

Transportation Information Update*

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AIR TRANSPORTATION

1. Transat stock soars after winning \$700 million in government aid

Transat AT Inc., the Montreal-based vacation operator that Air Canada gave up trying to buy earlier this month, obtained \$700 million (US\$570 million) in emergency aid from the Canadian government to stay afloat during the pandemic. The company took loan facilities of \$390 million for operations and another \$310 million to finance customer refunds for flights cancelled during the pandemic. Transat will also issue 13 million warrants to the government to buy shares at \$4.50 each.

2. Monthly civil aviation statistics, February 2021

In February 2021, the situation remained bleak for the Canadian airline industry amid another COVID-19 resurgence. Major Canadian airlines carried 482,000 passengers on scheduled and charter services, down 93.1% from February 2020 and down 39.5% from January 2021. Traffic and capacity fell 94.0% and 87.9% respectively, the largest year-over-year drops since June 2020. Compared with February 2020, operating revenues were down 85.5% to \$267.9 million in February.

3. Aircraft movement statistics: Major airports, February 2021

In February 2021, tighter travel restrictions contributed to further reductions in air traffic, with total movements declining 41.4% compared with February 2020. Itinerant movements fell 49.7% and local movements decreased by 23.4%. Domestic (within Canada) and other international movements saw their largest year-over-year declines since June 2020, down 42.1% and 80.6%, respectively, from February 2020. Transborder movements (to and from the United States) were down 84.9% year over year. Canada's busiest airport in February 2021 was Abbotsford, British Columbia, with 10,660 movements, with local traffic responsible for about two-thirds (66.7%) of the total. Montréal/Mirabel International in Quebec, one of the country's largest cargo airports, was the only airport to record growth in all types of traffic (domestic, transborder and other international) from February of 2020.

4. How the CTA will be processing Air Canada and Air Transat refund-related complaints resulting from the pandemic

The CTA has received over 15,000 complaints since mid-March 2020, of which approximately 9,000 are related to refund-related issues stemming from the pandemic. Of these 15,000 complaints, more than 4,500 were filed against Air Canada, of which about 2,300 sought refunds as a remedy. More than 1,400 complaints were filed against Air Transat, with close to 1,200 seeking refunds as a remedy. The remaining complaints cover other air-travel related issues – for example, flight delays or baggage problems. It is anticipated that persons who seek a refund in their complaint to the CTA may be able to obtain such refund as part of the measures to be implemented by Air Canada as a condition for the financial support. The process to receive a refund linked to the financial support announced for Air Canada and Air Transat is distinct from the CTA's complaints process. The CTA will confirm whether applicants who filed complaints with us have had those resolved with the airlines. The CTA will continue to process complaints unless passengers

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1. Transat stock soars after winning \$700 million in government aid, April 29, 2021, www.financialpost.ca
2. Monthly civil aviation statistics, February 2021, April 29, 2021, www.statcan.gc.ca
3. movement statistics: Major airports, February 2021, April 29, 2021, www.statcan.gc.ca
4. How the CTA will be processing Air Canada and Air Transat refund-related complaints resulting from the pandemic, April 30, 2021, www.cta-otc.gc.ca
5. Airlines Financial Monitor February-March 2021, April 27, 2021, www.iata.org
6. U.S. Airlines 2020 Net Profit Down \$35 Billion from 2019, May 3, 2021, www.bts.gov
6. U.S. Airlines 2020 Net Profit Down \$35 Billion from 2019, May 3, 2021, www.bts.gov
7. Air Passenger Market Analysis March 2021, May 4, 2021, www.iata.org
8. Air Cargo Market Analysis March 2021, May 4, 2021, www.iata.org
9. Air Canada Highlights its Pandemic Health and Safety Initiatives for Employees During NAOSH Week 2021, May 5, 2021, www.aircanada.ca
10. U.S. Airlines March 2021 Fuel Use Up 33% from February, May 5, 2021, www.bts.gov
11. Air cargo volumes bounce back in April as the air cargo system remains under 'significant strain', May 5, 2021, www.ajot.com
12. Air Canada Reports First Quarter 2021 Results, May 7, 2021, www.aircanada.ca
13. March Airline Industry Employment Virtually Unchanged from February, May 6, 2021, www.bts.gov
14. Transport Canada fines two individuals for presenting fraudulent COVID-19 pre-departure test results, May 6, 2021, www.tc.gc.ca
15. Transport Minister Alghabra announces appointment of the Canadian Transportation Agency Chairperson, May 7, 2021, www.tc.gc.ca
16. Aeroplan Member Donation Program Celebrates 15 Years of Giving Back, May 10, 2021, www.aircanada.ca
17. Minister of Transport introduces new funding programs to support Canada's airports, May 11, 2021, www.tc.gc.ca
18. Airport Critical Infrastructure Program, May 11, 2021, www.tc.gc.ca

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

inform the CTA that they do not wish to pursue their complaints further (e.g., if a passenger receives a refund and is not seeking any further remedies). In the interests of fairness, the CTA processes most complaints on a first-in, first-out basis.

5. Airlines Financial Monitor February-March 2021

IATA reports that for the Q4 2020 airline financial results show that airlines continued to post deep losses as the resurgence of COVID-19 cases and the renewed restrictive measures weighed on travel demand. But, initial Q1 2020 results indicate an improvement for North American carriers' financials. Looking forward, financial performance will vary across regions but those with large domestic markets and rapid vaccine rollout should perform better in 2021

6. U.S. Airlines 2020 Net Profit Down \$35 Billion from 2019

U.S. scheduled passenger airlines reported an annual 2020 after-tax net loss of \$35.0 billion, declining after seven consecutive annual after-tax profits and a pre-tax operating loss of \$46.5 billion, declining after 11 consecutive annual pre-tax profits. U.S. airline financial reports are filed quarterly with the Bureau of Transportation Statistics (BTS). See the tables that accompany this release on the BTS website for additional 2020 annual and fourth-quarter financial results. Payroll protection payments received by airlines are included as net income. Payroll protection payments used for salaries are included as labor expenses.

7. Air Passenger Market Analysis March 2021

Domestic air travel is the driver of recovery. The highlights in March 2021 were: 1) Passenger traffic improved in March but remained significantly below pre-COVID levels. Industry-wide revenue passenger-kilometers (RPKs) were 67.2% lower compared to the pre-crisis level (March 2019). 2) The recovery was driven by the rebound in domestic travel (down 32.3% vs. March 2019), particularly in China. On the other hand, international travel was subdued (down 87.8% vs. March 2019) due to strict travel restrictions. 3) Bookings in April 2021 point to a stabilization in domestic recovery amid resurging pandemic and uneven pace of vaccine rollout. Nevertheless, the strength of global economic recovery and early bookings for May-July period raise some hope for future travel demand.

8. Air Cargo Market Analysis March 2021

Air cargo volumes reached an all-time high in March 2021. The highlights in March 2021 were: 1) Global cargo volumes reached the highest level in the history of our time series in March although their growth softened modestly compared with February 2021. Industry-wide cargo tonne-kilometres (CTKs) rose by 4.4% vs. the pre-crisis levels and by 0.4% month-on-month. 2) Near-term outlook for cargo is positive due to ongoing recovery in some of the leading demand indicators such as new export orders. In 2021, CTKs are estimated to rise by 13.1% vs. 2020, and to be 2.8% higher than 2019 levels. 3) Recovery in cargo capacity restarted following the disruption caused by the grounding of passenger aircraft in early 2021. However, global available cargo tonne-kilometres (ACTKs) are still 12% below the pre-crisis levels.

9. Air Canada Highlights its Pandemic Health and Safety Initiatives for Employees During NAOSH Week 2021

Air Canada is marking North American Occupational Safety and Health Week (NAOSH) by highlighting the range of health and safety initiatives it has implemented to protect employees during the COVID-19 pandemic. The airline's leadership position in using technology has enabled it to share its experience and knowledge to mentor other Canadian companies in scaling up similar initiatives. This includes the use of rapid antigen testing in the workplace, developed via Canada's Creative Destructive Lab (CDL), as an

19. Enhancement of the Airports Capital Assistance Program, May 11, 2021, www.tc.gc.ca

20. Canada's airports respond to the release of details on federal airport aid, May 11, 2021, www.cacairports.ca

21. Weekly aircraft movements, April 24 to 30, 2021, May 12, 2021, www.statcan.gc.ca

22. Air Canada says "Aloha" to Winter 2022 from Montreal, Toronto, Calgary and Vancouver, May 12, 2021, www.aircanada.ca

23. Statement on the importance of government and industry partnerships throughout the COVID-19 pandemic, May 12, 2021, www.airports.ca

24. U.S. Airlines March 2021 Passengers Rose 10% from March 2020 (Preliminary); First Increase since Pandemic Onset, May 13, 2021, www.bts.gov

25. July 20 set as new tentative date for restarting flights by Porter Airlines, May 11, 2021, www.flyporter.ca

26. U.S. Passenger Airline Employment Down in March 2021 Compared to February, May 17, 2021, www.bts.gov

27. Government of Canada investing in safety at the Thunder Bay International Airport, May 18, 2021, www.tc.gc.ca

28. Edmonton International Airport and Air Canada form landmark green partnership, May 18, 2021, www.aircanada.ca

29. U.S. Airlines Carried 9% More Cargo in March 2021 than March 2020 (Preliminary), May 18, 2021, www.bts.gov

30. Weekly aircraft movements, May 1 to 7, 2021, May 19, 2021, www.statcan.gc.ca

31. Government of Canada investing in safety at airports in Saskatchewan, May 19, 2021, www.tc.gc.ca

32. Government of Canada investing in safety at airports in Manitoba, May 19, 2021, www.tc.gc.ca

33. Accepting Vaccinated Passengers Should be Best Practice to Reopen Borders, May 19, 2021, www.iata.org

34. Air Travel Consumer Report: March 2021 Numbers, May 21, 2021, www.bts.gov

35. Loss of staff and aircraft to prevent quick aviation rebound -IATA head, May 19, 2021, www.iata.org

36. WestJet and Indigenous Tourism Association of Canada (ITAC) roll out support for Indigenous tourism businesses, May 26, 2021, www.westjet.ca

37. Weekly aircraft movements, May 8 to 14, 2021, May 26, 2021, www.statcan.gc.ca

38. Aircraft movement statistics: Major airports, March 2021, May 27, 2021, www.statcan.gc.ca

39. Monthly civil aviation statistics, March 2021, May 27, 2021, www.statcan.gc.ca

40. Aeroplan Partners with Rocky Mountaineer on Luxury Rail Vacations, May 27, 2021, www.aircanada.ca

41. WestJet Statement on Canada's Border Measures Report May 27, 2021, www.westjet.ca

42. Canada's Air Connectivity and Competitiveness at Risk: Report, May 27,

important tool in applying a layered approach to employee health and safety. The key highlights were: sharing its workplace rapid testing expertise with other Canadian companies; approaching safety during pandemic starts before employees arrive at workplace; and opening vaccination clinics in Montreal and Toronto.

2021, www.cacairports.ca
43. UBC to use drones to serve remote First Nations, May 27, 2021, www.insidelogistics.ca

10. U.S. Airlines March 2021 Fuel Use Up 33% from February

The Department of Transportation's Bureau of Transportation Statistics (BTS) on May 5, 2021 released U.S. airlines' March Fuel Cost and Consumption numbers. Fuel consumed by U.S. airlines scheduled service were as follows: 1) March 2020 - 1.2 billion gallons; 2) February 2021 - 757 million gallons; and 3) March 2021 - 1.0 billion gallons. U.S. airlines used 33% more fuel in March 2021 than in February 2021 to reach the highest monthly consumption level since March 2020. In March 2021, airlines used 86% of the amount of fuel than they did in March 2020.

11. Air cargo volumes bounce back in April as the air cargo system remains under 'significant strain'

Global air cargo demand bounced back into growth in April 2021 after a -3% dip in March 2021, with high load factors keeping the international airfreight system under significant strain as the traditional surge in summer capacity has so far failed to materialise for a second consecutive year, says industry analysts CLIVE Data Services and TAC Index. CLIVE's first-to-market weekly and monthly air cargo market data shows volumes in April 2021 up 1% over April 2019 and +78% compared to the same month of 2020, continuing the positive trend seen in the opening two months of this year. The second half of April 2021 showed particularly strong year-over-year growth, up 6%.

12. Air Canada Reports First Quarter 2021 Results

Air Canada on May 7, 2021 reported first quarter 2021 financial results. The major highlights were: 1) Operating revenues of \$729 million, a decline of \$2.993 billion or 80 per cent from the first quarter of 2020. 2) Negative EBITDA (earnings before interest, taxes, depreciation and amortization), excluding special items, of \$763 million compared to EBITDA of \$71 million in the same quarter of 2020. 3) Operating loss of \$1.049 billion compared to an operating loss of \$433 million in the first quarter of 2020. 4) Net cash burn of \$1.274 billion, or approximately \$14 million per day, on average. 5) Unrestricted liquidity amounted to \$6.582 billion at March 31, 2021. Michael Rousseau, President and Chief Executive Officer of Air Canada said "The persistence of COVID-19 and its resurgence in Canada are weighing heavily on the Canadian airline industry, as reflected in Air Canada's first quarter results. Still, through the hard work and dedication of our employees, we are operating a limited schedule for necessary travel and to ship essential cargo. I thank our employees for their professionalism and assure them, as well as our investors and all stakeholders, that better times lie ahead for our airline."

13. March Airline Industry Employment Virtually Unchanged from February

U.S. airlines employed 713,035 workers in March 2021, 221 fewer than in February 2021 (713,256) and 42,060 fewer than in March 2020 (755,095). The March industry numbers consist of 598,378 full-time and 114,657 part-time workers. United Airlines reported 2,767 fewer employees in March 2021 than in February 2021. Without United's decrease, other airlines reported a combined increase in employees from February 2021 to March 2021.

14. Transport Canada fines two individuals for presenting fraudulent COVID-19 pre-departure test results

Transport Canada has issued fines to two individual passengers for presenting false or misleading COVID-19 pre-departure tests. The first passenger was fined \$6,500 for presenting an altered COVID-19 test and knowingly boarding a flight from the Dominican Republic to Toronto on February 8, 2021. In this case, the passenger also made a false declaration to the air carrier about their health status. The second passenger was fined \$2,500 for presenting an altered COVID-19 test and knowingly boarding a flight from the United States to Toronto on April 3, 2021.

15. Transport Minister Alghabra announces appointment of the Canadian Transportation Agency Chairperson

The Minister of Transport, the Honourable Omar Alghabra, on May 7, 2021 announced the appointment of France Pégeot as Chairperson of the Canadian Transportation Agency (CTA) for a term of five years.

16. Aeroplan Member Donation Program Celebrates 15 Years of Giving Back

Air Canada on May 10, 2021 celebrated the 15-year anniversary of its Aeroplan member donation program. Since its inception in 2006, over 1.3 billion points have been donated by Aeroplan members, which have helped support more than 1,400 causes, primarily Canadian-based initiatives, that work to improve lives and assist communities locally, across Canada and around the world. The 1.3 billion points could represent flying one person around the world close to 9,000 times.

17. Minister of Transport introduces new funding programs to support Canada's airports

On May 11, 2021, the Minister of Transport, the Honourable Omar Alghabra, launched two new contribution funding programs to help Canada's airports recover from the effects of the COVID-19 pandemic: 1) The Airport Critical Infrastructure Program (ACIP) is a new program providing close to \$490 million; and 2) The Airport Relief Fund (ARF) is a new program providing almost \$65 million. In addition to launching these two new funding programs, the Minister announced that Transport Canada's Airports Capital Assistance Program (ACAP) is receiving a funding top-up of \$186 million over two years.

18. Airport Critical Infrastructure Program

The Airport Critical Infrastructure Program (ACIP) is a new contribution funding program to help Canada's larger airports make critical investments in safety, security or connectivity to mass transit. With \$489.6 million available over five years, the Program will help eligible airports mitigate the financial impact of the COVID-19 pandemic, as part of the Government of Canada's strategy to ensure that Canada's air transportation system provides Canadians with choice, connectivity and affordable air travel. More information on ACIP, including program eligibility requirements and funding application process, can be found at: <https://tc.canada.ca/en/programs/airport-critical-infrastructure-program>

19. Enhancement of the Airports Capital Assistance Program

Eligibility for ACAP has also been temporarily expanded over the next two years to allow National Airport System airports with less than one million annual passengers in 2019 (Gander, Charlottetown, Saint John, Fredericton, Moncton, Thunder Bay, London, and Prince George) to apply for funding under the Program. In addition, the minimum federal cost-sharing ratio is being increased to 50% over the same period. Through the Fall Economic Statement 2020, ACAP is receiving a one-time top-up funding of \$186 million over two years (\$93 million in 2021-2022, and \$93 million in 2022-2023). This financial support will help ensure that Canada's smaller airports can immediately carry out required safety improvements despite revenue losses due to COVID-19.

20. Canada's airports respond to the release of details on federal airport aid

On May 11, 2021, the Canadian Airports Council, representing over 100 airports and 90 percent of aviation traffic in Canada, welcomed details on federal government aid for airports announced in the November 2020 Fall Economic Statement, but warned that the government must be prepared to take further action, given the severity of the third wave and the continued impact of protracted air travel restrictions and increased health and safety measures on airports' operations and revenues.

21. Weekly aircraft movements, April 24 to 30, 2021

Weekly data on aircraft itinerant movements are now available for April 24 to 30, 2021 on Statistics Canada website. Domestic movements were 30,343 in the week ending April 24, 2021 compared to 33,239 for the week ending April 17, 2021.

20. Air Canada says "Aloha" to Winter 2022 from Montreal, Toronto, Calgary and Vancouver

Air Canada will launch more non-stop options from Canada to Hawaii this winter, including the first Montreal-Honolulu and Toronto-Maui services. These new flights complement the airline's long-standing services from Calgary and Vancouver to the Hawaiian Islands and will enable convenient connections across Canada as well as from Europe. "We are seeing strong demand in the sun markets this winter with people in Canada and around the world looking ahead to holiday travel. As we finalize our schedule to position Air Canada's leadership in leisure travel this winter, we have added new non-stop flights to Hawaii from Montreal and Toronto in addition to our flights from Calgary and Vancouver, making it more convenient than ever for Canadians across the country to experience the Hawaiian Islands..."

23. Statement on the importance of government and industry partnerships throughout the COVID-19 pandemic

On May 12, 2021, the Canadian Airports Council, a division of Airports Council International-North America, and the voice of more than 100 airports in Canada, issued the following statement in regards to the importance of government and industry partnerships throughout the ongoing COVID-19 pandemic. "From the start of the pandemic, Canada's airports have worked to mitigate the spread of COVID-19, repatriate Canadians, and deliver medical equipment, professionals and vaccines to fight this disease. Today, air travel nationally is reduced by 90 percent. Only the most essential travel remains and must be protected to keep this essential flow of goods and people. "We look forward to continuing to work side-by-side with government leaders on a risked-based plan for the safe resumption of travel, founded in good science when the time is right, and begin the process of economic recovery."

24. U.S. Airlines March 2021 Passengers Rose 10% from March 2020 (Preliminary); First Increase since Pandemic Onset

U.S. airlines carried almost 10% more scheduled service passengers in March 2021 than in March 2020 (preliminary), the first year-over-year increase since the onset of the pandemic in early 2020, according to data filed with the Bureau of Transportation Statistics (BTS) by 22 airlines that carry more than 90% of the passengers. The reporting airlines carried 42.6 million passengers in March 2021 (preliminary), compared to 38.9 million passengers in March 2020. The systemwide increase was driven by a 14% increase in the number of domestic passengers (39.2M). Over the same period, the number of international passengers (3.4M) declined by 26%, the smallest year-over-year decline since February 2020.

25. July 20 set as new tentative date for restarting flights by Porter Airlines

Porter Airlines is resetting its tentative date for resuming flights to July 20, 2021. "It's encouraging to see the recovery of the aviation industry in the U.S.," said Michael Deluce, president and CEO of Porter Airlines. "As vaccination rates in Canada increase, we are hopeful travel restrictions and public health measures will ease, so we can recall our team

members, welcome back our passengers and begin to rebuild the airline.” Porter previously set June 21, 2021 as its tentative restart date. Operations were temporarily suspended on March 21, 2020, due to COVID-19.

26. U.S. Passenger Airline Employment Down in March 2021 Compared to February

The 23 U.S. scheduled passenger airlines employed 0.3% fewer full-time equivalents (FTEs) in March 2021 than in February 2021: 1) March’s total number of FTEs (395,063) was down 1,126 from February (396,189) and down 66,534, a 14.4% drop from the onset of the pandemic in March 2020 (461,597). 2) March 2021 was the lowest FTE total for the month of March since 2015 (390,817). The decline from February resulted from United Airlines reduction of 6,158 FTEs. Other passenger airlines combined reported an increase in FTEs from February 2021 to March 2021.

27. Government of Canada investing in safety at the Thunder Bay International Airport

Through Transport Canada’s Airports Capital Assistance Program (ACAP), the Government of Canada will provide almost \$12.5 million to the Thunder Bay International Airport for four safety-related projects: 1) Purchase of two aircraft rescue and firefighting vehicles - \$2,255,729; 2) Rehabilitation of airside surfaces and lighting and electrical systems - \$8,518,040; 3) Construction of runway end safety areas for Runways 07-25 and 12-30 - \$1,662,055; and 4) Installation of airside LED guidance signs - \$33,750. For 2021-2022, Transport Canada has allocated ACAP funding to 63 airports for 86 safety-related projects, including runway and taxiway repairs/rehabilitation, lighting enhancements, purchasing snow clearing equipment and firefighting vehicles and installing wildlife fencing.

28. Edmonton International Airport and Air Canada form landmark green partnership

Edmonton International Airport (EIA) and Air Canada are signing a new partnership to reduce carbon emissions and advance a green and sustainable aviation sector. Edmonton Airports Authority and Air Canada logos (CNW Group/Air Canada). The EIA-Air Canada Sustainability Partnership aims to reduce the carbon impact of air travel with both organizations working together to test emerging green technologies at EIA’s Airport City Sustainability Campus, an ecosystem that EIA created to foster environmental innovation. The partnership reflects both corporations’ pledges to sustainability and reducing carbon emissions to a net-zero future. The EIA-Air Canada Sustainability Partnership will focus on initiatives that will promote a cleaner environment.

29. U.S. Airlines Carried 9% More Cargo in March 2021 than March 2020 (Preliminary)

U.S. airlines carried 9% more cargo by weight in March 2021 (preliminary) than in March 2020. The rise was fuelled by gains of nearly 4% in domestic cargo and 24% in international cargo, according to data filed with the Bureau of Transportation Statistics (BTS) by 12 of the leading U.S. cargo airlines. March 2020 was the first month in which the pandemic started affecting air cargo totals. The 12 airlines carry 95% of the total cargo by weight transported on U.S. airlines. Cargo data consists of freight and mail carried within the U.S. and between the U.S. and foreign points. March 2021 (preliminary) air cargo numbers for 12 U.S. cargo carriers: 1) Total: 1,582 thousand tons, up 8.7% from March 2020 (1,455T tons); 2) Domestic: 1,139 thousand tons, up 3.8% from March 2020 (1,098T tons); and 3) International: 443 thousand tons, up 24.0% from March 2020 (357T tons).

30. Weekly aircraft movements, May 1 to 7, 2021

Weekly data on aircraft itinerant movements are now available for May 1 to 7, 2021 on Statistics Canada website. For the week ending May 1, 2021, total domestic movements were 32,655 compared to 30,343 for the week ending April 24, 2021.

31. Government of Canada investing in safety at airports in Saskatchewan

Through Transport Canada’s Airports Capital Assistance Program (ACAP), the Government of Canada will provide over \$3.3 million to the following Saskatchewan airports for safety-related projects: La Ronge: \$110,700; and Prince Albert: \$3,211,884 + \$58,812.

32. Government of Canada investing in safety at airports in Manitoba

Through Transport Canada’s Airports Capital Assistance Program (ACAP), the Government of Canada will provide over \$21.9 million to the following Manitoba airports for safety-related projects: Flin Flon: \$287,071 + \$16,088; Gods Lake Narrows: \$12,872,635; Lac Brochet: \$1,156,265; Red Sucker Lake: 1,000,203; Shamattawa: \$6,282,716; and Thompson: \$355,680.

33. Accepting Vaccinated Passengers Should be Best Practice to Reopen Borders

The International Air Transport Association (IATA) applauded the growing number of countries making data and evidence-driven decisions to open their borders to vaccinated travelers. The latest data collected by IATA, including its Timatic service, shows that more than 20 countries have wholly or partially lifted restrictions for vaccinated travelers. IATA supports unrestricted access to travel for vaccinated travelers. In cases where vaccination is not possible, access to quarantine-free travel should be provided through COVID-19 testing strategies based on widely available, free-of-charge tests.

34. Air Travel Consumer Report: March 2021 Numbers

The U.S. Department of Transportation on May 21, 2021 released its May 2021 Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of March 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>. March 2021 saw a decrease in flight cancellations compared to the prior month and an overall increase in flights operated. The total number of flights operated have not rebounded to pre-pandemic levels but have increased significantly since the all-time monthly low of 180,151 flights in May 2020.

35. Loss of staff and aircraft to prevent quick aviation rebound -IATA head

It will take several years for the global aviation industry to recover to 2019 capacity levels as airlines have retired aircraft and made critical staff redundant, the head of the global airline industry body IATA said on Wednesday. "The ability for the industry to recover to the 2019 levels of capacity quickly is now impossible," IATA Director General Willie Walsh told an Irish parliamentary committee. "The reason I say that is ... we have seen a lot of aircraft have been returned. So therefore the aircraft are not available. A lot of critical staff, unfortunately, have been made redundant."

36. WestJet and Indigenous Tourism Association of Canada (ITAC) roll out support for Indigenous tourism businesses

WestJet and the Indigenous Tourism Association of Canada (ITAC) are providing nine, \$10,000 grants to Indigenous tourism businesses across Canada that have been devastated by the shutdown of the tourism industry due to the COVID-19 pandemic. The grants were originally earmarked through the WestJet/ITAC strategic national partnership, signed in November 2019. The recipients of these grants were given the news in March 2021 and their reactions were captured in a new WestJet/ITAC video, WestJet & ITAC: supporting Indigenous tourism in Canada. The Indigenous tourism businesses that received the grants will be spotlighted on WestJet's social channels and its newsroom over the next year.

37. Weekly aircraft movements, May 8 to 14, 2021

Weekly data on aircraft itinerant movements are now available for May 8 to 14, 2021 on Statistics Canada website. For the week ending May 8, 2021 total domestic aircraft movements were 35,977 compared to 32,655 for the week ending May 1, 2021.

38. Aircraft movement statistics: Major airports, March 2021

In March 2021, total aircraft movements rose 2.0% compared with the same month last year but were down by almost a third compared with the pre-pandemic level recorded in March 2019. Itinerant movements (from one airport to another) declined 18.8% from March 2020 and were down 42.6% compared with March 2019. The number of local flights, those that remain in the vicinity of the airport, jumped 49.3% year over year in March, reaching a level that was almost on par with that observed in March 2019. Compared with pre-pandemic levels, international movements remained historically low amid tightened travel restrictions. Transborder traffic with the United States was down 86.5% from March 2019, while other international traffic decreased 81.6%. While total domestic movements recovered roughly two-thirds of their March 2019 level, domestic activity by Level I to III air carriers and foreign air carriers (-55.9%) remained lower compared with pre-pandemic levels.

39. Monthly civil aviation statistics, March 2021

In March 2021, there were few signs of recovery for the Canadian airline industry as the COVID-19 pandemic continued to severely depress air travel one year into the pandemic. Major Canadian airlines carried 522,000 passengers on scheduled and charter services, which was 93.2% below the pre-pandemic levels of March 2019. Traffic and capacity remained 95.1% and 90.9% below their pre-pandemic levels, respectively, while the average distance travelled by a passenger fell to the lowest value in almost three decades. Compared with March 2019, operating revenues were down 86.2% to \$299.6 million in March 2021.

40. Aeroplan Partners with Rocky Mountaineer on Luxury Rail Vacations

Air Canada announced on May 27, 2021 a new partnership for Aeroplan members to earn and redeem points, as well as enjoy premium benefits, when booking a new scenic rail journey with Rocky Mountaineer. Aeroplan members can earn up to 20,000 bonus points for each eligible traveller booked with Rocky Mountaineer.

41. WestJet Statement on Canada's Border Measures Report

WestJet welcomes the findings outlined by the Health Canada Testing and Screening Expert Advisory Panel in the Border Measures Report released on May 27, 2021 and thanks the panel for their efforts in bringing forward this report. "Over the past 15 months, WestJet has been requesting science-based travel guidance and this report represents a responsible path forward," said Ed Sims, WestJet President and CEO. "These findings are evidence-based recommendations that are proportionate and reduce risks. We ask that the government immediately prepare a safe restart plan based on this report and current global policies. With vaccinations ramping up, Canadians need to know they can travel once again." Outlined in the report and demonstrated successfully by the Alberta Testing Pilot Program, YVR's Pre-Departure Testing Program and the McMaster Study, programs in which WestJet was an active participant, the relationship between testing and quarantine can safely evolve based on science, data and vaccination levels. As vaccination rates continue to rise, we are optimistic that based off the report's recommendations, Canadians

can look forward to the easing of onerous border measures. WestJet will continue to advocate for policy changes that support Canada's recovery and the restoration of more than 750,000 travel and tourism industry jobs.

42. Canada's Air Connectivity and Competitiveness at Risk: Report

Without a strong federal commitment to a comprehensive aviation recovery plan, both the air sector and Canada's overall competitiveness face considerable risk, according to aviation and business industry leaders who participated in a May 27, 2021 forum that examined post-COVID air connectivity and passenger costs. Air transportation is an important industry in Canada. The starting point for the discussions was a newly released whitepaper, Holding Pattern: Canada Needs a Swift Recovery and Competitive Air Sector produced for the Canadian Airports Council, which examined the issues that will affect air recovery in Canada, including increased costs to travellers and reduced connectivity.

43. UBC to use drones to serve remote First Nations

The University of British Columbia (UBC) is using Drone Delivery Canada Corp's (DDC) drones for its Remote Communities Drone Transport Initiative program. The project will enable defined-route deliveries with DDC's Sparrow drone and its DroneSpot takeoff and landing zones as well as additional drone flight infrastructure as required. The drones will transport a variety of cargo for the benefit of the Stellat'en First Nation, located in the Fraser Lake area of Central Northern British Columbia.

WATER TRANSPORTATION

1. Port of Montreal strike end nears after lawmakers OK back-to-work legislation

The strike at the Port of Montreal moved a step closer to ending after lawmakers in Canada's House of Commons approved back-to-work legislation on April 29, 2021. The legislation, Bill C-29, will require longshoremen at the port to return to work immediately after it takes effect. That could come as early as 12:01 a.m. on May 1, 2021 if the Senate approves the bill on April 30, 2021, which is likely. The longshoremen, represented by Canadian Union of Public Employees Local (CUPE) 375, will be prohibited from further strikes until they reach a new collective bargaining agreement with the Maritime Employers Association (MEA). The bill's passage drew a rebuke from CUPE, which called it "an assault on the rights of 1,150 striking workers at the Port of Montreal." The federal Labor Minister Filomena Tassi said the government moved ahead with the legislation because the damage to the supply chain and Canadian economy was too grave to allow the strike to continue.

2. End of Montreal strike sets path for labor certainty to shippers

Forced arbitration through a back-to-work order that ended a five-day strike lays the groundwork to help Port of Montreal shield itself from growing competition from eastern US and Canadian ports.

3. No relief: Global container shortage likely to last until 2022

The world does not have enough containers in the right places to handle cargo demand. It's a conundrum that has persisted for so long that the mainstream press is finally covering it. The *New York Times* reported on April 30, 2021 how the box shortfall is contributing to inflation: "Demand ... has outstripped the availability of containers," while the U.S. pandemic situation has eased to the point where retailers can pass along higher transport costs to consumers without being accused of price gouging — and "the cost of just about everything is rising." Many months after the container shortage first emerged, how bad does the problem remain? "There's no indication from the shipping companies that they expect to see any easing of the tightness of supply that they're dealing with," said Tim Page, interim CEO of CAI International, on the call with analysts. "So ... the horizon looks pretty good for us, at minimum through the end of this year, and likely well beyond that."

4. Montreal port warns of delays as strike ends

The Port of Montreal warned clients of delays and said resuming full operations will take many days as the Senate passed legislation to force 1,150

WATER TRANSPORTATION Canada

1. Port of Montreal strike end nears after lawmakers OK back-to-work legislation, April 29, 2021, www.freightwaves.com
2. End of Montreal strike sets path for labor certainty to shippers, May 2, 2021, www.joc.com
3. No relief: Global container shortage likely to last until 2022, April 30, 2021, www.freightwaves.com
4. Montreal port warns of delays as strike ends, May 3, 2021, www.todaystrucking.com
5. Asian container ports most efficient globally: World Bank, IHS Markit index, May 5, 2021, www.joc.com
6. Maersk reports record Q1 profit, expects shipping disruption though Q4, May 5, 2021, www.joc.com
7. Invasive species: robust monitoring essential to detection, prevention, May 10, 2021, www.rupertport.com
8. Demand, rates drive Hapag-Lloyd to \$1.45 billion Q1 net profit, May 12, 2021, www.joc.com
9. Strongest April on record at Port of Long Beach, May 12, 2021, www.ajot.com
10. BC posts off-dock drayage regulation recommendations, May 13, 2021, www.insidelogistics.ca
11. Cargo continues to explode as Ports of LA, Long Beach have another record-breaking month in April, May 14, 2021, www.cargonews.com
12. Port Houston TEUs jump 25% in April, May 14, 2021, www.ajot.com
13. Halifax welcoming new record mega-ship, May 17, 2021, www.insidelogistics.ca
14. The Connector Corridor will reroute container trucks and reduce vehicle emissions, May 17, 2021, www.rupertport.com
15. Great Lakes-St. Lawrence Seaway System's 2021 navigation season starts strong, May 18, 2021, www.ajot.com
16. April imports from Asia down from March but still impressive, May 18, 2021,

striking dockworkers to head back on the job. Bill C-29 was adopted by the Senate Friday night (April 30, 2021), a day after the bill was approved in the House of Commons.

5. Asian container ports most efficient globally: World Bank, IHS Markit index

A new index, jointly created by the World Bank and IHS Markit, shows that Asian container ports are the most efficient as ports in various regions struggle with high levels of congestion.

6. Maersk reports record Q1 profit, expects shipping disruption though Q4

Rising volume and rate levels through the first quarter of 2021 allowed Maersk to dramatically increase its business and profitability across all business segments, posting a quarterly profit that is just shy of the carrier's full-year 2020 result. Maersk reported net income of \$2.7 billion for Q1 2021 compared to \$197 million in Q1 2020. This year's first-quarter earnings were not far below earnings of \$2.96 billion for the entire year of 2020. Group Q1 2021 earnings before interest, taxes, depreciation and amortization (EBITDA) was \$4 billion, up 166% year on year. Total revenue was \$12.4 billion. The ocean segment's revenue increased 36% year on year to \$9.48 billion, driven by a 35% rise in freight rates, to an average of \$2,662 per forty-foot equivalent unit (FEU), and a 5.7% increase in quarterly volume, to 3.2 million FEUs. Ocean EBITDA came in at \$3.4 billion, up threefold year on year.

7. Invasive species: robust monitoring essential to detection, prevention

The ongoing mission to preserve aquatic life in Northern BC's marine environment is a huge group effort, and one of the people at its heart is biologist Caitlin Smith. As the Prince Rupert Port Authority's Environmental Technician, she contributes in many ways to preserving the North Coast's marine habitats, especially when it comes to monitoring for invasive species. Each year, the Port participates in the Aquatic Invasive Species Program. A major component is the Settlement Plate Program, which monitors for invasive tunicates and bryozoans. From June through September, Smith helps deploy dozens of plates at marinas around Prince Rupert, Port Edward, Metlakatla and Lax Kw'alaams. These simple devices consist of a clean, flat PVC disc secured to a brick to keep it weighted one metre underwater, where the target species can be found. The plates are suspended from docks where free-floating invertebrates will settle. At the end of the three months, they are brought to the surface and analysed for potential invasive species. Another element of the Aquatic Invasive Species Program involves monitoring for European Green Crab.

8. Demand, rates drive Hapag-Lloyd to \$1.45 billion Q1 net profit

The market outlook may be uncertain, but carrier profitability has never been clearer, with Hapag-Lloyd more profitable in the first quarter of this year than in all of 2020. It made a net profit of \$1.45 billion in the first quarter of 2021.

9. Strongest April on record at Port of Long Beach

An ongoing cargo boom largely driven by online purchases lifted the Port of Long Beach to its strongest April on record. Dockworkers and terminal operators moved 746,188 twenty-foot equivalent units in April 2021, a 43.6% increase from the same month last year. It was the first time the nation's second-busiest seaport handled more than 700,000 TEUs in the month of April, surpassing the previous record set in April 2019 by 118,066 TEUs. Imports grew 44.8% to 367,151 TEUs, while exports climbed 21% to 124,069 TEUs. Empty containers moved through the Port were up 55.8% to 254,970 TEUs. The Port has moved 3,122,315 TEUs during the first four months of 2021, a 41.8% increase from the same period in 2020. "International trade will help jumpstart the economy, and the Port of Long Beach will lead the way by protecting the health of our dockworkers and providing top-notch customer service to keep cargo moving," said Mario Cordero, Executive Director of the Port of Long Beach. "We remain optimistic as online spending continues to soar, retailers prepare for a busy summer season and businesses continue to reopen following months of closures due to the COVID-19 pandemic."

10. BC posts off-dock drayage regulation recommendations

The Office of the British Columbia Container Trucking Commissioner (OBTCTC) has completed its recommendation report on off-dock drayage in the Lower Mainland and has published the report on its website. The six recommendations focus on regulatory scope, rates and enforcement. The first recommendation is to require unlicensed affiliate companies and those companies that contract with licensed drayage companies to pay the posted wages to drivers. The second recommendation would assign truck tags only for the purpose of identifying trucks that require access to a marine container terminal. Third, the report recommends that license holders provide a security based on the number of trucks they are running. The fourth recommendation would tie funding from OBTCTC to the number of

www.joc.com

17. All-time record volume, strong service levels continue at the Port of Virginia, April 19, 2021, www.ajot.com

18. Minister Alghabra marks North American Safe Boating Awareness Week and announces funding to organizations that promote safe boating practices, May 21, 2021, www.tc.gc.ca

19. Upbeat outlook for 2021 Seaway season, May 24, 2021, www.ajot.com

20. LA-LB terminals worried about rail backlog ahead of peak volumes, May 21, 2021, www.joc.com

21. U.S. exporters continue to encounter rough sailing in 2021, May 24, 2021, www.ajot.com

22. Safety and sustainability go hand-in-hand in Port operations, May 25, 2021, www.rupertport.com

23. Positive first-quarter throughput trend in Port of Hamburg, May 27, 2021, www.ajot.com

trucks moving containers. Fifth, it is recommended that the Rate Order be amended to eliminate trip rates and the Positioning Movement Rate (PMR) and introduce comparable minimum hourly rates for all employees and Independent Operators. The final recommendation is to require all licensees to install an electronic logging devices on all trucks and to make the data available to the OBCCTC.

11. Cargo continues to explode as Ports of LA, Long Beach have another record-breaking month in April

A day after the Port of Long Beach announced that April 2021 was another record-breaking cargo month compared to last year, the Port of Los Angeles on Thursday, May 13, reported similar double-digit gains over April 2020 figures. The Port of Long Beach saw a 43.6% increase in cargo container movements from April 2020 to April 2021.

12. Port Houston TEUs jump 25% in April

Activity across Port Houston's docks jumped again in April 2021, showing robust growth in both containers and steel due to high regional demand. Container activity increased 25% for the month of April 2021, with 275,840 TEUs this month compared to April 2021 of last year's 221,540 TEUs. This is reflective of the high consumer demand, growing regional population, and consistently world-class customer service through Port Houston's terminals. Port Houston's multi-purpose facilities also demonstrated strength, notably with steel imports up 15% this month and 6% year-to-date. This marks the second month in a row for steel increases, indicating the highly anticipated rebound in this sector.

13. Halifax welcoming new record mega-ship

The CMA CGM Marco Polo (16,022-TEU) sets a record on May 17, 2021, as the largest containership to berth at a Canadian port. The ship will then break the U.S. East Coast record when it calls in New York on Thursday, May 20, 2021. According to the Port of Halifax's schedule, the ship is set to arrive at 6pm Atlantic time Monday, at the South End Container Terminal (PSA Halifax). The previous record was held by its sister ship, the CMA CGM Brazil, which arrived at PSA Halifax in September 2020. It is 366 metres long, 51 metres wide and has a capacity of 15,072-TEUs.

14. The Connector Corridor will reroute container trucks and reduce vehicle emissions.

Near the main entrance to Prince Rupert's inner harbour, construction crews are working hard to complete the [Fairview-Ridley Connector Corridor](#), a new five-kilometre Port-owned road and expanded rail route connecting DP World Fairview Container Terminal and key infrastructure on Ridley Island. Building this innovative piece of Port infrastructure is no simple feat and the [Prince Rupert Port Authority](#) (PRPA) has contracted the Coast Tsimshian Northern Contractors Alliance (CTNCA), to construct the road. "This project requires immense coordination and sometimes it will encounter obstacles in the field that require me to develop innovative solutions," said Lee. "I coordinate closely with our environmental subcontractor to ensure, that no matter the challenge, our environmental obligations are met."

15. Great Lakes-St. Lawrence Seaway System's 2021 navigation season starts strong

The Great Lakes Seaway Partnership on May 18, 2021 reported that American and Canadian ports in the Great Lakes-St. Lawrence Seaway System handled over four million tons of cargo from the opening of the St. Lawrence Seaway on March 22, 2021 through April 30, 2021, a 3.7 percent increase compared to shipments through April last year. Craig H. Middlebrook, Deputy Administrator of the Great Lakes St. Lawrence Seaway Development Corporation said, "We are pleased to see a solid start to the 2021 Great Lakes Seaway System navigation season, with overall tonnage tracking with the 5-year average. Inbound shipments of steel and project cargo and iron ore exports are keeping our ports busy early in the season." Through April 2021, iron ore shipments through the Great Lakes-St. Lawrence Seaway reached 703,000 metric tons, nearly a seven percent increase compared to shipments of iron ore during the same time in 2020.

16. April imports from Asia down from March but still impressive

Although US imports from Asia in April 2021 did not match the impressive volume recorded in March 2021, it was nevertheless the busiest April 2021 on record and the 10th consecutive month of year-over-year import increases since last July 2020.

17. All-time record volume, strong service levels continue at the Port of Virginia

The Port of Virginia in April 2021 set a new record for monthly TEU volume (twenty-foot equivalent unit) having handled more than 286,000 units. "We prepared our operations for the expected surge of volumes from the Suez incident and our team did not miss a beat processing the cargo," said Stephen A. Edwards, CEO and executive director of the Virginia Port Authority. "Our service metrics in April were equal to or better than March, with an improvement in our berth productivity and gate turn times. This demonstrates the capability of our modern terminals and the value of our increasing capacity as we maintained and improved service levels".

18. Minister Alghabra marks North American Safe Boating Awareness Week and announces funding to organizations that promote safe boating practices

With the launch of the North American Safe Boating Awareness Week, the Minister of Transport, the Honourable Omar Alghabra, on May 21, 2021 announced more than \$3.6 million in funding for recreational boating safety projects under Canada's Boating Safety Contribution Program. These projects aim to help Canadians and Indigenous Peoples stay safe on the water by raising public awareness and education of boating safety issues, practices, and behaviours.

19. Upbeat outlook for 2021 Seaway season

The 2021 season on the St. Lawrence Seaway/Great Lakes maritime corridor is barely two months old, but the overall outlook has been encouraging for ports and shipping lines closely involved in the waterway linking the Atlantic Ocean to the industrial heartland of North America. Indeed, when commercial navigation opened in late March, various stakeholders were cautiously optimistic over bouncing back from what turned out to be relatively small pandemic-impacted decline in 2020. Thanks to a big increase in grain shipments, total cargo had dropped by under 2% to 38 million metric tons last year. And this year, a target of 40 million tons looks reachable, industry analysts consider, as a recovery gains traction in key regions of the world economy, including North America, Europe and Asia. Indeed, on the heels of last year's bumper harvests, grain shipments were robust early in the season. So was the iron ore trade through U.S. Great Lakes ports showing strength while wind farm component shipments via the Seaway were expected to remain substantial.

20. LA-LB terminals worried about rail backlog ahead of peak volumes

Almost every performance indicator in Los Angeles-Long Beach is trending positively, but increasing rail container dwell times could threaten the terminals' ability to handle peak season volumes if the backlog of rail containers isn't moved soon.

21. U.S. exporters continue to encounter rough sailing in 2021

Paul Snell, CEO British - American Shipping, warned that the recent consolidation of ocean carriers into now 17 carriers into a smaller number of alliances has been accompanied by downsizing and automation in which carriers "mimic each other" in emphasizing imports over exports and with the unintended effect of "devaluing" U.S exporters. This consolidation is causing international trade to favor imports over exports to the United States and is creating long-term obstacles for U.S. exporters. However, Snell emphasized that challenges faced by exporters can be mitigated by investing more in marketing their products abroad including in their logistics staff. Exporters must accept that as import freight rates rise so must export freight rates. Snell said logistics experts play an increasingly important role in ensuring exports arrive in a timely manner and that shippers who emphasize the lowest price are likely to experience the negative results of what they did not wish to invest in. Snell said that exporters needed to invest in their relationship with trucker and rail partners and have a reserve of truckers who could help provide support in case of an emergency.

22. Safety and sustainability go hand-in-hand in Port operations

Work is underway on another expansion to increase capacity and improve efficiency at DP World Prince Rupert Fairview Container Terminal. Tasked with maintaining high safety standards to support that fluidity is Ben Pandher, DP World Prince Rupert's Manager of Health, Safety and Environment. His team is responsible for risk reduction and improvement, taking a proactive approach to eliminating or minimizing risks that make the workplace unsafe or harm the environment. "We measure our success by the well-being of our people and the environment," said Pandher. "We strive to set the standards for our industry and fulfil all regulatory requirements, by listening to our people, and consulting and involving them in our health, safety and environment decisions." Safely operating a busy intermodal terminal while minimizing impacts on the environment is a team effort, and it's this framework of operational excellence that has helped DP World Prince Rupert earn Green Marine verification.

23. Positive first-quarter throughput trend in Port of Hamburg

The Port of Hamburg's seaborne cargo throughput in the 2021 first quarter exceeded expectations. The upward trend here was powered by a steep increase in March 2021, especially. Seaborne cargo handling in the first quarter advanced by 0.4 percent, and therefore better than in the same quarter of the previous year. Container handling was 1.8 percent up on the same period of 2020. After a modest start in the first two months, March brought a strong boost. Throughput of bulk cargoes was ahead by 2.7 percent. The trend for the Port of Hamburg's first-quarter seaborne cargo throughput was still affected by the lasting repercussions of the corona pandemic. "The month of March brought the crucial turnaround for container handling. Compared to March 2020, this was ahead by 9.4 percent. From March 2021, we discerned a recovery in several areas of the economy, stronger consumer demand, and renewed stability in the number of liner services calling in Hamburg. With 697,000 TEU being handled on seaport-hinterland services by rail, a 5.1 percent gain, we achieved a fine result," explains Axel Mattern, Joint CEO of Port of Hamburg Marketing.

RAIL TRANSPORTATION

1. CTA announces Volume-Related Composite Price Indices for Crop Year 2021–2022 for CN and CP

The Canadian Transportation Agency (CTA) has announced its determination of the Volume-Related Composite Price Index (VRCPI) for the Canadian National Railway Company (CN) at 1.4505 and the Canadian Pacific Railway Company (CP) at 1.4787 for the 2021–2022 crop year beginning August 1st. This is an increase in the VRCPI over the last crop year of 0.50 percent for CN and a decrease of -1.78 percent for CP. These indices will be used in determining CN's and CP's Maximum Revenue Entitlement (MRE) for the movement of western grain in the 2021–2022 crop year. The Maximum Revenue Entitlement is a limit on the overall revenue earned by CN and CP for shipping regulated grain.

2. CN subsidiary takes STB to court on short-line access

Canadian National subsidiary Bessemer and Lake Erie Railroad (B&LE) is taking the US Surface Transportation Board to court over its refusal to give unconditional approval of a track sale CN argues would allow for faster intermodal service.

3. Freight Rail Services Price Index, April 2021

The Freight Rail Services Price Index (2018=100) is now available for April 2021 from Statistics Canada website. For April 2021 the index was 106.0 up from 105.2 in March 2021. For the first quarter of 2021, the index rose from 104.3 in January 2021 to 105.2 in March 2021.

4. Canadian Pacific files formal objection to Canadian National using merger waiver that STB granted to CP/KCS transaction

Canadian Pacific Railway Limited (CP) on April 30, 2021 filed a formal objection with the Surface Transportation Board (STB) stating that Canadian National (CN) does not qualify for a waiver of the STB's rules for major transactions with respect to CN's unsolicited proposal for Kansas City Southern (KCS). In its letter, CP explains that the CN/KCS transaction does not satisfy any of the criteria that the STB relied upon in finding that the waiver should apply to a CP/KCS transaction, which the STB granted to CP on April 23, 2021.

5. CP to STB: CN + KCS 'Plainly Flunks End-to-End Test'

Canadian Pacific Chief Legal Officer and Corporate Secretary Jeffrey J. Ellis, described six reasons why a waiver should be rejected for CN's proposal: 1. CN is a much larger railroad than CP. 2. A potential CN/KCS combination heavily overlaps across much of KCS' U.S. system, unlike a CP/KCS combination. 3. The potential downstream impacts of a CN transaction are material. 4. CN's acquisition premium should cause the STB concern. 5. CN's proposal to acquire KCS would kill the CP/KCS combination and all the procompetitive effects that go with it. 6. CN has already committed itself to the new merger rules.

6. CN Issues Open Letter to KCS Community

CN on May 3, 2021 issued an open letter to the Kansas City Southern (KCS) community regarding CN's superior proposal to combine with KCS. The letter outlines why a combined CN-KCS represents the best solution for all stakeholders and sets the record straight on the merits of CN's proposal. A copy of the letter is posted on CN's website.

7. CN and Canadian Pacific vie for shippers' and KCS shareholders' favour

Rivals CN and Canadian Pacific are vying to win the public's favor for which Canadian railway is better suited to merge with Kansas City Southern. On May 3, 2021, CP said more than 110 customers and stakeholders have filed letters to the Surface Transportation Board (STB). The letters express concerns or oppose CN's bid to acquire KCS, according

RAIL TRANSPORTATION Canada

1. CTA announces Volume-Related Composite Price Indices for Crop Year 2021–2022 for CN and CP, April 29, 2021, www.cta-otc.gc.ca
2. CN subsidiary takes STB to court on short-line access, April 29, 2021, www.joc.com
3. Freight Rail Services Price Index, April 2021, April 30, 2021, www.statcan.gc.ca
4. Canadian Pacific files formal objection to Canadian National using merger waiver that STB granted to CP/KCS transaction, May 1, 2021, www.cpr.ca
5. CP to STB: CN + KCS 'Plainly Flunks End-to-End Test', May 1, 2021, www.railwayage.com
6. CN Issues Open Letter to KCS Community, May 3, 2021, www.cn.ca
7. CN and Canadian Pacific vie for shippers' and KCS shareholders' favour, May 3, 2021, www.freightwaves.com
8. For the third consecutive year, VIA Rail is the most trusted transportation company, May 3, 2021, www.viarail.ca
9. BNSF Releases 1Q21 Earnings, May 3, 2021, www.railwayage.com
10. U-Freight says Suez crisis is boosting its China-Europe rail freight service, May 3, 2021, www.ajot.com
11. CN Proposal Continues to Garner Positive Momentum, May 4, 2021, www.cn.ca
12. AAR: Rail Traffic 'Recovering Ground', May 5, 2021, www.railwayage.com
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17. CN Recognizes 55 Customers and Supply Chain Partners for Sustainability Leadership under CN EcoConnexions Partnership Program, May 10, 2021, www.cn.ca
18. CP chooses battery supplier for hydrogen locomotives, May 12, 2021, www.insidelogistics.ca
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23. Kansas City Southern spurns CP in favour of CN offer, May 14, 2021, www.insidelogistics.ca
24. CP concurs with DOJ comment affirming anticompetitive nature of CN bid for KCS, May 14, 2021, www.cpr.ca
25. DOJ to STB: Prohibit CN Voting Trust, May

to CP. The letters came from groups such as the North Dakota Grain Dealers Association, US Development Group and Farmers Cooperative of Hanska as well as the New Brunswick premier, CP said. They argue that a CN-KCS merger would decrease competition, provide inferior service options or limit options for captive shippers, according to CP. CP said it has received almost 500 letters from shippers and stakeholders supporting a CP-KCS merger. CP said it also filed a formal objection to STB on May 1, 2021 asking that the board not grant a waiver that would allow a CN-KCS merger to be exempt from post-2001 rules governing rail mergers. CP told STB that because CN is a much larger railroad than CP, its merger application should not be granted a waiver from post-2001 rules. CP also gave other reasons. CN appeals to KCS shareholders and shippers why CN would be a better partner. Among the reasons CN gave were that it would preserve existing route choices; create new shipping options by competing with Mississippi River barge traffic and truck traffic on Interstates 35 and 55; and provide more competition via connections to access points and gateway options that KCS customers might not have had previously. CN also said it has received more than 600 letters of support from customers, suppliers, port operators, elected officials and others over the proposed merger. Those letters were written for STB.

8. For the third consecutive year, VIA Rail is the most trusted transportation company

VIA Rail Canada (VIA Rail) has been recognized as one of the most trusted companies in Canada in 2021 by the Gustavson Brand Trust Index (GBTI), presented by the Peter B. Gustavson School of Business at the University of Victoria. The Corporation ranked first in the “Transportation” category for a third year in a row. Since 2015, the GBTI has been investigating overall consumer trust in brands, the factors that affect it and the brands that succeed at it. Comprising top researchers in their fields, the GBTI team emphasizes the role of brand values as part of its study of nearly 400 brands across the country.

9. BNSF Releases 1Q21 Earnings

For first-quarter 2021, BNSF posted revenues of \$5.401 billion, virtually flat with the year-earlier period, and volumes of 2.449 million, led by Consumer and Agricultural products, the railroad reported on May 3, 2021. The change in revenue—a 0.3% decrease from \$5.417 billion in first-quarter 2020—“was primarily due to a 5% increase in unit volume offset by a 5% decrease in average revenue per unit,” according to the BNSF earnings announcement. Average revenue per unit was down, the railroad noted, “as a result of business mix changes and lower fuel surcharge revenue, due to lower fuel prices.” Operating income for the first three months of 2021 was \$1.9 billion, up 4% from the 2020 period, and the operating ratio was 63.7% vs. 65.2% in 2020. Net income increased by 5% to \$1,251m.

10. U-Freight says Suez crisis is boosting its China-Europe rail freight service

With increasing volumes of cargo being experienced on its LCL and FCL rail freight services between China and Europe, the U-Freight Group says that the recent problems in the Suez Canal have made the transport of freight by rail from China into Europe look all the more attractive. Simon Wong, chief executive officer of the U-Freight Group comments: “Clearly supply chain planners are reappraising what was once a completely dominant Suez Canal route from China into Europe, with intermodal rail continuing a sharp upward trajectory in 2021, following on from a strong 2020.”

11. CN Proposal Continues to Garner Positive Momentum

CN on May 4, 2021 announced that it has continued to receive support from customers, suppliers, elected officials and other stakeholders for its proposed combination with Kansas City Southern. 100 additional letters have been sent to CN and filed with the Surface Transportation Board (“STB”) in favor of CN’s proposed combination with KCS, bringing the total number of support letters CN has received to more than 700. Of note, 66 of the letters filed with the STB explicitly support CN’s proposed combination with KCS, and 34 of the letters specifically ask the Board to approve

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28. CN Issues Statement on STB Decision, May 17, 2021, www.cn.ca
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CN's use of a voting trust. CN will continue to communicate and engage with its customers and various stakeholders as it works towards an agreed transaction with KCS.

12. AAR: Rail Traffic 'Recovering Ground'

"A number of U.S. rail traffic categories have completely recovered ground lost during the pandemic or are very close to doing so," AAR Senior Vice President John T. Gray noted in the AAR traffic report for April 2021 and the week ending May 1, 2021. Total U.S. carload traffic for the first four months of 2021 was 3,862,937 carloads, up 2.8%, or 104,793 carloads, from the same period last year; and 4,793,498 intermodal units, up 17.6%, or 718,271 containers and trailers, from 2020. Total combined U.S. traffic for the first 17 weeks of 2021 was 8,656,435 carloads and intermodal units, rising 10.5% vs. the 2020 period. Total carloads for the week ending May 1, 2021, came in at 240,858, up 27.2% vs. the same week in 2020, while U.S. weekly intermodal volume was 299,809 containers and trailers, up 31.6% compared with 2020. Canadian railroads reported 79,618 carloads for the week, up 16.4%, and 70,192 intermodal units, up 1.1% vs. the same week in 2020. For the first 17 weeks of 2021, they reported cumulative rail traffic volume of 2,574,502 carloads, containers and trailers, a 7.2% increase.

13. Canadian Pacific Receives Voting Trust Approval from Surface Transportation Board, Advancing Agreement for CP-KCS Combination

Canadian Pacific Railway Limited thanked the Surface Transportation Board (STB) for its approval today of a voting trust for its planned, friendly merger with Kansas City Southern (KCS). "Following this critical milestone, we are proceeding full steam ahead to complete this historic combination, creating the first truly North American single line railroad," said CP President and Chief Executive Officer Keith Creel. "We are continuing to prepare our formal merger application and proxy filing for a shareholder vote in the near future."

14. CN Drives North American Economic Growth, Purchasing 1,000 New Generation, High-Capacity Hopper Cars to Enable Record Grain Shipments

As it moves ahead towards its vision of becoming the first truly North American railway, on May 7, 2021 CN announced it has placed an order for 1,000 new generation, high-capacity grain hopper cars. These innovative new railcars, to be built in a TrinityRail manufacturing plant in Mexico, will help meet the growing needs of North American grain farmers and demands of grain customers. CN leads the industry in moving grain, and the TrinityRail order is part of a larger program to build and renew a fleet of 6,000 hopper railcars over the next three years.

15. TrinityRail: 1,000 Grain Hoppers for CN

CN reported on May 7, 2021 that it will purchase 1,000 high-capacity hopper cars from TrinityRail, a move that follows 14 consecutive months of record grain hauls as demand continues to grow in Canada and abroad. CN has largely attributed its ability to deliver record grain volumes to its long-term investment strategy. The new-car order is part of a program to build and renew a fleet of 6,000 hoppers over the next three years. In July 2020, the Class I railroad announced it would acquire 1,500 new-generation, high-capacity hoppers from National Steel Car, with delivery starting in January 2021. Such lighter, shorter, high-capacity cars enable the movement of more grain with less equipment. The TrinityRail "cars will be manufactured in Mexico and will help move more grain across the CN rail network, which continues to make CN the embodiment of a true USMCA railroad," CN President and CEO JJ Ruest said.

16. Close to 550 Shippers, Stakeholders Support CP-KCS Combination

Canadian Pacific Railway Limited (CP) announced that another 131 stakeholders filed statements with the Surface Transportation Board on May, 8, 2021 in support of its planned, friendly merger with Kansas City Southern (KCS), bringing the total to close to 550 supporters across the transportation supply chain in North America.

17. CN Recognizes 55 Customers and Supply Chain Partners for Sustainability Leadership under CN EcoConnexions Partnership Program

CN on May 10, 2021 recognized 55 of its customers and supply chain partners for their sustainability practices. The CN EcoConnexions Partnership Program celebrates companies who are committed to reducing their environmental footprint and being part of the climate solution, a key focus of CN's commitment to building a more sustainable future.

18. CP chooses battery supplier for hydrogen locomotives

Swiss battery maker Leclanché SA will provide proprietary battery technology to Canadian Pacific for its Hydrogen Locomotive Program. CP is converting a diesel locomotive to hydrogen power. The CP hydrogen-powered locomotive pioneering project, first announced in December 2020, will retrofit a line-haul diesel freight locomotive with hydrogen fuel cells and Leclanché's European manufactured lithium-ion batteries to power the locomotive's electric traction motors. Leclanché will also provide its proprietary energy management software for optimum integration.

19. AAR: Intermodal Continues to Deliver

For the week ending May 8, 2021, U.S. intermodal volume came in at 287,290 containers and trailers—climbing 26.3% from the same week last year and continuing a double-digit growth pace, reported the Association of American Railroads (AAR) on May 12, 2021. Intermodal set a new "all-time record" in April 2021, according to the AAR. Total

carloads for the week ending May 8, 2021 reached 236,019, a 27.6% increase over the prior-year period. Total U.S. weekly rail traffic was 523,309 carloads and intermodal units, up 26.9% compared with the same point in 2020. Canadian railroads reported 75,952 carloads for the week, rising 12%, and 77,487 intermodal units, increasing 12.1% compared with the same week in 2020. For the first 18 weeks of 2021, they reported cumulative rail traffic volume of 2,727,941 carloads, containers and trailers, up 7.5%.

20. CN Proposal Deemed Superior by Kansas City Southern

CN on May 13, 2021 announced that following the completion of confirmatory due diligence, it submitted an enhanced binding superior proposal and merger agreement to the Kansas City Southern Board of Directors. The KCS Board has determined CN's proposal to be a "Company Superior Proposal" and has announced its intention to terminate the previously executed March 21, 2021 merger agreement with Canadian Pacific Railway Limited. CN looks forward to promptly entering into a definitive merger agreement with KCS to create the premier railway for the 21st century. CN's proposal offers KCS shareholders \$325 per common share based on yesterday's closing price of CN shares, which implies a total enterprise value of \$33.6 billion, including the assumption of approximately \$3.8 billion of KCS debt. Under the terms of CN's revised proposal, KCS shareholders will receive \$200 in cash and 1.129 shares of CN common stock for each KCS common share, with KCS shareholders expected to own 12.6% of the combined company. This represents an implied premium of 45% when compared to KCS' unaffected closing stock price on March 19, 2021.

21. Canadian Pacific comments on update from Kansas City Southern

Canadian Pacific Railway Limited on May 13, 2021 provided the following statement regarding Kansas City Southern's decision related to Canadian National's unsolicited proposal: It is not surprising that CN would raise its offer, and it only highlights CN's recognition of the significant regulatory risk/challenges associated with its anti-competitive bid. There is nothing new here; this doesn't make it any more likely that the CN proposal can close into a voting trust. The Surface Transportation Board ("STB") already approved CP's use of a voting trust for its pro-competitive combination with KCS.

22. Ontario and Canada Investing \$3.4 billion to Advance Hamilton LRT

The Ontario government is welcoming a new federal funding commitment of \$1.7 billion to advance the Hamilton Light Rail Transit (LRT) project, which matches Ontario's \$1.7 billion investment into the project for a total investment of \$3.4 billion to support construction. Through this partnership, the province and federal government are taking a significant step towards advancing this shovel-ready LRT project that will offer frequent and reliable connections on the 14-kilometre line from Eastgate Square through downtown Hamilton to McMaster University.

23. Kansas City Southern spurns CP in favour of CN offer

Kansas City Southern Inc. says it is terminating its merger agreement with CP Rail after determining that rival Canadian National Railway's revised US\$33.6-billion offer was superior. Under terms of the agreement announced May 13, 2021 evening, Montreal-based CN Rail will pay US\$200 cash and 1.129 shares of CN stock for each of Kansas City's 90.9 million shares and assume US\$3.8 billion of KCS debt. "We are delighted that KCS has deemed CN's binding proposal superior, recognizing the many compelling benefits of our combination and expressing confidence in CN's ability to obtain the necessary approvals and successfully close the transaction," stated CN chief executive JJ Ruest.

24. CP concurs with DOJ comment affirming anticompetitive nature of CN bid for KCS

On May 14, 2021 issued the following statement in response to the Department of Justice ("DOJ") filing with the Surface Transportation Board ("STB") regarding Canadian National's ("CN") proposed use of a voting trust in connection with its proposed combination with Kansas City Southern ("KCS"). CP concurs with the DOJ's objection to CN's proposed use of a voting trust on the grounds that a CN merger with KCS would pose greater risks to competition than the CP-KCS agreement. The filing notes: "A CN-KCS transaction poses additional dangers to competition stemming from the potential elimination of direct, 'parallel' competition on routes served by both railroads, for example between Baton Rouge and New Orleans." CN's proposed use of a voting trust would create "threats to competition [that] would be present immediately after the CN voting trust is consummated." And, DOJ added, "[i]t is particularly important to protect" the incentives of CN and KCS "to compete where, as here, CN and KCS appear to compete head-to-head on multiple parallel routes."

25. DOJ to STB: Prohibit CN Voting Trust

In a May 14, 2021 filing with the Surface Transportation Board, the United States Department of Justice has said CN's application for a voting trust to acquire Kansas City Southern should be denied, because the proposed merger "raises sufficient competition concerns."

26. CSX acquiring Quality Carriers

The CSX railroad has announced it is acquiring Quality Carriers – North America's largest bulk liquid chemical fleet – from Quality Distribution. Terms of the transaction were not disclosed. Quality Carriers has about 2,500 truck drivers and supports chemical producers and shippers through a network of more than 100 company-owned and affiliate terminals in Canada, the U.S., and Mexico. The Quality Carriers fleet will continue to be led by its existing

management team and president Randy Strutz.

27. STB Applies "heavier Burden" and Greater Scrutiny to CN Bid for KCS, Underscoring Heightened Regulatory Risk

Canadian Pacific Railway Limited ("CP") on May 17, 2021 issued the following statement in response to the Surface Transportation Board's ("STB") decision to apply the newer, more stringent merger rules to Canadian National's ("CN") proposed acquisition as well as its effort to obtain approval to use a voting trust in connection with its proposed combination with Kansas City Southern ("KCS"): We concur with the STB's decision to apply the new merger rules to the proposed CN transaction. The STB explained: "the proposed transaction poses issues that the current merger rules were designed to address, namely the potential competitive impacts of a merged entity with some degree of overlapping routes and presently existing direct competition—characteristics that would appear to pertain to the CN and KCS systems." The new rules place a "heavier burden on merger applicants to show that a major rail combination is consistent with the public interest."

28. Issues Statement on STB Decision

CN on May 17, 2021 issued the following statement in response to the Surface Transportation Board's ("STB") decision to apply the current merger rules to its review of CN's superior proposal to acquire Kansas City Southern ("KCS"): We welcome the STB's decision to move forward with reviewing CN's proposed combination with KCS under the current merger rules, which requires demonstrating that the combination would enhance competition. We requested that the STB review its superior proposal to combine with KCS under these rules because we are confident that a CN-KCS combination will create a safer, faster, cleaner and stronger railway that is ideally positioned to support the growth of an emerging consumption-based economy through better service options and customer choice. CN has received strong support for its combination with KCS as evidenced by the over 1,000 letters of support that have been filed with the STB by customers and other stakeholders. As we have stated before, we are committed to addressing any competitive concerns under the current merger rules in order to successfully complete a CN-KCS combination.

29. Collective agreement between VIA rail and Unifor ratified

VIA Rail Canada (VIA Rail) is pleased to announce the ratification of collective agreement 3 by the members of Unifor, Local 100, the union representing approximately 700 VIA Rail employees working in maintenance centres. This two-year agreement (from January 1, 2020, to December 31, 2021) was ratified by the membership on May 15, 2021 and, just like collective agreements 1 and 2, includes a 2% wage increase for 2021, benefits improvements as well as the review of several work rules.

30. U.S. rail industry defends safety record amid staffing cuts

Even as railroads are operating longer and longer freight trains that sometimes stretch for miles, the companies have drastically reduced staffing levels, prompting unions to warn that moves meant to increase profits could endanger safety and even result in disasters. More than 22 percent of the jobs at railroads Union Pacific, CSX and Norfolk Southern have been eliminated since 2017, when CSX implemented a cost-cutting system called Precision Scheduled Railroading that most other U.S. railroads later copied. BNSF, the largest U.S. railroad and the only one that hasn't expressly adopted that model, has still made staff cuts to improve efficiency and remain competitive. The railroads acknowledge they have cut staff, lengthened trains and made other adjustments to reduce spending, but they are adamant none of the changes increase dangers.

31. CP shareholder calls on CN to quit play for KCS

Canadian Pacific Railway Ltd.'s largest shareholder has called on CN Rail to drop its bid for Kansas City Southern because of the sizable break fee CN Rail would be forced to pay if its voting trust is not approved by the U.S. railway regulator. Britain's TCI Fund Management – which also owns a three per cent stake in CN Rail – made the appeal in a letter to CN's board after the U.S. Surface Transportation Board ruled on May 17, 2021 that its proposed US\$33.6-billion deal with KCS must be based on stricter merger rules.

32. AAR: Carloads, Intermodal Post Double-Digit Gains, Again

Both U.S. carloads and intermodal volume for the week ending May 15, 2021, rose sharply over the same point in 2020—31.6% and 25.6%, respectively, the Association of American Railroads (AAR) reported May 19, 2021. With 242,806 carloads and 291,066 intermodal containers and trailers, total U.S. weekly rail traffic came in at 533,872, up 28.3% vs. the same week last year. Total U.S. rail traffic for the previous week (ending May 8) was 523,309, including 236,019 carloads (rising 27.6% over the prior-year period) and 287,290 intermodal units (climbing 26.3% from the same point in 2020). For the week ending May 1, 2021, total U.S. rail traffic was 540,667, with 240,858 carloads (up 27.2% vs. 2020) and 299,809 containers and trailers (up 31.6% compared with last year). Canadian railroads reported 78,290 carloads for the week ending May 15, 2021, up 21.6%, and 77,499 intermodal units, up 15.9%, compared with the same week in 2020. For the first 19 weeks of 2021, they reported cumulative rail traffic volume of 2,883,730 carloads, containers and trailers, an 8% rise.

33. Minister of Transport investing in railway safety while growing the economy

On May 20, 2021, the Minister of Transport, the Honourable Omar Alghabra, the Parliamentary Secretary to the Minister of Transport, Soraya Martinez Ferrada, Member of Parliament for Guelph, Lloyd Longfield, and Member of Parliament for Milton, Adam Van Koeverden, announced more than \$21 million in funding for new projects under the Rail Safety Improvement Program – Infrastructure, Technology and Research to enhance rail safety in Canada.

34. TTC: 50 Years of ‘Safety Research and Innovation’

The Federal Railroad Administration’s (FRA) Transportation Technology Center (TTC) has reached a service milestone: 50 years of railroad research, testing and training. After the *High-Speed Ground Transportation Act of 1965* authorized TTC’s development, U.S. Secretary of Transportation John Volpe inaugurated the Pueblo, Colo., site on May 19, 1971. TTC is now a “proving ground for safety standards development and the latest rail technologies,” FRA noted in an announcement of the golden anniversary. The 52-square-mile facility offers laboratories, maintenance shops, full-scale training facilities, and 50-plus miles of test track. Amtrak, which also marks 50 years in 2021, recently tested its next-generation high-speed Acela trainset prototype at TTC.

35. VIA Rail in 2020: a year marked by resilience, crisis management and focus on modernization

VIA Rail Canada (VIA Rail) reflects in its 2020 annual report on the unique challenges it faced, and on its responsible and efficient response to the significant disruption in its operations stemming from blockades and the COVID-19 pandemic, after a remarkably difficult year. VIA Rail experienced in 2020 a 77% drop in ridership and a decrease of 80% in passenger revenues compared to 2019. Operating expenses decreased by 21.2%; essential services were maintained during the pandemic; preventive measures in response to the pandemic were continuously maintained; and sustained progress was achieved on VIA Rail’s modernization program.

36. CN to Combine With Kansas City Southern

CN and Kansas City Southern on May 21, 2021 announced that they have entered into a definitive merger agreement to create the premier railway for the 21st century. The expected EBITDA synergies will approach \$1 billion annually, with a significant proportion expected from converting truck traffic from busy interstates and highways for better fuel efficiency at a lower cost

37. VIA Rail Releases 2020 Annual Report

VIA Rail published its 199 page Annual Report for 2020 on May 24, 2021. In 2020, ridership came in at 1.15 million total passenger trips, falling 77% from more than 5 million trips in 2019. As a result, passenger revenues dropped 80% to C\$76 million from C\$388 in 2019. Total revenues were C\$92 million, down 77% from \$411.1 million in 2019. Operating expenses decreased by 21.2%. In addition to service reductions, 1,000 employees were laid off during the summer, and the company introduced reduced working hours as well as salary for a number of employees, according to the report. “Most employees have or will eventually return to duty. Additionally, certain employees were retained at a reduced salary, allowing VIA Rail flexibility to bring staff back as we gradually return to full service.” Preparations continued on the company’s modernization program, which includes a new fleet for the Québec City-Toronto corridor, a new reservation system, and the renovation of Heritage cars.

38. Ontario Takes Next Step with Northeastern Passenger Rail

On May 25, 2021, Caroline Mulroney, Minister of Transportation, announced that the Ontario government is improving transportation in the North by taking the next step towards bringing passenger rail service to people in the northeast with the release of the Initial Business Case. The province is building a better transportation network for Northern Ontario, making it easier and more convenient for people to get where they need to go. The province, Ontario Northland and Metrolinx are moving forward with further planning for a 13-stop route that would provide service from Toronto to Timmins or Cochrane. As part of the 2021 Ontario Budget, the government committed \$5 million to support this planning and design work.

39. Ontario Awards Advance Tunnel Contract for the Scarborough Subway Extension

On May 25, 2021, Infrastructure Ontario and Metrolinx have awarded a \$757.1 million contract to Strabag to design, build and finance the tunnel for the Scarborough Subway Extension. Preparatory works at the launch shaft site started in April 2021 and major construction is set to begin in June 2021. The Scarborough Subway Extension will create thousands of jobs during construction and unlock better access to employment spaces, schools and other key destinations throughout the city. The three-stop subway extends service from Kennedy Station to Sheppard Avenue and McCowan Road, providing quick and seamless transit for those heading in and out of the downtown core and those travelling within Scarborough.

40. Canadian crude by rail exports surge back in March

The Canada Energy Regulator says Canadian crude-by-rail exports bounced back in March 2021 due to better oil production amid limited export pipeline capacity for heavy oil. It says exports rose 57 per cent to reach 175,580 barrels per day after 111,900 barrels per day were exported by rail in February. Exports in both months are down from 195,500 bpd in January and 350,570 in March 2020.

41. CN and Kansas City Southern Take Next Step on Path to Combine by Filing Jointly for Voting Trust

Approval

CN and Kansas City Southern on March 26, 2021 announced that they have taken the next step on their path to combine to create the premier railway for the 21st century. CN and KCS jointly filed with the Surface Transportation Board (“STB”) a renewed motion for approval of its voting trust that outlines the case for approval of the voting trust to advance the CN-KCS merger that will enhance competition, spur economic growth and realize the benefits of a fully end-to-end transportation network across the continent. The filing highlights that the voting trust protects against premature control of KCS and protects KCS’ financial health, that CN remains financially sound, the substantial benefits to be gained from the transaction by customers and the nearly 1,100 stakeholders who have already supported the transaction. As part of the application, CN is committing to divesting KCS’ 70-mile line between New Orleans and Baton Rouge, which is less than 0.7 percent of the approximately 27,000 route-miles the two companies operate. This commitment eliminates the sole area of overlap between the CN and KCS networks, thereby making the combination an end-to-end transaction. This commitment, plus CN’s multiple other pro-competitive commitments, including keeping existing gateways open on commercially reasonable terms, addresses any competitive concerns.

42. Rail Traffic Volumes Hold Steady Through Week 20: AAR

For the week ending May 22, 2021, total U.S. rail traffic was 528,774 carloads and intermodal units, similar to the previous four weeks and up 23.4% from the same point in 2020, according to an Association of American Railroads’ May 26 report. Total carloads for the week reached 242,227, a 27.2% increase compared with the prior-year period, while intermodal volume was 286,547 containers and trailers, a 20.4% rise vs. 2020. Canadian railroads reported 76,170 carloads for the week, a 16% rise, and 75,644 intermodal units, a 22.4% jump vs. the same week last year. For the first 20 weeks of 2021, they reported cumulative rail traffic volume of 3,035,544 carloads, containers and trailers, up 8.5%.

43. Canadian Pacific Comments on Inadequate Commitment from Canadian National to Divest KCS Line Between New Orleans and Baton Rouge

Canadian Pacific Railway Limited on May 27, 2021 issued the following statement in response to Canadian National’s commitment to divest Kansas City Southern’s line between New Orleans and Baton Rouge. In particular, this token divestment would not begin to address the competitive issues in the rail corridors running north from Louisiana and Mississippi through America’s heartland, where KCS and CN have historically competed. It does not address many shippers and stations that are served by both KCS and CN in markets like Omaha/Council Bluffs, Jackson, MS, Springfield, IL, and St. Louis. It does not address geographic competition between CN and KCS in numerous areas where each of them competes to handle similar commodities to/from different shippers, terminals, and transloads in the same region. And it does not address the impact a CN/KCS combination would have on customer access to CP routes serving the Upper Midwest and Canada. Rail customers in all of these situations likely would see reduced competitive options as well as reduced service quality and infrastructure investments as a result of the CN transaction. If this divestment occurred, it is not clear it would be effective even in addressing the loss of competition for shippers on KCS’ line between Baton Rouge and New Orleans. CN offers no details regarding to whom and on what terms the divestment would be carried out, despite those details mattering to competition.

44. Senate Committee Advances Surface Transportation Reauthorization Bill

The U.S. Senate Committee on Environment and Public Works (EPW) has unanimously passed its surface transportation reauthorization bill, a bipartisan measure supported by the Association of American Railroads (AAR) and the American Short Line and Regional Railroad Association (ASLRRA).

HIGHWAY TRANSPORTATION

1. Urban public transit, February 2021

In February 2021, Canada's urban transit industry experienced a steep year-over-year decline in ridership as a second wave of COVID-19 washed over the country. In February 2021, 45.8 million passenger trips were taken on Canada's urban transit networks, a drop of 71.5%, or 115.1 million trips, from February 2020 levels. This followed an even sharper drop in January (-73.8%, or 120.6 million) and marked the 12th straight month of large year-over-year declines. Indeed, the year began with levels of passenger trips not seen since the country emerged from the first wave of the pandemic in June 2020. On a monthly basis, transit ridership in February 2021 was up 6.8% from January 2021. In the second half of February 2021, stay-at-home orders were lifted in some Quebec and Ontario cities, and these two provinces accounted for about two-thirds (65.5%) of the monthly increase. With a third wave of the virus looming, however, there is little expectation for growth in passenger trips in the coming months.

2. Province Takes Next Step Towards Two-Way, All-Day GO Service on Kitchener Line

On April 30, 2021, the province and Metrolinx released the Preliminary Design Business Case that highlights the benefits of the two-way, all-day GO service project including more train service and shorter travel times as well as a Request for Qualifications (RFQ) to add new station platforms and track upgrades. The Kitchener GO Rail Expansion project is part of the government's plan to spark investment and support population growth in the Waterloo Region.

3. TFI International closes UPS Freight deal

The company announced the acquisition, for US\$800 million, in January 2021 was closed. About 90% of the division will operate as TForce Freight within TFI International's LTL business, while truckload assets will join its truckload business segment.

4. Government of Ontario Going to Bat for Trucking Industry

The Government of Ontario has once again come through for the trucking sector to improve conditions for drivers and the overall industry during the pandemic. Transportation Minister Caroline Mulroney and Premier Doug Ford are working with the State of Michigan on a COVID-19 prevention strategy that would see vaccinations made available for Ontario truck drivers in Michigan.

5. CCMTA Issues Message Underlining June 2022 ELD Enforcement Mandate

The Canadian Council of Motor Transport Administrators (CCMTA) have issued a message regarding an enforcement plan for electronic logging devices (ELDs). The enforcement plan outlines a 12-month progressive educational enforcement strategy that ends in June 2022, which reflects CTA's main position on the issue established earlier this year.

6. Ontario Continues to Expand COVID Vaccine Booking Eligibility for Truck Drivers

As May 11, 2021, individuals with at-risk health conditions, as well as Group Two of people who cannot work from home including transportation workers and truck drivers will be eligible to book an appointment to receive the COVID-19 vaccine. In addition, effective May 13, 2021, individuals turning 40 and over in 2021 in non-hot spot communities will also be eligible to book an appointment to receive the COVID-19 vaccine at a mass immunization clinic. Eligible individuals can schedule an appointment through the provincial booking system, or directly through public health units that use their own booking system. This builds upon the eligibility of those aged 18 and over in hot spot areas and is aligned with the rollout announced on May 2, 2021.

7. Ontario, Canada and City of Toronto Jointly Investing More Than \$500 Million in New Streetcars

The Ontario government announced an investment of \$180 million towards the purchase of 60 new streetcars for the

HIGHWAY TRANSPORTATION Canada

1. Urban public transit, February 2021, April 30, 2021, www.statcan.gc.ca
2. Province Takes Next Step Towards Two-Way, All-Day GO Service on Kitchener Line, April 30, 2021, www.mto.gov.on.ca
3. TFI International closes UPS Freight deal, April 30, 2021, www.todaystrucking.com
4. Government of Ontario Going to Bat for Trucking Industry, May 6, 2021, www.ontruck.ca
5. CCMTA Issues Message Underlining June 2022 ELD Enforcement Mandate, May 5, 2021, www.cantruck.ca
6. Ontario Continues to Expand COVID Vaccine Booking Eligibility for Truck Drivers, May 10, 2021, www.ontruck.ca
7. Ontario, Canada and City of Toronto Jointly Investing More Than \$500 Million in New Streetcars, May 12, 2021, www.mto.gov.on.ca
8. Trucking conditions hit record levels in U.S., May 12, 2021, www.todaystrucking.com
9. Freight Transportation Services Index (TSI) Declines to Lowest Level since June 2020, May 12, 2021, www.bts.gov
10. Greyhound Canada is permanently shutting down, ending almost a century of bus service, May 13, 2021, www.nationalpost.ca
11. U.S. Department of Transportation Announces Expanded Local Hire and Workforce Development Pilot Programs, May 19, 2021, www.dot.gov
12. Ontario Marks Completion of New Kipling Transit Hub, May 20, 2021, www.mto.gov.on.ca
13. Ontario Awards Advance Tunnel Contract for the Eglinton Crosstown West Extension, May 20, 2021, www.mto.gov.on.ca
14. Freight bottlenecks a \$42 billion hidden cost on US economy, Federal data shows, May 24, 2021, www.ajot.com
15. US Carriers Optimistic about Trucking Market, May 21, 2021, www.ontruck.ca
16. Shippers experiencing toughest conditions on record: FTR, May 24, 2021, www.todaystrucking.com
17. North American Transborder Freight up 16.0% in March 2021 from March 2020, May 26, 2021, www.bts.gov
18. Canadian spot market load volumes remained healthy in April, May 26, 2021, www.todaystrucking.com
19. Micromobility: Why urbanites prefer bikes over e-scooters (or vice versa), May 28, 2021, www.itf-oecd.org

Toronto Transit Commission (TTC). The \$180 million will be matched by the Government of Canada, with the City of Toronto investing an additional \$208 million. The streetcars will be produced in Thunder Bay, with vehicle delivery starting in 2023.

8. Trucking conditions hit record levels in U.S.

These are good days to be trucking in the U.S., according to the analysts at FTR. The organization's Trucking Condition Index reached a record high of 16.27 in March 2021, up five points over February 2021, and beating the previous record of 16.17 seen in October 2020. The index reflects changes in freight volumes, freight rates, fleet capacity, fuel prices, and financing. Factors including freight volume, rates, and capacity utilization were all stronger on the month. And FTR believes the measure should remain in positive, double-digit territory until the third quarter of this year. Other records may also be coming.

9. Freight Transportation Services Index (TSI) Declines to Lowest Level since June 2020

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 2.1% in March 2021 from the revised February 2021 index, falling for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The March 2021 decline of 2.1% coupled with a larger 3.1% decline in February 2021 left the index down 5.1% since January 2021 and at the lowest level since June 2020. The February and March monthly declines were the two largest since the onset of the pandemic in April 2020.

10. Greyhound Canada is permanently shutting down, ending almost a century of bus service

Greyhound has permanently closed its services in Canada after nearly a century, the inter-city bus operator said on May 13, 2021, as the COVID-19 pandemic dented demand for public transport. The move is a blow to Canada's rural communities, which have relied on buses to connect them to larger towns. The company ended all services in western Canada in 2018 due to falling ridership in rural areas and increased competition. "A full year without revenue has unfortunately made it impossible to continue operations," Stuart Kendrick, senior vice president of the firm, which is owned by British transport operator FirstGroup, said in a statement. The move has no impact on Greyhound Lines Inc (USA), which is a separate entity from Greyhound Canada, and will continue to operate cross-border express services when the border reopens.

11. U.S. Department of Transportation Announces Expanded Local Hire and Workforce Development Pilot Programs

U.S. Transportation Secretary Pete Buttigieg on May 19, 2021 announced expanded construction hiring and workforce development pilot programs to be managed by the U.S. Department of Transportation's (USDOT) Federal Highway Administration (FHWA) and Federal Transit Administration (FTA). Buttigieg made the announcement at an event at the Frederick Douglass Memorial Bridge.

12. Ontario Marks Completion of New Kipling Transit Hub

The Ontario government is bringing more transit infrastructure to East Mississauga and West Toronto with the completion of the new Kipling Transit Hub. The transit hub provides customers with full access to the new and improved station that integrates MiWay bus service, access to the TTC subway and bus, and GO rail and future GO bus service.

13. Ontario Awards Advance Tunnel Contract for the Eglinton Crosstown West Extension

On May 20, 2021, Caroline Mulroney, Minister of Transportation, and Kinga Surma, Associate Minister of Transportation (GTA), issued the following statement regarding the Eglinton Crosstown West Extension: "Under Premier Ford's leadership, Ontario is undertaking the largest transit expansion in Canadian history. Through our landmark partnerships with the Federal Government, City of Toronto and York Region, the progress our government continues to make on transit is unprecedented. May 20, 2021 marks another milestone as the Ontario government and its key delivery partners, Infrastructure Ontario and Metrolinx, have awarded a contract value of \$729.2 million to West End Connectors to design, build and finance the tunnels for the Eglinton Crosstown West Extension project. Construction is expected to begin in the coming months.

14. Freight bottlenecks a \$42 billion hidden cost on US economy, Federal data shows

Freight bottlenecks cost the U.S. economy more than \$42 billion in 2019—a hidden tax on the American people that is only likely to increase as the country fully opens, according to a review of Federal Highway Administration (FHWA) data. The American Road & Transportation Builders Association (ARTBA) study, "Throttled: The Economic Costs of Freight Bottlenecks," also shows that freight shipments suffered almost 660 million hours of delay on the nation's roadways. "Our examination brings into sharp focus the continued costs of congestion on America's highway network," said ARTBA Chief Economist Dr. Alison Premo Black. "Legislation to address freight mobility through increased federal transportation investment would help alleviate these bottlenecks, increase business productivity, and power the economy for the next generation."

15. US Carriers Optimistic about Trucking Market

As life for Americans returns to normal, carriers attending one of the first in-person industry events to be held in U.S. since COVID-19 emerged, expressed optimism about opportunities that await motor carriers. “To have a record turnout at our Mid-Year — if you had asked me two months ago where we would be with that, I would not have been able to accurately answer that,” Spear told *Transport Topics* from the event. “People’s enthusiasm is high, and it’s helpful for us as an association.” USA Truck CEO James Reed said his Van Buren, Ark.-based trucking company has never been busier. “The business is very healthy, there is a lot of demand,” he told TT. “Our customers are seeing more business than they’ve ever seen, and they need truckers to move that freight.” He noted, however, that finding qualified drivers and technicians to keep trucks running remains a key industry concern. “It’s a double-edged sword,” Reed said. “On the one hand it’s quite good and on the other hand, there are some real challenges.” USA Truck and other companies have raised pay over the past several years to remain competitive.

16. Shippers experiencing toughest conditions on record: FTR

Conditions for U.S. shippers are the worst they’ve been since FTR began tracking them via its Shippers Conditions Index. A record-low reading of -17.8 reflects deteriorating conditions in all metrics the index tracks. FTR anticipates conditions for shippers will improve in coming months but remain negative into 2022. “While May and June are expected to be the worst months for shippers as rate increases in truck and rail hit their peak for the year, it is possible that the tight conditions could persist for longer,” said Todd Tranausky, vice-president of rail and intermodal at FTR. “Capacity is expected to remain a constraining factor for transportation through the end of 2021 as truck and rail each struggle to regain employees lost during the pandemic.

17. North American Transborder Freight up 16.0% in March 2021 from March 2020

Total Transborder freight (US-Mexico-Canada) of \$114.6 billion was moved by all modes of transportation in March 2021, and was up 19.5% compared to *February 2021* and up 16.0% compared to *March 2020*. March 2021 Transborder freight was up 6.9% compared to \$107.2 billion in *March 2019*. The most-used mode was trucks, which moved \$73.9 billion of freight, up 24.3% compared to February 2021, up 18.1% compared to March 2020. Truck freight was up 9.7% compared to \$67.4 billion in March 2019. The second most-used mode was railways, which moved \$16.7 billion of freight, up 30.0% compared to February 2021, up 11.4% compared to March 2020. Rail freight was up 2.8% compared to \$16.2 billion in March 2019. Total US- Canada trade \$57.679 billion was up 21.7% in March 2021 compared to February 2021 and was up 18.5% compared to March 2020. US-Canada trade by mode were as follows: Truck: \$33.2; Rail: \$9.4; Pipeline: \$6.5; Air: \$3.1; and Vessel: \$2.0.

18. Canadian spot market load volumes remained healthy in April

Canadian spot market load volumes on the Loadlink platform decreased 14% in April 2021, or 5% when considering the number of business days between March and April. That reflects normal seasonal movements. But loads were up an unprecedented 120% year-over-year, reflecting the impact Covid-19 had on freight volumes in April 2020. Loadlink Technologies reports load volumes in the first week of April fell 15% from the final week of March, as new economic shutdown measures were put into place in some regions.

19. Micromobility: Why urbanites prefer bikes over e-scooters (or vice versa)

Most studies of micromobility focus on only one of the various micromobility options, such as e-scooters or e-bikes. In the award-winning paper, Mr Reck and his co-authors analyse competition between the different micromobility options: why do users choose shared bikes over e-scooters or the other way around? Using a new methodology and the largest and densest dataset on shared micromobility yet, the paper develops the first comprehensive mode-choice models between four different micromobility modes: e-scooters, dockless bikes, docked bikes and e-bikes. The results suggest that users’ choices are dominated by distance and time of day. They are also influenced by whether the vehicles are available from stations or “free-floating”: for commuting, users prefer station-based modes. The policy implications could be significant: providing docking infrastructure for currently dockless shared micro-vehicles could make micromobility a more attractive alternative to car commutes.

GENERAL TRANSPORTATION

Canada

1. Ontario paid sick leave plan ‘inadequate, unfair,’ small business group says

A group of small business owners and advocates says Ontario’s recently announced paid sick leave plan is “inadequate and unfair” for small businesses. The Better Way Alliance, a group of businesses that advocates for higher wages and other labour rights, said the province’s Worker Income Protection Benefit does not go far enough, regardless of the Covid-19 pandemic. Labour Minister Monte McNaughton

GENERAL TRANSPORTATION

Canada

1. Ontario paid sick leave plan ‘inadequate, unfair,’ small business group says, April 30, 2021, www.insidelogistics.com
2. Canada Post sees loss in 2020, May 4, 2021, www.insidelogistics.com
3. Antitrust: Commission publishes findings of the evaluation of rules on horizontal agreements between companies, May 7, 2021, www.europa.eu
4. Amazon expanding in Vancouver, May 7, 2021, www.insidelogistics.ca

announced on April 28, 2021 that the three-day sick leave policy will be retroactive to April 19, 2021 and will end on Sept. 25, 2021. Employers will be reimbursed for up to \$200 a day for what they pay out.

2. Canada Post sees loss in 2020

COVID-19 contributed to Canada Post losses last year as the Crown Corporation lost \$779 million before tax, a fivefold increase from 2019, even as it faces record parcel volumes. Costs related to COVID are estimated to be \$292 million, mainly from special leaves for high-risk employees, those providing child and elder care and increased overtime, as well as the impact of higher parcel volumes. Canada Post says transaction mail revenues declined by \$230 million and direct marketing revenues dropped \$257 million from 2019 as mailings were cancelled or delayed as marketers turned to digital alternatives.

3. Antitrust: Commission publishes findings of the evaluation of rules on horizontal agreements between companies

The European Commission has published on May 7, 2021 a Staff Working Document that summarises the findings of the evaluation of the two horizontal block exemption regulations on Research & Development and specialisation agreements (“R&D BER” and “Specialisation BER” respectively, together “HBERs”), together with the Horizontal Guidelines. The aim of the evaluation was to allow the Commission to determine whether it should let the HBERs lapse, prolong their duration or revise them. In view of the findings of the evaluation, the Commission will now launch an impact assessment to look into the policy options for a revision of the rules.

4. Amazon expanding in Vancouver

Amazon is adding five new facilities to its operations in Metro Vancouver. A 450,000 square-foot advanced robotics fulfillment centre in the Port of Vancouver will be launched in late 2021. This is Amazon’s first robotic fulfillment centre in the province. The company estimates it will create 1,000 jobs. A new sorting centre in the City of Langley will open later in 2021. Langley Township is home to a new delivery station. It opened in mid-February 2021. Delivery stations will open in Pitt Meadows and Delta later in 2021. In total, Amazon estimates these facilities will create 2000 jobs.

5. Leading indicator of international arrivals to Canada, April 2021

April 2021 saw the number of international arrivals to Canada by land and air increase from the previous year but remain historically low. United States residents made 55,200 trips to Canada through land ports with electronic sensors in April 2021. Although this was almost twice the number of arrivals compared with April 2020, it was down 93.9% from April 2019. Likewise, 184,700 Canadians returned from the United States through these same ports, which was over one-and-a-half times higher year over year, but still down 91.4% from the same month in 2019. It was a similar story in the air. There were more than twice as many non-residents arriving from abroad in Canadian airports equipped with electronic kiosks during April 2021 compared with April 2020, yet they were still down 96.5% from April 2019. Meanwhile, the number of Canadian residents returning from abroad through these same airports was almost twice the number in April 2020, but 96.5% below the same month in 2019.

6. Canadian Tourism Activity Tracker, January 2020 to February 2021

The impacts from travel restrictions and province-wide lockdowns to combat the COVID-19 pandemic were felt immediately by the tourism sector. Statistics Canada has created a monthly experimental tourism tracker to estimate the effects of the pandemic on Canadian tourism by combining measures of travel with accommodation and hospitality services. Please use our "Canadian Tourism Activity Tracker" interactive tool to view and navigate the data.

7. US DOT Statement on Wearing Masks While Traveling

The Centers for Disease Control and Prevention (CDC), Transportation Security Administration (TSA), and the U.S. Department of Transportation remind the traveling public that at this time if you travel, you are still required to wear a mask on planes, buses, trains, and other forms of public transportation traveling into, within, or out of the United States, and in U.S. transportation hubs such as airports and stations. CDC guidance is clear that fully vaccinated people are safe to travel and can resume travel.

8. Worldwide transport activity to double, emissions to rise further

Global transport activity will more than double by 2050, and traffic emissions will rise by 16% compared to 2015 - even if existing commitments to decarbonise transport are fully implemented. Any currently expected emissions reductions will be more than offset by the increased demand for transport. However, transport CO2 emissions can be cut by almost 70% over the 2015-50 period with the right policies. A reduction of this magnitude will bring the goal of the Paris Agreement to limit global warming to 1.5°C into reach. It requires to: 1. Put in place ambitious low-carbon policies now; 2. Reinforce positive behavioural changes caused by the pandemic; and 3. Gear stimulus packages

5. Leading indicator of international arrivals to Canada, April 2021, May 11, 2021, www.statcan.gc.ca

6. Canadian Tourism Activity Tracker, January 2020 to February 2021, May 14, 2021, www.sttcan.gc.ca

7. US DOT Statement on Wearing Masks While Traveling, May 14, 2021, www.dot.gov

8. Worldwide transport activity to double, emissions to rise further, May 17, 2021, www.itf-oecd.org

9. Travel between Canada and other countries, March 2021, May 21, 2021, www.statcan.gc.ca

10. Canada Post reports Q1 loss, May 25, 2021, www.insidelogistics.ca

11. US seeks trade-pact dispute panel to probe Canada dairy quotas, May 25, 2021, www.ajot.com

12. Labour shortage slowing manufacturing recovery, May 27, 2021, www.insidelogistics.ca

towards decarbonisation.

9. Travel between Canada and other countries, March 2021

Arrivals to Canada from the United States and other countries were down 83.7% in March 2021 compared with March 2020, while the total number of Canadian residents returning from abroad plunged 90.6% over the same period. In March 2021, just over 67,700 Canadians flew home from abroad, 41.4% fewer than February 2021 and down 96.1% from a year earlier.

10. Canada Post reports Q1 loss

Canada Post recorded a loss before tax of \$77 million in the first quarter of 2021, as higher operating costs and revenue declines in transaction mail and direct marketing together exceeded the significant growth in parcels revenue. Covid-19 continued to have a significant impact on the postal service in the first quarter. Canada Post's operating expenses increased by \$287 million in the quarter, compared to 2020, due to higher costs. These costs included special leaves for employees during Covid-19, additional health and safety supplies, increased overtime expenses, wage increases, and additional collection, processing and delivery costs from growing parcel volumes. An additional three paid days during the first quarter of 2021, which ended April 3, also contributed to the higher costs.

11. US seeks trade-pact dispute panel to probe Canada dairy quotas

The U.S. moved to set up a dispute-settlement panel to review Canada's dairy quotas, which Washington alleges undermine the ability of American dairy exporters to sell a wide range of products to Canadian consumers. The U.S. is challenging Canada's tariff-rate quotas, or TRQs, which apply a preferential duty rate to a certain quantity of imports and a different rate to imports above that quantity. Specifically, the U.S. is questioning the set-aside of a percentage of each dairy quota exclusively for Canadian processors, and the U.S. has requested a panel under the U.S.-Mexico-Canada Agreement to review the measures, the Office of the U.S. Trade Representative said in a statement on May 25, 2021.

12. Labour shortage slowing manufacturing recovery

Although many manufacturers are emerging from the Covid-19 pandemic on solid footing, a mounting skilled labour shortage threatens to delay the sector's full recovery. The resilience of manufacturing is unwavering — but not without struggle. A new study has found that although many manufacturers are emerging from the Covid-19 pandemic on solid footing, a mounting shortage of skilled labour threatens to delay the sector's full recovery.