port of Montreal accelerates move to green fuels, June 15, 2021, [www.insidelogistics.com](http://www.insidelogistics.com)
20. Great Lakes-St. Lawrence Seaway System sees strong May in coordination with a rebounding American economy, June 16, 2021, [www.ajot.com](http://www.ajot.com)
21. Maersk's new Vancouver facility targets PNW supply chains, June 16, 2021, [www.ajot.com](http://www.ajot.com)
22. US West Coast ports grab larger share of

container and rates on Rotterdam-New York inched up \$50 to \$3,720 for a 40ft container. Drewry expects rates to remain on the higher side due to port congestion and equipment unavailability.

#### **6. New container ship service sets sail between Hamilton and Montreal**

Hamilton Container Terminal (HCT), in partnership with the Hamilton-Oshawa Port Authority (HOPA Ports) and Desgagnés, is taking the first step in developing a container feeder service between Hamilton and Montreal. Docking at Hamilton's Pier 14, the M/V Sedna Desgagnés is due to make the new service's first voyage June 10, 2021. This shipment is the first of what is expected to be an increasingly frequent service for container movements on the Great Lakes. The container 'feeder' vessel will carry approximately 350 containers (350 TEUs) originating in the GTHA from Hamilton to Montreal. These containers, carrying a diverse range of cargoes, will be transloaded in Montreal to other vessels destined for various overseas ports.

#### **7. Vessel and container shortage slowing global recovery, shippers say**

The shortage of vessels and equipment in global container shipping markets is hindering the pace of economic recovery in countries emerging from pandemic restrictions. This is the main finding of the newly released *Container Shipping Market Quarterly Review* issued by the Global Shippers Forum and MDS Transmodal. The Review reports on eight performance indicators of the global container shipping market using publicly available data for the first quarter of 2021.

#### **8. Stronger Q1 pricing, volumes push CMA CGM to \$2.1 billion profit**

In reporting \$2.1 billion in net income in the first quarter of 2021, CMA CGM pointed to logistics revenue growth that its solution-tailored strategy, powered by its CEVA acquisition, is gaining traction.

#### **9. Students collaborate with Port Authority to preserve North Coast marine life**

As British Columbia's marine sector and blue economy grows, so does the demand for a workforce trained in environmental management, monitoring, and ecosystem restoration. Students in Coast Mountain College's Applied Coastal Ecology (ACE) program are learning foundational knowledge and taking part in real-world, community-based projects in Prince Rupert, to gain the necessary experience that will help meet that need. Part of the program involves field studies, that put students out on the water, shoreline, and in coastal rainforests, where they learn technical skills and develop a strong sense of how coastal ecosystems react to the impacts of human activity. "Whether out on our research boat or exploring an intertidal area on foot, students gain practical training in GPS navigation systems, GIS mapping, surveying and much more," said Ken Shaw, ACE program coordinator.

#### **10. Double-digit increases for container volume, autos and record-breaking month for rail at the Port of NY & NJ**

The Port of New York and New Jersey had another strong month in April 2021 posting double-digit increases for total container volume, container imports, and autos and setting a new April record for rail volume. Total volume in April 2021 was 712,799 TEUs (396,168 lifts) versus 559,929 TEUs (318,389 lifts) in April 2020, a 27.3 percent increase and record for the month of April. This surge brings our year through April total to 2,848,979 TEUs (1,581,682 lifts). Imports rose by 26.5 percent in April 2021, totaling 359,265 TEUs (200,112 lifts) compared to 284,074 TEUs (161,677 lifts) in April 2020. From January through April 2021, imports at the Port of New York and New Jersey reached 1,457,992 TEUs (811,066 lifts), a 23.7 percent increase compared to the 1,178,673 TEUs (667,626 lifts) posted in the same period of 2020 which was the start of COVID-19 pandemic.

#### **11. The Government of Canada releases the 4th Oceans Protection Plan Report to Canadians, highlighting results achieved to protect our coasts**

On June 8, 2021, the Minister of Transport, the Honourable Omar Alghabra, published the 4th Report to Canadians—a summary of the work accomplished to date through Canada's Oceans Protection Plan. The Report provides results across more than 50 initiatives and hundreds of projects from coast-to-coast-to-coast. Since the launch of the Oceans Protection Plan in 2016, over 1,200 engagement sessions have been held with Indigenous communities across Canada to create, co-develop, or inform marine safety and/or environmental initiatives. This is an important step towards the co-management of our coasts with Indigenous and coastal communities. The five-year, \$1.5 billion Oceans Protection Plan is the largest investment ever made to protect Canada's coasts and waterways. The Plan's initiatives have made marine shipping safer, provided more protections for marine species, and improved Canada's ability to prevent and respond to marine incidents.

#### **12. Top 10 liners control 85% of market — and they're not done yet**

booming Asia imports June 18, 2021, [www.joc.com](http://www.joc.com)

23. Helping vessels big and small safely navigate the Port of Prince Rupert, June 21, 2021, [www.rupertport.com](http://www.rupertport.com)

24. Breakbulk carriers flexing pricing power in volatile market, June 22, 2021, [www.joc.com](http://www.joc.com)

25. China ports container volume rises 15.2% From January to May 2021, Ningbo Containerized Freight Index rises in June, June 23, 2021, [www.ajot.com](http://www.ajot.com)

26. Ballast Water Regulations, June 23, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

27. Minister of Transport announces new regulations to help prevent spread of aquatic invasive species in Canada, June 23, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

28. Port Authority of New York and New Jersey signs long-term ground lease to create new world class cargo facility at JFK, June 23, 2021, [www.ajot.com](http://www.ajot.com)

29. Minister of Transport highlights the important contribution of seafarers, June 25, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

30. Hatchery upgrades support Bulkley river coho and chinook salmon stocks, June 28, 2021, [www.rupertport.com](http://www.rupertport.com)



Consolidation in the liner sector is already extreme. Newbuild orders will further concentrate market power in fewer hands have increased to the point where ten liners control 85% of the market. Some sources believe the trend is likely to continue.

### **13. Port of Long Beach achieves record month in May**

The Port of Long Beach continued its unprecedented streak of single-month records in May 2021 by moving more than 900,000 cargo containers for the first time in its 110-year history. Dockworkers and terminal operators processed 907,216 twenty-foot equivalent units in May 2021 and broke the previous “best month” record set in March 2021 by 66,829 TEUs. Trade was up 44.4% from May 2020. Imports jumped 42.3% to 444,736 TEUs and exports saw a relatively flat increase of 0.6% to 135,345 TEUs. Empty containers moved through the Port increased 80.7% to 327,135 TEUs. The Port has moved 4,029,532 TEUs during the first five months of 2021, a 42.3% increase from the same period in 2020.

### **14. Prince Rupert Port authority highlights importance of exports to northern BC**

The Prince Rupert Port Authority (PRPA), through a funding partnership with Northern Development Initiative Trust (NDIT), has published a Northern BC Export Profile on June 10, 2021 that illustrates the critical role that international exports play in underpinning local economies in communities from the Cariboo to the Yukon border. The interactive web platform will broaden visibility for community, business and economic policy leaders on the diverse resource export industries that currently support the economy of Northern BC, and will be an important tool to identify new export and economic development opportunities for the region. The development of regional export strategies will be critical to continuing to grow a sustainable, competitive, and diverse Northern BC economy that maximizes the value of local resources and labour.

### **15. Port of Los Angeles surpasses 10 million containers in 12 months**

The Port of Los Angeles has become the first port in the Western Hemisphere to process 10 million container units in a 12-month period on June 10th. “The Port is the beating heart of our economy, the backbone of our region’s prosperity, and the crossroads that makes Los Angeles a true gateway to the rest of the world,” said Mayor Eric Garcetti. “Reaching this remarkable milestone is a reflection of its role as a critical engine of the global supply chain — and a testament to our unmatched port infrastructure and highly-skilled workforce.” “Stacked end-to-end, 10 million containers would circle the world one and a half times,” said Los Angeles Board of Harbor Commissioners President Jaime Lee. “It’s a lot of cargo to handle by any measure. We are deeply grateful to the longshore workers, truckers, terminal operators, shipping line partners and all of the stakeholders that have made this remarkable achievement possible, particularly in the face of an unprecedented pandemic.”

### **16. Air and water quality at the Port measured around-the-clock**

Preserving and maintaining a high standard of air and water quality around the Port of Prince Rupert is a complex effort that starts with extensive monitoring. The Environmental Sustainability team at the Prince Rupert Port Authority is constantly collecting data related to emissions, noise, and water quality from around the Prince Rupert Gateway, to mitigate the Port’s impact on the environment and the community. Adam Simons is the Environmental Coordinator at PRPA, who helps ensure that flow of information is accurate and consistent. His role includes operating PRPA’s monitoring stations and equipment, installed at several locations around the Prince Rupert area. Much of the real-time data collected from those instruments is available to the public 24/7, in easy-to-read graphs on the Port’s website. “The Prince Rupert Port Authority’s monitoring efforts are a key part of its commitment to understanding and mitigating the Port’s impact on the community, and publicly sharing the information helps us build trust and demonstrate to community members that we take our responsibility seriously,” said Simons.

### **17. The Port of Montreal sets course for innovative new green energy solutions**

In response to the global movement to decarbonize the transportation industry, and consistent with its leadership in environmental issues, the Montreal Port Authority (MPA) continues to evolve towards clean energy, notably green hydrogen, ethanol and methanol. On June 10, 2021 it signed a cooperation and development agreement with Greenfield Global, which specializes in the production of biofuels. In the wake of dockside shore power implemented in 2017, the development of green hydrogen will make indirect shore supply of electrical power possible for the marine industry.

### **18. Home Depot charters containership for first time amid disruption chaos**

One of the largest importers in the US has taken matters into its own hands due to global disruption in the containership sector made worse this month by delays caused by a Chinese Covid-19 spike. Home Depot told CNBC that it realised it was time to charter its own vessel. “We have a ship that’s solely going to be ours and it’s just going to go back and forth ... 100% dedicated to Home Depot,” chief operating officer Ted Decker said. The deal for the unnamed boxship marks the first time the company has taken such a step. Decker said the contracted vessel will begin running for Home Depot in July.

### **19. Port of Montreal accelerates move to green fuels**

The Montreal Port Authority has signed a deal to work with Greenfield Global to develop green hydrogen, ethanol and

methanol. Greenfield Global specializes in the production of biofuels. The Port of Montreal implemented dockside shore power in 2017, as part of its initiative to encourage the energy transition and diversify environmentally responsible energy alternatives, the development of green hydrogen will make indirect shore supply of electrical power possible for the marine industry. “Developing low-carbon fuels is the way of the future for the transportation industry. The Port of Montreal wants to position itself among the forerunners and strengthen its position as a leader on the St. Lawrence in terms of sustainable development. Our trade objectives are integral to our sustainable development objectives, and we firmly believe that this alignment will help boost the competitiveness of the St. Lawrence”, said Martin Imbleau, president and CEO of the Montreal Port Authority.

#### **20. Great Lakes-St. Lawrence Seaway System sees strong May in coordination with a rebounding American economy**

The Great Lakes Seaway Partnership on June 16, 2021 reported that American and Canadian ports in the Great Lakes-St. Lawrence Seaway System handled over 1.4 million tons of iron ore from the opening of the St. Lawrence Seaway on March 22, 2021 through May 31, 2021, a 7.01 percent increase compared to shipments through May last year. Craig H. Middlebrook, Deputy Administrator of the Great Lakes St. Lawrence Seaway Development Corporation said, “Generally, we are seeing increasing efficiencies in the Great Lakes Seaway System, with vessels remaining in the system longer and stopping at multiple ports to load and discharge cargo. Many of our Great Lakes ports are handling a more diversified mix of cargo, reflective of what is happening in the economy, and particularly notable for commodities utilized by the manufacturing sector.” Through May, all cargo shipped through the St. Lawrence Seaway reached 8,153,000 metric tons, down only .59 percent compared to shipments during the same time in 2020.

#### **21. Maersk’s new Vancouver facility targets PNW supply chains**

North American importers and exporters will gain more cross-dock transload capacity in their PNW supply chains during the 2021 peak season. Maersk and Canadian Pacific announced the construction of the new facility in September 2020 with ideal connectivity to the port of Vancouver via rail (or truck) directly into the warehouse. The 117,000 square foot, 103 door facility will open September 1, 2021 as planned, offering cross-dock services, designed to make PNW supply chains more resilient, flexible and cost-effective. The ability to cross-dock into domestic 53’ trailers enables customers to achieve overall cost savings (per cubic meter) for domestic distribution.

#### **22. US West Coast ports grab larger share of booming Asia imports**

US imports from Asia grew faster at West Coast ports than at East and Gulf Coast ports in January through May 2021 as carriers launched a half-dozen new trans-Pacific services to handle the continuing boom in imports from Asia.

#### **23. Helping vessels big and small safely navigate the Port of Prince Rupert**

When it comes to planning, monitoring and managing large vessel movements, the Prince Rupert Port Authority (PRPA) coordinates with the Canadian Coast Guard and BC Coast Pilots from its Port Security Operations Centre (PSOC). It’s a central hub of advanced technology and trained staff, who are monitoring activity around the Prince Rupert Gateway, ensuring an effective and efficient response to any incident within PRPA’s jurisdiction. The state-of-the-art PSOC opened in 2017, and last year PRPA created a new role that would further integrate security and marine safety operations at the facility. The Port’s new team of Gateway Operators are cross trained, rotating through different positions on both land and on the water, by working in PSOC, conducting administrative tasks, and serving with the Harbour Patrol Vessel Crew. Gateway Operator Giuliana Hauknes joined the team in 2020. Born and raised in the community, she was excited to take on a new role that supports safety for everyone that uses the harbour, whether it’s for work or recreation.

#### **24. Breakbulk carriers flexing pricing power in volatile market**

Rising freight rates and prices for raw industrial materials have shippers scrambling to rework budgets and adjust procurement strategies and project schedules as breakbulk carriers begin to exercise their power in the ocean trade.

#### **25. China ports container volume rises 15.2% From January to May 2021, Ningbo Containerized Freight Index rises in June**

From January to May 2021, the cargo volume of China ports was 6282.1 million tons, a year-on-year increase of 15.2%; the container throughput of China ports was 113.9 million TEU, a year-on-year increase of 16.8%. The three major ports were Ningbo & Zhoushan, Shanghai and Qingdao.

#### **26. Ballast Water Regulations**

The new Ballast Water Regulations aim to reduce the spread of aquatic invasive species within Canada, as well as their transfer from Canada to other countries, and to help protect global biodiversity. The new regulations mark a transition from the traditional method of ballast water management (the exchange of ballast water in mid-ocean) to the use of modern ballast water management systems (which clean ballast water of organisms before release). Canadian ships travelling abroad and those coming into Canada from abroad are now required to meet standards by 2024. Canadian vessels that do not voyage internationally, other than to U.S. Great Lakes ports, need to meet the new standards depending on when they were built: 1. All newly built vessels will have to meet standards at launch; 2. Existing Great

Lakes and Canadian domestic vessels built before 2009 will be required to meet standards by 2030; and 3. All other existing vessels built in or after 2009 will be required to meet standards by 2024.

### **27. Minister of Transport announces new regulations to help prevent spread of aquatic invasive species in Canada**

To further protect Canadian waters, the Government of Canada is taking action to limit the introduction and spread of aquatic invasive species in ballast water. On June 23, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced the coming into force of the new *Ballast Water Regulations* to strengthen existing rules for vessels on international voyages and the introduction of new rules for vessels which remain in Canada and on the Great Lakes. These regulations, which replace the *Ballast Water Control and Management Regulations*, apply to vessels in Canadian waters and to Canadian vessels anywhere in the world. They are based on a global approach to manage ballast water. Vessels are now required to: 1. Plan their ballast water management and reduce the number of organisms in their ballast water, typically by installing a ballast water management system; and 2. Carry a valid certificate, keep records, and be regularly surveyed and inspected. Smaller vessels may follow an equivalent approach tailored to their operations and size.

### **28. Port Authority of New York and New Jersey signs long-term ground lease to create new world class cargo facility at JFK**

The Port Authority of New York and New Jersey announced on June 23, 2021 the signing of a long-term ground lease agreement with Aeroterm for the development of a state-of-the-art \$145 million, 350,000-square-foot cargo facility on more than 26 acres at John F. Kennedy International Airport. The first new cargo facilities built at JFK in two decades, the Aeroterm project represents a significant step forward in the JFK Vision Plan outlined by Governor Andrew Cuomo. The project is part of a comprehensive Port Authority strategy to bring 21st-century standards to cargo operations at all of its commercial airports.

### **29. Minister of Transport highlights the important contribution of seafarers**

In honour of the International Maritime Organization's annual Day of the Seafarer, the Minister of Transport, the Honourable Omar Alghabra, applauds the essential role seafarers play. In collaboration with the Canadian marine community, Canada supported the creation of the Seafarers' Welfare Board in 2020. As part of Canada's commitment under the Maritime Labour Convention, 2006, this Board serves as an important forum for advancing the welfare of seafarers in Canadian waters and addressing COVID-19 pandemic concerns. Canada will continue to work with international organizations and partners to advance standards that promote maritime safety and security, protect the environment, and safeguard seafarers.

### **30. Hatchery upgrades support Bulkley river coho and chinook salmon stocks**

Efforts to improve and monitor wild Coho and Chinook salmon stock productivity in Northwest BC have received a significant financial boost from the Prince Rupert Port Authority (PRPA). The Toboggan Creek Salmon & Steelhead Enhancement Society has received a \$60,000 commitment from PRPA's Skeena River Salmon Enhancement Program to upgrade aging infrastructure at the Toboggan Creek Hatchery northwest of Smithers.

## **RAIL TRANSPORTATION**

### **1. Government of Canada announces agreement with Canadian Pacific Railway on the Lac-Mégantic Rail Bypass Project**

On May 27, 2021, the Minister of Transport, the Honourable Omar Alghabra, and the Parliamentary Secretary to the Minister of Transport, Soraya Martinez Ferrada, announced the signing of an agreement with the Canadian Pacific Railway company. This is an important step towards obtaining the necessary plans, specifications and regulatory authorization to complete Lac-Mégantic Rail Bypass Project. The agreement also includes several studies in the coming weeks on soil, water and fish habitat quality and on ambient noise levels. Transport Canada is committed to keeping property owners informed and minimizing the impact of the work while the studies are completed.

### **2. Railway carloadings, March 2021**

The volume of freight carried by Canadian railways reached 33.1 million tonnes in March 2021, up 1.2% from March 2020. This marked the fifth consecutive month of year-over-year growth. The overall tonnage was well above the five-year average for March, breaking the record of 32.7 million

## **RAIL TRANSPORTATION Canada**

1. Government of Canada announces agreement with Canadian Pacific Railway on the Lac-Mégantic Rail Bypass Project, May 27, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Railway carloadings, March 2021, May 28, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Government of Canada approves changes to improve railway track safety, May 31, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
4. Freight Rail Services Price Index, May 2021, May 31, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. CN Rail fined \$100,000 for spraying pesticide, May 31, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
6. Q1 2021: VIA rail reports continued impacts of the pandemic, May 31, 2021, [www.viarail.ca](http://www.viarail.ca)
7. Opposition to CN-KCS' Proposed Use of Voting Trust Builds as Stakeholders Voice Anticompetitive and Other Concerns, June 1, 2021, [www.cpr.ca](http://www.cpr.ca)

tonnes established in the same month in 2020. In the first quarter of 2021, the cumulative volume of goods moved by rail totalled 93.2 million tonnes, up 3.7% from the previous year's quarter and the highest cumulative total ever recorded for a first quarter.

### **3. Government of Canada approves changes to improve railway track safety**

On May 31, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced that changes to the Rules Respecting Track Safety have been approved by Transport Canada. These changes are the result of a Ministerial Order that was issued in 2020 to address major risks that could cause derailments due to the condition of railway infrastructure. The Rules Respecting Track Safety specify safety requirements that railway companies must follow when inspecting and maintaining their railway track infrastructure. As a result of the new changes to the Rules, railway companies will be required to: 1) put in place a certification process for employees who inspect tracks and supervise the restoration of tracks to make sure their personnel have the proper knowledge and experience to carry out their safety duties; 2) establish a process to ensure that track maintenance and repair work meets regulatory requirements and the railway companies' own standards to improve accountability; and 3) develop and implement comprehensive plans to manage rail wear and the condition of the rail surface, that are to be approved by a professional engineer to improve the integrity of railway tracks.

### **4. Freight Rail Services Price Index, May 2021**

The Freight Rail Services Price Index (2018=100) is now available for May 2021 on Statistics Canada website. For May 2021 the index was 105.3 compared to 106.0 for April 2021.

### **5. CN Rail fined \$100,000 for spraying pesticide**

British Columbia's Conservation Officer Service says Canadian National Railway has entered a guilty plea in a Prince Rupert court for failing to obtain the needed authorization to apply pesticide along its tracks. The service says in a statement that the rail company was fined \$100,000 by the court. It says in August 2017, a CN contractor sprayed pesticide along 150 kilometres of track between Terrace and Prince Rupert.

### **6. Q1 2021: VIA rail reports continued impacts of the pandemic**

As the entire country continues to deal with the COVID-19 pandemic, VIA Rail Canada (VIA Rail) reports for its 2021 first quarter a decrease of 80.2% in ridership and an 80.9% drop in passenger revenues compared to the same period last year. These results illustrate the continued impacts COVID-19 has had on VIA Rail and the transportation industry as a whole.

### **7. Opposition to CN-KCS' Proposed Use of Voting Trust Builds as Stakeholders Voice Anticompetitive and Other Concerns**

Canadian Pacific Railway Limited on June 1, 2021 announced that more than 130 stakeholders have filed statements with the Surface Transportation Board (STB) requesting the STB reject Canadian National's proposed use of a voting trust. This brings the total letters submitted to more than 960, including 250-plus expressing concern about CN and Kansas City Southern's combination, its use of a voting trust, or both, and more than 730 in support of CP-KCS.

### **8. Feds and CP agree on Lac Mégantic bypass**

Transport Canada and CP rail have signed an agreement that will allow the Lac Mégantic bypass project to proceed. The Government of Canada confirmed on May 11, 2018, that it would fund 60 percent of the construction costs of the Lac-Mégantic bypass, with the government of Quebec funding the remainder. The project will be managed by Canadian Pacific Railway (CP), which acquired the Central Maine & Quebec Railway

8. Feds and CP agree on Lac Mégantic bypass, June 2, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

9. CN Receives More Than 400 Additional Letters of Support Since Signing Agreement to Combine With Kansas City Southern, June 2, 2021, [www.cn.ca](http://www.cn.ca)

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16. AAR: Rail Traffic Down Slightly in Week 22, June 9, 2021, [www.railwavage.com](http://www.railwavage.com)

17. CN and KCS Affirm Financial Strength of KCS and Rights Under Merger Agreement to Invest in KCS Network, June 15, 2021, [www.cn.ca](http://www.cn.ca)

18. North America's Largest Railroad Operating Union Joins Others and Calls on STB to Reject CN Voting Trust, June 15, 2021, [www.cpr.ca](http://www.cpr.ca)

19. Ontario to Officially Open New Bloomington GO Station, June 16, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

20. AAR: Nearing Mid-Year, Carloads, Intermodal Up, June 16, 2021, [www.railwavage.com](http://www.railwavage.com)

21. CN to Invest \$350 Million in Ontario to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions, June 17, 2021, [www.cn.ca](http://www.cn.ca)

22. CN to Invest \$95 Million in Manitoba to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions, June 17, 2021, [www.cn.ca](http://www.cn.ca)

23. Support for Pro-Competitive CN-KCS Combination Grows to More than 1500 Letters Filed with the STB, June 17, 2021, [www.cn.ca](http://www.cn.ca)

24. CN to Invest \$350 Million in Ontario to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions, June 18, 2021, [www.cn.ca](http://www.cn.ca)

25. CP to Serve New Richardson Grain Elevator, June 18, 2021, [www.railwavage.com](http://www.railwavage.com)

26. Proposed amendments to the Grade Crossings Regulations will help focus efforts to improve safety at grade crossings, June 18, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

27. 80-plus more Stakeholders Urge STB to Reject CN's Use of a Voting Trust, Bringing Total Opposed to over 330, June 21, 2021, [www.cpr.ca](http://www.cpr.ca)

28. CN to Invest \$445 Million in Alberta to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions, June 21, 2021, [www.cn.ca](http://www.cn.ca)

(CMQR) in December 2019. CP will own the bypass once the construction is completed.

### **9. CN Receives More Than 400 Additional Letters of Support Since Signing Agreement to Combine With Kansas City Southern**

CN and Kansas City Southern on June 2, 2021 announced that the overwhelming stakeholder support for their proposed pro-competitive combination continues to grow with more than 400 additional letters of support filed with the Surface Transportation Board (“STB”) since the two companies agreed to combine, taking the total to over 1,400, including a letter of support from Governor John Bel Edwards of Louisiana.

### **10. AAR: May 2021 Traffic Results ‘Encouraging’**

Intermodal had the “best January to May period ever” and total carloads for May 2021 “were the most for any month since October 2019 on a weekly average basis,” AAR Senior Vice President John T. Gray reported on June 2, 2021. U.S. railroads originated 964,356 carloads in May 2021, rising 30.4%, or 224,623 carloads, from May 2020, while they originated 1,151,824 containers and trailers, increasing 26.2%, or 238,927 units. Combined, last month’s originations came in at 2,116,180, up 28%, or 463,550 carloads and intermodal units from May 2020. Total carloads for the week ending May 29, 2021 came in at 243,304, up 35.3% compared with the same week in 2020, while U.S. weekly intermodal volume was 286,921 containers and trailers, up 33% vs. last year. Canadian railroads reported 76,598 carloads for the week, up 11.1%, and 72,839 intermodal units, up 15.4% compared with the same point in 2020. For the first 21 weeks of 2021, they reported cumulative rail traffic volume of 3,184,981 carloads, containers and trailers, an 8.7% increase.

### **11. CN’s JJ Ruest and KCS’ Pat Ottensmeyer Emphasized Compelling Public Interest and Competitive Benefits of Transaction at Bernstein’s 37th Annual Strategic Decisions Conference**

JJ Ruest, President and Chief Executive Officer of CN Patrick J. Ottensmeyer, President and Chief Executive Officer of Kansas City Southern made a presentation on June 3, 2021 at Bernstein’s 37th Annual Strategic Decisions Conference. In their prepared remarks and the fireside chat, both CEOs articulated how the combination of CN and KCS will create a fully end-to-end merger that will deliver significant public interest benefits for customers, ports, employees, communities and the environment. “The economy in North America, especially now post-COVID, really needs a network of the kind that we are talking about putting together especially as it relates to USMCA. There is something in it for shareholders. There is something in it for customers. There is something in it for employees – this is a growth project. It will create jobs. There is something in it for the port operators, which connect to us. It will give them better access to more cities, more importers, more exporters, so they too can do what they do best.”

### **12. Ruest, Ottensmeyer: Voting Trust “Meets the Public Interest Test”**

During what will most likely be the first of many joint appearances as their merger process progresses, CN President and CEO JJ Ruest and Pat Ottensmeyer, his counterpart at Kansas City Southern, said that their jointly filed voting trust application “meets the Surface Transportation Board’s public interest test under current merger rules.” In prepared remarks and a “fireside chat,” Ruest and Ottensmeyer “articulated how the combination of CN and KCS will create a fully end-to-end merger that will deliver significant public interest benefits for customers, ports, employees, communities and the environment,” the railroads said in a joint statement at an independent investment management firm’s Annual Strategic Decisions Conference,

### **13. BNSF, UP battling growing congestion pressures in Chicago**

BNSF Railway and Union Pacific Railroad are looking for creative solutions to increase space to store containers in their Chicago terminals amid another spike in inland intermodal volume and growing congestion pressure.

### **14. Surface Transportation Board Sets Schedule for Review of Voting Trust Related to CN’s Pro-Competitive Combination With KCS**

CN and Kansas City Southern on June 8, 2021 issued the following statement in response to the Surface Transportation

29. CN to Invest \$15 Million in New Brunswick to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions, June 21, 2021, [www.cn.ca](http://www.cn.ca)

30. CN to Invest \$120 Million in Saskatchewan to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions, June 23, 2021, [www.cn.ca](http://www.cn.ca)

31. CN-KCS Voting Trust Supported by SMART Transportation Division, June 23, 2021, [www.cn.ca](http://www.cn.ca)

32. Transit Briefs: Ottawa Airport, NJ Transit, June 22, 2021, [www.railwayage.com](http://www.railwayage.com)

33. Canadians face increased fine amounts for trespassing onto railway property and interfering with the safe operations of the railway system, June 23, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

34. CN-KCS Voting Trust Strongly Supported by International Brotherhood of Boilermakers, June 23, 2021, [www.cn.ca](http://www.cn.ca)

35. Ontario’s Stage 2 ION Light Rail Project Advances, June 23, 2021, [www.railwayage.com](http://www.railwayage.com)

36. Ag Industry Voices Opposition to CN KCS Proposed Use of Voting Trust Share Anti-Competitive Concerns, June 24, 2021, [www.cpr.ca](http://www.cpr.ca)

37. Is Traffic Recovery Leveling Off?, June 23, 2021, [www.railwayage.com](http://www.railwayage.com)

38. CN’s Open Gateways Commitment in CN-KCS Combination Provides Grain Customers, Including in the Upper Midwestern U.S., the Competitive Access They Want, June 25, 2021, [www.cn.ca](http://www.cn.ca)

39. CN-KCS Voting Trust Receives Additional Support from Organized Labor, Including Four Local Union Letters from the Brotherhood of Locomotive Engineers and Trainmen, June 28, 2021, [www.cn.ca](http://www.cn.ca)

40. North Dakota Congressional Delegation Submits Letter to STB Supporting a Canadian Pacific Combination with Kansas City Southern, June 28, 2021, [www.cpr.ca](http://www.cpr.ca)

41. Amtrak Files with the STB in Opposition to CN’s Use of a Voting Trust, June 28, 2021, [www.cpr.ca](http://www.cpr.ca)

42. More Unions Across North America Call on STB to Reject CN Voting Trust, June 28, 2021, [www.cpr.ca](http://www.cpr.ca)



Board's (STB) decision to issue a timetable for reviewing the voting trust in connection with the companies' definitive merger agreement: We are happy with the timetable that the STB has set for reviewing our voting trust, marking another important step on the path to creating the premier railway for the 21st century. We look forward to the STB's review and we are confident that our voting trust will be approved.

**15. CN Voting Trust Clears STB New Merger Rules Tests. It Should Be Approved**

Having been one of the three Surface Transportation Board (STB) Members who voted on the 2001 Major Merger Rules, it seems clear to me that the CN voting trust satisfies the new rules requirements addressing "unlawful control" and the "public interest" when deciding to approve or reject a voting trust. As such, it should be approved so that the Board and the public may move forward to consider the merits of the proposed transaction. In adopting the 2001 new merger rules with respect to voting trusts, the STB voting trust regulation focused on the impending control application and did not create a "new test" to pre-judge the "public interest" merits of the entire proposed transaction before approving a voting trust. We were looking at the public interest factors that we believed were relevant to voting trust approval, not approval of the merger itself. In reviewing voting trusts, we focused on two factors: 1) Would the trust insulate the target company from unlawful control by the acquiring company during the regulatory review process. 2) Would the acquiring company and target company remain financially sound so as to not jeopardize either railroad in the event the transaction was eventually denied.

**16. AAR: Rail Traffic Down Slightly in Week 22**

Total U.S. rail traffic for the week ending June 5, 2021 was 489,144 carloads and intermodal units, down approximately 7% from each of the previous four weeks and up 12.9% from the same point in 2020, according to an Association of American Railroads' (AAR) June 9, 2021 report. Total carloads for the week reached 227,497, rising 18.1% vs. the prior-year period, while intermodal volume was 261,647 containers and trailers, increasing 8.7% from 2020. Canadian railroads reported 78,167 carloads for the week, increasing 13.6%, and 74,525 intermodal units, rising 16.8% vs. the same week in 2020. For the first 22 weeks of 2021, they reported cumulative rail traffic volume of 3,337,673 carloads, containers and trailers, up 9%.

**17. CN and KCS Affirm Financial Strength of KCS and Rights under Merger Agreement to Invest in KCS Network**

CN and Kansas City Southern on June 15, 2021 announced that they have jointly filed with the Surface Transportation Board ("STB") certain documents requested by the STB in its June 8, 2021, Decision in STB Finance Docket No. 36514 to enable the STB to review the voting trust in connection with the definitive Merger Agreement between CN and KCS. These documents include: 1. Written opinions of the financial advisors referenced in Section 4.16 of the Merger Agreement; 2. Debt Commitment Letters referenced in Section 4.17(a) of the Merger Agreement, including all exhibits and schedules; 3. Section 5.1 of the Company Disclosure Schedules referenced in Section 5.1(a) of the Merger Agreement, together with any other section(s) of the Company Disclosure Schedules that pertain to the Company Capital Allocation Policy referenced in Section 5.1(a) of the Merger Agreement and/or the "[KCS] pre-existing capital allocation policy" referenced in Applicants' May 26 Motion. With this filing, CN and KCS are one step closer to creating the premier railway for the 21st century. CN and KCS look forward to the STB's review and are confident that their voting trust will be approved.

**18. America's Largest Railroad Operating Union Joins Others and Calls on STB to Reject CN Voting Trust**

SMART-TD says it expects voting trust approval will "negatively affect employees, shippers and most importantly public safety". More than 130 shippers, communities, labor organizations, and other stakeholders have already communicated opposition to CN's voting trust proposal directly to the STB. Canadian Pacific Railway Limited announced on June 15, 2021 that SMART-Transportation Division ("SMART-TD"), North America's largest railroad operating union, has submitted a letter urging the Surface Transportation Board ("STB") to reject Canadian National's proposed use of a voting trust. SMART-TD joins a growing list of shippers, communities, labor unions and other stakeholders who have voiced opposition to CN's voting trust as part of its proposal to combine with Kansas City Southern.

**19. Ontario to Officially Open New Bloomington GO Station**

The Ontario government is opening the new Bloomington GO Station that will further extend the Richmond Hill line, bringing more transit options and better connectivity to York Region. Starting June 28, 2021, GO trains and buses will begin serving Bloomington GO Station, giving customers full access to the new, four-level station, located at Highway 404 and Bloomington Road. The province is transforming GO Transit into a modern, reliable and fully integrated rapid transit network that will support the future generations to come.

**20. AAR: Nearing Mid-Year, Carloads, Intermodal Up**

For the week ending June 12, 2021, total U.S. carloads were 241,628, up 21.8% from the same week in 2020, and all 10 commodity groups tracked posted an increase, the Association of American Railroads reported on June 16, 2021. Coming in at 288,007 containers and trailers, U.S. weekly intermodal volume grew 14.8% compared with the previous-

year period. Total U.S. rail traffic for the week was 529,635 carloads and intermodal units, up 17.9% vs. 2020. Canadian railroads reported 75,753 carloads for the week, increasing 4.9%, and 73,492 intermodal units, rising 14.3% vs. the prior-year period. For the first 23 weeks of 2021, they reported cumulative rail traffic volume of 3,486,918 carloads, containers and trailers, a 9% boost.

**21. CN to Invest \$350 Million in Ontario to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions**

CN announced plans to invest approximately C\$350 million in Ontario in 2021 as part of CN's C\$3 billion capital investment plan across its network. In Ontario, CN's investment will focus on technology, capacity, and infrastructure maintenance to enhance safety and the fluidity of its network. The Company is increasingly optimistic about the economic recovery and these investments will help meet the demand and future needs of customers.

**22. CN to Invest \$95 Million in Manitoba to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions**

CN announced plans to invest approximately C\$95 million in Manitoba in 2021 as part of CN's C\$3 billion capital investment plan across its network. In Manitoba, CN's investment will focus on technology, and infrastructure maintenance to enhance safety and the fluidity of its network.

**23. Support for Pro-Competitive CN-KCS Combination Grows to More than 1500 Letters Filed with the STB**

CN and Kansas City Southern on June 17, 2021 announced that support for their pro-competitive proposed combination continues to grow. One hundred additional letters have been sent to CN and KCS and filed with the Surface Transportation Board ("STB") in favor of a combination between the two companies, bringing the total number of support letters CN and KCS have received to greater than 1,500. Importantly, 90 of the letters being filed June 17, 2021 support CN's and KCS's request that the Board approve their proposed voting trust agreement.

**24. CN to Invest \$350 Million in Ontario to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions**

CN announces plans to invest approximately C\$350 million in Ontario in 2021 as part of CN's C\$3 billion capital investment plan across its network. In Ontario, CN's investment will focus on technology, capacity, and infrastructure maintenance to enhance safety and the fluidity of its network.

**25. CP to Serve New Richardson Grain Elevator**

Richardson Pioneer Limited has begun construction on a nearly \$50 million high-throughput grain elevator in Carmichael, Saskatchewan, to be served by Canadian Pacific. Slated for completion by fall 2022, it will be situated near Richardson's Swift Current and Maple Creek Richardson Pioneer facilities (to the east and west, respectively), according to the company. The grain elevator will include 46,000 metric tons of storage capacity with a loop track for loading 175 high cube railcars. The facility will also feature high-speed receiving and load out, and a high-capacity grain cleaning system.

**26. Proposed amendments to the Grade Crossings Regulations will help focus efforts to improve safety at grade crossings**

On June 18, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced the publication of proposed amendments to *Grade Crossings Regulations* in the Canada Gazette, Part I, for a 30-day public comment period. The proposed amendments will ensure that the *Grade Crossings Regulations* are more effective in focusing the efforts of railway companies, public road authorities and private crossing owners on grade crossings that present the greatest risks to community safety. The *Grade Crossings Regulations* initially gave railway companies, public road authorities and owners of private crossings a deadline of November 28, 2021, to comply with the requirements for existing public and private crossings.

**27. 80-plus more Stakeholders Urge STB to Reject CN's Use of a Voting Trust, Bringing Total Opposed to over 330**

CP announced that more than 80 additional stakeholders have filed statements with the Surface Transportation Board ("STB") expressing concerns about Canadian National and Kansas City Southern's combination, its use of a voting trust, or both. This brings the total opposed to over 330. Together, more than 1,050 letters have been filed in support of CP's proposed combination with KCS or in opposition to the CN proposal. Shippers that could lose shipping options in the New Orleans to Baton Rouge corridor have also submitted letters in opposition to CN's voting trust, including Pinnacle Polymers, which notes: "...we are closely monitoring this issue and ardently believe that the use of a trust for any merger under the 2001 Major Merger Rules would not be in our interest, much less the public interest." Last week, SMART-Transportation Division, North America's largest railroad operating union, submitted a letter urging the STB to reject CN's proposed use of a voting trust.

**28. CN to Invest \$445 Million in Alberta to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions**

CN announces plans to invest approximately C\$445 million in Alberta in 2021 as part of CN's C\$3 billion capital

investment plan across its network. In Alberta, CN's investment will focus on technology, capacity, and infrastructure maintenance to enhance safety and the fluidity of its network.

**29. CN to Invest \$15 Million in New Brunswick to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions**

CN announces plans to invest approximately C\$15 million in New Brunswick in 2021 as part of CN's C\$3 billion capital investment plan across its network. In New Brunswick, CN's investment will focus on technology, and infrastructure maintenance to enhance safety and the fluidity of its network.

**30. CN to Invest \$120 Million in Saskatchewan to Ensure the Fluidity and Safety of its Network While Minimizing Greenhouse Gas Emissions**

CN on June 23, 2021 announced plans to invest approximately C\$120 million in Saskatchewan in 2021 as part of CN's C\$3 billion capital investment plan across its network. In Saskatchewan, CN's investment will focus on technology, and infrastructure maintenance to enhance safety and the fluidity of its network. The Company is increasingly optimistic about the economic recovery and these investments will help meet the demand and future needs of customers.

**31. CN-KCS Voting Trust Supported by SMART Transportation Division**

CN and Kansas City Southern on June 23, 2021 announced that three local union committees representing CN employees in the United States that are affiliated with the International Association of Sheet Metal, Air, Rail and Transportation Workers, Transportation Division ("SMART-TD") have each filed letters in support of the proposed voting trust with the Surface Transportation Board ("STB"). These letters underscore the significant benefits for organized labor from a CN-KCS combination.

**32. Transit Briefs: Ottawa Airport, NJ Transit**

Canada's Ottawa Macdonald-Cartier International Airport Authority will receive C\$6.4 million from Transport Canada's Airport Critical Infrastructure Program for the construction of a light rail transit (LRT) station. In addition, New Jersey Transit (NJ Transit) has launched a Map My Ride™ feature on its mobile app to track trains and buses.

**33. Canadians face increased fine amounts for trespassing onto railway property and interfering with the safe operations of the railway system**

On June 23, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced amendments to the *Contraventions Regulations*, with regard to provisions under the *Railway Safety Act* that increase the fine amounts for trespassing onto property where railway lines are located and for not giving way at railway crossings. With these amendments, the fine for trespassing property where railway lines are located have increased from \$100 to \$500, while the fine for not giving way at railway crossings have increased from \$150 to \$750. Contravention tickets reflecting these increased fine amounts can be issued starting on June 23, 2021.

**34. CN-KCS Voting Trust Strongly Supported by International Brotherhood of Boilermakers**

CN and Kansas City Southern on June 23, 2021 announced that the International Brotherhood of Boilermakers ("IBB") filed a letter of support for CN's and KCS' proposed voting trust with the Surface Transportation Board ("STB"). This letter from IBB, one of the oldest unions in the United States representing more than 50,000 skilled craftsmen and craftswomen and industrial workers throughout the United States and Canada, underscores the significant benefits for organized labor from a CN-KCS combination.

**35. Ontario's Stage 2 ION Light Rail Project Advances**

The Region of Waterloo (Ontario) is another step closer to extending ION light rail transit (LRT) to downtown Cambridge. The Province has approved a Transit Project Assessment, which will allow the Region of Waterloo to begin seeking funding from provincial and federal partners to advance the project toward construction. Stage 2 ION will complete the tri-city connection of Waterloo, Kitchener and Cambridge, adding 11.2 miles (18 kilometers) of light rail plus eight stations

**36. Ag Industry Voices Opposition to CN KCS Proposed Use of Voting Trust Share Anti-Competitive Concerns**

Canadian Pacific Railway Limited on June 24, 2021 announced that grain and other shippers across North Dakota, South Dakota and Minnesota have submitted letters to the Surface Transportation Board ("STB") opposing Canadian National ("CN") and Kansas City Southern's ("KCS") combination, its use of a voting trust, or both. Stakeholders from the Upper Midwest to Gulf Coast Among List of 330-plus Saying CN-KCS Combination Would Reduce Shipping Options

**37. Is Traffic Recovery Leveling Off?**

U.S. rail traffic for the week ending June 19, 2021, came in at 514,112 carloads and intermodal units, rising 12.5% from the same point last year, the Association of American Railroads reported on June 23, 2021. That represents 232,144 carloads (up 15.1% vs. 2020) and 281,968 intermodal containers and trailers (up 10.4% vs. 2020). The prior two U.S. weekly rail traffic totals were up similarly from the same period in 2020, while the May U.S. weekly totals saw increases of about 25% to 35% over 2020. So while the recovery remains under way, the gains may be levelling off, or perhaps slowing a bit. Canadian railroads reported 76,464 carloads for the week, increasing 5.9%, and 72,001

intermodal units, gaining 11.7% vs. the same week in 2020. For the first 24 weeks of 2021, they reported cumulative rail traffic volume of 3,635,383 carloads, containers and trailers, up 9%.

### **38. CN's Open Gateways Commitment in CN-KCS Combination Provides Grain Customers, Including in the Upper Midwestern U.S., the Competitive Access They Want**

CN and Kansas City Southern on June 25, 2021 highlighted the benefits realized by grain customers, including farmer-owned grain co-operatives, through CN's open gateways commitment in the CN-KCS combination. These stakeholders, including agricultural customers in the Upper Midwestern U.S., would benefit from a choice of routes and competitive rates, better service and innovation resulting from the competition for their business. CN maintains that it: provides pro-competitive open gateways commitment preserves all existing competitive options; gives customers the choice of route; and maintains existing routes for agricultural customers in Upper Midwest; provides new, single-line, rail-to-rail competition. Former Director of Office of Economics and Chief Economist at the Surface Transportation Board describes CN's open gateways offer as "a big deal"

### **39. CN-KCS Voting Trust Receives Additional Support from Organized Labor, Including Four Local Union Letters from the Brotherhood of Locomotive Engineers and Trainmen**

CN and Kansas City Southern on June 28, 2021 announced that three local union committees representing CN and KCS employees in the United States that are affiliated with the Brotherhood of Locomotive Engineers and Trainmen ("BLET") have filed four letters in support of the proposed voting trust with the Surface Transportation Board ("STB"). These letters were filed as part of the STB's public comment period for its review of the CN-KCS voting trust, which will close at midnight today. These letters underscore the significant benefits for organized labor from a CN-KCS combination.

### **40. North Dakota Congressional Delegation Submits Letter to STB Supporting a Canadian Pacific Combination with Kansas City Southern**

Canadian Pacific Railway Limited on June 28, 2021 announced that the entire North Dakota Congressional Delegation, consisting of U.S. Senators John Hoeven and Kevin Cramer and U.S. Rep. Kelly Armstrong, submitted a letter to the Surface Transportation Board expressing support for a combination of Canadian Pacific and Kansas City Southern.

### **41. Amtrak Files with the STB in Opposition to CN's Use of a Voting Trust**

Canadian Pacific Railway Limited announced on June 28, 2021 that Amtrak, operator of intercity passenger rail service across the United States, has submitted comments urging the Surface Transportation Board to reject Canadian National's use of a voting trust in its proposed combination with Kansas City Southern.

### **42. More Unions Across North America Call on STB to Reject CN Voting Trust**

Canadian Pacific Railway Limited announced on June 28, 2021 that unions representing railroad employees across the U.S., including SMART-Transportation Division ("SMART-TD") General Committee GCA-457 representing Kansas City Southern employees, have written letters urging the Surface Transportation Board to reject Canadian National's proposed use of a voting trust. Many of the unions express concerns about job loss, increased CN debt load and regulatory challenges a CN/KCS transaction would face.

## **HIGHWAY TRANSPORTATION**

### **1. Antitrust: Commission publishes findings of evaluation on the Motor Vehicle Block Exemption Regulation**

The European Commission has published on May 28, 2021, the Evaluation Report and Staff Working Document summarising the findings of its evaluation of the Motor Vehicle Block Exemption Regulation. The aim of the evaluation was to gather evidence on the functioning of the rules applicable to vertical agreements in the automotive sector, in order to decide whether they should lapse, be renewed in its current form or be revised.

### **2. Couriers and Messengers Services Price Index, April 2021**

The Couriers and Messengers Services Price Index (2003=100) is now available for April 2021 on Statistics Canada website. For April 2021 the index was 222.7 compared to 220.4 for March 2021.

### **3. Urban public transit, March 2021**

Canada's urban transit networks carried 52.0 million riders in March 2021, down 41.2% from the 88.5 million riders in March 2020, when ridership declined sharply mid-month because of lockdown restrictions. March 2021 was the 13th straight month of substantial year-year-over declines. Although some passengers may have returned to public transit in March—

## **HIGHWAY TRANSPORTATION Canada**

1. Antitrust: Commission publishes findings of evaluation on the Motor Vehicle Block Exemption Regulation, May 28, 2021, [www.europa.eu](http://www.europa.eu)
2. Couriers and Messengers Services Price Index, April 2021, May 31, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Urban public transit, March 2021, May 31, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Ontario moves forward on new rules for driver trainers, June 2, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
5. Passenger bus and urban transit, 2019, June 3, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
6. Ottawa invests in Alberta hydrogen fueling station for trucks, June 3, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
7. Ottawa Takes Aim at Driver Inc. Companies, June 4, 2021, [www.ontruck.ca](http://www.ontruck.ca)
8. Lion Electric building battery plant at Mirabel, June 7, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
9. Uber's self-driving star launches Canadian

as restrictions related to the COVID-19 pandemic were eased in many provinces—ridership numbers remained well below those of March 2020, with about 36.5 million fewer passengers. Looking further back, there were 112.7 million fewer riders in March compared with the same month in 2019.

#### **4. Ontario moves forward on new rules for driver trainers**

Ontario continues to develop a new set of rules for truck driver trainers in the province, as regulators continue to refine the mandatory entry-level training (MELT) program introduced in 2017. While not yet finalized — and paused during Covid-19 — the emerging rules will be introduced in the future, said Kim MacCarl, manager of the Ontario Ministry of Transportation’s driver program development office, during an update for the Truck Training Schools Association of Ontario (TTSAO).

#### **5. Passenger bus and urban transit, 2019**

In 2019, total operating revenue earned by Canadian passenger bus and urban transit operators increased 5.7% to \$15.3 billion compared with 2018. Total operating expenses were up 5.7% to \$15.8 billion. This overall growth masked a continued divergence by type of carrier, namely between urban transit systems and interurban and rural bus transportation. Urban transit systems, which account for almost three-quarters (73.6%) of the industry’s operating revenue as a whole, reported operating revenue (without subsidies) of \$11.2 billion in 2019, up 7.6% from 2018. Ridership grew 3.0% to 2.3 billion trips. School and employee bus transportation (+3.1% to \$2.5 billion) and the charter bus industry and scenic and sightseeing transportation (+0.9% to \$681 million) also recorded increases in total revenue.

#### **6. Ottawa invests in Alberta hydrogen fueling station for trucks**

The federal government on June 24, 2021 announced a \$2.3-million investment in the Alberta Zero-Emissions Truck Electrification Collaboration (AZETEC) project. Seamus O’Regan Jr., minister of natural resources, said, “Hydrogen’s moment has come, and Canada is leading the way. Using hydrogen in heavy-duty trucking will lower emissions, increase our competitiveness and drive clean economic growth. This is how we get to net zero by 2050.”

#### **7. Ottawa Takes Aim at Driver Inc. Companies**

The Canadian Trucking Alliance (CTA) is applauding Labour Minister Tassi and Employment and Social Development Canada (ESDC) officials for launching a significant enforcement campaign to end the illegal practice of Driver Inc. The ESDC pilot program has been launched in Ontario, where known violators of the labour misclassification scheme who operate within the underground economy will be inspected, audited and face regulatory and legal consequences of a variety of labour contraventions. “Minister Tassi is showing strong leadership on this issue, which is threatening the livelihood and the very existence of legally responsible, compliant trucking companies and their employees,” said CTA Chair Jean-Claude Fortin. “We strongly believe the results of this enforcement campaign in Ontario will continue to demonstrate the scope of this growing problem in our industry and signal the need for nation-wide enforcement.”

#### **8. Lion Electric building battery plant at Mirabel**

The Lion Electric Company is building its EV battery manufacturing plant and innovation centre at the YMX International Aerocity in Mirabel, Quebec. The facility will be located adjacent to Montreal-Mirabel International Airport (ADM) on a 1.6 million square foot property, with development planned to begin in June 2021. The facility will cost about \$185 million.

#### **9. Uber’s self-driving star launches Canadian startup**

But Raquel Urtasun – the star of Uber’s self-driving efforts in Canada – wasn’t ready to give up on autonomous vehicles. Urtasun, who was recruited from a University of Toronto professor job to run Uber’s Toronto ATG unit in 2017 and then promoted to become its chief scientist a year later, left the tech giant and started her own self-driving

startup, June 9, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

10. Ontario Expands HOT Lanes Pilot to Highways 403 and 410, June 9, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

11. April 2021 Freight Transportation Services Index (TSI) Equaled Highest Level since Start of Pandemic, June 9, 2021, [www.bts.gov](http://www.bts.gov)

12. Top trucking issues include ELDs, emissions, and driver training, says BCTA chief, June 10, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

13. Announced Truck Inspection Campaigns Make Lasting Gains: Study, June 10, 2021, [www.ontruck.ca](http://www.ontruck.ca)

14. Ontario Awards Contract for Highway 17B Improvements, June 11, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

15. As Canada’s ELD mandate takes effect, compliance is impossible, June 11, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

16. Government of Canada welcomes second official accreditor of electronic logging devices, June 14, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

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18. 14 things we learned about private truck fleets, [www.todaystruckings.ca](http://www.todaystruckings.ca)

19. John Deere, Linde Canada win private fleet safety awards, June 17, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

20. ATA applauds Commerce Committee for bipartisan effort to improve highway safety, June 17, 2021, [www.ajot.com](http://www.ajot.com)

21. Autonomous vehicles still face legal, legislative hurdles, June 18, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

22. DAT: Truckload capacity loosens ahead of traditional July 4 peak, June 18, 2021, [www.ajot.com](http://www.ajot.com)

23. Volumes slip, but rates remain at record highs: ACT, June 22, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

24. North American Transborder Freight up 85% in April 2021 from April 2020, June 23, 2021, [www.bts.gov](http://www.bts.gov)

25. closes APPS, Tri Point Intermodal acquisitions, June 24, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

26. Mag: Canada Has Some of the Most Productive Truck in the World, June 25, 2021, [www.cantruck.ca](http://www.cantruck.ca)

27. FedEx posts profit as online shopping booms, June 25, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

28. Ontario Extends Transportation Investments for Small and Rural Communities, June 28, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)



company, Waabi, earlier this year. “I had thought about doing my own company for a while now,” she said, ahead of unveiling her company to the world on June 22, 201. “The more that I worked in the industry, the more it became clear that the traditional way of doing things is ... I don’t think the way to go. “There is a need for new technology and I have a very clear vision of what that technology is.”

**10. Ontario Expands HOT Lanes Pilot to Highways 403 and 410**  
The Ontario government is proposing to expand the High Occupancy Toll (HOT) lanes pilot to Highways 403 and 410 to provide more travel options for people in the Greater Golden Horseshoe (GGH). This is part of the government’s plan to build an efficient and well-planned transportation system that is vital in keeping the population and economy of the GGH moving.

**11. April 2021 Freight Transportation Services Index (TSI) Equaled Highest Level since Start of Pandemic**

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.7% in April 2021 from revised March 2021, rising for the second consecutive month, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS). With the April 2021 increase, the index equaled the level of January 2021, the highest since pre-pandemic November 2019.

**12. Top trucking issues include ELDs, emissions, and driver training, says BCTA chief**

British Columbia appears to be emerging from the economic downturn associated with Covid-19, but the province’s largest trucking association understands there are plenty of changes to come in the year ahead. British Columbia Trucking Association (BCTA) president and CEO Dave Earle points to examples including a new mandatory entry-level training regime effective Oct. 18, 2021 and the “truncated” rollout of electronic logging devices (ELDs) for federally regulated carriers over the next year. “We want to ensure ELDs are implemented – and implemented as quickly as possible,” he said in a presentation for the association’s annual general meeting. There’s also a push to see the devices applied by provincial regulators. “If we get our way, it will also include implementation with speed limiters.” Regulations to restrict glider kits — and the delete kits that bypass emissions controls — are also “on the near horizon”, Earle added, cautioning B.C. fleets to evaluate their operations to prepare for the changes.

**13. Announced Truck Inspection Campaigns Make Lasting Gains: Study**

New research suggests that announced truck enforcement events deliver lasting results – particularly when it comes to large fleets. “Large firms significantly improve their compliance in anticipation of announced periods of intense monitoring, and the effects persist weeks after the event,” concludes *To announce or not to announce: Organizational responses to varied inspection regimes*. The report, cited by the Commercial Vehicle Safety Alliance (CVSA), which oversees inspection standards across North America, was co-authored by Andrew T. Balthrop at the University of Arkansas, and Alex Scott of Michigan State University, reports *Today’s Trucking*.

**14. Ontario Awards Contract for Highway 17B Improvements**

On June 11, 2021, Caroline Mulroney, Minister of Transportation, and Chief Andy Rickard, Garden River First Nation, announced that a contract has been awarded to KSMM 2020 for work on Highway 17B through the province's Aboriginal Procurement Program. KSMM 2020 is a partnership between Garden River First Nation, Shwe Miikaan Corporation and Miller Paving Limited. This work builds on the Ontario government’s efforts to improve highway safety for people in the North.

**15. As Canada’s ELD mandate takes effect, compliance is impossible**

What if a federal regulation was passed and no one complied? With just hours to go before Canada’s electronic logging device (ELD) mandate for federally regulated carriers set to take effect – and still no certified devices approved by Transport Canada – that appears to be the awkward situation the industry will find itself in when the clock strikes midnight June 12, 2021. Canada’s ELD mandate requires carriers to use a third-party-certified ELD, a list of which will be posted to Transport Canada’s website. However, no devices have been approved to date. That doesn’t mean the regulation is being postponed. It just means there will initially be no way to comply.

**16. Government of Canada welcomes second official accreditor of electronic logging devices**

On June 14, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced that the CSA Group will become the second official certification body of electronic logging devices in Canada. Electronic logging device certification by an official certification body ensures a device is safe, reliable, and approved for use in Canada. Only certified electronic logging devices meet Canadian federal requirements. Electronic logging devices are tamper-resistant and integrated into commercial vehicle engines.

**17. Truck driver jobs rebound to pre-Covid levels**

Truck driver employment has rebounded to pre-Covid levels – with Canada counting 11,100 more working drivers than the average reported over the last decade. While driving jobs plunged in the first wave of the pandemic, a similar drop was not recorded during the second or third waves, *Trucking HR Canada* said June 15, 2021, reporting the seasonally adjusted numbers through its Labor Market Information program.

**18. 14 things we learned about private truck fleets**

Canada’s private fleets have offered further insights into their activities, with the release of the fifth annual

benchmarking survey conducted by the Private Motor Truck Council of Canada (PMTCC) and supported by the U.S.-based National Private Truck Council (NPTC). Here are 14 things the 2021 survey showed us: 1. Private fleets are in it for the customer service; 2. Truck trade-in cycles average 6.6 years; 3. Bulk trailers have the longest service life; 4. Maintenance headaches are universal; 5. Driver turnover is limited; 6. Recruiters are stealing from one another; 7. Abstracts are the final word; 8. Drivers see the benefits of private fleets; 9. Private fleets are putting technology to work; 10. Private fleets are keeping to themselves; 11. They know safety pays; 12. Cybersecurity is seen as a threat; 13. About 2/3 of a driver's time involves driving; and 14. Interest in sustainability is sustained.

#### **19. John Deere, Linde Canada win private fleet safety awards**

John Deere's Canadian fleet and Linde Canada have been named the safest private fleets. Linde was previously known as Praxair Canada, but took on the name change in March to align with its parent company's global branding. The Private Fleet Safety Awards were given out during the Private Motor Truck Council of Canada's (PMTCC) virtual annual conference June 17, 2021. John Deere Canada won the award in the medium-sized fleet category. It operates 60 power units and 190 trailers, operated by 75 employees. Drivers are supplied by CPC Logistics. John Deere has a CVOR violation rate of 10.14% and was been involved in 0.93 incidents per million kilometers last year.

#### **20. ATA applauds Commerce Committee for bipartisan effort to improve highway safety**

On June 17, 2021, American Trucking Associations President and CEO Chris Spear congratulated the Senate Commerce, Science and Transportation Committee on passing the safety title for a five-year surface transportation reauthorization: "Chair Cantwell, Ranking Member Wicker and all members of the committee deserve great credit for working constructively to advance this important piece of the highway bill. Safety is job one for our industry, and this bill proves that improving safety is something both parties agree on. We hope other committees can follow the example set by the Commerce Committee and quickly bring their pieces of the reauthorization bill to the floor so we can enact a new highway bill before the current one expires.

#### **21. Autonomous vehicles still face legal, legislative hurdles**

Advancing technology is bringing us ever closer to the vision of highly autonomous vehicles, but there are still related legislative and legal hurdles to overcome before such equipment is broadly used. "Use on Canadian public roads is still pretty limited," said Jaclyne Reive, a partner with Miller Thomson LLP, during a presentation for the Private Motor Truck Council of Canada (PMTCC).

#### **22. DAT: Truckload capacity loosens ahead of traditional July 4 peak**

Spot truckload volumes rose 13% last week as freight activity returned to more typical levels following a holiday-shortened workweek, reported *DAT Freight & Analytics*, which operates the industry's largest load board network and freight data analytics service. The number of trucks posted to the DAT network increased 15% compared to the previous week, which included Memorial Day. National average spot rates were virtually unchanged. While it's not unusual for spot rates to dip after the push leading up to Memorial Day and then take off again as retailers, grocers and food shippers gear up for July 4, 2021 spot truckload prices have been generally stable in recent weeks. Dry van and reefer rates have been within a 5-cent-per-mile band since the second week of May 2021 and flatbed rates have moved just a penny in the same timeframe. This cooling trend on the spot market is not surprising given the strength of contract rates and overall easing of load-posting activity. Load volume for the week ending June 13, 2021 was 8% lower than the week prior to Memorial Day and is down 30% month over month.

#### **23. Volumes slip, but rates remain at record highs: ACT**

Freight volumes are softening but rates remain at record highs, according to ACT Research's For-Hire Trucking Index for May 2021. "Consistent with some consumer-related macro softness as well as the deceleration in DAT's load-to-truck ratios from the beginning to the end of the month, May's Volume Index decelerated to its lowest reading since the start of the pandemic," said Kenny Vieth, ACT's president and senior analyst.

#### **24. North American Transborder Freight up 85% in April 2021 from April 2020**

Transborder freight between the U.S. and North American countries (Canada and Mexico) in April 2021 was \$107.4 billion of transborder freight moved by all modes of transportation, up 84.7% compared to April 2020. April 2021 Transborder freight was up 2.7% compared to \$104.5 billion in April 2019. The Most-used mode was trucks moving \$68.3 billion of freight, up 77.5% compared to April 2020. Truck freight was up 5.0% compared to \$65.1 billion in April 2019. U.S.-Canada trade (both directions) was as follows: Truck: \$30.0 b.; Rail: \$8.4 b.; Pipeline: \$5.9 b.; Air: \$2.7.; and Vessel: \$2.4.

#### **25. Mullen closes APPS, Tri Point Intermodal acquisitions**

Mullen Group has closed the acquisitions of APPS Cartage and APPS Cargo Terminals, as well as Tri Point Intermodal Services. The companies will contribute more than \$100 million in annual revenues, about \$90 million from the APPS businesses. APPS had initially entered into an agreement to be purchased by TFI International, but the deal was terminated under Competition Board scrutiny.

#### **26. Mag: Canada Has Some of the Most Productive Truck in the World**

Canada now has among the most productive truck configurations anywhere on the planet — and one of the best overall safety records. The impact of nationally harmonized weights and dimensions has been huge. Studies identified \$3.85 billion in efficiency-related savings between 1988 and 2002. Truck traffic exposure dropped by 135 million vehicle-kilometers. And those gains came with no increase in observed pavement and bridge costs, reports Jim Park of *Today's Trucking*.

### **27. FedEx posts profit as online shopping booms**

FedEx reported a nearly US\$2 billion profit in its most recent 2021 quarter, after reporting a loss the year before, helped by a surge in online shopping and the growth of its business-to-business shipping services. Package delivery companies like FedEx have been in high demand during the pandemic, as more people stayed home and shopped online. At the same time, FedEx has been delivering COVID-19 vaccines. The Memphis, Tennessee-based company reported net income of \$1.87 billion for the three months ending May 31, 2021 compared with a \$334 million loss in the same period the year before.

### **28. Ontario Extends Transportation Investments for Small and Rural Communities**

The Ontario government is extending funding of up to \$14 million over two years for communities providing transportation services in unserved and underserved regions across Ontario through the Community Transportation Grant Program. Additional funding will help ensure transportation services in 38 communities across the province have additional time to fully establish their transportation services as they recover from the COVID-19 pandemic and build transportation services up to a sustainable level. This will better position municipalities to continue operating after the program has completed.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. Federal Panel Issues Recommendations on Border Reopening and Future Border Policies**

A federal COVID-19 Testing and Screening Expert Advisory Panel issued a report on February 27, 2021 with proposals that could pave a path toward reopening the Canada-US border while balancing public health. The report, entitled “Priority Strategies to Optimize Testing and Quarantine at Canada’s border”, contained several proposed measures for future land and air border ports in the future, including sustained use of the ArriveCAN app as well as vaccine “certifications.”

#### **2. U.S. Transportation Secretary Pete Buttigieg Unveils \$88 billion FY 2022 Budget Proposal to Ensure Safety, Address Climate Change, and Create Economic Strength, Good Paying Jobs and Equitable Access to Opportunity**

The Biden-Harris Administration on May 28, 2021 submitted to Congress the President’s Budget for fiscal year 2022. As the Administration continues to make progress defeating the pandemic and getting our economy back on track, the Budget makes historic investments that will help the country build back better. The Budget prioritizes the Secretary’s key principles: ensuring safety; fostering economic strength and good-paying American jobs; creating equitable access to opportunity; tackling the climate crisis and making our infrastructure more resilient; and transforming our nation’s infrastructure.

#### **3. ECCC to Suspend GHG Trailer Regulation Implementation Until May 2022**

Environment and Climate Change Canada (ECCC) has informed CTA that an Interim Order Modifying the Operation of the Heavy-duty Vehicle and Engine Greenhouse Gas Emission Regulations will be published with the purpose of suspending the implementation of the greenhouse gas (GHG) emission standards for trailers in Canada until May 3, 2022.

#### **4. OECD sees improved Canadian economic growth this year**

Canada’s economy could be in for a significant rebound this year,

## **GENERAL TRANSPORTATION**

### **Canada**

1. Federal Panel Issues Recommendations on Border Reopening and Future Border Policies, May 28, 2021, [www.ontruck.org](http://www.ontruck.org)
2. U.S. Transportation Secretary Pete Buttigieg Unveils \$88 billion FY 2022 Budget Proposal to Ensure Safety, Address Climate Change, and Create Economic Strength, Good Paying Jobs and Equitable Access to Opportunity, May 28, 2021, [www.dot.gov](http://www.dot.gov)
3. ECCC to Suspend GHG Trailer Regulation Implementation Until May 2022, June 1, 2021, [www.ontruck.ca](http://www.ontruck.ca)
4. OECD sees improved Canadian economic growth this year, June 1, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
5. Mobility data security company AutoCrypt becomes latest ITF Corporate Partner, June 3, 2021, [www.itf-oecd.org](http://www.itf-oecd.org)
6. Chinese exports up 28%, imports hit decade-high, June 6, 2021, [www.cargonews.com](http://www.cargonews.com)
7. U.S. Department of Transportation Thanks Transit Agencies for Helping Americans Access COVID-19 Vaccination Sites Nationwide and Encourages More to Step up as Part of National Month of Action, June 8, 2021, [www.dot.gov](http://www.dot.gov)
8. How AI and machine learning can improve safety, solve problems, June 8, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
9. PS Soraya Martinez Ferrada highlights research project that explores new ways to reduce transportation pollution, June 11, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
10. U.S. Department of Transportation Releases Spring Regulatory Agenda, June 11, 2021, [www.dot.gov](http://www.dot.gov)
11. Manufacturers slam border opening plan, June 11, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
12. New online resource for disabled drivers, June 15, 2021, [www.itf-oecd.org](http://www.itf-oecd.org)
13. Megadeals fuelling 'unprecedented' Canadian merger and acquisition boom, June 16, 2021, [www.financialpost.ca](http://www.financialpost.ca)
14. Deal eases US-EU tensions but friction continues, June 16, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

according to an upgraded outlook from the Organization for Economic Co-operation and Development. In a report released on May 31, 2021, the Paris-based think tank also known as the OECD, said it now expects the Canadian economy to grow by 6.1 percent in 2021. The prediction is up from an estimate for growth of 4.7 percent that the OECD made in March 2021. The rebound will be thanks to reduced Covid-19 restrictions in the second half of the year and external demand, the think tank said.

15. Travel between Canada and other countries, April 2021, June 22, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)  
16. Federal funding will support development of clean fuels June 22, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)  
17. PHAC Releases Digital Engagement Travel Toolkit, June 24, 2021, [www.ontruck.ca](http://www.ontruck.ca)  
18. Online shopping jumps by \$2 billion a month, June 28, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

#### **5. Mobility data security company AutoCrypt becomes latest ITF Corporate Partner**

Korean transport security technology firm AutoCrypt has joined the Corporate Partnership Board of the International Transport Forum (ITF). As an ITF corporate partner, AutoCrypt will bring their expertise to ITF work on intelligent transport systems, digitalisation and safety. AutoCrypt is a mobility security provider dedicated to the safety of future transportation. Founded in 2007 as an in-house venture of former ITF corporate partner Penta Security Systems, AutoCrypt became a separate entity in 2019 as its presence expanded worldwide.

#### **6. Chinese exports up 28%, imports hit decade-high**

China's exports rose 27.9% in May, while imports grew at the fastest pace in more than a decade as the global economy powers back from the pandemic crisis, official data showed. Demand for China's goods has bounced after economically painful lockdowns last year due to the Covid-19 crisis and as vaccines are becoming available.

#### **7. U.S. Department of Transportation Thanks Transit Agencies for Helping Americans Access COVID-19 Vaccination Sites Nationwide and Encourages More to Step up as Part of National Month of Action**

The U.S. Department of Transportation's Federal Transit Administration on June 8, 2021 highlighted how transit agencies across the country are helping people in their communities get access to COVID-19 vaccines. More than 350 transit systems are providing free transportation to vaccination sites or using their transit stations and facilities as vaccination sites, and some have even converted buses and other transit vehicles into mobile clinics – many using funding from the American Rescue Plan.

#### **8. How AI and machine learning can improve safety, solve problems**

Artificial intelligence (AI) and machine learning can help fleets solve long-running problems and improve safety, if deployed effectively. That was a message from the Drive 2021 Summit held virtually by AI company Nauto. Stefan Heck, CEO and founder of Nauto said fleets targeting risky behaviors such as hard braking may be focusing on the wrong areas. It's actually driver distraction that's a greater risk than hard braking, Heck pointed out. "Ninety-eight per cent of distractions have no hard braking associated with them," he said. In fact, he added, three-quarters of the time a driver runs a red light they didn't even realize it. Artificial intelligence provides insights into the four or five seconds leading up to an incident and "fills in the missing gap."

#### **9. PS Soraya Martinez Ferrada highlights research project that explores new ways to reduce transportation pollution**

On June 11, 2021, on behalf of the Minister of Transport, the Honourable Omar Alghabra, Parliamentary Secretary to the Minister of Transport and Member of Parliament for Hochelaga, Soraya Martinez Ferrada, highlighted that Université du Québec à Rimouski is receiving \$100,000 in funding under the Clean Transportation System Research and Development Program. With this funding, Université du Québec à Rimouski will develop an application to improve the performance of maritime and rail transport. The project will evaluate, test and demonstrate the potential of a new technology aiming at more efficient diesel engines. This research project will lead to the development of innovative clean technologies for trains and ships to improve the environmental performance of Canada's transportation system.

#### **10. U.S. Department of Transportation Releases Spring Regulatory Agenda**

The U.S. Department of Transportation (USDOT) announced the Department's portions of the Unified Agenda (also known as the Spring Regulatory Agenda) on June 11, 2021 identifying the actions the Department plans to take over the next year and beyond to protect and serve the American people. USDOT's Spring Regulatory Agenda highlights include proposals that would address the following, after opportunities for public review and comment: 1. Safer and More Equitable Roadways & Vehicles; 2. Safer Workers and Workplaces; 3. Climate and Environmental Justice; and 4. Economy, Workforce, and Transformation.

#### **11. Manufacturers slam border opening plan**

Canadian Manufacturers & Exporters (CME) is asking the government to remove all restrictions for manufacturing workers who need to cross the U.S.-Canada border. CME says that while it supports the initial measures the government plans to take, the "pace is too slow and the details provided did not address manufacturers' main challenges at the border".

## **12. New online resource for disabled drivers**

The FIA Disabled Motoring website was launched on June 15, 2021 by the Fédération Internationale de l'Automobile (FIA) in collaboration with the International Transport Forum (ITF): <https://disabledmotoring.fia.com/>. The FIA Disabled Motoring website provides access to information on facilities and options for people with disabilities travelling by car in different countries around the world. It is based on data collected from FIA Member Clubs and ITF Member States around the globe.

## **13. Megadeals fuelling 'unprecedented' Canadian merger and acquisition boom**

Cheap debt, high valuations and piles of cash have been spurring a mergers and acquisitions spree so far this year in Canada, with the number of deals valued at more than \$1 billion far ahead of last year's pace. Canadian companies have been involved in 729 deals valued at a total of \$158 billion as of May 31, 2021 according to FP Data. Even as the economy continues to struggle under pandemic-induced restrictions, the stock market boom and low borrowing costs are encouraging companies and private equity firms to chase big deals.

## **14. Deal eases US-EU tensions but friction continues**

The deal the United States and the European Union reached on June 15, 2021 to end their long-running rift over subsidies to Boeing and Airbus will suspend billions in punitive tariffs. It will ease trans-Atlantic tensions. And it will let the two sides focus on a common economic threat: China. But the breakthrough still leaves some trade friction between the U.S. and the EU unresolved. Most prominently, President Biden kept in place import taxes that President Donald Trump imposed on European steel and aluminum, a move that infuriated some of America's closest allies three years ago.

## **15. Travel between Canada and other countries, April 2021**

April 2021 marked more than a full year with border restrictions in effect to contain the spread of COVID-19. Although historically low, the number of international arrivals to Canada during April 2021 increased from the same month a year earlier. Travellers from overseas countries made 35,000 trips to Canada in April 2021, more than twice the number of April 2020, but still down 92.7% from pre-pandemic levels of April 2019. In April 2021, the number of American residents that travelled to Canada increased by almost 45,000 compared with April 2020, yet this is down 94.0% from the same month in 2019. Canadians took 338,400 return trips home from abroad in April 2021. While up by over 150,000 from last April when the nationwide lockdown came into force, it was down 93.2% from April 2019.

## **16. Federal funding will support development of clean fuels**

The federal government has launched a fund to develop clean fuels, along with a call for proposals for projects that increase Canada's capacity to produce them. The \$1.5-billion Clean Fuels Fund was announced during the World Hydrogen Technologies Convention hosted by the Canadian Hydrogen and Fuel Cell Association and supported by the International Association for Hydrogen Energy. The fund supports the domestic clean fuels market, bolsters the implementation of the Clean Fuels Standard and delivers on early actions outlined in the government's Hydrogen Strategy for Canada.

## **17. PHAC Releases Digital Engagement Travel Toolkit**

The Public Health Agency of Canada (PHAC) has released a bilingual digital engagement toolkit for cross-border travellers, which includes information and hyperlinks on up-to-date border measures, including exemptions for certain groups such as essential workers.

## **18. Online shopping jumps by \$2 billion a month**

Canadians have increased their monthly online shopping expenditure by more than \$2 billion during the Covid-19 pandemic. A PayPal Canada survey has found that Canadians who responded are spending \$178 per month shopping online, an increase of \$69 compared to before the pandemic. Across the country, this translates to almost \$5.5 billion in current monthly online spending and an overall increase of over \$2 billion in monthly online spending.