

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Government of Canada provides further details on new vaccine requirements

As of November 30, 2021 a negative COVID-19 molecular test will no longer be accepted as an alternative to vaccination. If travellers have not already started the vaccination process, or do not start very soon, they will not be eligible to travel starting November 30, 2021. There will be only very limited exemptions. Additional information will be provided in the coming weeks. In addition, there will be transitional measures for unvaccinated foreign nationals who normally reside outside of Canada and who entered Canada prior to October 30, 2021. Until February 28, 2022 they will be able to take a flight for the purpose of departing Canada if they show proof of a valid COVID-19 molecular test at the time of travel. The Government of Canada will continue to engage with key stakeholders, employers, airlines and railways, bargaining agents, Indigenous Peoples, local authorities, and provinces and territories to support the implementation of the vaccination requirement.

### 2. Air Canada Introduces Company-Wide Plan for the Safe Return of its Employees to the Workplace

Air Canada said on October 29, 2021 that it has enacted a Return to the Workplace Plan to transition employees working remotely safely back into the workplace, beginning November 15, 2021. The plan, developed in compliance with Public Health Agency of Canada guidelines, uses a hybrid approach combining on-site and remote work options to give employees flexibility and confidence as they return to their pre-pandemic work routines. "While frontline employees at Air Canada have attended work running the operation throughout the pandemic, for which I thank and commend them, since March 2020 a significant number have worked remotely pursuant to Federal Public Health directives. Now, with caseloads falling nationally, Air Canada's mandatory workplace vaccination policy, and other company health measures, it is possible for people to begin a structured return to the office and safely resume a more normal work life. Our plan takes a balanced approach, meeting the needs of those eager to work again in-person with their colleagues and others who may prefer to continue, for personal or professional reasons, working remotely certain days of the week," said Michael Rousseau, President and Chief Executive Officer of Air Canada.

### 3. Air Canada Reports Third Quarter 2021 Results

Air Canada on November 2, 2021 reported third quarter 2021 financial results. 1) Operating revenues of \$2.103 billion, representing almost three times the operating revenues of \$757 million in the third quarter of 2020; 2) Negative EBITDA (earnings before interest, taxes, depreciation, and amortization), excluding special items, of \$67 million compared to negative EBITDA (excluding special items) of \$554 million in the same quarter of 2020; 3) Operating loss of \$364 million, compared to an operating loss of \$785 million in the third quarter of 2020; 4) Net cash flow of \$153 million,

## AIR TRANSPORTATION Canada

1. Government of Canada provides further details on new vaccine requirements, October 29, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Air Canada Introduces Company-Wide Plan for the Safe Return of its Employees to the Workplace, October 29, 2021, [www.aircanada.ca](http://www.aircanada.ca)
3. Air Canada Reports Third Quarter 2021 Results, November 2, 2021, [www.aircanada.ca](http://www.aircanada.ca)
4. Electrified planes will carry cargo soon, October 27, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
5. Government of Canada announces additional Canadian airports accepting international passenger flights, November 2, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
6. Air Canada revenue climbs on record cargo results, 3, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
7. Air Canada Announces Canada's Best New Restaurants 2021, November 3, 2021, [www.aircanada.ca](http://www.aircanada.ca)
8. International flights resuming at eight additional airports a welcome step, but more work remains, November 2, 2021, [www.cacairports.ca](http://www.cacairports.ca)
9. Air Cargo, up 9.1% in September, Capacity Remains Constrained, November 3, 2021, [www.iata.org](http://www.iata.org)
10. U.S. Airlines' September 2021 Fuel Use Down 7.6% from August; Still 17% Lower than in Pre-Pandemic September 2019, November 3, 2021, [www.bts.gov](http://www.bts.gov)
11. Moderate Rebound in September Passenger Demand, November 3, 2021, [www.iata.org](http://www.iata.org)
12. Air travel recovery resumed in September, November 3, 2021, [www.iata.org](http://www.iata.org)
13. Air Passenger Monthly Analysis – September 2021, November 3, 2021, [www.iata.org](http://www.iata.org)
14. Weekly aircraft movements, October 16 to 22, 2021, November 4, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
15. WestJet's inaugural flight between Calgary and Seattle takes off, November 4, 2021, [www.westjet.ca](http://www.westjet.ca)
16. Porter Airlines restarts service to Mont-Tremblant in time for winter attractions, November 4, 2021, [www.flyporter.com](http://www.flyporter.com)
17. Deutsche Post DHL posts sizzling Q3 results, raises 2021, 2023 outlooks, November 4, 2021, [www.freightwaves.com](http://www.freightwaves.com)
18. Air Travel Consumer Report: August 2021 Numbers, November 5, 2021, [www.bts.gov](http://www.bts.gov)

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

approximately \$520 million higher than the midpoint of the net cash burn guidance provided for the quarter; 5) Record cargo revenues, surpassing the billion-dollar mark year-to-date; and 6) Unrestricted liquidity of about \$14.4 billion at September 30, 2021. Michael Rousseau, President and Chief Executive Officer of Air Canada said "We are encouraged by the favourable revenue and traffic trends in the third quarter, with strong increases in key passenger geographic segments, a record cargo performance and significant improvements in both Air Canada Vacations and Aeroplan. The combination of these factors, along with effective cost controls, resulted in net cash flow of \$153 million for the quarter, materially better than expected and as compared to the third quarter of 2020."

#### **4. Electrified planes will carry cargo soon**

There's a chance that the 12 electric planes DHL Express ordered in August 2021 won't be ready for delivery by 2024, as contracted. But experts in aviation, transportation and logistics say that regardless of delivery date, the deal marks an important leg in humanity's flight to zero emissions for the movement of goods and people through the air. "It will be very challenging, especially given the level of innovation and new technology being included," said James Domone, principal engineer at SNC-Lavalin's U.K.-based aerospace subsidiary Atkins.

#### **5. Government of Canada announces additional Canadian airports accepting international passenger flights**

Effective on November 30, 2021, international flights carrying passengers will be permitted to land at the following additional Canadian airports: 1) St. John's International; 2) John C. Munro Hamilton International; 3) Region of Waterloo International; 4) Regina International; 5) Saskatoon John G. Diefenbaker International; 6) Kelowna International; 7) Abbotsford International; 8) Victoria International. These airports, in cooperation with the Public Health Agency of Canada, the Canada Border Services Agency and Transport Canada, are working to implement the measures necessary to start safely welcoming international passengers as of November 30, 2021.

#### **6. Air Canada revenue climbs on record cargo results**

Air Canada sees hope on the horizon as revenues soared over 2020 levels last quarter, despite continuing to operate far below pre-pandemic capacity and at a loss of hundreds of millions of dollars. Domestic leisure bookings have started to rebound, but business travel remains down across the board amid the persistence of remote work. "We're witnessing a strong rebound in VFR (visiting friends and relatives), and leisure traffic remains strong, specifically within North America, across the Atlantic and to sun destinations," chief operating officer Lucie Guillemette told investors on a conference call on November 2, 2021. "We were pretty confident that come 2022 corporate Canada returns to their offices and business travel should return. But no doubt that for us, business has lagged a little bit." Revenue nearly tripled year over year to \$2.10 billion in the quarter ended Sept. 30, 2021 alongside an 87 percent boost in capacity. But revenue and capacity remained more than 60 percent and two-thirds below Air Canada's third-quarter figures in 2019 respectively as COVID-19 fallout continues to damage carriers' bottom lines.

#### **7. Air Canada Announces Canada's Best New Restaurants 2021**

Air Canada and presenting partner OpenTable, the world's leading provider of online restaurant reservations and part of Booking Holdings, Inc., are proud to reveal Canada's Best New Restaurants 2021, with culinary talent as inclusive and diverse as the Canadian community. This year marks a milestone, as Air Canada celebrates the 20th anniversary of launching the pre-eminent list of top restaurants across the country.

#### **8. International flights resuming at eight additional airports a welcome step, but more work remains**

19. U.S. DOT delivers new assistance to protect aviation manufacturing jobs—and reopens application process one last time, November 8, 2021, [www.dot.gov](http://www.dot.gov)
20. Air Canada and Carbon Engineering Sign MoU to Explore Commercial Opportunities for Sustainable Aviation Fuel, Carbon Removal and Decarbonization Technology, November 10, 2021, [www.aircanada.ca](http://www.aircanada.ca)
21. September Airline Industry Employment Dips Slightly from August, Remains 3.3% Below Pre-Pandemic September 2019, November 9, 2021, [www.bts.gov](http://www.bts.gov)
22. U.S. Releases First-Ever Comprehensive Aviation Climate Action Plan to Achieve Net-Zero Emissions by 2050, November 9, 2021, [www.dot.gov](http://www.dot.gov)
23. Weekly aircraft movements, October 23 to 29, 2021, November 10, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
24. Airlines face new crisis as crucial business travel market seen in 'structural decline', November 10, 2021, [www.financialpost.ca](http://www.financialpost.ca)
25. Air Canada Announces Agreement by Unions and Pionairs to Repurpose the 2009 Pension Share Trust, November 12, 2021, [www.aircanada.ca](http://www.aircanada.ca)
26. Porter finalizes sale and leaseback of up to 19 Embraer E195 E2 aircraft, November 12, 2021, [www.flyporter.com](http://www.flyporter.com)
27. August 2021 U.S. Airline Traffic Data, August 12, 2021, [www.bts.gov](http://www.bts.gov)
28. Cheers to earning Aeroplan points at the LCBO, November 16, 2021, [www.aircanada.ca](http://www.aircanada.ca)
29. Ground Handling Priorities Post Pandemic: Tackling Labor Shortages, Safety, Modernization, November 16, 2021, [www.iata.org](http://www.iata.org)
30. Weekly aircraft movements, October 30 to November 5, 2021, November 17, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
31. WestJet's global network expanding to include London Heathrow from Calgary, November 17, 2021, [www.westjet.ca](http://www.westjet.ca)
32. U.S. Airlines Carry 58.4 Million Passengers in September 2021 (Preliminary), Still Down 20% from Pre-Pandemic September 2019, November 17, 2021, [www.bts.gov](http://www.bts.gov)
33. Air Canada Exits Government of Canada Financial Support as Industry Recovery Continues, November 18, 2021, [www.aircanada.ca](http://www.aircanada.ca)
34. Porter Airlines Selects Viasat for In-Flight Connectivity on its New Embraer E195-E2 Aircraft, November 18, 2021, [www.aircanada.ca](http://www.aircanada.ca)
35. U.S. Scheduled Passenger Airlines Employ 0.7% More Employees in September 2021 than in August, Still 8.8% Fewer than Pre-Pandemic, November 18, 2021, [www.bts.gov](http://www.bts.gov)
36. Quarterly civil aviation statistics, second quarter 2021, November 19, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
37. Air Canada Adding Extra Cargo Capacity Into Vancouver to Help Maintain British Columbia's Economic Supply Chain, November 22, 2021, [www.aircanada.ca](http://www.aircanada.ca)
38. U.S. Department of Transportation Secures Record \$4.5 Million Agreement with Air Canada to Settle Refund Case Involving

With holiday travel around the corner, the Canadian Airports Council welcomed the resumption of international flights to eight additional airports but pointed out that many Canadians are still waiting for these flights to return to their communities. As of November 30th, 2021 Abbotsford, Kelowna, Victoria, Regina, Saskatoon, Waterloo, Hamilton, and St. John's will be resuming international flights, bringing the total number of airports with international service to 18. However, there are a considerable number of airports, including regional hubs with significant populations, like London and Moncton, that are still waiting to resume U.S. transborder and overseas service.

### **9. Air Cargo, up 9.1% in September, Capacity Remains Constrained**

The International Air Transport Association (IATA) released September 2021 data for global air cargo markets showing that demand continued to be well above pre-crisis levels and that capacity constraints persist. As comparisons between 2021 and 2020 monthly results are distorted by the extraordinary impact of COVID-19, unless otherwise noted, all comparisons below are to September 2019 which followed a normal demand pattern. 1) Global demand, measured in cargo tonne-kilometers (CTKs\*), was up 9.1% compared to September 2019 (9.4% for international operations). 2) Capacity remains constrained at 8.9% below pre-COVID-19 levels (September 2019) (-12% for international operations). 3) Several factors

impacting global air cargo demand should be noted: 1) Supply chain disruptions and the resulting delivery delays have led to long supplier delivery times. This typically means manufacturers use air transport, which is quicker, to recover time lost during the production process. The September global Supplier Delivery Time Purchasing Managers Index (PMI) was at 36, values below 50 are favorable for air cargo. 2) The September new export orders component and manufacturing output component of the PMIs have deteriorated from levels in previous month but remain in favorable territory. 3) Manufacturing activity continued to expand at a global level but, there was contraction in emerging economies. 4) The inventory-to-sales ratio remains low ahead of the peak year-end retail events such as Single's Day, Black Friday and Cyber Monday. This is positive for air cargo, however further capacity constraints put this at risk. 5) The cost-competitiveness of air cargo relative to that of container shipping remains favorable. 6) Pre-crisis, the average price to move air cargo was 12.5 times more expensive than sea shipping. In September 2021 it was only three times more expensive. Willie Walsh, IATA's Director General said "Air cargo demand grew 9.1% in September 2021 compared to pre-COVID levels. There is a benefit from supply chain congestion as manufacturers turn to air transport for speed. But severe capacity constraints continue to limit the ability of air cargo to absorb extra demand. If not addressed, bottlenecks in the supply chain will slow the economic recovery from COVID-19. Governments must act to relieve pressure on global supply chains and improve their overall resilience."

### **10. U.S. Airlines' September 2021 Fuel Use Down 7.6% from August; Still 17% Lower than in Pre-Pandemic September 2019**

The Department of Transportation's Bureau of Transportation Statistics (BTS) on November 3, 2021 released U.S. airlines' September Fuel Cost and Consumption numbers. U.S. airlines used 1.22 billion gallons of fuel in September 2021, 7.6% less fuel than in August 2021 and 17.3% less than in pre-pandemic September 2019. The cost per gallon of fuel (\$1.99) was up from August (\$1.97).

### **11. Moderate Rebound in September Passenger Demand**

The International Air Transport Association (IATA) announced a moderate rebound in air travel in September 2021 compared to August's performance. This was driven by recovery in domestic markets, in particular China, where some travel curbs were lifted following the COVID-19 outbreaks in August 2021. International demand, meanwhile, slipped slightly compared to the previous month. Because comparisons between 2021 and 2020 monthly results are distorted by the extraordinary impact of COVID-19, unless otherwise noted all comparisons are to September 2019, which followed a normal demand pattern. The highlights were: 1) Total demand for air travel in September 2021 (measured in revenue passenger kilometers or RPKs) was down 53.4% compared to September 2019. This marked an uptick from August 2021, when demand was 56.0% below August 2019 levels. 2) Domestic markets were down 24.3% compared to September 2019, a significant improvement from August 2021, when traffic was down 32.6% versus two years ago. All markets showed improvement with the exception of Japan and Russia, although the latter remained in solid growth territory compared to 2019. 3) International passenger demand in September was 69.2% below September 2019, fractionally worse than the 68.7% decline recorded in August.

### **12. Air Passenger Monthly Analysis – September 2021**

Thousands of Consumers, November 22, 2021, [www.dot.gov](http://www.dot.gov)

39. U.S. Airlines Carried 3% More Cargo in September 2021 than in September 2020 (Preliminary), November 22, 2021, [www.bts.gov](http://www.bts.gov)

40. Keys to Safely Restoring Global Mobility: Simplicity, Predictability, Practicality, November 23, 2021, [www.iata.org](http://www.iata.org)

41. Weekly aircraft movements, November 6 to 12, 2021, November 24, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

42. Aircraft movement statistics: Major airports, September 2021, November 25, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

43. WestJet and TELUS partner on Trusted Boarding trial, November 25, 2021, [www.westjet.ca](http://www.westjet.ca)

44. Innovative guest boarding solution showcases the future possibility for touchless and secure boarding options for Canadian travellers, November 25, 2021, [www.westjet.ca](http://www.westjet.ca)

45. Harry Taylor becomes interim President and CEO of WestJet Group, November 29, 2021, [www.westjet.ca](http://www.westjet.ca)

Air travel recovery resumed in September 2021 according to IATA. The highlights were: 1) Global air travel picked up in September, following a slight deterioration in the previous month. Industry-wide revenue passenger kilometres (RPKs) were down 53% compared with pre-crisis 2019. In month-on-month terms, RPKs rose by 18% – a robust improvement, but from a very low base. 2) This month's growth can be largely attributed to the recovery in domestic markets, in particular China where some travel curbs that had been implemented during COVID outbreaks in August were lifted. 3) Travel bookings point to further passenger growth across domestic and international markets, but any significant improvement looks unlikely in the near-term.

### **13. Air Cargo Monthly Analysis – September 2021**

Air cargo volumes were stable at an elevated level according to IATA. The highlights were : 1) The period of stability at elevated air cargo volumes continued in September 2021, with industry-wide cargo tonne kilometres (CTKs) growing by 9.1% compared to September 2019. This was an improvement compared to the 7.5% increase in August, but seasonally adjusted (SA) CTKs only increased marginally month-on-month. 2) Trends in the main drivers of air cargo are tangled currently. The upshot is that trade and manufacturing activity are impacted by supply chain issues, but air cargo benefits from its speed, which helps meeting peak season demand and will allow it to continue to overperform global goods trade. 3) Cargo capacity improved in September 2021, but is still 8.9% below 2019 levels. Load factors remain close to record-highs and cargo yields are now trending upwards. This continues to provide welcome support to airlines' revenues.

### **14. Weekly aircraft movements, October 16 to 22, 2021**

Weekly data on aircraft itinerant movements are now available for October 16 to 22, 2021. Domestic movements for the week ending October 16, 2021 were 42,693 compared to 40,274 a week earlier (October 9, 2021).

### **15. WestJet's inaugural flight between Calgary and Seattle takes off**

On Nov. 4, 2021, WestJet, together with key government and industry partners, launched its newest route connecting guests for the first time between Calgary and Seattle. The departure of flight WS3612 marked a major recovery milestone for WestJet as the airline's first transborder inaugural since pre-pandemic.

### **16. Porter Airlines restarts service to Mont-Tremblant in time for winter attractions**

On November 4, 2021, Porter Airlines is reintroducing its seasonal service to Mont-Tremblant, Que., in time for the holidays. Seasonal service begins Dec. 17, 2021 running until March 28, 2022. Michael Deluce, president and CEO, Porter Airlines said "We're ready to return to our first seasonal destination since restarting operations in September."

### **17. Deutsche Post DHL posts sizzling Q3 results, raises 2021, 2023 outlooks**

DHL expects record 2021 earnings for the third quarter of 2021 and boosted its 2023 bottom line forecast by \$700 million, to \$9.24 billion.

### **18. Air Travel Consumer Report: August 2021 Numbers**

The U.S. Department of Transportation on November 5, 2021 released its October 2021 Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of August 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>. The COVID-19 pandemic continued to result in significant changes to airline schedules and operations in August 2021. The 592,760 flights operated in August 2021 were 84.1% of the 704,553 flights operated in pre-pandemic August 2019. Operated flights in August 2021 were up 50.4% year-over-year from the 394,143 flights operated in August 2020 and down 2.1% month-over-month from the 605,508 flights operated in July 2021.

### **19. U.S. DOT delivers new assistance to protect aviation manufacturing jobs—and reopens application process one last time**

The U.S. Department of Transportation (DOT) on November 8, 2021 announced that it will offer an additional \$184 million in funding provided by the American Rescue Plan to 158 more aviation manufacturing businesses. The Aviation Manufacturing Jobs Protection Program (AMJP) is helping protect nearly 30,000 American manufacturing jobs across 41 states and Puerto Rico. These new awards, combined with the first round of funding in September 2021, brings the total to \$626 million to help protect aviation manufacturing jobs.

### **20. Air Canada and Carbon Engineering Sign MoU to Explore Commercial Opportunities for Sustainable Aviation Fuel, Carbon Removal and Decarbonization Technology**

Air Canada and Carbon Engineering Ltd. (CE) on November 10, 2021 announced a Memorandum of Understanding ("MoU") to identify potential opportunities in how CE's proprietary Direct Air Capture (DAC) technology, which captures carbon dioxide (CO<sub>2</sub>) from the atmosphere, can advance aviation decarbonization. The two Canadian companies plan to explore potential cooperation activities in sustainable aviation fuels (SAF), permanent carbon dioxide removal and innovation, including opportunities for Air Canada to purchase SAF utilizing CE's technologies.

### **21. September Airline Industry Employment Dips Slightly from August, Remains 3.3% Below Pre-Pandemic September 2019**

U.S. airlines employed 718,111 workers in September 2021, which is 814 (0.1%) fewer workers than in August 2021 and 24,289 (3.3%) fewer than in pre-pandemic September 2019. Major passenger airlines added 2,448 jobs in September whereas major cargo carriers dropped 3,028 jobs.

#### **22. U.S. Releases First-Ever Comprehensive Aviation Climate Action Plan to Achieve Net-Zero Emissions by 2050**

At the United Nations Climate Change Conference, U.S. Transportation Secretary Pete Buttigieg will announce the U.S. Aviation Climate Action Plan, which, for the first time, sets out to achieve net-zero greenhouse gas emissions from the U.S. aviation sector by 2050. U.S. Transportation Secretary Pete Buttigieg said “The Climate Action Plan we are announcing today [November 9, 2021] is ambitious yet achievable, and will help create a sustainable aviation future. This plan shows we can combat climate change while growing the economy and creating good paying American jobs.”

#### **23. Weekly aircraft movements, October 23 to 29, 2021**

Weekly data on aircraft itinerant movements are now available for October 23 to 29, 2021. The domestic movements for the week ending October 23, 2021 were 39,856 compared to 42,693 on October 16, 2021.

#### **24. Airlines face new crisis as crucial business travel market seen in 'structural decline'**

Business trips expected to fall between 15 and 25 per cent through 2025 from before the pandemic. Fewer companies are expected to send workers on business trips in the post-pandemic era, leaving airlines without a key source of revenue. As the airline industry struggles to recover from a deep, pandemic-induced slump, another crisis is looming in the crucial business travel market, according to a new report. Companies are expected to keep a tight rein on trips in the coming years, leading to a “structural” decline of between 15 per cent and 25 per cent through 2025 from before the COVID-19 pandemic, consultancy AlixPartners said on November 10, 2021. The loss could trigger a broad strategy overhaul for full-service carriers because corporate demand makes up as much as three quarters of their profits, and nearly a third of sales.

#### **25. Air Canada Announces Agreement by Unions and Pionairs to Repurpose the 2009 Pension Share Trust**

Air Canada on November 12, 2021 announced that its Canadian unions and the Air Canada Pionairs have agreed in principle to repurpose about 17.6 million Air Canada shares originally issued to a trust established in 2009. The repurposed shares have a current market value of about \$455 million based on their latest closing price on the Toronto Stock Exchange (TSX) compared to a market value of about \$24 million when the shares were issued to the trust in 2009. If all conditions are met, the shares in the trust will be gradually sold over a period of up to 15 years with the net proceeds from the sales used to make lump sum payments to Canadian pensioners and offer voluntary separation packages for senior unionized employees and non-executive employees. The arrangement would see landmark repurposing of over 17.6 million Air Canada shares to allow lump sum payments to pensioners and voluntary separation packages for unionized and non-executive employees.

#### **26. Porter finalizes sale and leaseback of up to 19 Embraer E195 E2 aircraft**

Porter Aircraft Leasing Corp., a wholly-owned subsidiary of Porter Aviation Holdings Inc. (Porter), has entered into agreements for sale and leaseback financing of up to 19 Embraer E195-E2 aircraft. Three aircraft lessors are participating independently in the transaction, with placement details as follows: 1) Five aircraft with Azorra Aviation Holdings, LLC (Azorra); 2) Five aircraft with Falko Regional Aircraft Ltd. (Falko); and 3) Four aircraft with Elevate Capital Partners LLC (ElevatePorter) also has options for an additional five Embraer E195-E2 aircraft with Azorra. The 19 aircraft will be delivered as new to Porter in 2022 and 2023, as part of a previously-announced confirmed order for 30 E195-E2s, plus 50 purchase rights.

#### **27. August 2021 U.S. Airline Traffic Data**

U.S. airlines carried 62.9 million systemwide (domestic and international) scheduled service passengers in August 2021, seasonally adjusted, according to the Bureau of Transportation Statistics' (BTS), down 3.1% from July, up 163% from August 2020, and down 19% from pre-pandemic August 2019. BTS reported 57.3 million domestic passengers and 5.6 million international passengers on U.S. airlines flights in August 2021.

#### **28. Cheers to earning Aeroplan points at the LCBO**

Aeroplan, Canada's leading travel loyalty program, and the LCBO, one of the world's largest buyers and retailers of beverage alcohol, are pleased to announce that Aeroplan members can now earn points when shopping at LCBO retail stores across Ontario. Starting on November 16, 2021, Aeroplan members will earn one Aeroplan point for every \$4 spent at LCBO retail stores, in addition to bonus points on promotional offers. To earn Aeroplan points in LCBO retail stores, simply present a physical or digital Aeroplan membership card at checkout.

#### **29. Ground Handling Priorities Post Pandemic: Tackling Labor Shortages, Safety, Modernization**

Monika Mejstrikova, IATA's Director of Ground Operations, speaking at the 33rd IATA Ground Handling Conference (IGHC), which opened in Prague on November 16, 2021 said “There will be challenges as ground handling operations ramp up to meet growing demand as the aviation industry's recovery from COVID-19 progresses. Overcoming labor shortages, ensuring safety with strict adherence to global standards and digitalization and modernization will be critical

to achieving a scalable restart.” At this Conference, the International Air Transport Association (IATA) is focusing on standards, digitalization.

**30. WestJet's global network expanding to include London Heathrow from Calgary**

WestJet on November 17, 2021 announced it will add non-stop service to London's Heathrow Airport (LHR) beginning early Spring 2022. As WestJet continues to increase global connectivity from Western Canada, the addition of non-stop service between Calgary and London-Heathrow signals confidence in the recovery of business and leisure travel between both destinations.

**31. Weekly aircraft movements, October 30 to November 5, 2021**

Weekly data on aircraft itinerant movements are now available for October 30 to November 5, 2021. Domestic movements for the week ending October 30, 2021 were 43,795 compared to 39,856 the week ending October 23, 2021.

**32. U.S. Airlines Carry 58.4 Million Passengers in September 2021 (Preliminary), Still Down 20% from Pre-Pandemic September 2019**

U.S. airlines carried 58.4 million passengers in September 2021 (preliminary), compared to 25.1 million passengers in September 2020 according to data filed with the Bureau of Transportation Statistics (BTS) by 20 airlines that carry more than 90% of passengers. The 133% increase was the smallest year-over-year growth since March 2021. September 2021's tally of 58.4 million passengers is down 19.5% from pre-pandemic September 2019's 72.6 million.

**33. Air Canada Exits Government of Canada Financial Support as Industry Recovery Continues**

Air Canada on November 18, 2021 announced that due to its improved liquidity position and ongoing recovery from the pandemic it is withdrawing from further Government of Canada financial support. The support package, announced in April 2021, provided the carrier access to interest bearing loans of \$5.375 billion through several separate credit facilities. To date, Air Canada has only accessed the facility solely dedicated to refunding customers' non-refundable tickets, while all other remaining facilities totaling \$3.975 billion have not been used.

**34. Porter Airlines Selects Viasat for In-Flight Connectivity on its New Embraer E195-E2 Aircraft**

Viasat Inc., a global communications company, and Porter Airlines on November 18, 2021 announced Viasat's industry-leading in-flight connectivity (IFC) solution has been selected for the airline's new Embraer E195-E2 aircraft. The Toronto-based airline previously announced 30 firm commitments for Embraer E195-E2s. The committed 30 aircraft will be linefit with Viasat's high-speed, reliable in-flight internet system. Porter Airlines' new aircraft are expected to enter service in the second half of 2022. Porter is preparing to grow beyond its current regional eastern Canada- and U.S.-focused network to include routes to the west coast, southern U.S., Mexico and the Caribbean.

**35. U.S. Scheduled Passenger Airlines Employ 0.7% More Employees in September 2021 than in August, Still 8.8% Fewer than Pre-Pandemic**

The 24 U.S. scheduled passenger airlines employed 0.7% more full-time equivalents (FTEs) in September 2021 than in August 2021, but still employed 8.8% fewer than in pre-pandemic September 2019. The September 2021 total number of FTEs (410,836) was up 2,871 from August 2021 (407,965) and down 39,618 from September 2019 (450,454). In September 2021, the airlines employed the lowest FTE total for the month of September since 2015 (397,326).

**36. Quarterly civil aviation statistics, second quarter 2021**

Operating revenue for the 24 largest Canadian air carriers totalled \$1.6 billion in the 2021 second quarter. At \$831.6 million, passenger revenue remained the main source of revenue for airlines, while air cargo generated \$607.3 million, or over one-third (37.1%) of the total. This was well above the 5% to 7% revenue contribution of air cargo before the pandemic. In the 2021 second quarter, Canadian carriers transported 2.5 million passengers on scheduled and charter services.

**37. Air Canada Adding Extra Cargo Capacity Into Vancouver to Help Maintain British Columbia's Economic Supply Chain**

Air Canada announced on November 22, 2021 that it has significantly increased cargo capacity into and out of Vancouver between November 21 and 30 from its hubs in Toronto, Montreal and Calgary as it works to ensure that the vital economic supply chain links in British Columbia are maintained following the impacts of last week's flooding. In total, Air Canada is adding 586 tonnes of cargo capacity, representing 3,223 cubic metres to support B.C.'s economic supply chain and the needs of its communities. The additional capacity is equivalent in weight to approximately 860 adult moose.

**38. U.S. Department of Transportation Secures Record \$4.5 Million Agreement with Air Canada to Settle Refund Case Involving Thousands of Consumers**

The U.S. Department of Transportation's Office of Aviation Consumer Protection (OACP) announced it has filed an agreement for a \$4.5 million settlement with Air Canada. The settlement would resolve OACP's action against the carrier for its extreme delays in providing refunds to thousands of consumers for flights to or from the United States that the carrier cancelled or significantly changed. The agreement is now pending approval by the Administrative Law Judge presiding over the case.

### **39. U.S. Airlines Carried 3% More Cargo in September 2021 than in September 2020 (Preliminary)**

U.S. Airlines carried 1,675 thousand tons of cargo in September 2021, a 3% increase from September 2020 according to data filed with the Bureau of Transportation Statistics (BTS) by 15 of the leading U.S. cargo airlines. The year-over-year rise was fuelled by an 8.2% increase in international cargo carried (27% of all cargo). Domestic cargo carried (73% of all cargo), increased by 1.3%. The 15 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.

### **40. Keys to Safely Restoring Global Mobility: Simplicity, Predictability, Practicality**

The International Air Transport Association (IATA) called on governments to adopt simple, predictable and practical measures to safely and efficiently facilitate the ramping-up of international travel as borders re-open. Specifically, IATA urged governments to focus on three key areas: 1. Simplified health protocols; 2. Digital solutions to process health credentials; 3. COVID-19 measures proportionate to risk levels with a continuous review process. The industry's vision to address the complexity is outlined in the newly released policy paper: *From Restart to Recovery: A Blueprint for Simplifying Travel*.

### **41. Weekly aircraft movements, November 6 to 12, 2021**

Weekly data on aircraft itinerant movements are now available for November 6 to 12, 2021. Domestic movements for the week ending November 6, 2021 were 40,742 compared to domestic movements 43,795 for the week ending October 30, 2021.

### **42. Aircraft movement statistics: Major airports, September 2021**

In September 2021, there were 420,153 aircraft movements at Canada's major airports. While this was an increase of 18.0% from September 2020, it represents just over four-fifths (82.5%) of the level observed in September 2019, before the pandemic. International traffic continued to rise in September 2021, with movements to and from the United States at 17,457 and other international movements at 6,430. While these levels were the highest they have been since the beginning of the pandemic in March 2020, they represented 42.1% and 44.2%, respectively, of the September 2019 levels. For the first time since March 2020, Toronto/Lester B. Pearson International was Canada's busiest airport, and Montréal/Pierre Elliott Trudeau International landed in the top 10.

### **43. WestJet and TELUS partner on Trusted Boarding trial**

The WestJet Group on November 25, 2021 announced a significant expansion to its COVID-19 testing program through AZOVA, a leading digital health technology platform, giving guests the confidence to book their holiday travel knowing all their COVID testing requirements are available through a convenient and easy-to-use site at <https://www.azova.com/westjetswoop/>. With AZOVA's app-based program, guests have access to a vast network of approved testing locations across Canada and the majority of WestJet transborder and international destinations. Additionally, AZOVA offers rapid molecular self-administered testing options with video proctoring services that allow for testing and validation certificates. Guests can take these tests from the comfort of home, or in any destination to meet the Government of Canada's pre-entry PCR test requirements AZOVA's COVID-19 testing services meet entry requirements for each destination and enable travellers to take self-administered or in-person tests prior to departure.

### **44. Innovative guest boarding solution showcases the future possibility for touchless and secure boarding options for Canadian travellers**

On Nov. 24, 2021 WestJet, together with TELUS, trialled Trusted Boarding, a touchless process that uses safe and secure facial verification technology to verify travellers' identity prior to boarding a flight. The trial was the first-of-its-kind in Canada and took place at the YYC Calgary International Airport. Trial photos and b-roll are available for download. "The travel experience is evolving to include many touchless processes and WestJet is innovating to ensure our guests' travel journey improves to become more seamless and efficient, while prioritizing safety above all," said Stuart McDonald, Executive Vice-President and Chief Information Officer. "The Trusted Boarding trial is a union between technology and WestJet that would in the future help our agents and our guests with contactless document validation."

### **45. Harry Taylor becomes interim President and CEO of WestJet Group**

The WestJet Group on November 29, 2021 announced that Harry Taylor has officially assumed the role of interim President and Chief Executive Officer (CEO). The WestJet group announced Taylor as the interim President and CEO on September 15, 2021, following news of Ed Sims retirement announced on June 9, 2021. Harry Taylor, interim President and CEO said "I am honoured to take on the interim role of CEO at this pivotal time for the WestJet Group, and am focused on our relentless commitment to safety above all while ensuring continuity for our recovery, as we rebuild our airlines for our guests and our people. By the end of the year, we will return our entire fleet to service for the peak holiday travel season, connecting loved ones and fulfilling long awaited vacations plans. I look forward to leading our organization through this crucial phase of our recovery, while we continue our search for a permanent CEO."

## **WATER TRANSPORTATION**

### **1. Hapag-Lloyd expects four-fold gain in 2021 profit**

Hapag-Lloyd said its 2021 operating profit will be as much as \$4 billion higher than previously forecast due to the large gains in freight rates.

### **2. Maersk reports 68 percent rise in revenue**

The world's biggest shipping company, Denmark's A.P. Moeller-Maersk, reported a sharp rise in earnings amid strong worldwide demand for shipments of goods as the economy bounces back from the coronavirus pandemic. The Copenhagen-based company said revenue grew nearly 68 percent in the third quarter, to a record-high US\$16.6 billion, up from \$9.9 billion in the same three-month period last year. It reported profits of \$5.5 billion, up from \$947 million in the same period last year. "In the ongoing exceptional market situation, with high demand in the U.S. and global disruptions to the supply chains, we continued to increase capacity and expand our offerings to keep cargo moving for our customers," CEO Soren Skou said.

### **3. Transportation Safety Board to probe fire in containers on Zim Kingston**

A team from the Transportation Safety Board has been assigned to investigate the fire that destroyed containers aboard a freighter now moored off the south coast of Vancouver Island. A statement from the board says the team will "gather information and assess the occurrence" aboard the MV Zim Kingston. The fire was reported in a row of containers stacked on the deck of the ship shortly after the vessel was caught in a severe storm on Oct. 22, 2021 near the entrance to Juan de Fuca Strait. That storm also swept 109 other containers into the ocean, where most are still missing, and the few that washed ashore on northern Vancouver Island beaches have left a swath of debris ranging from refrigerators to running shoes. The fire aboard the vessel took about a week to contain.

### **4. The Port of Montreal Joins in Climate Call**

The Montreal Port Authority (MPA) has joined the 200 signatories of the Call to Action for Shipping Decarbonization. Launched by the Getting to Zero Coalition in partnership with the Global Maritime Forum, World Economic Forum and Friends of Ocean Action, this action calls on public and private organizations from the maritime, energy and financial sectors to accelerate the energy transition of international shipping and achieve the goal of zero emissions by 2050. Launched at the recent United Nations General Assembly, the Call to Action for Shipping Decarbonization aims to decarbonize international shipping by 2050 and deploy zero-emission fuels and vessels. The Call to Action was delivered to governments around the world ahead of COP26 in Glasgow, which began on October 31, 2021. Martin Imbleau, president and CEO of the MPA, attended the event.

### **5. Musqueam Indian Band and the Vancouver Fraser Port Authority sign relationship agreement**

As neighbours and partners, Musqueam Indian Band and the Vancouver Fraser Port Authority announce the recent signing of a historic relationship agreement. The agreement creates a framework for a long-term, meaningful relationship between Musqueam and the port authority—one that will advance a strong, shared future marked by mutual respect and reconciliation. On Friday November 5, a signing ceremony was held to witness Musqueam Chief Wayne Sparrow and Vancouver Fraser Port Authority president and CEO Robin Silvester sign the relationship agreement, and celebrate this milestone as partners. "This relationship agreement recognizes Musqueam's ongoing stewardship of our territory. It is another fundamental step towards long-term reconciliation through acknowledgement of Indigenous rights to our lands and waters," said Chief Sparrow. "We are excited to work

## **WATER TRANSPORTATION**

### **Canada**

1. Hapag-Lloyd expects four-fold gain in 2021 profit, November 1, 2021, [www.joc.com](http://www.joc.com)
2. Maersk reports 68 percent rise in revenue, November, 3, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
3. Transportation Safety Board to probe fire in containers on Zim Kingston, November 5, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
4. The Port of Montreal Joins in Climate Call, November 5, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
5. Musqueam Indian Band and the Vancouver Fraser Port Authority sign relationship agreement, November 5, 2021, [www.portofmetrovancover.ca](http://www.portofmetrovancover.ca)
6. Government of Canada marks the fifth anniversary of the Oceans Protection Plan, November 8, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
7. Zim Kingston cleared to enter port, November 9, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
8. Biodiesel powered grain ship sets record, November 10, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
9. US Department of Transportation Announces Action Plan to Accelerate Investments in our Ports, Waterways and Freight Networks, November 9, 2021, [www.dot.gov](http://www.dot.gov)
10. Deltaport expansion impact assessment referred for review, November 10, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
11. Second-busiest October achieved at Port of Long Beach, November 11, 2021, [www.ajot.com](http://www.ajot.com)
12. Port of Rotterdam sees global ship strains lasting through 2022, November 11, 2021, [www.ajot.com](http://www.ajot.com)
13. Most containers that fell from Zim Kingston believed sunk, November 12, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
14. Port of Montreal sets late 2026 as new target date for planned Contrecoeur container terminal, November 12, 2021, [www.ajot.com](http://www.ajot.com)
15. Port of Long Beach Posts Second-Busiest October on Record, November 12, 2021, [www.railwayage.com](http://www.railwayage.com)
16. PRPA invests in community safety through ground search and rescue, November 15, 2021, [www.rupertport.com](http://www.rupertport.com)
17. North Vancouver Mountain Highway underpass improvements complete, and underpass open to port traffic, November 16, 2021, [www.portofmetrovancover.com](http://www.portofmetrovancover.com)
18. Vancouver port stakeholders hope for rail restoration this weekend, November 17, 2021, [www.joc.com](http://www.joc.com)
19. Prince Rupert gateway ready to support disrupted supply chains, November 17, 2021, [www.rupertport.com](http://www.rupertport.com)
20. Another 900,000+ TEU month at Port of Los Angeles, November 18, 2021, [www.ajot.com](http://www.ajot.com)
21. Canada considers tougher GHG rules for shipping, November 23, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
22. Dalhousie University & the Halifax port authority announce research partnership for the pier, November 22, 2021, [www.portofhalifax.ca](http://www.portofhalifax.ca)

collaboratively with the port authority to advance our shared goals for a sustainable future, while also providing training and employment opportunities for our people.”

#### **6. Government of Canada marks the fifth anniversary of the Oceans Protection Plan**

The Minister of Transport and other government officials on November 8, 2021 issued the following statement on the fifth anniversary of Canada’s Oceans Protection Plan: “The health and protection of Canada’s coasts are critical to our environment, to our economy, and to all Canadians. Today, we mark the milestones achieved from the significant investments made towards Canada’s Ocean Protection Plan, first created five years ago. Through these

investments, we’ve built a system for marine protection and emergency preparedness that has exceeded international standards and preserved our coasts and waterways for generations to come. Today, marine shipping in Canada is safer, and our coastal ecosystems better protected than ever before. Canadians can be proud of the progress made to date, including over 50 initiatives that have been launched and are delivering results since 2016, such as: 1. Training hundreds of people to work in the marine industry with a focus on underrepresented groups, such as Indigenous Peoples and women. 2. Opening 6 new and 1 previously closed Canadian Coast Guard stations and updating infrastructure at over 130 marine communications and traffic services sites in remote areas across Canada.

#### **7. Zim Kingston cleared to enter port**

Transport Canada has cleared the way for a cargo ship that’s been moored off the coast of Victoria since several containers caught fire and more than 100 were lost overboard to move to a nearby berth or anchorage, the coast guard said on November 5, 2021. The MV Zim Kingston is permitted to move to either the Nanaimo or Vancouver Fraser port authority, provided its master advises officials 24 hours in advance and follows all regulations and measures to mitigate risk, it said in a statement. Transport Canada lifted an earlier direction for the ship to stay put after a marine safety inspection and reviews of the vessel’s proposed transit plan and the actions that were taken to stabilize damaged and dislodged containers. Those containers are now secure, the department said.

#### **8. Biodiesel powered grain ship sets record**

Canada Steamship Lines (CSL) reached a historic milestone at the Viterra terminal in the Port of Thunder Bay in the first week of November 2021, when it loaded a record-setting 31,362 tonnes of grain on CSL Welland, breaking the previous record of 31,143 metric tonnes. The cargo of wheat will be discharged in Montreal, destined for international markets. The 36,364 DWT Trillium Class bulk carrier is currently running on second-generation biodiesel made from non-food biomass, adding to the significance of this remarkable accomplishment.

#### **9. US Department of Transportation Announces Action Plan to Accelerate Investments in our Ports, Waterways and Freight Networks**

As part of the Administration’s ongoing efforts to address disruptions to the global supply chain, and on the heels of the passage of the President’s Historic Bipartisan Infrastructure Plan, the Biden-Harris Administration on November 9, 2021 announced a Port Action Plan. This plan is a set of concrete steps to accelerate investment in our ports, waterways, and freight networks. These goals and timelines will mobilize federal agencies and lay the foundation for successful implementation of the historic Bipartisan Infrastructure Deal. This action plan will increase federal flexibilities for port grants; accelerate port infrastructure grant awards; announce new construction projects for coastal navigation, inland waterways, and land ports of entry; and launch the first round of expanded port infrastructure grants funded through the Bipartisan Infrastructure Deal.

#### **10. Deltaport expansion impact assessment referred for review**

The impact assessment of the proposed Global Container Terminals (GCT) Deltaport Expansion – Berth Four Project in British Columbia has been referred to an independent review panel. The project would involve the expansion of the existing GCT Deltaport Container Terminal, a container storage and handling facility located in Delta, British Columbia, approximately 35 kilometres south of Vancouver. As proposed, the project would include the addition of a fourth berth on the east side of the Roberts Bank Causeway. It would also include increased land-based container storage and handling facilities, a short sea shipping berth, the expansion of the intermodal rail yard along the causeway, and dredging to provide safe access for ships.

#### **11. Second-busiest October achieved at Port of Long Beach**

Limited capacity at marine terminals hampered imports at the Port of Long Beach last month, although volumes were still strong enough to mark the Port’s second-busiest October amid an ongoing transition to extended operating hours. Dockworkers and terminal operators moved 789,716 twenty-foot equivalent units (TEUs), down 2.1% from the Port’s strongest October on record, achieved in 2020. Imports decreased 4.3% to 385,000 TEUs, while exports increased 6.6% to 122,214 TEUs. Empty containers moved through the Port declined 2.4% to 282,502 TEUs. “Every sector of

23. Port of Virginia Advances Rail Capacity Expansion Project, November 21, 2021, [www.railwavage.com](http://www.railwavage.com)

24. Canada considers tougher GHG rules for shipping, November 24, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

25. Prince Rupert’s marine and dock workers essential to Canada’s reputation for reliability, November 23, 2021, [www.rupertport.com](http://www.rupertport.com)

26. Long Beach gets big boost in vessel, rail capacity, November 24, 2021, [www.joc.com](http://www.joc.com)

27. Key California ports delay container fees as backlogs ease, November 25, 2021, [www.ajot.com](http://www.ajot.com)

the supply chain has reached capacity and it is time for all of us to step up and get these goods delivered,” said Port of Long Beach Executive Director Mario Cordero. “In Long Beach, we are trying to add capacity by searching for vacant land to store containers, expanding the hours of operation at terminals, and implementing a fee that will incentivize ocean carriers to pull their containers out of the Port as soon as possible.” “We are working around the clock at the Port,” said Long Beach Harbor Commission President Steven Neal. “We’re doing everything we can with help from the supply chain to get goods off the ships and onto store shelves in time for the holidays.”

#### **12. Port of Rotterdam sees global ship strains lasting through 2022**

Port of Rotterdam officials said they expect the current difficulties snarling global shipping to extend through next year, barring any unexpected weakening in household demand for goods. “We don’t have a crystal ball, of course, but we don’t see any major changes in the current situation until at least the end of 2022, as long as everybody keeps spending and ordering online,” said Emile Hoogsteden, vice president of commercial at Europe’s largest container port. “Congestion and bottlenecks will last and we have to deal with and work our way through the challenges,” he said. Cargo volumes through Rotterdam this year are higher than in 2019 and “we do expect actually the growth to continue into 2022,” Hoogsteden told a conference call with reporters on November 11, 2021. But that’s slowed the movement of containers through the port—with the average dwell time rising to seven days from four.

#### **13. Most containers that fell from Zim Kingston believed sunk**

The Canadian Coast Guard says it believes that many, if not all, of the 105 missing containers that fell into the sea from a cargo ship off Victoria in late October have sunk. The containers were tossed from the MV Zim Kingston during a storm near the entrance to the Juan de Fuca Strait around the same time a fire broke out on the vessel. The coast guard said in a statement that four containers carrying fridges and running shoes washed ashore on northern Vancouver Island but there was no sign of the others. The agency said it is working with the ship’s owner to determine the next steps and the feasibility of trying to locate the 105 missing containers.

#### **14. Port of Montreal sets late 2026 as new target date for planned Contrecoeur container terminal**

At a technical briefing this week, the Port of Montreal updated the procurement process that national or international consortiums need to follow in seeking to partner with Canada’s second largest maritime gateway in its biggest project in decades: establishing a sixth container terminal. If all goes according to plan, a revised tentative timeline marks the scheduled operational date for late 2026 versus 2025 for the container terminal at Contrecoeur, 25 miles downstream on the St. Lawrence River, where there is already bulk shipping activity. Upon completion, the terminal able to handle 1.15 million TEUs will boost the port’s capacity from 2.1 million TEUs to 3.5 million TEUs. Actual construction would begin in 2023. The facility will be able to accommodate vessels between 39,000 DWT and 75,400 DWT. It will comprise a seven-track classification yard, container storage and handling area, intermodal rail yard, support facilities, rail and road accesses, and truck control area. The undertaking has advanced considerably after earlier this year receiving federal government regulatory approval on environmental mitigation measures. On the crucial financing side, too, things appear well in hand. The project has received \$300 million in financial backing from the Canada Infrastructure Bank and a \$55 million grant from the Quebec government.

#### **15. Port of Long Beach Posts Second-Busiest October on Record**

The Port of Long Beach on Nov. 11, 2021 reported that dockworkers and terminal operators moved 789,716 twenty-foot equivalent units (TEUs) last month, down 2.1% from October 2020, the port’s strongest October on record. Imports fell 4.3% to 385,000 TEUs, and exports rose 6.6% to 122,214 TEUs from the same month last year. Empty containers moving through the port declined 2.4% to 282,502 TEUs vs. October 2020. Through the first 10 months of 2021, the Port of Long Beach hauled 7,884,565 TEUs, up 21% from the same point last year. The port said that it is on pace to move more than 9 million TEUs by year-end, surpassing the current record of 8.1 million TEUs achieved in 2020.

#### **16. PRPA invests in community safety through ground search and rescue**

Prince Rupert Ground Search and Rescue (PRGSAR) is now equipped with a new specialized vehicle that will transform how its volunteers conduct their emergency operations. The non-profit society’s new mobile command centre was made possible through a \$125,300 contribution from the Prince Rupert Port Authority’s (PRPA) Community Investment Fund.

#### **17. North Vancouver Mountain Highway underpass improvements complete, and underpass open to port traffic**

The Vancouver Fraser Port Authority and project partners are pleased to announce the completion and the opening of the upgraded Mountain Highway underpass on Vancouver’s North Shore. This project, led by the Vancouver Fraser Port Authority, in collaboration with Western Stevedoring, the District of North Vancouver, CN and Squamish Nation will enhance the movement of trade-related cargo through Greater Vancouver, while improving mobility and safety, protecting the environment, and alleviating the community impacts of growing trade. The underpass, adjacent to Lynnterm Terminal in the District of North Vancouver, is now open to vehicle traffic. Successfully delivering the Mountain Highway Underpass Project required strong partnerships with government, port terminal partners and local

Indigenous groups. Contributing to new road and rail infrastructure will help ease the impacts of growing trade on local communities, while fulfilling the port authority's federal mandate to enable Canada's trade through the Port of Vancouver.

#### **18. Vancouver port stakeholders hope for rail restoration this weekend**

After severe weather last weekend caused flooding and mudslides, Vancouver port stakeholders hope that rail service can be restored this weekend to the port, a key entry point for US imports.

#### **19. Prince Rupert gateway ready to support disrupted supply chains**

The Prince Rupert Port Authority is fully engaged in supporting the response to the devastating impacts of the flooding in southern British Columbia and is ready to help the communities and supply chains being impacted by it. The Port of Prince Rupert remains fully operational and is not experiencing any impact to port or rail operations related to the extreme weather events in southern British Columbia. The Port of Prince Rupert is one of Canada's critical gateways for supply chains, facilitating \$60 billion in trade annually and is ready to activate its full capacity. A number of terminals within the Port of Prince Rupert currently have the ability to handle additional cargo and are actively engaged with shippers and CN to assist in facilitating the movement of critical goods, supplies and trade.

#### **20. Another 900,000+ TEU month at Port of Los Angeles**

The Port of Los Angeles processed 902,644 Twenty-Foot Equivalent Units (TEUs) in October 2021, a decrease of 8% compared to last year, which was the busiest October on record. Year to date, overall cargo volume has increased 22% compared to 2020. "Amid the array of challenges facing the supply chain, we continue to deliver more cargo than ever," said Port of Los Angeles Executive Director Gene Seroka. "The National Retail Federation is forecasting a record holiday season as many outlets such as Walmart, Target and Home Depot report strong sales. "In recent weeks, clearing our docks of imports and empties has been a top priority," Seroka added. "As a result, we've seen a marked improvement of fluidity on our marine terminals, which allows more vessels to be processed.

#### **21. Canada considers tougher GHG rules for shipping**

Canada is considering an international proposal that would double the ambition of its greenhouse gas emissions targets from shipping – a plan observers say the country seems ready to support. A committee of the International Maritime Organization, which sets the rules for the high seas, is debating a resolution this week that would set a net-zero target for all international shipping by 2050. The current target is to halve emissions by that date.

#### **22. Dalhousie University & the Halifax port authority announce research partnership for the pier**

Recognized for its outstanding quality of research and innovation, Dalhousie University will join "The PIER" at the Seaport. With leading global research in big data, maritime policy, and ocean science, among other fields, Dalhousie will help solve the persistent problems of the supply chain, transportation, and logistics industry with other PIER members. The PIER, short for Port Innovation, Engagement and Research, is a global showcase for sector innovation in transportation, supply chain and logistics located in the historic Halifax Seaport district. Through bringing together a complementary mix of operating partners, innovators, tech companies and researchers, The PIER creates an environment where partners collaborate and innovate to tackle the persistent industry problems that no one party can solve. The PIER will open its doors on November 25, 2021.

#### **23. Port of Virginia Advances Rail Capacity Expansion Project**

The Port of Virginia by 2023 will double the size of the Central Rail Yard at Norfolk International Terminals (NIT), allowing the port to handle 1.1 million containers per year via rail. The Virginia Port Authority (VPA) Board of Commissioners on Nov. 16, 2021 approved Allan Myers Virginia Inc.'s \$61.5 million construction bid. The contractor will begin expanding the port's double-stack, on-dock rail operation in February 2022. The Board also approved an \$18 million contract with Konecranes for up to three cantilever rail-mounted gantry cranes and associated support systems. When complete, NIT's Central Rail Yard will be able to accommodate 610,000 annual container lifts; NIT's current lift capacity is 350,000.

#### **24. Canada considers tougher GHG rules for shipping**

Canada is considering an international proposal that would double the ambition of its greenhouse gas emissions targets from shipping – a plan observers say the country seems ready to support. A committee of the International Maritime Organization, which sets the rules for the high seas, is debating a resolution this week that would set a net-zero target for all international shipping by 2050. The current target is to halve emissions by that date. On November 19, 2021, Transport Canada officials briefed stakeholders on the positions its representatives would take at the meeting. "In that stakeholder discussion, Canada said it would be supporting the resolution," said Andrew Dumbrille of the World Wildlife Fund, who was in the briefing.

#### **25. Prince Rupert's marine and dock workers essential to Canada's reputation for reliability**

Port of Prince Rupert workforce has far-reaching impact across northern B.C. and beyond. Supply chain congestion issues have made headlines around the world in recent weeks, but the problems plaguing many trade gateways on the West Coast are not an issue at the Port of Prince Rupert. That resiliency is due in large part to the commitment of the

thousands of longshore and terminal workers who handle cargo, and the marine workforce that supports the safe transit of ships.

#### **26. Long Beach gets big boost in vessel, rail capacity**

The Port of Long Beach will increase its annual throughput capacity by 1 million TEU in December 2021 when Long Beach Container Terminal opens a third vessel berth.

#### **27. Key California ports delay container fees as backlogs ease**

California's ports of Los Angeles and Long Beach delayed charging fines on containers that sit on the docks for too long for a second time this month, arguing the threat alone is helping clear lingering boxes from space-constrained terminals. The plan to charge carriers at least \$100 daily for each container waiting nine days or more for trucks to pick them up was put on hold until Nov. 29, when a decision on whether to charge the penalties will be reassessed, the ports said in a statement. The build-up of cargo at the main U.S. gateway for imports from China is contributing to goods shortages and price increases ahead of the holiday shopping season. Strained supply chains have become an economic drag on the world's largest economy and a political risk for President Joe Biden as the disruptions put upward pressure on inflation. The so-called dwell time for containers awaiting pickup by trucks at the U.S.'s two largest ports climbed to a record 7.64 days in October. Since the hubs first announced the fee on Oct. 25, 2021 they've seen the number of containers awaiting collection fall by one-third. At Los Angeles, the number of idle containers was down 38% overall by November 23, 2021, with the tally of boxes waiting nine or more days 53% lower. The ports originally planned to start collecting the penalties on Nov. 15, then postponed that to Nov. 22, 2021.

### **RAIL TRANSPORTATION**

#### **1. Freight Rail Services Price Index, October 2021**

The Freight Rail Services Price Index (2018=100) is now available for October 2021 from Statistics Canada. The index was 109.8 in October 2021 rising from 108.9 in September 2021.

#### **2. Canadian Pacific and Kansas City Southern File Merger Application with STB to Create Only Single-Line Rail Network Linking U.S.-Mexico-Canada**

Canadian Pacific Railway Limited ("CP") and Kansas City Southern ("KCS") on October 29, 2021 announced they have jointly filed a railroad control application with the Surface Transportation Board ("STB") regarding the proposed transaction to create Canadian Pacific Kansas City ("CPKC"), the only single-line railroad linking the United States, Mexico and Canada. Keith Creel, CP President and Chief Executive Officer said "We are excited to file our joint application for this unique, pro-competitive combination and once-in-a-lifetime partnership."

#### **3. Third quarter intermodal volumes drop after year of growth**

Total intermodal volumes fell 2.9 percent year-over-year in the third quarter of 2021, according to the Intermodal Association of North America's Intermodal Quarterly report. International containers gained a slight 0.9 percent from 2020; domestic shipments, on the other hand, lost 5.7 percent; and trailers, 11.2 percent. "Despite the various headlines on supply chain disruptions, the third quarter volume loss was small relative to the size of this year's earlier gains and in comparison to the previous 15 months of continuous gains," said Joni Casey, president and CEO of IANA. The seven highest-density trade corridors, which collectively handled more than 60 percent of total volume, showed mixed results in the third quarter. The Southeast-Southwest was up 9.2 percent, followed by the Midwest-Northwest at 6.8 percent and the Trans-Canada at 6.7 percent. The South Central-Southwest tumbled 8.7 percent; the Intra-Southeast posted a 4.6 percent loss; and the Midwest-Southwest dropped 3.1 percent. The Northeast-Midwest came in at 1.7 percent to the negative.

#### **4. Canadian Pacific expands Hydrogen Locomotive Program to include additional locomotives, fueling stations with Emissions Reduction Alberta grant**

### **RAIL TRANSPORTATION**

#### **Canada**

1. Freight Rail Services Price Index, October 2021, October 29, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Canadian Pacific and Kansas City Southern File Merger Application with STB to Create Only Single-Line Rail Network Linking U.S.-Mexico-Canada, October 29, 2021, [www.cpr.ca](http://www.cpr.ca)
3. Third quarter intermodal volumes drop after year of growth, October 29, 2021, [www.ajot.com](http://www.ajot.com)
4. Canadian Pacific expands Hydrogen Locomotive Program to include additional locomotives, fueling stations with Emissions Reduction Alberta grant, November 1, 2021, [www.cpr.ca](http://www.cpr.ca)
5. CP Got Greener in 2020, November 1, 2021, [www.railwayage.com](http://www.railwayage.com)
6. CN and Progress Rail Advance Sustainability Efforts with a Renewable Fuels Partnership, November 2, 2021, [www.cn.ca](http://www.cn.ca)
7. CP awards 2020-2021 Elevators of the Year to G3 Pasqua and CHS Northland Grain Hazel, November 3, 2021, [www.cpr.ca](http://www.cpr.ca)
8. CP, KCS Set Shareholder Meetings for Merger Vote, November 3, 2021, [www.railwayage.com](http://www.railwayage.com)
9. AAR: Rails Feeling Supply Chain Challenges 'Most Keenly' in Terminals, November 3, 2021, [www.railwayage.com](http://www.railwayage.com)
10. CN Orders Wabtec FLXdrive, November 4, 2021, [www.railwayage.com](http://www.railwayage.com)
11. The Government of Canada provides an update on the progress of the Lac-Mégantic Bypass Project, November 5, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
12. VIA rail's second frequency of the ocean to begin December 8, November 8, 2021, [www.viarail.ca](http://www.viarail.ca)
13. BNSF's Third Quarter 2021 Financial Performance: Volumes, Revenues and Expenses Statement of Income, November 8, 2021, [www.bnsf.com](http://www.bnsf.com)
14. VIA rail and the prescott-russell recreational trail corporation sign an agreement to secure the

Canadian Pacific (CP) will dramatically expand the scope of its pioneering Hydrogen Locomotive Program with a \$15 million grant announced by Emissions Reduction Alberta (ERA) on November 1, 2021. The grant enables CP to increase the number of hydrogen locomotive conversions in the project from one to three and add hydrogen production and fueling facilities. The program will create a global centre of excellence in hydrogen and freight rail systems in Alberta. Keith Creel, CP's President and Chief Executive Officer said "In expanding this groundbreaking project, CP is demonstrating its commitment to combatting climate change through transformative technology."

#### **5. CP Got Greener in 2020**

CP published its Sustainability Report on November 1, 2021, outlining the achievements they have realized on their journey to be sustainably driven," said Keith Creel, CP President and Chief Executive Officer. "CP is continually looking for impactful ways to incorporate sustainability into all aspects of our business and maintain our position as a sustainability leader in the rail industry." CP noted the following sustainability achievements: 1) In the Safety category, CP finished 2020 with its lowest ever Federal Railroad Administration (FRA)-reportable personal injury frequency rate. Personal injuries were down 22% from 2019, with a frequency rate of 1.11 per 200,000 employee-hours. 2) CP led the North American Class I railroads in the lowest FRA-reportable train accident frequency rate for the 15th consecutive year. 3) In 2020, CP invested \$1.67 billion into the railway to further enhance network capacity and improve performance and safety.

#### **6. CN and Progress Rail Advance Sustainability Efforts with a Renewable Fuels Partnership**

Canadian National Railway Company (CN) and Progress Rail, a Caterpillar Company are partnering with Renewable Energy Group (REG) to test high-level renewable fuel blends including both biodiesel and renewable diesel in support of the companies' sustainability goals. Trials and qualifications of up to 100% bio-based diesel fuel are important steps in reducing greenhouse gas (GHG) emissions from CN's existing locomotive fleet, while alternative propulsion locomotive technologies are being developed. This program will allow CN and Progress Rail to better understand the long-term durability and operational impacts of renewable fuels on locomotives, especially in cold weather and plan needed modifications to fully leverage their usage over the next decade.

#### **7. CP awards 2020-2021 Elevators of the Year to G3 Pasqua and CHS Northland Grain Hazel**

Canadian Pacific (CP) is proud to announce CP's Elevators of the Year: G3 Pasqua (Canada) and CHS Northland Grain Hazel. CP presents this award annually to the grain elevators that achieve high volumes from a single loading point while consistently demonstrating efficient railcar loading and a strong commitment to safety.

#### **8. CP, KCS Set Shareholder Meetings for Merger Vote**

Canadian Pacific (CP) and Kansas City Southern (KCS) shareholders will have an opportunity to vote on the CP-KCS combination next month. CP and KCS will hold virtual shareholder meetings on Dec. 8 at 11 a.m. ET and Dec. 10 at 10 a.m. ET, respectively, the railroads reported in separate announcements on Nov. 3, 2021.

#### **9. AAR: Rails Feeling Supply Chain Challenges 'Most Keenly' in Terminals**

"The shortages of dray trucks, drivers and warehouse space [at terminals] are significant constraints that drove intermodal volumes down in October," AAR Senior Vice President John T. Gray noted in the association's Nov. 3, 2021 rail traffic report, which found that container and trailer volume fell 7.9% from October 2020. According to the Association of American Railroads' (AAR) report, U.S. Class I railroads moved 1,077,515 containers and trailers in October 2021, dropping 7.9% (or 92,400 units) from the same month last year; and 947,013 carloads in October 2021,

future of the rail, November 9, 2021, [www.viarail.ca](http://www.viarail.ca)

15. AAR: North American Rail Volume Up 6.5% Through 44 Weeks, November 10, 2021, [www.railwayage.com](http://www.railwayage.com)

16. Port traffic propels rail workforce across northern B.C. transportation corridor, November 8, 2021, [www.rupertport.com](http://www.rupertport.com)

17. CN Signs the "Business Ambition for 1.5°C" and Joins the "Race To Zero" Campaign, November 12, 2021, [www.cn.ca](http://www.cn.ca)

18. CP recognized for continued sustainability leadership, again named to 2021 Dow Jones Sustainability North America Index November 15, 2021, [www.cpr.ca](http://www.cpr.ca)

19. STB to Consider Environmental Impacts of CP-KCS Merger, November 12, 2021, [www.railwayage.com](http://www.railwayage.com)

20. Heavy rains, mudslides cause railway service disruptions in B.C., November 16, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

21. PNR RailWorks Improving Toronto's Rail Network Through Metrolinx Partnership, November 1, 2021, [www.railwayage.com](http://www.railwayage.com)

22. Canadian Pacific announces US\$6.7 billion debt offering in the United States, November 17, 2021, [www.cpr.ca](http://www.cpr.ca)

23. Canadian Pacific announces C\$2.2 billion debt offering in Canada, November 17, 2021, [www.cpr.ca](http://www.cpr.ca)

24. CN Recognized for Sustainability Leadership and Listed on the Dow Jones Sustainability World Index for 10th Straight Year, November 17, 2021, [www.cn.ca](http://www.cn.ca)

25. Week 45: Intermodal Takes Another Hit, November 17, 2021, [www.railwayage.com](http://www.railwayage.com)

26. CP update on B.C. service interruption, November 19, 2021, [www.cpr.ca](http://www.cpr.ca)

27. CP plans Tuesday restart of Vancouver rail, November 22, 2021, [www.joc.com](http://www.joc.com)

28. CP reopening rail link to Vancouver, November 23, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

29. Surface Transportation Board accepts CP-KCS merger application as complete, sets procedural schedule, November 23, 2021, [www.cpr.ca](http://www.cpr.ca)

30. Class I Briefs: CN, CP, CSX, UP, November 23, 2021, [www.railwayage.com](http://www.railwayage.com)

31. Rail traffic for the week ending November 20, 2021, November 24, 2021, [www.ajot.com](http://www.ajot.com)

32. Canadian Pacific and Kansas City Southern Merger Proposal Receives Required Mexican Regulatory Approvals, November 26, 2021, [www.cpr.ca](http://www.cpr.ca)

33. STB to NS: Address Performance, Shipper Complaints (Updated), November 24, 2021, [www.railwayage.com](http://www.railwayage.com)

rising 3.8% (or 34,510 carloads). Total U.S. carload and intermodal originations for the month were 2,024,528, down 2.8% (or 57,890 carloads and intermodal units) from October 2020. Canadian railroads reported 79,459 carloads for the week, a 3.3% rise, and 69,710 intermodal units, a 14.1% drop-off compared with the same week in 2020. For the first 43 weeks of 2021, they reported cumulative rail traffic volume of 6,377,405 carloads, containers and trailers, up 3.9%.

#### **10. CN Orders Wabtec FLXdrive**

CN is buying a Wabtec FLXdrive battery-electric locomotive for use on its Bessemer & Lake Erie Railroad (B&LE) in Pennsylvania. The purchase of Wabtec's FLXdrive, described as "the world's first 100% battery, heavy-haul locomotive," advances CN's sustainability goals, the Class I railroad reported on Nov. 4, 2021. And it is being supported by the Pennsylvania Department of Environmental Protection, which has awarded \$2.9 million to B&LE under the Marine and Rail Freight Movers Grant Program.

#### **11. The Government of Canada provides an update on the progress of the Lac-Mégantic Bypass Project**

On November 5, 2021, the Honourable Omar Alghabra, Minister of Transport, wishes to inform the citizens of the communities of Lac-Mégantic, Nantes and Frontenac of the project's significant progress in recent months. A number of steps have recently been achieved, including: 1) An office was recently opened in Lac-Mégantic to facilitate discussions with the owners and assist them during the negotiation process as part of the land acquisition. Owners can, by appointment, meet there with Government of Canada officials. 2) The submitting of the first offers to purchase the land has begun, thus initiating the mutual negotiations with the owners. Offers will continue to be submitted gradually over the coming weeks. 3) A number of studies were completed in recent weeks, including those on soil and water quality, vehicle traffic, and archaeology. The data obtained will help advance the plans and specifications under development. 4) The plans and specifications reached the 30% progress mark and were submitted to the Canadian Transportation Agency in order to initiate the project approval process. 5) A number of other studies and works are underway to incorporate the identified environmental protection measures into the project. This way, data will be obtained on noise levels, private drinking water sources, and fish habitat.

#### **12. VIA rail's second frequency of the ocean to begin December 8**

The next phase of VIA Rail Canada's gradual service resumption will see the return of the Ocean's second frequency starting on December 8, 2021. VIA Rail has confirmed all details with the infrastructure owner and is pleased to bring back this second frequency which will provide travellers with more choices on this popular route.

#### **13. BNSF's Third Quarter 2021 Financial Performance: Volumes, Revenues and Expenses Statement of Income**

Volumes and Revenues Operating income for BNSF's third quarter and first nine months of 2021 was \$2.3 billion and \$6.4 billion, respectively, increases of \$251 million (12%) and \$805 million (14%) compared to the same periods in 2020 (all \$ numbers are US \$). Operating ratios were 59.5% and 61.2% for the third quarter and first nine months, respectively, improvements of 0.2% and 0.9% compared to the same periods in 2020. Net income rose 14% to \$1,538 million from \$1,347 million for the third quarter of 2021 and 17% for the first nine months. Total revenues for the third quarter and first nine months of 2021 increased 12% in each period compared with the same periods in 2020, reflecting higher volumes of 4% in the third quarter and 11% in the first nine months. The average revenue per car/unit increased 5% for the third quarter and was essentially unchanged for the first nine months of 2021 when compared to the corresponding periods in 2020. Higher rates per car/unit and increased fuel surcharges principally from higher fuel prices were offset by business mix changes. Revenue changes were driven by continued improvements from the 2020 effects of the COVID-19 pandemic, partially offset by the ongoing disruptions in the global supply chain, as well as the following:

#### **14. VIA rail and the prescott-russell recreational trail corporation sign an agreement to secure the future of the trail**

In a bid to ensure that users and the community can keep enjoying the Prescott-Russell Recreational Trail well into the future, VIA Rail Canada (VIA Rail) and the Prescott-Russell Recreational Trail Corporation (the Corporation) are announcing an agreement in principle under which the Corporation will acquire the Trail's infrastructure. In transferring ownership of the land from its former "M&O Subdivision" (Montreal and Ottawa) to the community, VIA Rail is proud to support this popular hiking, biking and snowmobiling spot and ensure that it can be enjoyed by generations to come.

#### **15. AAR: North American Rail Volume Up 6.5% Through 44 Weeks**

The Association of American Railroads now has 44 weeks of rail traffic data for 2021 (ending Nov. 6, 2021). Total carload and intermodal traffic grew 6.5% in North America—rising 7.5% in the U.S., 3.7% in Canada, and 4.0% in Mexico from the same point last year. This is a decline from the first 40 weeks of 2021 (ending Oct. 9), when total traffic (carload and intermodal) climbed 7.6% in North America—up 8.7% in the U.S., 4.7% in Canada, and 4.1% in Mexico vs. 2020. For the week ending Nov. 6, 2021, total U.S. weekly rail traffic came in at 504,111 carloads and intermodal units, down 3.5% compared with the same week in 2020, AAR reported on Nov. 10, 2021. U.S. Class I railroads moved 235,585 carloads, increasing 3.1% from the prior-year period; and 268,526 containers and trailers,

dropping 8.6% compared with last year. Intermodal volume has been down for 14 consecutive weeks. Canadian railroads reported 79,368 carloads for the week, a 0.8% increase, and 73,447 intermodal units, a 5.6% decline compared with the same week in 2020. For the first 44 weeks of 2021, they reported cumulative rail traffic volume of 6,530,220 carloads, containers and trailers, a 3.7% boost.

#### **16. Port traffic propels rail workforce across northern B.C. transportation corridor**

The transportation corridor that connects northern B.C. communities to the Port of Prince Rupert is vital to the economic well-being of the region. Rail and trucking account for 1,680 of the 3,700 jobs that directly contribute to trade through Canada's third largest port, helping Western Canadian products reach consumers around the globe. Rail offers one of the safest and most efficient ways to transport cargo through northern B.C. to and from the marine terminals at the Port. From containers and grain cars to bulk liquids and wood pellets, there is a diverse range of goods that move through the rail corridor, helping generate \$1.5 billion in economic activity for communities in the region.

#### **17. CN Signs the "Business Ambition for 1.5°C" and Joins the "Race To Zero" Campaign**

CN is proud to announce its commitment to setting a target in line with a 1.5°C scenario and to achieving net-zero carbon emissions by 2050. By doing so, CN is the first North American railroad to formally commit to having a net-zero target by joining the Business Ambition for 1.5°C and the United Nations' Race To Zero campaign. After announcing important partnerships related to renewable fuels testing and the purchase of a battery-electric locomotive for a joint pilot last week, the Company continues to take meaningful steps towards reducing overall emissions and minimizing the impact of its operations.

#### **18. CP recognized for continued sustainability leadership, again named to 2021 Dow Jones Sustainability North America Index**

Canadian Pacific is proud to announce that it has been named to the Dow Jones Sustainability North America Index (DJSI North America) for 2021. This marks the second consecutive year CP has been listed on the DJSI North America. The index comprises sustainability leaders representing the top 20 percent of the largest 600 North American companies evaluated by S&P Global, selected from a record number of participants in 2021. Performance is measured through the Corporate Sustainability Assessment, a comprehensive evaluation of economic, environmental and social criteria. Keith Creel, CP President and Chief Executive Officer said "We are proud that DJSI is recognizing CP's commitment to being a sustainability leader in the transportation sector."

#### **19. STB to Consider Environmental Impacts of CP-KCS Merger**

The Surface Transportation Board (STB) will assess environmental impacts of the proposed Canadian Pacific (CP)-Kansas City Southern (KCS) merger; it's expected that the environmental review process will wrap up by fall 2022.

#### **20. Heavy rains, mudslides cause railway service disruptions in B.C.**

Canada's two largest railways expect it will take another couple of days before their main lines in southern British Columbia reopen after service was cut by torrential rain, rock slides and mudslides that caused at least one partial derailment. Montreal-based Canadian National Railway Co. says it is experiencing mudslides and washouts near Yale, B.C. and one partial derailment on a CP-owned track. CN chief operating officer Rob Reilly said heavy rain made the tracks impassable. "We've had the railroad out of service getting to Vancouver since Sunday [November 14, 2021] afternoon. Quite frankly, we'll probably be out a couple more days," he told a transportation conference.

#### **21. PNR RailWorks Improving Toronto's Rail Network Through Metrolinx Partnership**

PNR RailWorks, Canada's largest and most experienced rail infrastructure solutions provider is making an impact on Greater Toronto's rail transportation network through its longstanding partnership with Metrolinx. For more than 10 years, PNR has performed track and transit services for Metrolinx, Ontario's leading transportation authority. The foundation of the PNR-Metrolinx partnership is a continual inspection and maintenance program. Along 520 km of track and 7 corridors, PNR crews perform daily routine inspection and maintenance services focused on track and signals & communications. By identifying and repairing issues along the route, the PNR team aims to fix problems that could lead to malfunctions, delays, or worse—accidents.

#### **22. Canadian Pacific announces US\$6.7 billion debt offering in the United States**

Canadian Pacific Railway Limited announces that its wholly-owned subsidiary, Canadian Pacific Railway Company, is issuing US\$1.5 billion of 1.350% Notes due 2024, US\$1.0 billion of 1.750% Notes due 2026, US\$1.4 billion of 2.450% Notes due 2031, US\$1.0 billion of 3.000% Notes due 2041 and US\$1.8 billion of 3.100% Notes due 2051, which will be guaranteed by CP (the "U.S. offering"). The U.S. offering is expected to close on December 2, 2021, subject to the satisfaction of customary closing conditions.

#### **23. Canadian Pacific announces C\$2.2 billion debt offering in Canada**

Canadian Pacific Railway Limited announces that its wholly-owned subsidiary, Canadian Pacific Railway Company, is issuing C\$1.0 billion of 1.589% Notes due 2023 and C\$1.2 billion of 2.540% Notes due 2028, which will be guaranteed by CP (the "Canadian offering"). The Canadian offering is expected to close on November 24, 2021, subject to the satisfaction of customary closing conditions. The net proceeds from the Canadian offering will be used to indirectly

fund in part the cash consideration required for the acquisition of common stock and preferred stock of Kansas City Southern ("KCS") in connection with the previously announced transaction between CP and KCS.

#### **24. CN Recognized for Sustainability Leadership and Listed on the Dow Jones Sustainability World Index for 10th Straight Year**

CN is pleased to announce that it has, for the 10th year in a row, earned a place on the prestigious Dow Jones Sustainability World Index. This also marks the 13th consecutive year that CN has been listed on the DJSI North America Index.

#### **25. Week 45: Intermodal Takes Another Hit**

U.S. rail traffic for the week ending Nov. 13, 2021 continued to suffer, as a near-10% drop in intermodal loadings canceled out a small carload gain, the Association of American Railroads (AAR) reported Nov. 17, 2021. Week 45 U.S. freight rail traffic was 502,613 carloads and intermodal units, down 4.7% compared with the same 2020 week. Total carloads were 235,867, up 1.7%, while U.S. weekly intermodal volume was 266,746 containers and trailers, down 9.7% compared to 2020. Canadian railroads reported 77,772 carloads for the week, down 2.7%, and 70,295 intermodal units, down 9% compared with the same week in 2020. For the first 45 weeks of 2021, Canadian railroads reported cumulative rail traffic volume of 6,678,287 carloads, containers and trailers, up 3.5%.

#### **26. CP update on B.C. service interruption**

Work to repair damaged infrastructure and restore service to the CP corridor between Kamloops and Vancouver continues around the clock. Progress is being made with approximately 20 separate sections of track across this region already cleared or repaired. Work will continue through the weekend and, barring any unforeseen issues, we currently estimate service will be restored mid-week.

#### **27. CP plans Tuesday restart of Vancouver rail**

Canadian Pacific said it expects intermodal service to and from Canada's largest port will resume sooner than expected after it works to complete flood-related repairs.

#### **28. CP reopening rail link to Vancouver**

Canadian Pacific said on November 22, 2021 that it will reopen its railway between Kamloops, B.C. and Vancouver by mid-day Nov. 23, 2021. Railway crews have worked around the clock after the Nov. 14, 2021 atmospheric river rain storm in British Columbia, where nearly 200 millimetres of rain fell over two days in some locations. Repair work underway at Tank Hill near Lytton, B.C. CP is facilitating the reconstruction of the grade for the railway infrastructure and also the Trans Canada Highway at this location. Thirty locations across CP's Thompson and Cascade subdivisions were damaged with 20 resulting in significant loss of infrastructure.

CP reopening rail link to Vancouver, November 23, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

#### **29. Surface Transportation Board accepts CP-KCS merger application as complete, sets procedural schedule**

Canadian Pacific Railway Limited and Kansas City Southern ("KCS") on November 23, 2021 announced that the Surface Transportation Board ("STB") has accepted the joint CP-KCS merger application as complete. "We are pleased that the Board has accepted our comprehensive joint application and declared it complete," said Keith Creel, CP President and Chief Executive Officer. "We look forward to moving forward with a robust regulatory review of this historic combination that will add capacity to the U.S. rail network, create new competitive transportation options, support North American economic growth, and deliver other important benefits to customers, employees, and the environment."

#### **30. Class I Briefs: CN, CP, CSX, UP**

CN has been added to Dow Jones Sustainability Index (DJSI) North America and DJSI World for 2021. In addition, Canadian Pacific (CP) is joining forces with Canadian Music Hall-of-Famer Steven Page and The Strumbellas to fight hunger; CSX has earned a National Defense Transportation Association service award; and Union Pacific (UP) has launched a Business Resource Group focused on the environment.

#### **31. Rail traffic for the week ending November 20, 2021**

The Association of American Railroads (AAR) on November 24, 2021 reported U.S. rail traffic for the week ending November 20, 2021. For this week, total U.S. weekly rail traffic was 508,309 carloads and intermodal units, down 4.9 percent compared with the same week last year. Total carloads for the week ending November 20 were 237,244 carloads, up 1.6 percent compared with the same week in 2020, while U.S. weekly intermodal volume was 271,065 containers and trailers, down 10 percent compared to 2020. Canadian railroads reported 73,037 carloads for the week, down 12 percent, and 52,947 intermodal units, down 32.7 percent compared with the same week in 2020. For the first 46 weeks of 2021, Canadian railroads reported cumulative rail traffic volume of 6,804,271 carloads, containers and trailers, up 2.8 percent.

#### **32. Canadian Pacific and Kansas City Southern Merger Proposal Receives Required Mexican Regulatory Approvals**

Canadian Pacific Railway Limited ("CP") and Kansas City Southern ("KCS") on November 26, 2021 announced that

they have received the required regulatory pre-transaction control approvals from the Mexican Federal Economic Competition Commission ("COFECE") and the Mexican Federal Telecommunications Institute ("IFT") for the previously announced proposed combination of KCS and CP.

### **33. STB to NS: Address Performance, Shipper Complaints (Updated)**

The Surface Transportation Board (STB) is calling on Norfolk Southern (NS) to address the deterioration of “key operating metrics” over the past several weeks and the increasing number of customer complaints to STB about the Class I railroad’s “poor performance.” In a Nov. 23 letter submitted to NS Chairman, President and CEO James A. Squires, STB Chairman Martin J. Oberman wrote that NS’s recent key operating metrics “are hovering far below 2019 comparables.” For the second reporting week of November 2021 vs. the same period in 2019, he noted a “marked decline” in average train speed for manifest service. This, he wrote, is “particularly troubling given the focus on the manifest network in NSR’s [NS’s] precision scheduled railroading operating model.” He also noted an increase in average system dwell time and in average number of manifest trains holding per day.

## **HIGHWAY TRANSPORTATION**

### **1. CTA raises alarm about vaccine mandate, Metrolinx cancels buses**

Canada’s largest trucking association continues to raise concerns about the timing of a Covid-19 vaccine mandate that will apply to border-crossing truck drivers beginning in January 2022. The Canadian Trucking Alliance (CTA) highlighted the existing truck driver shortage and current vaccination rates in a related statement on November 1, 2021, as U.S. Customs and Border Protection reiterated its plans to enforce the rule. It was the same day Metrolinx canceled scheduled bus trips because of staff shortages linked to a new vaccine mandate at the agency that manages transit services in the Greater Toronto and Hamilton Area.

### **2. Ontario to require ELDs for provincially regulated carriers**

Ontario plans to mandate electronic logging devices (ELDs) for inter- and intra-provincial carriers effective June 12, 2022, building on a mandate that already applies to federally regulated carriers. “This will provide consistency and help level the playing field for all carriers regardless of where the carrier operates,” the Ontario Ministry of Transportation says in a related notice. While federally regulated carriers – those that cross provincial borders – are already mandated to use such devices, enforcement was deferred until that date, in part because no ELDs were certified. The mandate itself became effective this June.

### **3. Transborder freight on the rise**

Trucks moved US \$30.6 billion in freight across the Canada-U.S. border in August 2021, accounting for 54.1% of all freight to cross the 49th parallel, the U.S. Bureau of Transportation Statistics reports. Freight moved by all transportation modes – including truck, rail, pipeline, air and vessel — was valued at US \$56.8 billion, up 21.9% over August 2020.

### **4. September 2021 Freight Transportation Services Index (TSI)**

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 1.3% in September 2021 from August 2021, rising after 4 consecutive months of decline, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS). From September 2020 to September 2021, the index rose 2.4 percent compared to a decline of 4.2 percent from September 2019 to September 2020 and a decline of 0.1 percent from September 2018 to September 2019.

### **5. Lion Electric’s order book swells, but supply chain challenges limit production**

## **HIGHWAY TRANSPORTATION Canada**

1. CTA raises alarm about vaccine mandate, Metrolinx cancels buses, November 1, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
2. Ontario to require ELDs for provincially regulated carriers, November 4, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
3. Transborder freight on the rise, November 5, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
4. September 2021 Freight Transportation Services Index (TSI), November 10, 2021, [www.bts.gov](http://www.bts.gov)
5. Lion Electric’s order book swells, but supply chain challenges limit production, November 11, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
6. Companies claim extortion as drivers protest unpaid wages, November 11, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
7. Ontario to build Highway 413, November 12, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
8. Metro to automate existing DCs, November 15, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
9. Legault bets on Quebec-designed electric trucks, Nov. 15, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
10. Flooding shuts B.C. highways, November 16, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
11. Minister of Transport issues statement on the Canadian National Day of Remembrance for Road Crash Victims, November 17, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Hydrogen powered courier fleet launches in BC, November 17, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
13. Premier Ford wants 400,000 EVs built in Ontario by 2030, November 18, 2021, [www.nationalpost.ca](http://www.nationalpost.ca)
14. More loads, fewer trucks available in Canada’s spot market in October, November 17, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
15. Transport links remain blocked as BC declares state of emergency, November 18, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
16. TCA upbeat about 2022, November 18, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
17. Ontario Moves Forward with Highway 17 Twinning in Kenora, November 19, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
18. North American Transborder Freight

Lion Electric delivered another 40 vehicles in the 2021 third quarter, and earned revenue of \$11.9 million – a \$9.3 million jump from the same quarter a year ago. The Quebec-based electric truck and bus maker says it now has more than 450 vehicles on the road with more than 8 million miles driven. Its order book includes 2,024 electric vehicles, including 261 trucks, with a combined order value of about \$500 million.

#### **6. Companies claim extortion as drivers protest unpaid wages**

Officials of a trucking company that saw former drivers protest unpaid wages outside its premises in the Peel Region in the Greater Toronto Area recently, say they are being targeted and threatened in a bid to squeeze cash from them. Tony Sandhu, president and Pawel Sandhu, CEO of Cargo County based in Mississauga, Ont. said former drivers who signed contracts and were hired as independent contractors have filed cases in labor court claiming they were employees, demanding payment for stat holidays and overtime, among other things.

#### **7. Ontario to build Highway 413**

The Ontario government is moving forward with building Highway 413, a new 400-series highway and transit corridor across Halton, Peel and York regions. The corridor will extend from Highway 400 in the east to the Highway 401/407 express toll route (ETR) interchange area in the west and will include a four-to-six-lane 400 series highway, separate infrastructure dedicated for transit and passenger stations, and intelligent transportation and truck parking. By 2031, the overall traffic on this route is expected to exceed 300,000 vehicle trips per day while cutting commute times by up to 30 minutes for someone travelling the full length of the route when compared to the time it would take via Highways 401 and 400.

#### **8. Metro to automate existing DCs**

Metro Supply Chain is spending more than \$100 million to install automated systems in several of its fulfillment facilities. The first facility being outfitted is a 285,000-square-foot state-of-the-art building in Bolton,

Ontario, dedicated to the apparel and footwear sector. “As real estate and labour costs continue to rise, and consumer demand wildly fluctuates in today’s complex, e-commerce-driven environment, businesses require an innovative strategy that boosts their time to market, delivers cost certainty and predictability, and builds capacity for future growth,” explains Martin Graham, group president of Metro Supply Chain. Following an extensive review, Metro Supply Chain selected AutoStore for its first facility. Its cube storage and order fulfillment system uses warehouse robots to quadruple storage capacity, offer fast access to inventory, and reduce energy consumption.

#### **9. Legault bets on Quebec-designed electric trucks**

Lion Electric president Marc Bedard said at the unveiling of his company’s financial results on November 10, 2021 that he wanted to “maintain the advantage of being the first in the market.” Those words now seem prophetic as Quebec Premier François Legault announced on November 12, 2021 that he believes “support for the development of the industry will be achieved by integrating Quebec-designed electric trucks into the government fleet.” This passage is taken from Legault’s document, *An Ambitious Economic Vision – A Quebec that Wins*, which was tabled at noon on November 12, 2021 and is presumably paving the way for the 2022 provincial election campaign.

#### **10. Flooding shuts B.C. highways**

Conditions have continued to deteriorate in B.C. due to heavy flooding, with more roads being heavily damaged and closed overnight. Reports indicate Vancouver has now been cut off from the rest of Canada by road, a news release from the Private Motor Truck Council of Canada said. Highway 1 in the Fraser Valley was closed in both directions as of 7 p.m. Monday, [15 November 2021] a government news release said. The highway closure is between Highway 11 and No. 3 Road and is necessary due to the flood warning on the Sumas River. Highway 7 also remains closed due to flooding and debris.

#### **11. Minister of Transport issues statement on the Canadian National Day of Remembrance for Road Crash Victims**

The Minister of Transport, the Honourable Omar Alghabra, issued this statement on the Canadian National Day of Remembrance for Road Crash Victims: “Today is the Canadian National Day of Remembrance for Road Crash Victims. A day to think about what we must all do to make Canada’s highways and roads safer. “In Canada, there are approximately 1,900 road fatalities and 150,000 injuries each year. These statistics represent lives that were cut short,

Decreases 3.4% in September 2021 from August 2021, Up 7.7% since Pre-Pandemic September 2019, November 19, 2021, [www.bts.gov](http://www.bts.gov)

19. U.S. Secretary of Transportation Buttigieg Announces Nearly \$1 Billion in Grant Awards for America’s Infrastructure, November 19, 2021, [www.dot.gov](http://www.dot.gov)

20. Freight Activity in the U.S Expected to Grow Fifty Percent by 2050), November 22, 2021, [www.bts.gov](http://www.bts.gov)

21. Canada ranks 44th in global list of congested roads, November 23, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

22. Manitoulin Group buys Diamond Delivery, November 23, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

23. Trucking costs per mile dropped in 2020: ATRI, November 23, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

24. Western Canada braces for more rain after floods shut highways, November 23, 2021, [www.ajot.com](http://www.ajot.com)

25. Storm brings East Coast transport to a halt, November 24, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

26. Major section of Trans Canada Highway reopens in Fraser Valley, November 25, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

27. Trucks see 8.1% rise in cross-border freight, November 25, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

28. Washed out roads show lack of preparation on East Coast, November 26, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

29. Troops deploying to Newfoundland for transportation, logistics support, November 26, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

30. Ontario Takes Next Step to Build the Bradford Bypass, November 26, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

or significantly changed by a road accident. They also tell a tragic story of the impact collisions have on victims and families. On this Canadian National Day of Remembrance for Road Crash Victims, I encourage all Canadians to take time to remember victims of road collisions and their families and to remember that each of us has a responsibility for safety on the road. “Over the past two decades, road fatalities have declined 41 per cent and serious injuries 39 per cent, despite significant increases in the number of drivers and registered vehicles. While Canadians should be encouraged that these rates are going down, any fatality or injury is unacceptable, and we must do more to reduce these numbers even further.”

#### **12. Hydrogen powered courier fleet launches in BC**

Geazone Eco-Courier is a B.C.-based zero emissions courier company that provides sustainable delivery services, third party logistics and freight services to businesses across Vancouver Island and Vancouver. Their 40 new Toyota Mirai fuel cell electric vehicles (FCEVs) are powered by hydrogen — and their only tailpipe emission is water. “In places where the fueling infrastructure exists – as it does in BC – hydrogen-powered FCEVs really are the perfect zero-emission solution for organizations with fleets of high-use vehicles,” said Stephen Beatty, vice-president, corporate at Toyota Canada Inc.

#### **13. Premier Ford wants 400,000 EVs built in Ontario by 2030**

Calling the automotive manufacturing sector a ‘cornerstone’ of the province’s economy, Premier Doug Ford released an ambitious plan that calls for Ontario-based automakers to produce 400,000 electric vehicles by 2030. “The industry is shifting rapidly and preparing to build the cars of the future,” Ford said at a news conference in Guelph on November 13, 2021. “As a government, we must ensure our manufacturing sector keeps pace.”

#### **14. More loads, fewer trucks available in Canada’s spot market in October**

It was the best October 2021 on record for Canadian spot market truckload volumes, according to the latest data from *Loadlink Technologies*. Loadlink reported an increase in load availability for a fourth straight month. Volumes were up 32% compared to October 2020, and 5% better than September 2021 results. Domestic loads bounced back, accounting for the largest gains in load postings for the first time in four months. Intra-Canada loads were up 7% from September, and 41% year over year. Equipment postings, meanwhile, dipped 5% in October 2021. Atlantic Canada and Western Canada led the way with double-digit increases in outbound domestic loads. Loads from Canada to the U.S. jumped 5% in October 2021, and were up 52% year over year. Equipment postings for these loads fell 8%. Inbound cross-border loads were also up 5%, with equipment postings 3% lower.

#### **15. Transport links remain blocked as BC declares state of emergency**

B.C. premier John Horgan declared a state of emergency in BC on November 17th as road and rail connections between the lower mainland and the rest of the country remain blocked. Damage caused by flooding and landslides has left roads impassable and rail lines unsafe for travel. “Already-strained supply lines are at risk of greater disruption,” Horgan said. The state of emergency will “help us secure supply chains and make sure essential goods and emergency services can reach hard-hit communities. We’re confident we can restore our supply chains in a quick and orderly manner, and the state of emergency will now help us do that.” In spite of Horgan’s optimism, businesses with supply chain links through the province are less positive. A food products importer said they expect the delays to be greater than two weeks as work begins to clear and repair roads and rail lines.

#### **16. TCA upbeat about 2022**

The challenges facing the trucking industry are numerous, including vaccine mandates, the electronic logging device (ELD) deadline in Canada, and driver shortages. But the president of the Truckload Carriers Association (TCA) is optimistic about 2022. John Lyboldt says with an estimated GDP of 5.5%, which is not far off from a normal year, and the U.S. government injecting \$110 billion into roads and bridges, things are looking up. During TCA’s Bridging Border Barriers transportation association executive roundtable on November 17, 2021 in Brampton, Ont., he said consumer spending can produce a lot of loads and lack of spending can reduce them.

#### **17. Ontario Moves Forward with Highway 17 Twinning in Kenora**

On November 19, 2021, Caroline Mulroney, Minister of Transportation, and Greg Rickford, Minister of Indigenous Affairs, Minister of Northern Development, Mines, Natural Resources and Forestry and MPP for Kenora-Rainy River, issued the following statement regarding Highway 17: “Twinning Highway 17 between the Manitoba border and Kenora has been on the table for more than a decade, and it’s our government, under the leadership of Premier Ford, that is driving it forward. Today we signed two contracts with Indigenous partners for early works to produce the raw materials needed to build the road base and for clearing work, including tree and brush removal, within the new right of way for the first section of the Highway 17 twinning.”

#### **18. North American Transborder Freight Decreases 3.4% in September 2021 from August 2021, Up 7.7% since Pre-Pandemic September 2019**

The value (US \$) of transborder freight between the U.S. and North American countries (Canada and Mexico) reached \$109.2 billion in September 2021 according to data released by the *Bureau of Transportation Statistics*. The September

2021 figure is a 3.4% decrease from August 2021, an increase of 13.3% from September 2020, and an increase of 7.7% from pre-pandemic September 2019 (\$101.4B). US-Canada trade totalled \$54.4b and US-Mexico trade totalled \$54.8b. US-Canada trade by mode was as follows: Truck: \$29.9b; Rail: \$7.7b; Pipeline: \$7.5b; Vessel: \$2.7b; and Air: \$2.7b.

#### **19. U.S. Secretary of Transportation Buttigieg Announces Nearly \$1 Billion in Grant Awards for America's Infrastructure**

U.S. Secretary of Transportation Pete Buttigieg on November 19, 2021 announced that the Biden Administration will invest nearly US \$1 billion in American infrastructure through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grants program. The funding has been awarded to 90 projects in 47 states, the District of Columbia and Guam.

#### **20. Freight Activity in the U.S Expected to Grow Fifty Percent by 2050**

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) and Federal Highway Administration (FHWA) on November 22, 2021 jointly released a new version of freight flows forecast data from the Freight Analysis Framework (FAF), the most comprehensive, publicly available, national-level dataset of freight movement in the U.S. New long-term projections released show that, between 2020 and 2050, U.S. freight activity will grow by fifty percent in tonnage to 28.7 billion tons and will double in value to US \$36.2 trillion (in 2017 dollars). Trucks represent the predominant freight carrier model now and are expected to remain so in the future. Trucks currently carry 65 percent of U.S. freight tonnage. Published FAF5 forecasts provide a range of future freight demands representing three different economic growth scenarios, through 2050, by various modes of transportation.

#### **21. Canada ranks 44th in global list of congested roads**

Sure, the traffic's bad. But it could be worse. A lot worse. In a worldwide context, Canada has actually been ranked among the least car-congested countries in the world. A research report by confused.com has identified the United Arab Emirates as the world's most congested country, averaging 553 cars per kilometer of road. Hong Kong ranked second with 390 cars per km, and Singapore rounds out the Top 3 with 192 cars per kilometer.

#### **22. Manitoulin Group buys Diamond Delivery**

Manitoulin Group of Companies has acquired Diamond Delivery and First Canadian Messenger in Surrey, B.C., expanding its Western Canada presence. The acquisition adds another 150 service points in Western Canada, Manitoulin reports. The deal includes 180 vehicles and terminals in Victoria, Nanaimo, Courtenay, Kelowna, Kamloops, Abbotsford and Prince George, B.C.

#### **23. Trucking costs per mile dropped in 2020: ATRI**

Covid-19 clearly disrupted supply chains, but it also seems the pandemic had a measurable impact on the costs of trucking in 2020. The American Transportation Research Institute (ATRI) tracked a 1.2 mph increase in average truck speeds and 20.6% increase in deadhead miles compared to 2019, while average annual mileage per truck dropped to 143,808 km and fuel costs plunged. Overall, marginal costs per mile dropped 3.1% to US\$1.646, largely because of drops in fuel and driver benefit costs.

#### **24. Western Canada braces for more rain after floods shut highways**

Canada's westernmost province and home to its biggest port is bracing for more rainstorms after a deluge damaged transportation links, largely cutting it off from the rest of the country. Parts of British Columbia remain flooded more than a week after the extreme weather forced evacuations, washed away parts of major highways and blocked main transportation routes with mud slides. Several routes have reopened for essential travel only and railways are opening up to bring goods such as lumber and grain to the Port of Vancouver, but several areas remain short on supplies such as gasoline due to the damaged infrastructure. Environment and Climate Change Canada has forecast a series of storms over the next 10 days, raising the threat that main transportation routes could again be shut or repairs slowed just as roads and rail tracks reopen. "Rain is once again hitting our province with more on the way. This will impact already soaked lands and waterways. The next nine or ten days could be quite challenging," said Mike Farnworth, British Columbia's minister of public safety and solicitor general, speaking at a press conference at a November 23, 2021 afternoon.

#### **25. Storm brings East Coast transport to a halt**

Torrential rain flooded basements and washed out roads and bridges in western Cape Breton and southwestern Newfoundland on November 24, 2021, as a huge storm spent a third day slowly trudging over Atlantic Canada. A state of emergency was declared late November 23, 2021 in Cape Breton's Victoria County, where schools were closed and residents were warned to stay off the roads. In Port aux Basques, the largest town in southwestern Newfoundland, stories emerged about increasingly treacherous conditions. Local resident Ryan Moore was driving about 40 kilometres north of Port aux Basques on November 23, 2021 night when a section of waterlogged asphalt disintegrated beneath his pickup.

#### **26. Major section of Trans Canada Highway reopens in Fraser Valley**

A major section of the Trans-Canada Highway in British Columbia that was under floodwater since last week reopened

on November 25, 2021, easing traffic congestion and helping connect the Lower Mainland to the province's Interior. Transportation Minister Rob Fleming said the section of Highway 1 between Abbotsford and Chilliwack was cleared to reopen, which provides a vital artery from the Lower Mainland to the Interior via Highway 3 as work on other major damaged and closed road routes continues. Public Safety Minister Mike Farnworth said officials are keeping close watch on the weather as a series of rainstorms are forecast to hit the province, with the worst precipitation expected to arrive on November 30, 2021.

### **27. Trucks see 8.1% rise in cross-border freight**

Trucks moved US \$29.9 billion in freight across the Canada-U.S. border in September, up 8.1% over September 2020, the U.S. Bureau of Transportation Statistics reports. Total transborder freight rose 13.6% compared to September 2020. About US \$54.4 billion in freight moved between Canada and the U.S. overall, with railways accounting for US \$7.7 billion, pipelines US \$7.5 billion, vessels US \$2.7 billion, and air US \$2.7 billion.

### **28. Washed out roads show lack of preparation on East Coast**

Atlantic Canadians living along highways severed by this week's torrential rain say it's past time for governments to focus on retrofitting roads to ensure they can survive deluges that are predicted to become more frequent. "This was a wake-up call, and we're probably going to need a few wake-up calls before we start getting ready for it," Peter MacGillivray said on November 24, 2021 after two culverts on Highway 245 near his home in northern Nova Scotia were taken out by the latest storm.

### **29. Troops deploying to Newfoundland for transportation, logistics support**

Canadian troops will be deployed to Newfoundland and Labrador to offer logistical and transportation support as the province looks to restore routes lost to flooding. Prime Minister Justin Trudeau announced the commitment through a brief statement on Twitter on November 26, 2021, promising "We've got your back."

### **30. Ontario Takes Next Step to Build the Bradford Bypass**

The Ontario government is taking another step forward to relieve gridlock in the Greater Golden Horseshoe by building Ontario. On November 26, 2021, the province issued a Request for Proposals (RFP) to design and build a bridge crossing for the Bradford Bypass, a new four-lane freeway connecting Highway 400 and Highway 404 in Simcoe County and York Region.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. US, EU reach agreement to settle tariffs rift**

The U.S. and European Union have reached an agreement to settle their diplomatic rift over Trump-era steel and aluminum tariffs, the White House announced October 30, 2021, as President Joe Biden is in Rome attending the Group of 20 summit. The Trump administration had placed taxes on EU steel and aluminum in 2018 on the claim that the foreign products produced by American allies were a threat to U.S. national security. Europeans and other allies were outraged by Trump's use of Article 232 to justify the tariffs, leading many to impose countertariffs on U.S.-made motorcycles, bourbon, peanut butter and jeans, among other items. National security adviser Jake Sullivan, U.S. Trade Representative Katherine Tai and Commerce Secretary Gina Raimondo announced the agreement on October 30, 2021. They said that the Article 232 tariffs won't be removed entirely but that some quantity of European steel and aluminum will be allowed to enter the U.S. without tariffs under the deal.

#### **2. Champagne in U.S. to talk unblocking supply chain**

Unblocking North America's clogged supply chain and making it more resilient to outside shocks – especially from China – tops Francois-Philippe Champagne's agenda as he starts two days of meetings in Washington. Champagne told The Canadian Press he will be using his face time in Washington to press the Biden administration on the potential in Canada's largely untapped rare-earth mining sector, which would allow the U.S. – and its continental neighbours – to be less reliant on China, the world's leading supplier of those minerals. "We have the talent, we have the renewable energy, we have the critical minerals, we

## **GENERAL TRANSPORTATION**

### **Canada**

1. US, EU reach agreement to settle tariffs rift, November 1, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
2. Champagne in U.S. to talk unblocking supply chain, November 3, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
3. OTA Applauds Province's 2021 Fall Economic Statement, November 4, 2021, [www.ontruck.ca](http://www.ontruck.ca)
4. U.S. Transportation Secretary Pete Buttigieg Statement on Passage of the Bipartisan Infrastructure Investment and Jobs Act, November 6, 2021, [www.dot.gov](http://www.dot.gov)
5. House passes historic infrastructure bill in win for Biden, November 6, 2021, [www.ajot.com](http://www.ajot.com)
6. Canadian Tourism Activity Tracker, August 2021, November 8, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
7. U.S. Transportation Sector Unemployment Rate Falls to 5.1% in October 2021, Remains Above Pre-Pandemic October 2019's 2.7%, November 8, 2021, [www.bts.gov](http://www.bts.gov)
8. Biden's 'America First' trade policy gives China opportunity, November 9, 2021, [www.ajot.com](http://www.ajot.com)
9. Minister of Transport advances Canada's efforts to fight climate change at COP26, November 10, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
10. Transport emissions plans the latest to emerge from COP26, November 11, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
11. 'Holy battle': Competition Bureau chief readies for fight to shake up merger laws, November 12, 2021, [www.financialpost.ca](http://www.financialpost.ca)
12. PM pushes continental supply chain ahead of summit, November 17, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
13. US, EU, Japan to renew alliance against China

have the manufacturing base, we have the geostrategic location to do that. We can lead the world,” Champagne said in an interview.

### **3. OTA Applauds Province’s 2021 Fall Economic Statement**

Ontario Minister of Finance Peter Bethlenfalvy released the 2021 Ontario Economic Outlook and Fiscal Review: Build Ontario on November 4, 2021. The plan lays out how the government will build the foundation for Ontario’s recovery and prosperity by getting shovels in the ground on critical infrastructure, attracting increased investment, and restoring leadership in the manufacturing sector and other industries. The plan also maintains Ontario’s progress against the COVID-19 pandemic. Of note to the Ontario Trucking Association (OTA) was the government’s commitment to infrastructure expansion and ensuring Ontario businesses can train the talent they need.

### **4. U.S. Transportation Secretary Pete Buttigieg Statement on Passage of the Bipartisan Infrastructure Investment and Jobs Act**

“Earlier this evening [November 6, 2021], with support from members on both sides of the aisle, Congress passed the most significant investment in jobs and infrastructure in my lifetime. This is a remarkable achievement. The Bipartisan Infrastructure Bill, along with the Build Back Better Framework, will deliver generational investments in the economy for working people. The infrastructure bill will rebuild and replace infrastructure that is decades, or even a century, old. It will promote safety, help us combat the climate crisis, and advance equitable access to transportation. No matter where they live or who they voted for, all Americans deserve to have a transportation system that works for them.

### **5. House passes historic infrastructure bill in win for Biden**

The House on Friday, November 6, 2021 passed the biggest U.S. infrastructure package in decades, marking a victory for President Joe Biden and unleashing \$550 billion of fresh spending on roads, bridges, public transit and other projects in coming years. The vote was 228-206 and sends the legislation to Biden for his signature. Thirteen Republicans supported the bill and six Democrats voted against it, a sign of the intra-party strains that nearly derailed the legislation. It would not have passed without GOP votes. Passage capped a day in which Speaker Nancy Pelosi was forced to deal with a last-minute standoff between party progressives and moderates that took hours of intense negotiations and the president’s intervention to resolve. The president, in a statement, called the bill’s passage “a monumental step forward as a nation.” Pelosi and Biden, however, were unable to land a House vote at the same time on a more than \$1.75 trillion tax and spending package that makes up much of the rest of Biden’s domestic agenda. The House instead approved a procedural measure teeing up a vote after lawmakers return from next week’s break and the Congressional Budget Office delivers a cost analysis.

### **6. Canadian Tourism Activity Tracker, August 2021**

In August 2021, overall tourism activity in Canada was 41.0% below the level reached in August 2019, before the pandemic. This was the third consecutive month in which overall tourism activity has increased, and was much improved from May 2021, when overall tourism activity was 69.3% below the pre-pandemic level. The reopening in some provinces during the summer months and the easing of border restrictions starting in July contributed to this improvement.

### **7. U.S. Transportation Sector Unemployment Rate Falls to 5.1% in October 2021, Remains Above Pre-Pandemic October 2019’s 2.7%**

The unemployment rate in the U.S. transportation sector was 5.1 percent (not seasonally adjusted) in October 2021 according to recently updated Bureau of Labor Statistics data on the Bureau of Transportation Statistics (BTS) Unemployment in Transportation dashboard. The October 2021 rate was down 3.8 percentage points from October 2020’s 8.9 percent but remains 2.4 percentage points above the 2.7 percent rate in pre-pandemic October 2019. To date, the transportation unemployment rate peak during the COVID-19 pandemic is 15.7 percent set in both May and July 2020.

### **8. Biden’s ‘America First’ trade policy gives China opportunity**

President Joe Biden has pledged to step up U.S. engagement in Asia after years of ceding influence to China, donating tens of millions of Covid vaccines and shoring up military commitments. But when it comes to the Pacific region’s economy, he’s stuck in neutral. As Asia-Pacific leaders meet for an annual economic summit this week, the Biden administration is still struggling to articulate its economic vision for the region nearly five years after Donald Trump withdrew from an 11-nation Pacific trade deal. While Biden announced last week the U.S. was exploring a new Indo-Pacific economic framework, he gave few details on how it would work in practice. China has sought to take advantage, pushing to join agreements once heralded as vehicles the U.S. could use to set rules for the region. In

trade practices, November 18, 2021, [www.ajot.com](http://www.ajot.com)

14. Working group aims to restore supply chain in BC, November 22, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

15. Canada’s government pledges help for flooded B.C. amid more rain, November 21, 2021, [www.ajot.com](http://www.ajot.com)

16. Travel between Canada and other countries, September 2021, November 22, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

17. Canada must strengthen critical infrastructure for future extreme weather: Blair, November 24, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

18. The Government of Canada and the Vancouver Fraser Port Authority join together to address supply chain disruptions as a result of the British Columbia floods, November 24, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

19. National Travel Survey, second quarter 2021, November 26, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

20. Travel arrangement services, 2020, November 26, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

September, China put in a formal request to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)—the deal Trump abandoned. And last month President Xi Jinping said China would also apply to join a digital economy pact that includes U.S. partners Singapore, Chile and New Zealand.

#### **9. Minister of Transport advances Canada's efforts to fight climate change at COP26**

The Minister of Transport, the Honourable Omar Alghabra, is in Glasgow, Scotland this week [November 8, 2021] as part of Canada's efforts to build partnerships for ambitious action in the global fight against climate change. November 10, 2021 marks the first-ever Transport Day at the 26th United Nations Climate Change Conference of the Parties (COP26). Canada signed four declarations to accelerate international partnerships to tackle climate change by reducing carbon pollution from transportation: 1) the Clydebank Declaration to work with partners to establish green marine shipping corridors; 2) the ZEV Declaration to accelerate the transition to 100% zero emission cars and vans globally by 2040, and by no later than 2035 in leading markets; 3) the Memorandum of Understanding on Zero Emission Medium and Heavy Duty Vehicles – an international commitment to identify ways to reduce greenhouse gas emission from this sector; and 4) the Aviation Climate Ambition Coalition Declaration to enhance international collaboration in advancing ambitious actions to reduce aviation emissions through the International Civil Aviation Organization (ICAO).

#### **10. Transport emissions plans the latest to emerge from COP26**

Several countries and companies announced plans on November 11, 2021 to stop selling cars that run on gasoline or diesel over the next two decades, as part of efforts to clamp down on a significant source of planet-warming emissions. But the impact of the measures will likely be limited since several major car markets – notably the United States and China – did not sign on, and the pledges received a mixed response from environmental campaigners. Nations and airlines also pledged to reduce emissions from air travel. On the sidelines of the U.N. climate conference in Glasgow, Scotland, a group of nations said that they would work to sell only zero-emission vehicles by 2040, and no later than 2035 in leading auto markets. While the wording of the agreement is vague, it could essentially mean switching to electric-only fleets of cars, trucks and buses – and backing off popular halfway solutions currently in use, such as hybrid vehicles.

#### **11. 'Holy battle': Competition Bureau chief readies for fight to shake up merger laws**

Matthew Boswell represents an emerging school of thought that wants competition rules to prioritize social values rather than just economic growth. The most contentious issue is the efficiency consideration in the merger provisions together whether the law should consider social values.

#### **12. PM pushes continental supply chain ahead of summit**

Prime Minister Justin Trudeau says he plans to use meetings with his U.S. and Mexican counterparts to push Canada's abundant supply of critical minerals and stress that the smooth flow of goods across borders is in the best interests of all three countries. Trudeau made the remarks at the outset of a crucial visit to Washington, D.C., where he spent November 17, 2021 sitting down with U.S. officials and is set to participate on November 18, 2021 in the first so-called Three Amigos summit since 2016. When global supply chains are crunched, he said, the U.S. "could do worse" than rely on its closest friend to ensure resilience – especially when it comes to rare-earth minerals that power everything from computers and cellphones to electric vehicles. "It is a two-way street. We do well when we're working together," the prime minister told a question-and-answer session hosted by the Wilson Center.

#### **13. US, EU, Japan to renew alliance against China trade practices**

The U.S., European Union and Japan will announce on November 17, 2021 that they will renew their trilateral partnership to address the challenges posed by the non-market policies and practices of countries such as China, according to two people familiar with the matter. The three plan to meet on the sidelines of the upcoming WTO ministerial meeting taking place in Geneva, Switzerland, at the end of the month where they will aim to set out a work program for the following weeks, one of the people said. The talks, which are built on a Trump-era initiative with the EU and Japan, aim to establish new international rules to restrict the market-distorting behavior of state-owned enterprises, confront harmful subsidy practices and deter forced technology transfers and intellectual property theft. A spokesman for the office of the U.S. trade representative didn't immediately respond to a request for comment. An EU spokesperson couldn't be immediately reached for comment. The initiative seeks to rein in China's massive state aid to strategic domestic industries—like steel and aluminum—through tax benefits, government grants, energy subsidies, preferential lending and financing, under-priced inputs and cheap land-use fees.

#### **14. Working group aims to restore supply chain in BC**

A federal-provincial working group has been formed to help restore the flow of goods through British Columbia. The group worked throughout the weekend. Several federal departments, government of British Columbia ministries, the Vancouver Fraser Port Authority, the Vancouver International Airport Authority, the B.C. Marine Terminal Operators Association, the B.C. Trucking Association, the Retail Council of Canada, the Canadian Fuels Association, representatives from British Columbia's tow boat industry, the Gateway Council of B.C., the B.C. Chamber of Shipping, CN Rail, and CP Rail, among others are taking part. This working group is a first step in what will be an

ongoing effort by all orders of government to ensure that the supply chain is re-established in a way that gets Canadians the goods they need and help mitigate against future incidents. “The government of Canada is extremely concerned with the flooding situation in British Columbia, and we stand ready to provide support any way we can,” said minister of transport Omar Alghabra.

#### **15. Canada’s government pledges help for flooded B.C. amid more rain**

Canada’s federal government pledged to help flood-hit British Columbia as the province faces more rain starting November 22, 2021. The Canadian armed forces are sending more than 500 troops and have 12 aircraft working to assist in relief efforts for at least the next 30 days, with thousands more troops available if needed, federal ministers including Bill Blair, minister of emergency preparedness, and Anita Anand, minister of national defence, said in a press conference on November 21, 2021. The government is also waiving the Covid-19 test requirement for re-entry to Canada for people living along the border who cross into the U.S. to get essential supplies such as fuel and food. The measures came as Vancouver, Canada’s third-largest city, and its surrounding areas are bracing for more rain a week after deadly floods left residents of Southwest British Columbia under fuel rationing and travel restrictions. Between 20 to 40 millimeters (1.2 to 1.6 inches) of rain is expected in the areas of the province on November 22 and 23, 2021, Blair said. “There is possibility of that water making its way into the affected regions,” he said. “The ground is quite saturated and right now, there is nowhere for it to go.”

#### **16. Travel between Canada and other countries, September 2021**

The number of international arrivals to Canada continued to increase in September 2021, but still remains well below pre-pandemic levels. While travellers from overseas countries made 153,400 trips to Canada in September 2021, more than four times greater compared with September 2020, they were less than one-fifth (18.1%) of the pre-pandemic level from September 2019. In September 2021, there were 518,200 American residents travelling to Canada, over four times more than in September 2020, yet this was 22.6% of the number from the same month in 2019. Canadians made a total of 788,300 return trips home from abroad in September 2021, more than double the number in September 2020, but just a portion (17.5%) of trips made in September 2019.

#### **17. Canada must strengthen critical infrastructure for future extreme weather: Blair**

Emergency Preparedness Minister Bill Blair says the risk of future storms has to be taken into account as British Columbia rebuilds following massive rainstorms and deadly mudslides. Blair said it’s still too early to estimate how much it will cost to fix all the damage caused by the atmospheric river that hit B.C. earlier this month. The storm dropped nearly 300 mm of rain on some communities in southern B.C. in less than two days, washing out major highways and rail lines, and triggering mudslides that killed at least four people. B.C. officials say repairs to some of the damaged infrastructure may take more than a year. Blair said as the work to rebuild gets underway, Canada needs to acknowledge how quickly critical infrastructure was damaged by the storm and build back better than before.

#### **18. The Government of Canada and the Vancouver Fraser Port Authority join together to address supply chain disruptions as a result of the British Columbia floods**

On November 24, 2021, the Minister of Transport, the Honourable Omar Alghabra, and the Minister of Emergency Preparedness, the Honourable Bill Blair, announced that the Government of Canada is contributing up to \$4.1 million to the Vancouver Fraser Port Authority under the National Trade Corridors Fund to provide relief in the aftermath of the floods in British Columbia. The initiative, led by the Vancouver Fraser Port Authority, will help ease supply chain constraints and bottlenecks in the Lower Mainland. It will address current supply chain disruptions, which have created delays and service challenges at the port’s container facilities, by delivering additional container storage capacity, through the preparation of an undeveloped 40-acre parcel land within the Fraser Richmond Industrial Lands for the handling and storage of empty containers

#### **19. National Travel Survey, second quarter 2021**

Canadians took over 38.7 million trips within Canada or abroad in the 2021 second quarter. With ongoing health restrictions and with borders closed to non-essential travel, the volume was quantitatively and qualitatively different compared with the same quarter in 2019, pre-pandemic. The number of trips made by Canadians from April to June 2021 was half (50.4%) the number made during the same period in 2019. In 2021 however, virtually all (99.1%) trips were domestic, while before the pandemic, roughly 15% were to the United States or overseas destinations. With fewer overall trips by Canadians in the second quarter, tourism spending at home and abroad was just over one-quarter (27.1%) of the total amount spent during the same quarter in 2019.

#### **20. Travel arrangement services, 2020**

The travel arrangement and reservation services industry group generated \$7.8 billion in operating revenue in 2020, a 46.5% drop from 2019. While the decline is significant, a few factors from before the COVID-19 pandemic propped up financial estimates for this hard-hit industry group. Business activity generated during the winter 2020 tourism season, primarily with the sale of packaged tours to sun destinations, softened the decline in industry estimates in 2020.