

# Transportation Information Update\*

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Editor: Joseph Monteiro\*

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Associate Editor: Gerald Robertson\*

## AIR TRANSPORTATION

### 1. Porter Airlines restarts service to U.S. markets

Porter Airlines is returning to Boston, Chicago, New York, and Washington September 29, 2021. These markets each have non-stop service to Billy Bishop Toronto City Airport, with connecting flights to other Canadian cities. Moncton and St. John's, N.L., also returned on September 29, 2021, with direct service to Ottawa and Halifax, respectively. After almost 18 months of suspending flights due to COVID-19, Porter restarted service on Sept. 8, and is progressively adding destinations. The initial flight schedule can be found on Porter's website. "It's an exciting day as we welcome back our U.S. passengers and team members, and expand into more Atlantic Canada destinations," said Michael Deluce, president and CEO, Porter Airlines. Passengers entering Canada and the U.S. must follow the entry requirements of each country, including pre-departure COVID-19 testing. More information on travel requirements and restrictions can be found at [www.flyporter.com](http://www.flyporter.com).

### 2. Air Canada Begins Work to Enhance Cold Chain Handling Capabilities at its Toronto Pearson Cargo Facility

Air Canada October 1, 2021 announced the start of a \$16-million project to expand and enhance Air Canada Cargo's cold chain handling capabilities for shipments such as pharmaceuticals, fresh food and other perishables at its Toronto Pearson International Airport cargo facility. The project is part of Air Canada's strategy to further develop its cargo division, which also includes the acquisition of freighter aircraft, the launch of dedicated freighter routes and an expansion into e-commerce. "This is another important step for Air Canada Cargo as we continue to grow our business and invest in our facilities to better serve our customers. Our new temperature-controlled facility, which will be the only one of its kind for a Canadian airline, represents a significant addition to Air Canada's on-site capabilities at Toronto Pearson and to Canadian cold chain logistics. It will also give Air Canada Cargo a strategic advantage at our main hub, which handles more than 60 per cent of all our traffic, and will support the launch of routes to be served by our new freighter aircraft," said Jason Berry, Vice President, Cargo, at Air Canada. Once completed, the upgraded facility will feature over 30,000 square feet of temperature-controlled space.

### 3. Governments' Response to Delta Variant Slams August Domestic Traffic Demand

The International Air Transport Association (IATA) announced that the recovery in air travel decelerated in August 2021 compared to July 2021, as government actions in response to concerns over the COVID-19 Delta variant cut deeply into domestic travel demand. Because comparisons between 2021 and 2020 monthly results are distorted by the extraordinary impact of COVID-19, unless otherwise noted all comparisons are to August 2019, which followed a normal demand pattern. 1. Total demand for air travel in August 2021 (measured in revenue passenger kilometers or RPKs) was down

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16. Air Canada To Resume Service And Increase Capacity To Key Destinations in South American, October 14, 2021, [www.aircanada.ca](http://www.aircanada.ca)

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56.0% compared to August 2019. This marked a slowdown from July, when demand was 53.0% below July 2019 levels. 2. This was entirely driven by domestic markets, which were down 32.2% compared to August 2019, a major deterioration from July 2021, when traffic was down 16.1% versus two years ago. The worst impact was in China, while India and Russia were the only large markets to show a month-to-month improvement compared to July 2021. 3. International passenger demand in August 2021 was 68.8% below August 2019, which was an improvement compared to the 73.1% decline recorded in July 2021. All regions showed improvement, which was attributable to growing vaccination rates and less stringent international travel restrictions in some regions.

#### **4. Airlines Financial Monitor August-September 2021**

Key points in the Airlines Financial Monitor for August-September 2021 are: 1) The latest sample of Q2 2021 financial results confirms that airlines' aggregated net losses were reduced considerably compared with Q1 2021. Airlines in all regions showed improvement. North American airlines' net income at the aggregated level became positive amidst a strong rebound in US domestic travel. 2) Financial performance of airline industry is expected to improve further with the loosening of travel restrictions in 2022 but it will be varied across regions. North America will continue to be the best performer amongst all regions. 3) Global airline share price index increased in September 2021 with the reopening expectations of the US-Europe travel. Although the year-to-date performance of the index is still lagging wider global equity markets, gap narrowed in September 2021. 4) Brent crude oil and jet fuel prices picked up in September 2021 amidst rising optimism about fuel demand recovery.

#### **5. WestJet launching new service between Toronto and Dublin**

Starting this spring, WestJet will provide guests with more options to connect from the airline's Toronto hub with new flights between Toronto and Dublin. The new non-stop seasonal flights are set to operate four-times weekly, beginning on May 15, 2022 and will increase to daily by June 2, 2022. "As demand increases, we know travellers are looking for convenient and affordable options for travel between Canada and Europe," said John Weatherill, WestJet Chief Commercial Officer. "As we continue to focus on expanding our network from our Toronto hub where we offer 33 international destinations, these flights will further strengthen business and leisure ties between Canada and Ireland and will increase connectivity between two key markets."

#### **6. Frustration with Travel Restrictions Grows**

The International Air Transport Association (IATA) reported that air travelers are increasingly frustrated with the COVID-19 travel restrictions. A survey commissioned by IATA of 4,700 respondents in 11 markets in September 2021 demonstrated confidence that the risks of COVID-19 can be effectively managed and that the freedom to travel should be restored. 1. 67% of respondents felt that most country borders should be opened now, up 12 percentage-points from the June 2021 survey. 2. 64% of respondents felt that border closures are unnecessary and have not been effective in containing the virus (up 11 percentage points from June 2021). 3. 73% responded that their quality of life is suffering as a result of COVID-19 travel restrictions (up 6 percentage points from June 2021). "People are increasingly frustrated with the COVID-19 travel restrictions and even more have seen their quality of life suffer as a result. They don't see the necessity of travel restrictions to control the virus."

#### **7. Weekly aircraft movements, September 18 to 24, 2021**

Weekly data on aircraft itinerant movements are now available for September

17. Air Canada Unveils Plans For Its Summer 2022 Schedule To Europe, Africa, The Middle East and India, October 14, 2021, [www.aircanada.ca](http://www.aircanada.ca)
18. Weekly aircraft movements, September 25 to October 1, 2021, October 13, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
19. Vancouver airport aims for carbon neutrality, October 14, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
20. Canadians paying higher airfares as air travel recovers from pandemic, carriers use smaller planes, October 18, 2021, [www.globeandmail.ca](http://www.globeandmail.ca)
21. U.S. Airlines Carry 66 Million Passengers in August 2021 (Preliminary), Up 162% from August 2020, Still Down 20.8% from Pre-Pandemic August 2019, October 15, 2021, [www.bts.gov](http://www.bts.gov)
22. July 2021 U.S. Airline Traffic Data, October 15, 2021, [www.bts.gov](http://www.bts.gov)
23. IATA Launches CEIV Lithium Battery Certification Program, October 12, 2021, [www.iata.org](http://www.iata.org)
24. Air Canada to Launch New Flights Connecting Toronto to Santo Domingo, October 18, 2021, [www.aircanada.ca](http://www.aircanada.ca)
25. U.S. Scheduled Passenger Airlines Employ 1.3% More Employees in August 2021 than in July, Still 9.2% Behind Pre-Pandemic August 2019, October 18, 2021, [www.bts.gov](http://www.bts.gov)
26. Air Canada Launches its New LEAVE LESS Travel Program, Leading the Way for Sustainable Business Travel; Deloitte Canada is First On Board, October 19, 2021, [www.aircanada.ca](http://www.aircanada.ca)
27. Second Quarter 2021 Air Fare Increases As Passenger Numbers Increase Significantly, October 19, 2021, [www.bts.gov](http://www.bts.gov)
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32. Air Canada Offers Industry's Most Comprehensive Travel Testing Options in Partnership with Switch Health, Including Self-Administered Tests, October 25, 2021, [www.aircanada.ca](http://www.aircanada.ca)
33. Air Canada Recognized as One of the Achievers 50 Most Engaged Workplaces Awards 'Elite 8', October 22, 2021, [www.aircanada.ca](http://www.aircanada.ca)
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35. WestJet to return to 95 destinations this winter, October 25, 2021, [www.westjet.ca](http://www.westjet.ca)
36. Canada's airports are ready to work with

18 to 24, 2021. For the week ending September 18, 2021 domestic movements were 45,392 compared to 45,750 for the week ending September 11, 2021.

#### **8. Porter Airlines returns to all year-round markets**

Porter Airlines officially returns to all 18 of its year-round destinations October 6, 2021, with the addition of Fredericton, Saint John, N.B., Sault Ste. Marie, Sudbury, Timmins and Windsor. Porter flights initially restarted on Sept. 8, 2021 after suspending service due to the pandemic. Destinations were progressively added over the past month. The initial flight schedule, including flight frequency, can be found at [www.flyporter.com](http://www.flyporter.com).

#### **9. Air cargo load factors soar in September as peak season demand steps up a gear**

Air cargo load factors and airfreight rates continued their expected peak season climb in September 2021, according to the latest global market data from industry analysts, CLIVE Data Services. CLIVE's 'dynamic loadfactor' – which measures both the volume and weight perspectives of cargo flown and capacity available to produce a true indicator of airline performance – rose to 68% in the last week of the month, higher than any pre-covid peak season level since CLIVE began sharing data in May 2018. As in previous months, CLIVE's latest market intelligence reports air cargo market performance to pre-covid 2019 levels, as well as 2020 year-over-year comparisons, to provide meaningful analyses of the current conditions. Data for September 2021 shows chargeable weight of +1% vs 2019, on a par with recent months, slowly tapering the gap to September 2020 volumes to +14% following the +23% and +19% levels reported in July and August 2021.

#### **10. U.S. Airlines' August 2021 Fuel Use Down 2% from July; Still 20% Lower than in Pre-Pandemic August 2019**

The Department of Transportation's Bureau of Transportation Statistics (BTS) on October 6, 2021 released U.S. airlines' August Fuel Cost and Consumption numbers. U.S. airlines used 1.32 billion gallons of fuel in August, 1.9% less fuel than in July 2021 and 20.1% less than in pre-pandemic August 2019. The cost per gallon of fuel (\$1.97) was down slightly from July (\$1.99).

#### **11. Air Canada Recognized with Multiple Awards for People and Products as it Rebuilds Global Network and Welcomes Customers Back**

As Air Canada continues rebuilding its global network in response to increasing travel demand, the airline was recognized for its people, products and services at the recent 2021 Skytrax World Airline Awards with honours for: Best Airline Staff in North America, Best Airline Staff in Canada, Best Business Class Lounge in North America, and Excellence for COVID-19.

#### **12. Air Canada to Launch Daily Service between Toronto Island and Ottawa beginning October 31**

Air Canada on October 7, 2021 announced that it will launch a new service between Billy Bishop Toronto City Airport and Ottawa beginning October 31, 2021. The route will commence with four return trips daily, increasing to up to eight return trips daily starting in summer 2022.

#### **13. August Airline Industry Employment Edges Up from July, Remains 3.2% Below Pre-Pandemic August 2019**

U.S. airlines employed 718,407 workers in August 2021, which is 0.3% (2,454) more workers than in July 2021, but 3.2% (23,919) fewer than in pre-pandemic August 2019. The August 2021 industry numbers consist of 613,657 full-time and 104,750 part-time workers, an increase from July of 5,238 full-time and a decrease of 2,784 part-time workers. Major passenger airlines added 4,320 employees in August 2021. As of August 2021, the largest passenger airlines are operating with 63,341 fewer employees than at the March 2020 onset of the COVID-19 pandemic. United Airlines has dropped 20,025 workers, Delta Air Lines 14,896, and American Airlines 9,820. Major cargo airlines are operating with 21,761 more employees, with Federal Express having added 20,630. Major cargo airline employment fell by 1,288 employees from July.

#### **14. Air Canada Expands Capacity from Eastern Canada to India; Launches New Non-Stop Service from Montreal to Delhi**

Air Canada announced on October 13, 2021 that a strategic expansion of its India services, with additional flights from Toronto, and a new year-round, non-stop route between Montreal and Delhi. Starting October 31, 2021 just in time for Diwali celebrations, Air Canada will offer three flights per week to the growing Indian community in Montreal. Additionally, the airline is increasing frequency to Delhi from Toronto to ten flights per week beginning Oct. 15, 2021. All flights will be operated with Air Canada's most modern aircraft, the 298-seat Boeing 787-9 Dreamliner featuring a choice of three cabins of service: Air Canada Signature Class, Premium Economy and Economy class.

#### **15. Leading indicator of international arrivals to Canada, September 2021**

September 2021 saw the number of international arrivals to Canada increase from the same month last year, but remain well below the pre-pandemic levels of September 2019. There were over 11 times as many non-resident travellers

the new government to restore air service, October 26, 2021, [www.cacairports.ca](http://www.cacairports.ca)  
37. Weekly aircraft movements, October 9 to 15, 2021, October 27, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)  
38. Monthly civil aviation statistics, August 2021, October 28, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)  
39. Air Canada joins new climate group, October 28, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)  
40. Aircraft movement statistics: Major airports, August 2021, October 28, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

arriving from abroad in Canadian airports equipped with electronic kiosks during September 2021 compared with September 2020. Meanwhile, the number of Canadian residents returning from abroad via the same airports was roughly six-and-a-half times greater than September 2020. US residents made 328,200 trips to Canada through land ports with electronic sensors in September 2021—over 260,000 more than in September 2020. Likewise, there were over 50,000 more Canadians who returned from the United States (202,400) through the same land ports this September 2021 than in September 2020.

#### **16. Air Canada To Resume Service And Increase Capacity To Key Destinations in South America**

Air Canada on October 14, 2021 announced an increase in service to several key South American destinations as the airline continues to rebuild its global network from its Toronto and Montreal hubs. Service to São Paulo, Brazil will resume from Montreal on December 8, 2021 with four flights per week on a year-round basis, while service from Toronto to Brazil's financial centre will increase to daily flights as of December 6, 2021. São Paulo will be served by Air Canada's flagship Boeing 787 Dreamliner.

#### **17. Air Canada Unveils Plans For Its Summer 2022 Schedule To Europe, Africa, The Middle East and India**

Air Canada on October 14, 2021 unveiled its planned Summer 2022 schedule for Europe, Africa, the Middle East, and India. In addition to its established year-round services, the airline announced its return to key summer seasonal destinations such as Barcelona, Venice, Nice, Manchester, Edinburgh, and Reykjavik. Seasonal services to Athens, Rome and Lisbon resumed in 2021 and will return next spring, alongside Air Canada's recently launched service to Cairo.

#### **18. Weekly aircraft movements, September 25 to October 1, 2021**

Weekly data on aircraft itinerant movements are now available for September 25 to October 1, 2021. Domestic movements for the week ending September 25, 2021 were 45,239 compared to 45,392 for the week ending September 18, 2021.

#### **19. Vancouver airport aims for carbon neutrality**

Vancouver International Airport (YVR) has unveiled a plan to make the airport's operations carbon neutral by 2030. Earlier this year, YVR was the first airport in Canada to commit to net zero emissions by 2030, accelerating its original climate commitment by 20 years from 2050.

#### **20. Canadians paying higher airfares as air travel recovers from pandemic, carriers use smaller planes**

The average price for a domestic round-trip plane ticket in July 2021 rose by 21 per cent compared with the same month in 2019, long before COVID-19 halted most air travel.

#### **21. U.S. Airlines Carry 66 Million Passengers in August 2021 (Preliminary), Up 162% from August 2020, Still Down 20.8% from Pre-Pandemic August 2019**

U.S. airlines carried 66 million passengers in August 2021 (preliminary) according to data filed with the Bureau of Transportation Statistics (BTS) by 20 airlines that carry more than 90% of passengers. That is an increase of 162% scheduled service passengers from August 2020 (25.2 million) but remains 20.8% below the number of passengers carried in the most recent corresponding pre-pandemic month, August 2019 (83.4 million).

#### **22. July 2021 U.S. Airline Traffic Data**

U.S. airlines carried 65.3 million systemwide (domestic and international) scheduled service passengers in July 2021, seasonally-adjusted, according to the Bureau of Transportation Statistics' (BTS), up 7.2% from June 2021. BTS reported 59.6 million domestic passengers and 5.7 million international passengers on U.S. airlines flights in July 2021.

#### **23. IATA Launches CEIV Lithium Battery Certification Program**

The International Air Transport Association (IATA) has launched a new industry certification program— Center of Excellence for Independent Validators Lithium Battery - to improve the safe handling and transport of lithium batteries across the supply chain. "Lithium batteries are critical power sources for many consumer goods on which we all rely. And it is vital that we can ship them safely by air either with finished products or as components in global supply chains. That's why we developed the CEIV Lithium Battery certification. It gives shippers and airlines assurance that certified logistic companies operate to the highest safety and security standards when shipping lithium batteries," said Willie Walsh, IATA's Director General.

#### **24. Air Canada to Launch New Flights Connecting Toronto to Santo Domingo**

Air Canada on October 18, 2021 announced it will launch new seasonal service between Toronto and Santo Domingo as the airline continues rebuilding its North American network. Air Canada's new Santo Domingo flights will operate twice weekly on Tuesdays and Thursdays beginning Dec. 16 onboard Air Canada Rouge aircraft featuring Premium Rouge and Economy services, product enhancements including upgraded streaming entertainment and options to purchase high-speed wi-fi. Seats are available for sale through all booking channels including aircanada.com and via travel agents.

#### **25. U.S. Scheduled Passenger Airlines Employ 1.3% More Employees in August 2021 than in July, Still 9.2% Behind Pre-Pandemic August 2019**

The 24 U.S. scheduled passenger airlines employed 407,965 full-time equivalents (FTEs) in August 2021, a 1.3% increase from July 2021 (402,561). August's total number of FTEs was up 5,404 from July but still down 40,295 FTEs, or 10.8%, from the March 2020 (457,260) onset of the pandemic. The August FTE total was also down 9.2% from the most recent corresponding pre-pandemic month, August 2019 (449,461). August 2021 had the lowest FTE total for the month of August since 2015 (397,007). The employment rise between July 2021 and August 2021 resulted largely from the four network airlines, which added 4,704 FTEs. This increase was led by Delta Air Lines, which added 2,342 FTEs for a month-over-month increase of 3.3%. Southwest Airlines decreased the most with a loss of 229 FTEs or 0.4%.

#### **26. Air Canada Launches its New LEAVE LESS Travel Program, Leading the Way for Sustainable Business Travel; Deloitte Canada is First On Board**

Air Canada announced on October 19, 2021 that Deloitte Canada will be the first corporate customer to participate in its new LEAVE LESS Travel Program, which offers corporate customers effective options to offset or reduce greenhouse gas (GHG) emissions related to business travel and reduce their carbon footprint. Corporate customers can now purchase Sustainable Aviation Fuels (SAF), carbon offsets or a combination of both. The LEAVE LESS Travel Program is one of the many comprehensive initiatives being implemented as part of Air Canada's Climate Action Plan and an additional step towards achieving the airline's long-term goal of net-zero GHG emissions by 2050.

#### **27. Second Quarter 2021 Air Fare Increases As Passenger Numbers Increase Significantly**

The average U.S. domestic air fare increased in the second quarter of 2021 to \$300, up 12.6% from the first quarter 2021 inflation-adjusted fare of \$266. The second quarter 2021 fare increased as passenger travel increased significantly. Adjusted for inflation (constant 2021 dollars) the average 2Q 2021 air fare was: Up 10.4% from second quarter 2020 (\$272); Up 18.2% from the lowest inflation adjusted fare of \$254 in the third quarter of 2020; and Down 24.7% from second quarter 2016 (\$398). Air fares increased as passenger demand increased. U.S. airlines reported 62.5 million originating passengers in the second quarter 2021, up from 33.4 million passengers in 1Q 2021, and up from 11.5 million passengers a year earlier.

#### **28. Weekly aircraft movements, October 2 to 8, 2021**

Weekly data on aircraft itinerant movements are now available for October 2 to 8, 2021. Domestic movements for the week ending October 2, 2021 were 45,346 compared to 45,804 for the week ending September 25, 2021.

#### **29. Transport Canada introducing new measures for the reintroduction of direct flights from Morocco on October 29, 2021**

Canada continues to take a risk-based and measured approach to re-opening the border while prioritizing the health and safety of everyone in Canada. Based on the improved COVID-19 situation in Morocco, Transport Canada will lift the Notice to Airmen (NOTAM) that restricts direct flights to Canada from Morocco. To allow for the safe resumption of these flights, the following additional public health measures will be introduced. Beginning at 00:01 EDT on October 29, 2021 fully vaccinated travellers and those unvaccinated travellers who are eligible to enter Canada will be able to board direct flights from Morocco to Canada with certain additional measures.

#### **30. Air Canada Announces Two New Connections to Western Canada From Quebec City Starting Next Summer**

Air Canada is pleased to announce on October 21, 2021 two new seasonal services departing from Jean Lesage International Airport in Quebec City: Vancouver and Calgary. Flights to Vancouver will start on May 20, 2022, with up to three flights a week and service to Calgary will debut on May 21, 2022, offering up to four weekly flights. These new routes will be operated by Air Canada Rouge on an Airbus A319, featuring Premium Rouge and Economy services, product enhancements including upgraded streaming entertainment and options to purchase high-speed wi-fi.

#### **31. Safety Above All includes mandatory vaccinations for travellers and employees at the WestJet Group**

On Oct. 22, 2021, the WestJet Group shared the evolution of its Safety Above All program to reflect mandatory employee vaccination and mandatory traveller vaccination, in line with the Government of Canada mandate. Effective October 30, 2021, The WestJet Group will implement the federal government's mandatory vaccination policy for air travellers and will operate as a fully vaccinated airline, managing minimal accommodations pursuant to human rights law. "The implementation of these policies mark a major confidence milestone for our industry as Canadians can fly knowing that they are travelling within a fully-vaccinated ecosystem," said Ed Sims, WestJet Group, President and CEO. "We are taking all necessary steps to ensure our guests are advised of the new requirements for travel prior to taking their next flight."

#### **32. Air Canada Offers Industry's Most Comprehensive Travel Testing Options in Partnership with Switch Health, Including Self-Administered Tests**

Air Canada on October 25, 2021 announced the introduction of new testing products, including portable self-administered COVID-19 molecular and antigen test kits, through a partnership with Switch Health, a Canadian-based healthcare company. Using the Switch Health COVID-19 RT-LAMP Kit, customers can test themselves while travelling abroad prior to their flight to Canada to meet Government of Canada testing entry requirements without the

need to visit a foreign COVID-19 testing clinic. These tests are conducted under the remote supervision of a Telehealth professional from Switch Health and include an electronic report suitable for travel.

### **33. Air Canada Recognized as One of the Achievers 50 Most Engaged Workplaces Awards 'Elite 8'**

Air Canada has been further recognized by Achievers as being one of the 'Elite 8' companies within the 2021 Achievers 50 Most Engaged Workplaces® Awards, which celebrates the top 50 employers that make engagement, alignment and recognition central to the employee experience. This latest award follows the airline being recently named as one of the 50 Most Engaged Workplaces for the fifth consecutive year for its commitment to employee engagement.

### **34. U.S. Airlines Carried 5.2% More Cargo in August 2021 than August 2020 (Preliminary); Down 2.8% from July 2021**

U.S. airlines carried 1,661 thousand tons of cargo in August 2021 (preliminary), an increase of 5.2% over August 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 increase resulted from gains of 4% in domestic cargo and 8.9% in international cargo. 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.

### **35. WestJet to return to 95 destinations this winter**

This 2021 winter, WestJet is set to restore service and connectivity to more than 95 destinations across the airline's domestic, transborder, sun and international network as of December 2021. "As Canadians confidence in travel grows, the return of service to 95 destinations marks a major milestone in rebuilding our network to pre-pandemic levels," said John Weatherill, WestJet Chief Commercial Officer. "We have our sights set on restoring our global network to reach more than 100 destinations and continue to focus on alleviating the current travel barriers in place for our guests."

### **36. Canada's airports are ready to work with the new government to restore air service**

ON October 26, 2021, Canada's airports' efforts to safely restore air service to communities across the country took a step forward today with the announcement of the new federal Cabinet. While there are many changes, Omar Alghabra will continue in his role as Minister of Transport, a position he first assumed in January 2021. "We are very pleased that Minister Alghabra will remain at Transport," said Daniel-Robert Gooch, President of the Canadian Airports Council. "He has been a strong partner, working with the aviation sector on the new vaccine mandate as well as the new funding programs available to airports. With Mr. Alghabra in staying in place, we can continue our important work to restore air service to Canadians without undue delays. We also look forward to continuing our work with Deputy Prime Minister and Minister of Finance, Chrystia Freeland on economic growth."

### **37. Weekly aircraft movements, October 9 to 15, 2021**

Weekly data on aircraft itinerant movements are now available for October 9 to 15, 2021. For the week ending October 9, 2021 domestic movements were 40,274 compared to 45,346 for the week ending October 2, 2021.

### **38. Monthly civil aviation statistics, August 2021**

Major Canadian airlines carried 3.3 million passengers on scheduled and charter services in August 2021, the most since the pandemic began. While this was almost triple the number of passengers carried in August 2020, it was about two-fifths (39.3%) of the pre-pandemic level reported in August 2019. At 78.1%, the passenger load factor rose closer to historical levels in August 2021, surpassing 70% for the first time since February 2020. While operating revenue has increased, the \$830.9 million earned in August 2021 was less than one-third (30.6%) of the operating revenue earned before the pandemic in August 2019.

### **39. Air Canada joins new climate group**

Air Canada is a founding member of, and the first Canadian carrier to join, the Aviation Climate Taskforce (ACT), formed to tackle the challenge of rising CO2 emissions from commercial aviation. The new, non-profit organization, made up of 10 global airlines and the Boston Consulting Group, was established to accelerate research and advance innovation related to emerging decarbonization technologies, including through the development of sustainable aviation fuels.

### **40. Aircraft movement statistics: Major airports, August 2021**

In August 2021, there were 423,522 aircraft movements at Canada's major airports, up 4.1% from August 2020. While this was the highest number of movements since the onset of the pandemic in March 2020, it was three-quarters (74.8%) of the pre-pandemic level from August 2019. At 14,608, movements to and from the United States also reached their highest number since March 2020, but remained just under one-third (32.4%) of the 45,017 movements reported in August 2019, before the pandemic. Higher volumes of commercial passenger traffic helped to elevate Vancouver International and Toronto/Lester B. Pearson into the top three together for the first time since December 2020, and to lift Calgary International back into the top five for the first time since April 2020.

## **WATER TRANSPORTATION**

### **1. Trans-Atlantic capacity injection blunted by logistics bottlenecks**

The trans-Atlantic trade lane heads into its busy fourth quarter facing the same capacity-cutting port congestion issues as the larger trades out of Asia, leaving little room for rates to drop from record highs.

### **2. Canadian pension fund takes over Ports America**

Canada's largest pension fund is taking full ownership of Ports America as the fund seeks to increase its exposure to US markets and trade.

### **3. Shipping community calls for urgent decarbonisation**

More than 150 industry leaders and organizations representing the entire maritime value chain call on governments to work together with industry to deliver policies and investments to speed process. Shipping accounts for three percent of global greenhouse gas (GHG) emissions. Full decarbonization of international shipping is urgent and achievable. This is the message more than 150 industry leaders and organizations representing the entire maritime value chain, including shipping, cargo, energy, finance, ports, and infrastructure want global leaders to hear.

### **4. OSRA 2021 could strengthen contracting without reverting to 'common carriage'**

If passed into law as currently written, the *Ocean Shipping Reform Act of 2021* would bring about the most profound changes to maritime contracting since the 1998 version by allowing the government to weigh in on what constitutes a "reasonable" agreement.

### **5. Panama Canal sets the stage for the path forward**

The COVID-19 pandemic has undoubtedly changed the status quo of the shipping industry. As supply chains shifted, trade patterns once solidified in their routines altered course and a whole industry began to adapt. This exposed areas up and down the supply chain that needed to reform to the demands and challenges of today, beyond pandemic preparedness. Most notably, the latest IPCC report revealed that human influence has warmed the Earth's climate at an alarming rate, and it is expected that global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO<sub>2</sub>) and other greenhouse gas (GHG) emissions occur in the coming decades. This report sounded the alarm, and proved, furthermore, that inaction is unacceptable. The Panama Canal has transcended beyond its role as a shortcut in the logistics chain, offering reduced voyage times along maritime routes and emissions, to an advocate for sustainable shipping and route optimization as a means to reduce CO<sub>2</sub>. Thus, this past year, it introduced several initiatives to better align with the global response to climate change, as many players in the value chain have done, from shipping lines to cargo owners. At the start of 2021, the waterway launched the CO<sub>2</sub> Emissions Dashboard, which began tracking monthly data on carbon emissions per segment. In April 2021, the Canal also announced its objective of becoming carbon neutral in its operations by 2030, a deadline shared by many in the maritime industry, as the urgency of climate change continues to pose an imminent threat to the Earth's resources.

### **6. Port of Corpus Christi, Autonomy Institute enter into partnership**

The Port of Corpus Christi Authority has entered into a Memorandum of Understanding (MOU) with Autonomy Institute Inc. to develop and deploy intelligent and autonomous projects along the port's Joe Fulton International Trade Corridor. The agreement between the two parties provides the Joe Fulton International Trade Corridor as a natural use case and proving ground for the deployment of intelligent infrastructure, such as Public Infrastructure Network Nodes (PINN), NextG wireless, assured position navigation timing, edge computing and smart IoT devices. The new partnership is a continuation of the Port of Corpus Christi's established Technology Advancement

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2. Canadian pension fund takes over Ports America, September 29, 2021, [www.joc.com](http://www.joc.com)
3. Shipping community calls for urgent decarbonisation, September 29, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
4. OSRA 2021 could strengthen contracting without reverting to 'common carriage', October 1, 2021, [www.joc.com](http://www.joc.com)
5. Panama Canal sets the stage for the path forward, October 4, 2021, [www.ajot.com](http://www.ajot.com)
6. Port of Corpus Christi, Autonomy Institute enter into partnership, October 4, 2021, [www.ajot.com](http://www.ajot.com)
7. Vancouver importers scramble for domestic containers, October 4, 2021, [www.joc.com](http://www.joc.com)
8. Port authority announces details of Roberts Bank Terminal 2 Project community investment program for Delta, October 5, 2021, [www.portofvancouver.com](http://www.portofvancouver.com)
9. Ship's anchor may have caused California oil spill, October 4, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
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12. Container Crisis Forcing Shippers to Bulk Shipments, October 6, 2021, [www.ontruck.org](http://www.ontruck.org)
13. Congestion blunting Asia-Europe capacity injection: analysts, October 4, 2021, [www.joc.com](http://www.joc.com)
14. Cosco tips 17-fold increase in profit for third quarter, October 8, 2021, [www.joc.com](http://www.joc.com)
15. OOCL shrugs off Q3 volume slide with surge in revenue, October 8, 2021, [www.joc.com](http://www.joc.com)
16. Three new Liebherr Megamax STS for Maher Terminals LLC, October 8, 2021, [www.ajot.com](http://www.ajot.com)
17. Biden will announce expanded operations at Port of Los Angeles as supply chain crunch continues, October 13, 2021, [www.cargonews.com](http://www.cargonews.com)
18. China's exports climb about 20% in September despite energy crisis, October 12, 2021, [www.ajot.com](http://www.ajot.com)
19. Improvements to Annacis Auto Terminal in Delta will support growing auto sector, October 13, 2021, [www.portofmontreal.ca](http://www.portofmontreal.ca)
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21. PRPA supports youth-led project to reduce ocean pollution, October 13, 2021, [www.rupertport.com](http://www.rupertport.com)
22. Port of Prince Rupert: Accumulated container traffic (January to September 2021), October 15, 2021, [www.rupertport.com](http://www.rupertport.com)
23. Federal government watching for Canadian port backlogs, October 15, 2021,

Program, which is designed to foster innovation to enhance safety and efficiency across multiple modes of freight mobility. “The Port of Corpus Christi is future-focused and committed to bringing best-available technology to bear to increase safety and efficiency in support of our customers,” said Jeff Pollack, Chief Strategy and Sustainability Officer for the Port of Corpus Christi. “Partnering with the Autonomy Institute is a great way to leverage innovation to fulfill our core mission.”

### **7. Vancouver importers scramble for domestic containers**

Congestion in Vancouver has caused demand for Canadian Pacific’s 53-foot containers to skyrocket and the available supply to become extremely thin.

### **8. Port authority announces details of Roberts Bank Terminal 2 Project community investment program for Delta**

The Vancouver Fraser Port Authority on October 5, 2021 announced the details of the Roberts Bank Terminal 2 Project community investment program, which will provide \$6 million to Delta organizations and students, should the project proceed. Roberts Bank Terminal 2 is a proposed new marine container terminal on Canada’s west coast led by the port authority. If approved and built, the project would play a critical role in supporting Canadian exporters and consumers of goods who increasingly want to trade with economies around the world. “We have a long history of supporting local organizations, programs, and initiatives that enrich the lives of the people who live and work in port communities like Delta,” said Duncan Wilson, vice president, environment and external affairs at the Vancouver Fraser Port Authority. “We are excited to have the opportunity to support Delta students and community-based organizations through the Roberts Bank Terminal 2 Project community investment program, should the project proceed.”

### **9. Ship’s anchor may have caused California oil spill**

Officials investigating one of California’s largest recent oil spills are looking into whether a ship’s anchor may have struck an oil pipeline on the ocean floor, causing heavy crude to leak into coastal waters and foul beaches, authorities said on October 4, 2021.

### **10. Shipping industry sets out bold plan to global regulator to deliver net zero by 2050**

The International Chamber of Shipping has submitted plans to the industry’s UN regulator, the International Maritime Organization (IMO), detailing urgent measures which governments must take to help the industry achieve net zero CO2 emissions by 2050. The new net zero target and action plan was on October 5, 2021 welcomed by Canadian ship operators represented by the Ottawa-based Chamber of Marine Commerce, who urged the federal government to work together with them on a path forward that is suitable for the Canadian model of inland and coastal shipping. Just one month before the shipping industry’s flagship COP26 decarbonisation conference ‘Shaping the Future of Shipping’, ICS (which represents 80% of the global shipping industry), is pushing governments to double the ambition of the IMO’s current target, which is to reduce emissions from international shipping by 50% by 2050. The plans include a compulsory R&D fund to develop zero-carbon technologies, and the development of a carbon levy for shipping to expedite the transition to more expensive zero-carbon fuels.

### **11. How supply chain chaos and sky-high costs could last until 2023**

With no end in sight for global supply chain crisis, importers warned to brace for high costs throughout next year.

### **12. Container Crisis Forcing Shippers to Bulk Shipments**

The cost of shipping stuff in containers has gotten so out of hand that major worldwide shippers like Coca-Cola Co. are switching its cargoes to vessels that are normally only used by industrial commodity traders to help keep its business running, reports *Transport Topics*. In normal times, the company transports materials around the world in the same 20-foot steel boxes that haul everything from toys to bicycles. With those markets booming and capacity constrained, it has instead chosen to use three so-called bulk carriers — normally used by commodity traders to haul products like coal and iron ore — to transport 60,000 tons of cargo, Alan Smith. “When you can’t get containers or space due to the current ocean freight crisis, then we had to think outside the box,” Smith said.

### **13. Congestion blunting Asia-Europe capacity injection: analysts**

[www.insidelogistics.ca](http://www.insidelogistics.ca)

24. Port of Metro Vancouver: Accumulated container statistics Year-to-Date (January – September), October 14, 2021, [www.portofmetrovancouver.com](http://www.portofmetrovancouver.com)

25. Port of Rotterdam throughput rises substantially again in Q3, October 19, 2021, [www.ajot.com](http://www.ajot.com)

26. Container surge continues at Port Houston, October 20, 2021, [www.ajot.com](http://www.ajot.com)

27. Port of Montreal, Accumulated container traffic (January – September 2021), October 20, 2021, [www.portofmontreal.ca](http://www.portofmontreal.ca)

28. Container market to remain tight through 2022: Drewry, October 20, 2021, [www.joc.com](http://www.joc.com)

29. Long Beach port chief: ‘Shop early’ as snarls to last all year, October 21, 2021, [www.ajot.com](http://www.ajot.com)

30. Port of Halifax: Container traffic for the 2021 third quarter, October 22, 2021, [www.portofhalifax.ca](http://www.portofhalifax.ca)

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34. No flames seen from containers on Zim Kingston, October 26, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

35. Coast guard says 109 containers fell off Zim Kingston, October 28, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

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37. Ontario Invests in New Simcoe Island Ferry, October 28, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

38. California, U.S. Department of Transportation Announce Partnership on Supply Chain Infrastructure Program, October 28, 2021, [www.dot.gov](http://www.dot.gov)

Planned increases in capacity to be deployed by carriers in the 2021 fourth quarter on Asia-Europe look impressive, but the extra space is being significantly reduced by port congestion that is delaying ships and upending schedules.

#### **14. Cosco tips 17-fold increase in profit for third quarter**

Cosco Shipping told shareholders to expect a major increase in third-quarter and nine-month profitability thanks to the surge in freight rates and high demand.

#### **15. OOCL shrugs off Q3 volume slide with surge in revenue**

Third-quarter operational results from OOCL provide an early indication that carriers are firmly on course to reporting another highly profitable period in what will be a record-breaking financial year. Revenue was up 125% in third quarter of 2021.

#### **16. Three new Liebherr Megamax STS for Maher Terminals LLC**

Liebherr Container Cranes have been awarded the contract for the supply of three ship to shore (STS) container cranes for Maher Terminals LLC at the Port of New York & New Jersey. The cranes will take their place alongside the existing eight Liebherr STS cranes at Maher's terminal. The first two cranes were supplied in 2012 with a further two in 2014 and four in 2016. Maher's positive experience with the Liebherr STS for the best part of a decade has reinforced the decision to once again purchase Liebherr cranes. With a span of 30.48 m, a back reach of 22.9 m, an outreach of 69.5 m and a lift height over rail of 53.34 m, the megamax cranes are designed to handle the world's largest container vessels.

#### **17. Biden will announce expanded operations at Port of Los Angeles as supply chain crunch continues**

The Port of Los Angeles will begin operating around the clock as the White House pushes to clear supply chain bottlenecks threatening the holiday shopping season and slowing the country's economic recovery from the global pandemic, senior Biden administration officials said. Similar steps have already been taken in recent weeks at the Port of Long Beach. Together the two sprawling facilities are responsible for nearly half of all imports into the United States, making them a key part of logistical networks strained by the coronavirus crisis. "It will help us start to address the backlog,"

#### **18. China's exports climb about 20% in September despite energy crisis**

China's exports in yuan terms grew at a faster pace in September 2021 than the previous month despite a nationwide power crunch that forced businesses to cut production. Export growth accelerated to about 20%, according to *Bloomberg* calculations based on official data, from 15.7% in August 2021. September's 2021 gain was higher than the median estimate of 13.3% in a *Bloomberg* survey of economists. Growth in imports in yuan slowed to 11.0% in September 2021 from 23.1% in the previous month. The customs administration published data for the first nine months of the year showing exports in yuan terms climbed 22.7% from a year earlier, while imports increased 22.6%. Li Kuiwen, a spokesman for China's customs administration, said strong trade growth in the first three quarters was driven by the recovery in the global economy, though the lingering pandemic and difficult rebound in global growth have contributed to volatility and uncertainty facing foreign trade. Li cited electronics and machinery, as well as labor-intensive products such as toys, bags and suitcases as seeing particularly strong export growth in the first three quarters. Fourth-quarter trade growth may slow because of the higher base from a year ago, he said.

#### **19. Improvements to Annacis Auto Terminal in Delta will support growing auto sector**

The Vancouver Fraser Port Authority announced on October 13, 2021 that it has reached an agreement with terminal operator WWL Vehicle Services Canada, Ltd. (dba/ WW Solutions) to lead improvements to the Annacis Auto Terminal in Delta. Supported by funding from Transport Canada, the Annacis Auto Terminal Optimization Project will improve the efficiency of the terminal's operations within the existing footprint, increase its ability to handle a greater volume of automobile imports in the future, and help support climate change resiliency. "We are very pleased to partner with WW Solutions on this critical trade-enabling project", said Jennifer Natland, acting vice president of real estate at the Vancouver Fraser Port Authority. "With nearly 100% of all Asian-manufactured vehicle imports coming through the Port of Vancouver destined for the Canadian market, the Annacis Auto Terminal Optimization Project will help address post-pandemic growth in the auto sector and emerging electric vehicle demand—all within existing land use."

#### **20. Tsawwassen First Nation and the Vancouver Fraser Port Authority sign renewed Relationship Agreement**

Tsawwassen First Nation and the Vancouver Fraser Port Authority announced on October 14, 2021 the signing of a historic relationship agreement. As neighbours and partners, the agreement will formalize the partnership between Tsawwassen First Nation and the port authority, govern their long-term relationship, and provide a framework to support collaborative work together in Tsawwassen Traditional territory. On Saturday October 2, 2021 a signing ceremony was held for Tsawwassen First Nation members to witness as Chief Ken Baird and Vancouver Fraser Port Authority president and CEO Robin Silvester gathered together to sign the milestone relationship agreement. "The Port of Vancouver has been our neighbour for many years. For future generations, the port will still be there, and so it is important that we forge this relationship with the port authority now and continue to build on it in the future," Chief

Baird told members. “This is all part of truth and reconciliation in my mind.”

#### **21. PRPA supports youth-led project to reduce ocean pollution**

Six new trash collection devices, specially designed to reduce ocean pollution, have been installed at four marinas thanks to a \$27,500 investment from the Prince Rupert Port Authority’s (PRPA) Community Investment Fund. These innovative garbage skimmers are part of a global network of 860 Seabins located throughout North America, Europe, Asia, Australia, and the South Pacific. The devices are equipped with an electric submersible pump that draws water from the surface into a bag which traps floating refuse, including microplastics as small as two millimetres. With an average catch of 1.5 kilograms of waste per day, each Seabin can collect nearly half a tonne of debris each year.

#### **22. Port of Prince Rupert: Accumulated container traffic (January to September 2021)**

The Port of Prince Rupert reported its accumulated container traffic for the first nine months of 2021 on September 14, 2021. Total container traffic in terms of TEUs for January to September 2021 was 773,443 compared to 814,551 for the same period in 2020, a change of -5%. Total imports for January to September 2021 was 397,050.25 TEUs compared to 465,566.75 TEUs for the same period a year ago, a change of -15%. Total exports for January to September 2021 was 376,393.50 TEUs compared to 348,985.75 TEUs for the same period a year ago, a change of 8%.

#### **23. Federal government watching for Canadian port backlogs**

The Canadian government says it is keeping an eye out of import backlogs at Canadian ports like Vancouver. Finance Minister Chrystia Freeland says she is keeping a close eye on the pace of trade at Canadian ports for signs of strain. While Freeland suggested on October 14, 2021 she hasn’t seen difficulties similar to those south of the border, she does say the government is mindful of supply-chain issues in the Canadian economy. She also sounded an upbeat note about Canada’s economic recovery from COVID-19. The recovery has come with a rebound in consumer spending for goods, which has put pressure on shipping companies and ports trying to keep up with demand.

#### **24. Port of Metro Vancouver: Accumulated container statistics Year-to-Date (January – September)**

The Port of Metro Vancouver released its container statistics (TEUs) for the period January to September 2021 on October 14, 2021. Total traffic for this period compared to a year ago rose 15.7% i.e. to 2,858,235 TEUs from 2,471,114 TEUs. Total imports increased 11.9% i.e. to 1,477,944 TEUs from 1,321,051 TEUs. Total exports increased 20% i.e. to 1,380,291 TEUs from 1,150,063 TEUs.

#### **25. Port of Rotterdam throughput rises substantially again in Q3**

Container volume is back above pre-corona level, due to large increase in throughput of oil products, iron ore, coal and biomass. Goods throughput in the port of Rotterdam rose to 118.5 million tonnes in the third quarter, 14.6% more than in the same period last year. Throughput was 350.1 million tonnes through to the end of the third quarter, an increase of 8.6% on 2020. During that time, there was strong growth in almost all throughput segments, and particularly in mineral oil products (+13.5%), iron ore and scrap metal (+42%), coal (+48.4%) and biomass (+18.7%). Containers are also still on the rise (+4.0% in tonnes, +7.8% in TEUs). The only falls were in agribulk (-12.8%) and LNG (-1.8%). Allard Castelein, CEO of the Port of Rotterdam Authority said: “These quarterly figures show that the economy is continuing its upward path.”

#### **26. Container surge continues at Port Houston**

Port Houston, America’s distribution hub for the next generation, saw double digit TEU growth again in September 2021. Port Houston container activity for September 2021 was 281,500 TEUs, up 11% compared to the same month last year. This is the seventh consecutive month for containers to show double digit growth, driven largely by increased consumer spending. Year-to-date, TEUs are up 16% compared to 2020. Steel imports are also up, increasing 161% this month compared to September 2020 and are up 28% year-to-date. This growth reflects increased activity in the energy industry. Texas onshore and offshore rig count is up 243 rigs from October 1, 2020, almost double compared to last year, fueling an increase in demand for Oil Country Tubular Goods (steel pipe) for drilling operations. “We expect container as well as demand for steel to continue growing through the remainder of the fourth quarter and into next year,” said Roger Guenther, Executive Director at Port Houston. “It’s an exciting time at Port Houston, and we are accelerating infrastructure expansion now for increased capacity in the future.”

#### **27. Port of Montreal, Accumulated container traffic (January – September 2021)**

The Port of Montreal released its accumulated container traffic (TEUs) on October 20, 2021. Total traffic for the period (January to September) was 1,286,831 TEUs an increase of 11.01% compared to 1,159,196 TEUs for the same period a year ago. Total imports for this period were 629,528 TEUs an increase of 5.65% compared to 595 879 TEUs. Total exports for this period were 657,303 TEUs an increase of 16.68% compared to 563 318 TEUs.

#### **28. Container market to remain tight through 2022: Drewry**

Drewry said it will take about a half year longer than previously thought for container markets to be restored to a better balance and will remain tight right through 2022.

#### **29. Long Beach port chief: ‘Shop early’ as snarls to last all year**

Americans should buy their holiday gifts early this year, as the container glut plaguing ports and the supply chain will

persist through at least year-end, the head of California's Port of Long Beach said on October 21, 2021. "Shop early, because these delays and bottlenecks are going to continue to the end of the year," Mario Cordero, the port's executive director, said during an interview with Bloomberg Television. "Hopefully we'll have some strong mitigating factors." Long Beach, the nation's second-largest port, and its nearby and bigger rival, the nearby Port of Los Angeles, are under pressure to relieve the backlog of cargo containers anchored off the coast of Southern California and piled up in the yard. U.S. President Joe Biden this month announced the Los Angeles port would start operating around the clock—following Long Beach—and got commitments from major retailers to speed up their own unloading of cargo. The top priority is making sure the entire supply chain runs 24 hours a day, seven days a week, including the port, trucks and warehouses, according to Cordero. Port officials and the Biden administration are having "good collaborative discussions" to make that happen, he said. Cordero's port has been overrun with imports, with the number of 20-foot equivalent units of containers at Long Beach up 24% in 2021 through September—an increase he's attributed in part to surging e-commerce orders.

### **30. Port of Halifax: Container traffic for the 2021 third quarter**

The Port of Halifax released its container traffic (TEUs) for the 2021 third quarter on October 22, 2021. Total traffic for this quarter was 137,701 TEUs down 11.7% from 155,936 TEUs a year ago. Total imports for this quarter were 69,323 TEUs down 18.9% from 85,485 TEUs a year ago. Total exports for this quarter were 68,378 TEUs down 2.9% from 70,451 TEUs a year ago. Year to date (January to September), total traffic was 432,319 TEUs up 15.6% compared to the same period a year ago.

### **31. Ship evacuated in British Columbia after fire among containers**

A container vessel has been evacuated after a fire broke out aboard the ship off British Columbia. Sixteen people have been rescued from the Zim Kingston, the Canadian Coast Guard said on Twitter. The fire, affecting 10 containers, remained "a dynamic event," and responders were on the scene near the provincial capital, Victoria, according to the post late Saturday local time.

### **32. Hazardous materials burning aboard container ship anchored off southern B.C.**

The Canadian Coast Guard says a fire is continuing to burn in several containers aboard a cargo ship about eight kilometres off the coast of Victoria. The Coast Guard says in a release that it received word late on October 23, 2021 morning that a fire had broken out in 10 damaged containers aboard the MV Zim Kingston, which is now anchored in Constance Bank, and that two of the burning containers contain hazardous material identified as potassium amylxanthate. The release notes that the ship itself is not on fire, but says an emergency zone has been set up for one nautical mile around the Zim Kingston, adding there is currently no safety risk to people on shore.

### **33. North American Ports Runneth Over**

With consumer confidence increasing and economies opening, goods are moving through North American ports at an unprecedented rate, with imports through the ports of Los Angeles and Long Beach swelling 41.1% year over year through the first half of 2021. Container volume (TEUs) change at the following ports in TEUs were: Los Angeles-44.3%, Long Beach-38.5%, New York/New Jersey-30.6%, Savannah-31.0%, Vancouver-25.5%, Northwest Seaport Alliance – 18.9%, Virginia-32.0%, Houston-12.6%, Charleston-21.8%, and Oakland-11.4%. With this increase the cost of transporting has also risen dramatically.

### **34. No flames seen from containers on Zim Kingston**

Some of the containers that caught fire on a cargo ship off Victoria contained hazardous materials, but air quality monitoring along the city's waterfront had found no negative results, the Canadian Coast Guard said on October 25, 2021. A flyover of the MV Zim Kingston showed no visible flames, although a salvage master had indicated there were still pockets of fire and some containers had "internal fires," Paul Barrett, an official with the coast guard, told a media briefing. Crews had been spraying water on the containers and the ship's hull to keep it cool while salvage and firefighting crews waited for calmer weather in order to board.

### **35. Coast guard says 109 containers fell off Zim Kingston**

The number of containers that fell into the ocean from a cargo ship off Victoria is up to 109 from the original estimate of 40, the coast guard said on October 27, 2021. Deputy federal incident commander Mariah McCooey said three of the boxes have washed up on a beach in Cape Scott on the northern tip of Vancouver Island. The number of lost containers could change and "there's a good chance that a lot of them have already sunk," McCooey told a news briefing.

### **36. Port Saint John sees double-digit cargo increases**

Port Saint John has seen cargo tonnage hit double digits increase so far this year. Tonnage at the port in the first three quarters of 2021 is 19 percent higher than over the same period in 2020. The first three quarters of 2020 saw 18.6 million tonnes of cargo, with 2021 seeing 22.2 million tonnes by the end of September 2021. In the container sector, both TEUs and tonnage are experiencing year-over-year increases. As of the end of September 2021, the container tonnage moved via Port Saint John is six percent higher than 2020. This is the fifth consecutive year of growth in the container sector at Port Saint John.

### 37. Ontario Invests in New Simcoe Island Ferry

The Ontario government is investing \$3.3 million in a new ferry for the Simcoe Island community to ensure residents and visitors have reliable access to the island, and more opportunities to participate in the regional economy. The ferry will be built by Heddle Shipyards in Hamilton and will help support up to 24 local jobs during construction.

### 38. California, U.S. Department of Transportation Announce Partnership on Supply Chain Infrastructure Program

On the heels of Governor Gavin Newsom's executive order to help tackle supply chain issues, and as part of the ongoing efforts of the Biden-Harris Task Force on Supply Chain Disruptions, Governor Newsom and the U.S. Department of Transportation (USDOT) announced a strategic partnership to help facilitate innovative projects and financing opportunities for multi-billion infrastructure improvements in California.

## RAIL TRANSPORTATION

### 1. CN Publishes 2021-2022 Winter Plan

CN announced on September 29, 2021 that the Company published its 2021-2022 Winter Plan – All in Together. The Plan is part of CN's commitment to delivering safely and efficiently during winter, and is the result of broad consultations and close collaboration with various customers and stakeholders. CN's Winter Plan explains how the Company's employees and equipment remain ready to reduce the effects of harsh winter conditions for its customers, while ensuring the safety and effectiveness of its operations. "CN's goal is to lead as the safest and most innovative railway in North America. We adopt best practices, cutting-edge technology and make key investments in infrastructure and equipment. With this approach we safely move more goods, for the benefit of our customers and the North-American economy."

### 2. CN to Serve Two New G3 Grain Elevators

C3 has announced plans to build 42,000-ton capacity grain elevators in Rycroft, Alberta, and Melfort, Saskatchewan. CN will serve both new facilities. G3 will begin construction later this year on two new high-efficiency grain elevators in Western Canada, to be served by CN. Each will have a 42,000-ton capacity when they open for business, which is scheduled for early 2023, reported Winnipeg, Manitoba-based C3. The facilities—located in Rycroft, Alberta, and Melfort, Saskatchewan—will feature a loop track for quick unloading of a 150-car unit train, according to the company, which currently has 17 grain elevators in Canada. "We are excited to extend our network of high-efficiency facilities to the farming communities around Rycroft and Melfort," G3 CEO Don Chapman said. "G3 is keeping grain moving to market, and that means more delivery opportunities for our farmer customers, and faster service which saves farmers time and money."

### 3. Ontario Gives Lincolnville GO Station a New Name

The Ontario government is giving Lincolnville GO Station a new name – Old Elm GO Station – in an effort to honour the historic 200-year-old elm tree being preserved during the construction of a new and improved station on Tenth Line. The new GO station will feature modern amenities and ensure passengers no longer have to cross railroad tracks to get to the station.

### 4. Week 38: Intermodal Drags Down U.S. Rail Traffic Totals, Again

"In 2021, the average time a chassis is on the streets before it returns to an intermodal ramp has elongated by 20% versus the same time last year," says Elise Gosch, UP's AVP-Marketing & Sales-Premium Intermodal. Total U.S. rail traffic for the week ending Sept. 25, 2021, was 511,713 carloads and intermodal units, a 1.3% decline from the prior-year period, with intermodal losses offsetting carload gains, according to the Association of

## RAIL TRANSPORTATION

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7. CN Announces Special Meeting of Shareholders on March 22, 2022, October 4, 2021, [www.cn.ca](http://www.cn.ca)
8. VIA Rail Welcomes New Siemens Trainset, October 1, 2021, [www.railwavage.com](http://www.railwavage.com)
9. Quebec moving ahead with plan to redistribute \$39 million to Lac Megantic victims, October 4, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
10. CN/TCI Showdown Set for March 22, 2022, October 4, 2021, [www.railwavage.com](http://www.railwavage.com)
11. AAR: No Single Solution to the Intermodal Problem, October 6, 2021, [www.railwavage.com](http://www.railwavage.com)
12. Mandatory COVID-19 vaccination requirements for federally regulated transportation employees and travellers, October 6, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
13. TCI Fires Back at CN, at Length, October 7, 2021, [www.cn.ca](http://www.cn.ca)
14. CP recognizes customers with 2020 Safe Shipper Award for exemplary safety behaviour, October 13, 2021, [www.cpr.ca](http://www.cpr.ca)
15. CSX, CP Recognize Chemical Shippers for Safety, October 13, 2021, [www.railwavage.com](http://www.railwavage.com)
16. AAR: North American Rail Volume Up 7.6% Through 40 Weeks, October 13, 2021, [www.railwavage.com](http://www.railwavage.com)
17. Freight trains not the cause of BC wildfire, TSB says, October 15, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
18. TSB: CN, CP Not to Blame for Lytton Fire, October 15, 2021, [www.railwavage.com](http://www.railwavage.com)
19. As demand continues to progress via rail announces the final phase of its gradual service resumption plan, October 18, 2021, [www.viarail.ca](http://www.viarail.ca)
20. CN Delivers Solid Third Quarter Results and

American Railroads' Sept. 29 report. During the 38th week of the year, U.S. Class I railroads hauled 239,069 carloads, increasing 6.6% compared with the same week in 2020, and 272,644 containers and trailers, falling 7.3% from last year. Canadian railroads reported 79,652 carloads for the week ending September 25, 2021, a 2.5% drop, and 71,153 intermodal units, a 6.7% fall-off from the same week in 2020. For the first 38 weeks of 2021, they reported cumulative rail traffic volume of 5,630,827 carloads and intermodal containers and trailers, a 5.3% gain.

#### **5. TCI Fund Management raises concerns about CN director departure**

TCI Fund Management Ltd., which is seeking changes at Canadian National Railway Co., is accusing the railway of not disclosing the resignation of Julie Godin from CN's board of directors in an appropriate and timely manner. The British-based investment manager says CN did not immediately issue a news release about the resignation earlier this month. CN says Godin's resignation was posted on the System for Electronic Disclosure by Insiders and its own website in an appropriate and timely manner in accordance with relevant securities law.

#### **6. CN says TCI Fund Management claims are false**

Canadian National Railway Co. has forcefully pushed back against a British-based investor seeking changes at the railway, saying that TCI Fund Management Ltd. had made false and misleading claims and that it has a clear conflict of interest on October 1, 2021. "We will not indulge unfounded and bad-faith arguments that serve the interests of one shareholder over others," said CN chief executive Jean-Jacques Ruest in a statement.

#### **7. CN Announces Special Meeting of Shareholders on March 22, 2022**

CN on October 4, 2021 announced that it has scheduled a Special Meeting of Shareholders (the "Special Meeting") in response to a requisition by CIFF Capital and TCI (collectively "TCI"). The Special Meeting is scheduled to be held at 9:00 a.m. Eastern Time on Tuesday, March 22, 2022. TCI and CN have mutually agreed to the date of the Special Meeting.

#### **8. VIA Rail Welcomes New Siemens Trainset**

"Our new train has arrived and we couldn't be happier!" VIA Rail Canada tweeted on Sept. 29. It is the first of 32 trainsets that Siemens is delivering to the passenger railroad under a C\$989 million (US\$781.5 million) contract awarded in December 2018.

#### **9. Quebec moving ahead with plan to redistribute \$39 million to Lac Megantic victims**

The Quebec government is moving ahead with plans to redistribute \$39 million to those impacted by the 2013 rail disaster in Lac-Megantic, Que. that killed 47 people. About \$20 million will go directly to victims recognized during the legal proceedings against Montreal, Maine & Atlantic railway. That amount will be deducted without legal fees and distributed by the end of the year. The other \$19 million will be reserved to fund projects by citizens of the Lac-Megantic region.

#### **10. CN/TCI Showdown Set for March 22, 2022**

CN on Oct. 4 announced that it has scheduled a Special Meeting of Shareholders "in response to a requisition by CIFF Capital and TCI Fund Management Ltd. (collectively, TCI)" for 9:00 a.m. Eastern Time on Tuesday, March 22, 2022. TCI and CN "have mutually agreed to the date of the Special Meeting," CN noted, adding that "the proxy contest initiated by TCI is misguided, costly and not in the best interest of CN's shareholders or its other stakeholders." The announcement of the Special Meeting came one business day after CN issued a blistering attack on TCI. The meeting will take place approximately six months from now. Why so long? The CBCA (Canadian Business Corporation Act) states that a corporation must hold a shareholder meeting on a date no later than six months after the end of its preceding financial year; shareholders, though, can pass a resolution in lieu of a meeting. Sources told *Railway Age* that, though TCI had been pushing for an earlier date and had been considering litigation to that effect, the litigation process—not to mention the cost—would have taken at least six months to resolve.

#### **11. AAR: No Single Solution to the Intermodal Problem**

"Rail intermodal volume is clearly not what it has been and could be," AAR Senior Vice President John T. Gray noted in the association's Oct. 6 rail traffic report, which found that September 2021 container and trailer volume dropped. According to the Association of American Railroads' (AAR) report, U.S. Class I railroads moved 1,167,682 carloads in September 2021, rising 4.3% (or 47,858 carloads) from the same month last year; and 1,328,527 containers and trailers,

Reaffirms 2021 Outlook, October 19, 2021, [www.cn.ca](http://www.cn.ca)

21. Ruest leaving CN in January, October 19, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

22. CP reports third-quarter revenue growth of 4 percent; maintains full-year adjusted diluted EPS guidance, October 20, 2021, [www.cpr.ca](http://www.cpr.ca)

23. Canadian Pacific Railway Limited declares dividend, October 19, 2021, [www.cpr.ca](http://www.cpr.ca)

24. CP Rail lowers volume outlook, October 21, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

25. CN Rail sees hydrogen train shipments potentially rivaling crude, October 20, 2021, [www.nationalpost.ca](http://www.nationalpost.ca)

26. Singer's Elliott owns CN Rail stake, will push for change, October 20, 2021, [www.ajot.com](http://www.ajot.com)

27. CSX 3Q21: Revenue, Volume, Hiring Up, October 20, 2021, [www.railwage.com](http://www.railwage.com)

28. 'Carloads Up, Intermodal Down' Trend Persists in Week 41, AAR, October 20, 2021, [www.railwage.com](http://www.railwage.com)

29. UP Expecting 'Solid' Financial Finish for 2021, October 21, 2021, [www.railwage.com](http://www.railwage.com)

30. Railway carloadings, August 2021, October 25, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

31. AAR: U.S. Rail Traffic Dips in Week 42, October 27, 2021, [www.railwage.com](http://www.railwage.com)

32. Norfolk Southern reports third-quarter 2021 results, October 27, 2021, [www.nscorp.com](http://www.nscorp.com)

33. Norfolk Southern Declares Quarterly Dividend, October 26, 2021, [www.nscorp.com](http://www.nscorp.com)

34. CP releases 2020 corporate sustainability report, October 28, 2021, [www.cpr.ca](http://www.cpr.ca)

dropping 6.7% (or 95,317 units). Total U.S. carload and intermodal originations for the month were 2,496,209, down 1.9% (or 47,459 carloads and intermodal units) from September 2020. North American rail volume for the week ending Oct. 2, 2021, on 12 reporting U.S., Canadian and Mexican railroads totaled 340,442 carloads, increasing 2.9% from the same week last year, and 356,688 intermodal units, dropping 6.3% compared with 2020. Total combined weekly rail traffic in North America was 697,130 carloads and intermodal units, down 2%. North American rail volume for the first 39 weeks of 2021 was 27,026,291 carloads and intermodal units, up 7.9% vs. 2020. Canadian railroads reported 81,835 carloads for the week, a 1% gain, and 70,024 intermodal units, a 9.2% fall-off compared with the same week in 2020. For the first 39 weeks of 2021, they reported cumulative rail traffic volume of 5,782,686 carloads, containers and trailers, up 5%.

## **12. Mandatory COVID-19 vaccination requirements for federally regulated transportation employees and travellers**

On August 13, 2021, the Government of Canada announced its intent to require COVID-19 vaccination for employees in the federally regulated air, rail, and marine transportation sectors and its travellers. On October 6, 2021, Prime Minister Justin Trudeau and Deputy Prime Minister Chrystia Freeland announced that, as of October 30, 2021 the Government of Canada will require employers in the federally regulated air, rail, and marine transportation sectors to establish vaccination policies for their employees. Also effective October 30, 2021 travellers departing from Canadian airports, and travellers on VIA Rail and Rocky Mountaineer trains, will be required to be fully vaccinated in order to travel. For travellers who are in the process of being vaccinated, there will be a short transition period where they will be able to travel if they can show a valid COVID-19 molecular test within 72 hours of travel, but that transition period will end on November 30.

## **13. TCI Fires Back at CN, at Length**

The battle for boardroom and C-suite control between CN and TCI Fund Management Ltd. continues to escalate. On Oct. 6, TCI responded to CN's Oct. 4 press release with one of its own. In a largely repetitive 2,100-word tone, TCI (which consists of CIFF Capital UK LP, The Children's Investment Master Fund and TCI Fund Management Limited) said it "reiterates the need for Board and CEO change at CN; emphasizes the qualifications of four independent, highly-skilled Director candidates; and sets the record straight on inaccurate claims from CN's Board." The article describes some of the claims and counterclaims of the two sides.

## **14. CP recognizes customers with 2020 Safe Shipper Award for exemplary safety behaviour**

Canadian Pacific (CP) is honoured to recognize 51 shippers with its annual Safe Shipper Award for safely transporting hazardous materials by rail in 2020. "Safety is a core foundation underlying everything we do at CP. Operating safely requires constant vigilance from all participants in the supply chain," said Coby Bullard, Vice-President Marketing and Sales, Energy, Merchandise, Intermodal and Automotive. "CP's customers play a critical role in safely shipping essential products on our rail network. Encouraging and rewarding safe behaviour across every aspect of our business helps to protect our employees ..."

## **15. CSX, CP Recognize Chemical Shippers for Safety**

CSX and Canadian Pacific (CP) are honoring customers for their commitment to the safe transportation of hazardous materials (hazmat). CSX recognized 71 shippers—representing the chemical, biofuel, waste and fertilizer sectors—as part of its 27th annual Chemical Safety Excellence Award program. Each recipient shipped at least 600 carloads of hazmat on the CSX network in 2020 "without release due to controllable factors," the Class I reported. Total shipments came in at 238,000 carloads. At CP, 51 customers earned the railroad's Safe Shipper Award for transporting at least 500 carloads of hazmat (non-intermodal) in 2020 with zero non-accidental release (NAR) incidents. A hazmat NAR, the railroad explained, "is the unintentional release of a hazardous material while in railroad possession that is not caused by a derailment, collision or other rail-related accident."

## **16. AAR: North American Rail Volume Up 7.6% Through 40 Weeks**

The Association of American Railroads (AAR) now has 40 weeks of traffic data for 2021. Total traffic (carload and intermodal) rose 7.6% in North America—climbing 8.7% in the U.S., 4.7% in Canada, and 4.1% in Mexico from the same point last year. For the week ending Oct. 9, 2021, total U.S. weekly rail traffic came in at 506,642 carloads and intermodal units, down 2.6% compared with the same week in 2020, AAR reported on Oct. 13. U.S. Class I railroads moved 239,821 carloads, increasing 4% vs. the prior-year period; and 266,821 containers and trailers, decreasing 7.8% compared with last year. Canadian railroads reported 76,424 carloads for the week, down 4.2%, and 73,414 intermodal units, down 7.2% vs. the prior-year period. For the first 40 weeks of 2021, they reported cumulative rail traffic volume of 5,932,524 carloads, containers and trailers, increasing 4.7%.

## **17. Freight trains not the cause of BC wildfire, TSB says**

Investigators confirmed with both CN and CP railways that there had been no rail grinding activities on the track and found no signs of potential fire-creating in the Lytton wildfire. The Transportation Safety Board says there's no evidence that a freight train sparked a wildfire that destroyed the town of Lytton, B.C., this summer. The agency said on

October 14, 2021 that unless new information comes forward, it has no need to investigate further and it won't produce a report on the fire that killed two people. It said the BC Wildfire Service and RCMP continue to investigate the inferno that began on June 30, 2021 and caused millions of dollars in damage.

#### **18. TSB: CN, CP Not to Blame for Lytton Fire**

The Transportation Safety Board of Canada (TSB) reports that its investigation following the June 30, 2021 fire that destroyed the town of Lytton, B.C. "has not revealed any evidence to link railway operations to the fire. Unless new information establishes that a TSB reportable event occurred, no further work will be performed and no TSB investigation report will be produced." The wildfire remains under investigation by BCWS (British Columbia Wildfire Service) and the RCMP (Royal Canadian Mounted Police). TSB said it "had reasonable grounds to believe that there was a situation or condition that could induce an accident or incident (i.e. a fire caused by rolling stock)," and deployed an investigator on July 9 to gather information, examine and photograph the area, and assess the circumstances "to determine if the rolling stock that passed through Lytton could have caused or sustained a fire." TSB confirmed with CN and CP that no rail grinding activities or track work had taken place in the area that day or in the days before the first report of fire. Lead investigator James Carmichael inspected C73152-29 after it had been off-loaded and secured in Burnaby, B.C., "looking for signs of hot bearings, burnt brake heads, built-up tread, and other potential fire-creating causes," TSB reported. "No anomalies were noted. Transport Canada had also performed a safety inspection of the train earlier at the request of the RCMP and noted no anomalies." As well, Carmichael met with a BCWS fire origin investigator in Lytton, and conducted interviews with railroad employees engaged in operating trains in the area or in maintenance activities. "No anomalies were observed or reported," TSB said.

#### **19. As demand continues to progress via rail announces the final phase of its gradual service resumption plan**

VIA Rail Canada (VIA Rail) is pleased to announce the final phase of its gradual service resumption plan with new frequencies being added beginning in December 2021 and full operations across the country to return by the end of June 2022. As has been done for all VIA Rail services throughout the pandemic, the return to full operation will occur progressively, starting in December 2021 with the return of the second frequency of the Ocean.

#### **20. CN Delivers Solid Third Quarter Results and Reaffirms 2021 Outlook**

CN on October 19, 2021 reported its financial and operating results for the third quarter ended September 30, 2021, showing strong performance across nearly all key metrics, with adjusted diluted earnings per share ("EPS") of C\$1.52, up 10 per cent, an adjusted operating ratio of 59.0 per cent, an improvement of 90 basis points, and revenues of C\$3.6 billion, up five per cent over the third quarter of 2020. For the same period, the Company reported a 72 per cent year-over-year increase in diluted EPS to C\$2.37 and an operating ratio of 62.7 per cent. Financial highlights for the third-quarter 2021 compared to third-quarter 2020 were: 1. Revenues of C\$3,591 million, an increase of C\$182 million or five per cent. 2. Operating income of C\$1,341 million, a decrease of two per cent, and adjusted operating income of C\$1,471 million, an increase of eight per cent on an adjusted basis. 3. Diluted EPS of C\$2.37, an increase of 72 per cent, and adjusted diluted EPS of C\$1.52, an increase of 10 per cent. Operating ratio of 62.7 per cent, an increase of 2.8 points, and adjusted operating ratio of 59.0 per cent, an improvement of 0.9 points. 4. Operating income and operating ratio were impacted by transaction-related costs for the terminated CN merger agreement with KCS, a workforce reduction provision, and advisory fees related to shareholder matters. 5. For the nine months ended September 30, 2021, after accounting for all direct and incremental expenses as well as income generated from the merger termination fee, CN recorded additional income of C\$705 million (C\$616 million after-tax), as a result of its strategic decision to bid for KCS. 6. Free cash flow for the first nine months of 2021 was C\$2,034 million compared to C\$2,087 million for the same period in 2020.

#### **21. Ruest leaving CN in January**

Canadian National Railway Co.'s embattled CEO Jean-Jacques Ruest is retiring in the new year. The Montreal-based company says Ruest will leave at the end of January 2022 or when a successor has been appointed. Ruest has been a target for replacement by activist shareholder TCI Fund Management Ltd. "I am not going anywhere and I will deliver with the team here today around me on the fourth-quarter results and to be sure that we have a successful setup to the 2022 business plan," he told analysts in a conference call after markets closed. Railway chairman Robert Pace said Ruest had deferred his retirement due to the KCS transaction and introduction of its strategic plan. TCI has proposed former CN chief operating officer Jim Vena but Ruest said a search committee will consider a wide variety of candidates both inside the railway and elsewhere. "We know there is some candidate out there, at least one, but I think the world is bigger than that. And before the board makes a decision, we want to be very, very thorough."

#### **22. CP reports third-quarter revenue growth of 4 percent; maintains full-year adjusted diluted EPS guidance**

Canadian Pacific Railway Limited (CP) today announced third-quarter revenues of \$1.94 billion, diluted earnings per share ("EPS") of \$0.70, adjusted diluted EPS of \$0.88, an operating ratio ("OR") of 60.2 percent and an adjusted OR of 59.4 percent. "The third quarter presented challenges across the supply chain, but the CP team's commitment to the foundations of precision scheduled railroading enabled us to respond quickly and effectively to changing

environments," said Keith Creel, CP President and Chief Executive Officer. "We are committed to controlling what we can control, as CP continues to focus on providing service excellence to our customers and driving value for our shareholders." Third-quarter 2021 highlights were: Revenues increased by 4 percent to \$1.94 billion from \$1.86 billion last year; Reported diluted EPS of \$0.70, a 20 percent decrease from \$0.88 last year, and adjusted diluted EPS of \$0.88, a 7 percent increase from \$0.82 last year; Reported OR, which includes Kansas City Southern ("KCS") acquisition-related costs, increased by 200 basis points to 60.2 percent from 58.2 percent; Adjusted OR, which excludes the KCS acquisition-related costs, increased 120 basis points to 59.4 percent over last year's third-quarter OR of 58.2 percent.

### **23. Canadian Pacific Railway Limited declares dividend**

The Board of Directors of Canadian Pacific Railway Limited (CP) on October 19, 2021 declared a quarterly dividend of \$0.19 per share on the outstanding Common Shares.

### **24. CP Rail lowers volume outlook**

Canadian Pacific Railway Ltd. lowered its volume outlook for the year as a weak grain crop and supply chain challenges weighed on its 2021 third-quarter results. The company said on October 20, 2021 that it now expects low single-digit volume growth this year, as measured in revenue ton-miles, compared with last year, while in July CP said it expected high single-digit growth. However, the railway says it remains confident that it will deliver full-year double-digit adjusted diluted earnings per share growth. "There's certainly challenges as we look forward," said chief executive Keith Creel told a conference call with financial analysts to discuss its results. "We've got a smaller Canadian grain crop, we've got some supply chain issues, challenges that the balance of the industry are also experiencing, but the macro environment is extremely strong."

### **25. CN Rail sees hydrogen train shipments potentially rivaling crude**

Canadian National Railway Co. expects hydrogen shipments in tank cars could grow to the size of the crude-by-rail business as energy companies plan to ramp up production of the clean-burning gas.

### **26. Singer's Elliott owns CN Rail stake, will push for change**

Activist investor Elliott Investment Management LP has built a sizable position in Canadian National Railway Co., ratcheting up pressure on the company to improve its results, according to people familiar with the matter. The Florida-based hedge fund has held discussions with Canadian National in recent weeks, ahead of the October's 19, 2021 surprise announcement that Chief Executive Officer Jean-Jacques Ruest would step down in early 2022, the people said, asking not to be identified because the matter is private. The involvement of Paul Singer's Elliott opens a new front in the squeeze on Canadian National, which is in the midst of a proxy contest with billionaire Chris Hohn's TCI Fund Management Ltd. TCI has criticized the Montreal-based railway for underperforming its peers under Ruest and has been pressing for industry veteran Jim Vena to take over as CEO. Elliott is also supportive of Vena's appointment, the people said. It is unclear how many shares Elliott owns and the nature of its discussions with CN. The *Wall Street Journal* first reported on Elliott's stake on October 20, 2021.

### **27. CSX 3Q21: Revenue, Volume, Hiring Up**

"We are committed to helping our customers overcome current supply chain constraints and will continue to take action in order to keep our network fluid and design new solutions that enable the delivery of critical goods to millions of Americans," CSX President and CEO James M. Foote said during the railroad's Oct. 20 earnings announcement. CSX on Oct. 20, 2021 reported third-quarter 2021 revenue of \$3.29 billion, a 24% boost from the prior-year period, with a 3% increase in volume. The Class I railroad said that revenue was "driven by growth across all business lines, increases in other revenue and the inclusion of Quality Carriers' results." Net earnings for the three months ending Sept. 30, 2021, came in at \$968 million (or \$0.43 per share), up 31.52% from the same point in 2020 (\$736 million, or \$0.32 per share). Operating income improved 26% to \$1.44 billion. According to the earnings report, the 56.4% operating ratio was a 52 basis point decrease from 56.9% in third-quarter 2020.

### **28. 'Carloads Up, Intermodal Down' Trend Persists in Week 41, AAR**

For the week ending Oct. 16, 2021, total U.S. rail traffic dropped 4.2% from same week last year, with intermodal losses dragging down carload gains for the 11th consecutive week, according the Association of American Railroads' Oct. 20, 2021 report. Total carloads for the week ending Oct. 16, 2021, came in at 229,730, rising 1.2% vs. the prior-year period, and intermodal volume was 267,253 containers and trailers, falling 8.5%. Combined, carloads and intermodal units reached 496,983. Canadian railroads reported 79,042 carloads for the week, decreasing 1.7%, and 66,873 intermodal units, declining 14.3% vs. the same point in 2020. For the first 41 weeks of 2021, they reported cumulative rail traffic volume of 6,078,439 carloads, containers and trailers, increasing 4.4%.

### **29. UP Expecting 'Solid' Financial Finish for 2021**

"The Union Pacific team successfully navigated global supply chain disruptions, a major bridge outage and additional weather events to produce strong quarterly revenue growth and financial results," Chairman, President and CEO Lance Fritz said during UP's third-quarter 2021 earnings announcement. "The Union Pacific team successfully navigated global supply chain disruptions, a major bridge outage and additional weather events to produce strong quarterly

revenue growth and financial results,” Chairman, President and CEO Lance Fritz said during UP’s third-quarter 2021 earnings announcement. Union Pacific (UP) reported third-quarter 2021 operating revenues of \$5.566 billion, up 13% from the 2020 period and up 1% from 2019, as part of its Oct. 21 earnings announcement. Business volumes for the three months ending Sept. 30, 2021, as measured by total revenue carloads, were flat compared with last year—with bulk up 4%, industrial up 14% and premium down 9%. But UP said it expects volume growth of 5% for full-year 2021. The Class I railroad’s 56.3% operating ratio for third-quarter 2021 improved by 240 basis points from the 2020 period’s 58.7%. UP noted that “higher fuel prices negatively impacted the operating ratio by 140 basis points.” In comparison, its operating ratio for third-quarter 2019 was 59.5%. UP said it anticipates an “operating ratio improvement of +/- 175 basis points” for full-year 2021. Third-quarter net income was \$1.673 billion (or \$2.57 per diluted share), a 23% boost from the same quarter in 2020 (\$1.363 billion, or \$2.01 per diluted share) and an 8% increase from 2019 (\$1.555 billion, or \$2.22 per diluted share).

### **30. Railway carloadings, August 2021**

In August 2021, Canadian railways transported 30.1 million tonnes of freight, up 4.7% from August 2020. Higher shipments of energy products helped year-over-year growth resume following a decline in July (-3.1%). While August 2021 saw the third highest year-over-year growth in tonnage this year, the total freight traffic was just below the five-year average of 31.3 million tonnes for the month. To further explore current and historical data in an interactive format, visit Statistics Canada’s the Monthly Railway Carloadings: Interactive Dashboard.

### **31. AAR: U.S. Rail Traffic Dips in Week 42**

For the week ending Oct. 23, 2021, total U.S. rail traffic was down 2.3% from the same point last year, as carload gains were cut by intermodal losses, the *Association of American Railroads’* reported on Oct. 2021. U.S. Class I railroads moved 239,195 carloads for the week ending Oct. 23, 2021, up 5.1% compared with the same week in 2020; and 271,567 containers and trailers, down 8% vs. 2020. Combined, carloads and intermodal units reached 510,762. Canadian railroads reported 78,908 carloads for the week, falling 2%, and 70,889 intermodal units, decreasing 11.1% compared with the same week in 2020. For the first 42 weeks of 2021, they reported cumulative rail traffic volume of 6,228,236 carloads, containers and trailers, climbing 4.1%.

### **32. Norfolk Southern reports third-quarter 2021 results**

Norfolk Southern Corporation on October 27, 2021 reported third-quarter 2021 financial results, which included third-quarter records for net income, diluted earnings per share, income from railway operations, and operating ratio. Third-quarter net income was \$753 million, diluted earnings per share was \$3.06, income from railway operations was \$1.1 billion, and the operating ratio was 60.2%. “Our team delivered a strong financial performance in the quarter, producing a number of third-quarter records,” said James A. Squires, Norfolk Southern chairman, president, and CEO. “The actions taken by our employees show our commitment to find sustainable solutions for our customers and shareholders in the face of significant supply chain disruptions.”

### **33. Norfolk Southern Declares Quarterly Dividend**

Norfolk Southern Corporation on October 26, 2021 announced a regular quarterly dividend of \$1.09 per share on its common stock.

### **34. CP releases 2020 corporate sustainability report**

Canadian Pacific on October 28, 2021 published its 2020 corporate sustainability report highlighting the company’s successes and achievements on its journey to being sustainably driven. This report provides an overview of CP’s continued progress in three sustainability areas of focus: operating safety, maintaining operational excellence throughout the network, and managing the social impact of CP’s work. “We are proud to publish this report, outlining the achievements we have realized on our 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.”

## HIGHWAY TRANSPORTATION

### 1. Couriers and Messengers Services Price Index, August 2021

The Couriers and Messengers Services Price Index (2003=100) is now available for August on the Statistics Canada website. The index for August 2021 was 227.6 compared to 226.5 in July 2021.

### 2. For-hire Motor Carrier Freight Services Price Index, second quarter 2021

The For-hire Motor Carrier Freight Services Price Index (2013=100) is now available for the second quarter on the Statistics Canada website. The index for the second quarter of 2021 was 113.9 compared to 109.6 a year ago and 111.9 in the previous quarter (i.e. first quarter of 2021).

### 3. Bison wins TCA safety award for 14th time

Bison Transport has won the Truckload Carriers Association's (TCA) Fleet Safety Award grand prize for large fleets for a fourteenth time. The awards were presented this week at the TCA's annual convention in Las Vegas. FTC Transportation in Oklahoma City won in the small carrier division.

### 4. DHL opens Hamilton gateway

DHL Express opened the doors this week on its new facility in Hamilton, Ontario, located at the John C. Munro Hamilton International Airport. The company invested \$100 million to build the new facility to meet a significant increase in shipping volumes. "The Hamilton Gateway facility is a significant milestone for DHL and will modernize our operations in the Canadian market," said Darryl Wettlaufer, vice-president of operations for DHL Express Canada. "The new technology and services we've implemented, as well as the increased capacity for handling at the Hamilton Airport, will allow us to meet the double-digit sales growth we've seen in shipping."

### 5. P.E.I. imposes Covid tests, curbs on truckers

The new restrictions imposed on truck drivers traveling to Prince Edward Island will slow down the supply chain, the Atlantic Provinces Trucking Association (APTA) warned. Jean-Marc Picard, executive director, APTA, said the provincial government is adding an extra layer of things to do for truckers who sometimes travel through three provinces in a day.

### 6. Quebec trucker designs a hybrid forestry truck that consumes up to 15% less fuel

Larry Bolduc has been a truck driver for more than 25 years and is now the head of the family business Transport Raoul Bolduc in Girardville, Que., in the Saguenay/Lac-St-Jean region. He also launched another business in parallel, called Électrocamiion. The business plan is to convert forestry or mining trucks into hybrid diesel-electric vehicles, whether they are new or existing. Like many inventors before him, Bolduc first tested his mechanical concepts on himself, or on his truck, we should say. His massive Kenworth C500, which he uses every day to transport freshly felled trees to processing plants, became his hybridization laboratory.

### 7. UPDATE: Ambassador Bridge Now Reopen for Canada Bound Traffic

The Canada Border Service Agency (CBSA) has announced the Ambassador Bridge has reopened for Canada-bound traffic and operations have resumed to process all travellers coming into the country. US-bound traffic continues to be processed as normal, with no delays being experienced. Members are encouraged to monitor any potential delays entering Canada via the CBSA website. The Ambassador Bridge was previously closed to northbound traffic into Canada because of an ongoing investigation related to possible explosives around the port of entry. Information regarding current border wait times can be found here.

## HIGHWAY TRANSPORTATION Canada

1. Couriers and Messengers Services Price Index, August 2021, September 29, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. For-hire Motor Carrier Freight Services Price Index, second quarter 2021, September 29, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. Bison wins TCA safety award for 14th time, September 29, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
4. DHL opens Hamilton gateway, September 30, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
5. P.E.I. imposes Covid tests, curbs on truckers, September 30, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
6. Quebec trucker designs a hybrid forestry truck that consumes up to 15% less fuel, October 1, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
7. UPDATE: Ambassador Bridge Now Reopen for Canada Bound Traffic, October 4, 2021, [www.ontruck.org](http://www.ontruck.org)
8. Kriska acquires Transport N Service, October 4, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
9. Ontario trucking employers to save 5.6% in WSIB premiums next year, October 6, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
10. PACCAR trucks enabled with autonomous driving technology from Aurora hauling FedEx freight on routes in Texas autonomous truck, October 6, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
11. CTA Spells Out How Supply Chain Can Limit Disruptions, October 7, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
12. GLS buys Rosenau Transport, October 8, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
13. Canada short 18,000 truck drivers in second quarter, Oct. 12, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
14. Ontario Opening Temporary Road Test Centre in Niagara Falls, October 13, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
15. BC introduces mandatory truck driver training, Oct. 13, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
16. Higher rates lead to improved trucking conditions, October 13, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
17. August 2021 Freight Transportation Services Index (TSI), October 14, 2021, [www.bts.gov](http://www.bts.gov)
18. White House 24/7 Port Plan Not Enough to Alleviate Supply Chain Gridlock: Truckers, October 15, 2021, [www.ontruck.org](http://www.ontruck.org)
19. Purolator rolls out plans to meet holiday demand, Oct. 19, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
20. Gardewine Group receives grant to deploy electric truck, October 18, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
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23. Ritchie Bros. continues to see used truck prices increase, October 19, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
24. Gatik and Ryder teaming up on autonomous trucks, October 20, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
25. Province to Require Companies Give Truck Drivers Washroom Access, October 20, 2021, [www.ontruck.ca](http://www.ontruck.ca)

## 8. Kriska acquires Transport N Service

Kriska Transportation Group (KTG) has acquired Transport N Service, an LTL and truckload fleet based in Guelph, Ont. The acquisition adds 90 tractors and 170 trailers to KTG's fleet, and Transport N Service becomes the twelfth company to join the group. Kriska says the fleet moves up to 300 loads a month into the U.S.

## 9. Ontario trucking employers to save 5.6% in WSIB premiums next year

Ontario's Workplace Safety and Insurance Board (WSIB) is rolling back rates next year, by an average of 5.1%, with trucking employers saving even more. This after holding rates steady in 2021 to help businesses recover from the pandemic, the organization claims. The premium reductions will inject about \$168 million into the economy next year, WSIB claims. The average rate will be \$1.30, down from \$1.37, per \$100 of insurable payroll. Trucking's rate will be \$4.03, down 5.6% from \$4.27 the past two years.

## 10. PACCAR trucks enabled with autonomous driving technology from Aurora hauling FedEx freight on routes in Texas

A Peterbilt truck equipped with Aurora technology cruises autonomously on the highway. FedEx loads are being hauled by PACCAR trucks enabled with autonomous driving technology from Aurora on routes in Texas. The commercial pilot of autonomous trucks in linehaul trucking operations is the first collaboration of its kind between a truck manufacturer, an autonomous technology developer and a logistics provider. "PACCAR is pleased to partner with industry leaders FedEx and Aurora on this innovative project," said John Rich, PACCAR chief technology officer. PACCAR's autonomously enabled trucks configured with the Aurora autonomous Driver will haul FedEx loads between Dallas and Houston, a 500-mile (800-km) round trip, along the Interstate 45 corridor. The trucks will operate autonomously, with a backup driver for additional safety.

## 11. CTA Spells Out How Supply Chain Can Limit Disruptions

The Canadian Trucking Alliance, which represents over 5,000 Canadian motor fleets, wants to assure the Canadian public that our industry and professional workforce are cooperating with customers and all levels of government through the pandemic to ensure all Canadians continue to have access to all the products and essential goods our economy depends on. This is not to dismiss the challenges the Canadian supply chain faces – because they are indeed very real. There is no escaping the fact the trucking industry is facing a significant labour shortage of commercial drivers. The pandemic has only made this capacity crunch worse as more drivers – already one of the oldest workforces in Canada – increasingly choose to retire. The labour shortage has also extended to other critical industry positions, like heavy truck mechanics, which is causing longer periods of downtime for equipment in need of repair. Additionally, the industry is currently facing a shortage of pre-owned equipment and significant delays in new equipment deliveries for trucks and trailers. Wait times for new equipment – currently between eight months and over a year – is more than three times longer than normal. Furthermore, the lack of equipment is creating issues for shippers in the supply chain who rely on trailers as mobile warehouses to store preloaded goods for pickup. There are several actions the industry is taking to mitigate the combined disruptions and economic impact caused by labour shortages, including a national recruitment campaign to attract a new generation of workers; ongoing training; competitive compensation packages and flexible work schedules and giving drivers power over deselecting customers who treat drivers poorly and unnecessarily detain drivers and waste their limited time at loading docks.

## 12. GLS buys Rosenau Transport

General Logistics Systems (GLS) is acquiring Canadian logistics company Mid-Nite Sun Transportation Ltd that operates as Rosenau Transport. Rosenau Transport is one of the largest independent freight carriers in Western Canada. GLS says Rosenau's service area complements its existing Canadian business. It also provides a link to GLS operations along the US West Coast, as the Rosenau Transport network moves to GLS's combined freight and parcel model. Rosenau Transport has 24 owned hubs and depots in four western provinces. General Logistics Systems (GLS), a

26. Record-setting September for Canada's spot market, Oct. 20, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)

27. OTA Lauds Ford Govt for Acting Against Temp Agencies that Promote Driver Inc., October 21, 2021, [www.ontruck.ca](http://www.ontruck.ca)

28. Vaccine mandate could see 38,000 truck drivers abandon cross-border work: CTA, October 21, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

29. Border-crossing Vaccine Mandate Needs to Consider Timing to Avoid Supply Chain Disruptions: CTA, October 21, 2021, [www.cantruck.ca](http://www.cantruck.ca)

30. Mullen Group Ltd. Announces Declaration of Monthly Dividend, October 20, 2021, [www.mullen-group.com](http://www.mullen-group.com)

31. Ontario applauded for plan to license staffing agencies, October 22, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)

32. FMCSA Deputy Administrator Meera Joshi Convenes Meetings in Midwest To Discuss Truck Driving and Supply, October 22, 2021, [www.dot.gov](http://www.dot.gov)

33. Purolator slashes emissions, October 25, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

34. XTL buys CBT, marking second acquisition of the year, October 25, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

35. North American Transborder Freight up 21% in August 2021 from August 2020, up 7.6% since Pre-Pandemic August 2019, October 26, 2021, [www.bts.gov](http://www.bts.gov)

36. Driver shortage remains industry's top concern: ATRI, October 26, 2021, [www.rodastrucking.com](http://www.rodastrucking.com)

37. Partnership to address flatbed capacity challenges, October 27, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

38. 4Tracks building new facility in CentrePort, October 27, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)

39. Acquisitions drive Mullen Group to record quarterly revenue, October 28, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

40. TFI International Announces 2021 Third Quarter Results – Record Q3 results and strong profitability driven by all four business segments, October 28, 2021, [www.tfiintl.com](http://www.tfiintl.com)

41. BTS Updates National Transportation Statistics with Annual Cost of Car Ownership, Transportation Fatalities, and Other Historical Tables, October 28, 2021, [www.bts.gov](http://www.bts.gov)

subsidiary of Britain's Royal Mail, is acquiring Rosenau Transport – one of Alberta's most prominent carriers. The \$360-million deal gives GLS Canada both a national network and a link to existing operations on the U.S. West Coast.

### **13. Canada short 18,000 truck drivers in second quarter**

About 18,000 of Canada's truck driving jobs were vacant in the second quarter of 2021, leaving 72% of surveyed employers to identify driver recruitment as a significant business challenge. The results emerged on October 12, 2021 with the release of *Trucking HR Canada's* latest labor market information update. While the number of vacancies is expected to ease somewhat after 2021, Trucking HR Canada projects the industry will annually face 17,230 truck driver vacancies in coming years. About 40% of employers surveyed by Trucking HR Canada said current business activity was higher than pre-pandemic levels, while 2/3 were unable to hire all the people they needed in the past year. Fleets reported they receive few applications for vacant driving positions, and the applicants who respond rarely have the training and experience needed to start immediately.

### **14. Ontario Opening Temporary Road Test Centre in Niagara Falls**

The Ontario government is opening a temporary road test centre in Niagara Falls, Ottawa and Sarnia to increase testing capacity and help clear the backlog of road tests due to COVID-19.

### **15. BC introduces mandatory truck driver training**

British Columbia is implementing mandatory entry-level training (MELT) for new Class 1 commercial driver's licence applicants. Effective Oct. 18, 2021, individuals applying for a B.C. Class 1 driver's licence must successfully complete an ICBC-approved Class 1 MELT course before attempting a road test. B.C.'s MELT program was developed through a review of best practices from other Canadian jurisdictions and with input from industry in British Columbia. It was designed to align with the Standard 16-Class 1 Entry-Level Training framework introduced as part of the National Safety Code in February 2020.

### **16. Higher rates lead to improved trucking conditions**

While trucking capacity utilization and freight volumes softened in August 2021, trucking conditions still improved thanks to higher rates, according to *FTR's Trucking Conditions Index (TCI)*. The 11.63 reading was well into positive territory, though below the all-time high recorded in April 2021. "Market conditions in trucking still strongly favor carriers, and we have no real sign of an inflection on the horizon," said Avery Vise, vice-president – trucking, with FTR.

### **17. August 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, fell 0.4% in August 2021 from July 2021 according to the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). From August 2020 to August 2021, the index rose 1.4 percent compared to a decline of 6.8 percent from August 2019 to August 2020 and a rise of 3.9 percent from August 2018 to August 2019. The index has declined for the past four months, which is consistent with the modal trends during the summer.

### **18. White House 24/7 Port Plan Not Enough to Alleviate Supply Chain Gridlock: Truckers**

More gate hours at U.S. ports is only one part of the solution to supply-chain bottlenecks, said trucking groups and industry observers in response to President Biden's announcement that the Port of Los Angeles is to operate 24 hours a day, seven days a week. However, as reported by *Truckinginfo.com*, trucking leaders say that chassis shortages, warehouse hours, inefficient use of containers, labor and truck driver shortages still need to be addressed before extending shipping port operations will make much of a difference. "While we commend the Biden Administration's focus on our ongoing supply chain crisis, extended gate hours cannot resolve major systemic issues truckers at ports have long faced," said Shawn Yadon, California Trucking Association CEO, in a statement. "Truckers and cargo owners are taking on costs, including fees for not returning equipment to ports that cannot accept them, burdensome rules that create inefficiency, and lack of equipment due to chassis sitting idle under empty containers."

### **19. Purolator rolls out plans to meet holiday demand**

Purolator has shared how it plans to meet an expected demand of over 54 million packages this holiday season. It will triple the number of contactless drop-off and pick-up locations, add parcel lockers for 24/7 access at its busiest terminals and hire more than 2,400 new employees across the country. "We expect e-commerce to climb again this holiday season and with a record forecast of moving 54 million packages across Canada, we are more prepared than ever to deliver even more stops," said John Ferguson, the company's president and CEO. "The demand for shipping and transportation services remains high, with businesses working to put inventory on shelves as consumers head back into bricks and mortar locations, while the heightened online shopping habits evidenced throughout the pandemic remain strong."

### **20. Gardewine Group receives grant to deploy electric truck**

Gardewine Group will receive a \$150,000 grant from the Manitoba government to support the purchase of a heavy-duty electric truck, along with the associated electrical infrastructure and operational testing. It's part of a \$1-million grant program offered from the province's Conservation and Climate Fund. It was one of nine benefactors of the program.

### **21. Ontario to extend pilot on increasing 400-series highway speed limits**

Ontario has announced it will extend a pilot project studying whether or not to increase the speed limits from 100 km/h to 110 km/h on some 400-series highways. The initial pilot project has been running on three sections of highway since 2019, but traffic was diminished due to the Covid-19 pandemic, and so an extension will be granted. “This extension will allow us to collect additional data and better analyze the effects of raising speed limits,” the province said in an update posted online.

### **22. Purolator rolls out plans to meet holiday demand**

Purolator has shared how it plans to meet an expected demand of over 54 million packages this holiday season. It will triple the number of contactless drop-off and pick-up locations, add parcel lockers for 24/7 access at its busiest terminals and hire more than 2,400 new employees across the country. “We expect e-commerce to climb again this holiday season and with a record forecast of moving 54 million packages across Canada, we are more prepared than ever to deliver even more stops,” said John Ferguson, the company’s president and CEO. “The demand for shipping and transportation services remains high, with businesses working to put inventory on shelves as consumers head back into bricks and mortar locations, while the heightened online shopping habits evidenced throughout the pandemic remain strong.”

### **23. Ritchie Bros. continues to see used truck prices increase**

Older trucks are selling for more money at Ritchie Bros. auctions, the company reports, as owners hang onto equipment longer due to supply chain disruptions affecting new vehicles. “Transportation equipment prices are hitting new record levels, while medium earthmoving, aerial, and vocational truck prices also continue to climb,” said Doug Olive, senior vice-president, pricing. For the quarter ended Sept. 30, 2021 truck tractors were fetching 17% more than the same period last year in Canada, with vocational trucks commanding a 23% premium. That lags the U.S. increases of 46% and 35%, respectively.

### **24. Gatik and Ryder teaming up on autonomous trucks**

Ryder and Gatik are teaming up to make an autonomous trucks network in Canada and the United States. Gatik’s latest funding round totaling US\$85 million includes an investment from Ryder’s corporate venture capital fund RyderVentures, which aims to invest in and partner with early-stage companies that are developing new technologies and business models. The funding represents RyderVentures’ first investment in an autonomous trucking company. Through the broader partnership, Gatik will lease from Ryder a fleet of medium-duty, multi-temperature box trucks designed for transporting goods to retail locations from micro-fulfillment centres or dark stores. Gatik will integrate its autonomous driving technology into the leased fleet, enabling it to provide its autonomous delivery as a service (ADaaS) model customers. In addition to providing the leased vehicles, Ryder will service and maintain the trucks, including calibration of autonomous vehicle sensors and the necessary pre- and post-trip inspections.

### **25. Province to Require Companies Give Truck Drivers Washroom Access**

The Ontario government intends to introduce legislation that would allow delivery workers access to use the washroom facilities at businesses where they are delivering or picking up loads. Consultations conducted by the Ontario Workforce Recovery Advisory Committee have indicated that couriers, truck drivers, and other transportation workers are often denied the use washrooms at businesses they serve.

### **26. Record-setting September for Canada’s spot market**

It was a record-setting September 2021 for load and truck volumes on Canada’s spot market, according to Loadlink Technologies. Outbound cross-border freight continued to be strong while domestic loads gained momentum to produce the best September in the load board’s history. The previous record for September loads came in 2017.

### **27. OTA Lauds Ford Govt for Acting Against Temp Agencies that Promote Driver Inc.**

The Ontario government will introduce legislation that would require temporary help agencies (THAs) and recruiters to have a licence to operate in the province. Proposed changes would enable officers to levy penalties against an unlicensed THA or recruiter or a business that is using an unlicensed operator. Those who use deceitful recruiters could also be required to repay workers for illegal fees charged. Ontario is also proposing to hire a dedicated team of officers to crack down on THAs and recruiters who are exploiting and trafficking domestic and foreign workers.

### **28. Vaccine mandate could see 38,000 truck drivers abandon cross-border work: CTA**

The Canadian Trucking Alliance (CTA) believes one in five of Canada’s cross-border truck drivers will quickly abandon international work when the U.S. requires them to prove they’re double-vaccinated beginning in January 2022. The estimate is based on current vaccination rates across Canada. About 120,000 Canadian truck drivers run cross-border routes, while 40,000 U.S.-licensed drivers do the same. And CTA expects Canada would require U.S.-based drivers to prove their vaccination status if the U.S. moves ahead with its mandate. Based on vaccination rates south of the border, the alliance estimates 40% of the border-crossing U.S. drivers would opt out of cross-border trucking, too.

### **29. Border-crossing Vaccine Mandate Needs to Consider Timing to Avoid Supply Chain Disruptions: CTA**

As the Biden Administration prepares to open land border points of entry to vaccinated travelers, CTA is asking

Washington and Ottawa to work with the industry to re-examine appropriate mandate timelines for cross-border truck drivers while also developing a seamless, mutual system of identification for drivers to limit potential border delays.

### **30. Mullen Group Ltd. Announces Declaration of Monthly Dividend**

The Board of Directors of Mullen Group Ltd. ("Mullen Group", "We", "Our" and/or the "Corporation") announced today that it has declared a monthly dividend of \$0.04 per Common Share payable to the holders of record of Common Shares at the close of business on October 31, 2021. The dividend will be paid on November 15, 2021.

### **31. Ontario applauded for plan to license staffing agencies**

Staffing agencies that are broadly used as a source of temporary truck drivers can expect new licensing requirements in Ontario, as the province looks to crack down on operations that exploit workers. "The underground activity ... makes millions of dollars off the backs of workers by not paying minimum wage, not paying holiday pay, and not paying overtime pay," said Ontario Minister of Labour, Training and Skills Development Monte McNaughton, when announcing proposals earlier this week. He also referred to recruiters that charge illegal hiring fees and claw back pay.

### **32. FMCSA Deputy Administrator Meera Joshi Convenes Meetings in Midwest To Discuss Truck Driving and Supply**

Continuing the Biden Administration's whole-of-government approach to addressing supply chain disruptions, Federal Motor Carrier Safety Administration (FMCSA) Deputy Administrator Meera Joshi met with multiple transportation organizations in the Midwest this week. The meetings focused on strengthening commercial vehicle safety, bolstering truck driver availability, and improving rail-to-truck supply chain efficiencies. Truck driver retention and recruitment has been a focus of the White House Task Force on Supply Chain Disruptions. The core reason for America's truck driver capacity issue is the startlingly low retention of current drivers. Among large truck companies, driver turnover rates between companies and out of the industry for long haul drivers are over 90% annually.

### **33. Purolator slashes emissions**

Purolator has slashed its emissions by 8% per package, the company announced in its 2020 Sustainability Report. "The onset of Covid-19 reinforced our essential role in the daily lives of our customers and all Canadians, highlighting our longstanding values of performance excellence, people first, customer focus, corporate stewardship and transparency," said John Ferguson, president and CEO, Purolator.

### **34. XTL buys CBT, marking second acquisition of the year**

XTL Group has purchased CBT, a Georgia-based hauler of refrigerated and frozen products. It marks the company's second acquisition, both coming this year. CBT was founded in 1989 by Connie Banks, and is situated in the "Poultry Capital of the World" in the Gainesville/Hall County area of Georgia. It serves the area's food processors, food service providers and the grocery/retail industry that's abundant in the region, XTL reports.

### **35. North American Transborder Freight up 21% in August 2021 from August 2020, up 7.6% since Pre-Pandemic August 2019**

Transborder freight between the U.S. and other North American countries (Canada and Mexico) in August 2021 were as follows: 1. Total transborder freight: \$113.1 billion of transborder freight moved by all modes of transportation, up 21% compared to August 2020. August 2021 transborder freight was up 7.6% from the \$105.1 billion in freight moved in August 2019. 2. Nations: Freight between the U.S. and Canada totaled \$56.8B, up by 21.9% from August 2020. Freight between the U.S. and Mexico totaled \$56.3B, up 20.1% from August 2020. 3. Most-used mode: Trucks moved \$70.5 billion of freight, up 15.9% compared to August 2020 and up 6.8% compared to \$66.1 billion in August 2019. 4. Second most-used mode: Railways moved \$15.4 billion of freight, up 11.6% compared to August 2020 and down nearly 4% compared to \$16.1 billion in August 2019. 5. Other noteworthy movement: Pipeline activity with Canada amounted to \$7.9B, up 88% from August 2020's \$4.2B. U.S.-Canada transborder trade in (both directions) was: 1. Truck: \$30.6b; 2. Rail: \$8.7b; 3. Pipeline: \$7.9b; 4. Air: \$3.0b; and 5. Vessel: \$3.0b.

### **36. Driver shortage remains industry's top concern: ATRI**

The driver shortage once again emerged as the trucking industry's top concern, based on an annual compilation by the American Transportation Research Institute (ATRI). This is the fifth straight year in which the driver shortage was listed as the industry's top concerns, garnering four times as many votes as the second issue, driver retention. Driver compensation rounded out the top three, followed by lawsuit abuse reform (up three spots this year), and truck parking. The diesel technician shortage appeared on the list for the first time in 17 years of conducting the analysis.

### **37. Partnership to address flatbed capacity challenges**

Loadsmart and The Home Depot have teamed up to help shippers find flatbed capacity. Flatbed Messenger is an automated supply-led flatbed platform that pairs capacity and price to a shipment instead of the reverse. The first marketplace of its kind, Flatbed Messenger combines Loadsmart's algorithms with dedicated capacity from The Home Depot to help other shippers find flatbed capacity at lower rates. Backhauls in the flatbed industry, or cargo carried on a return journey, typically require two customers – one for each direction. As a result, fleets that are dedicated to one customer are often plagued with many empty miles. Flatbed Messenger feeds the truck's location, its price, and its

destination into algorithms that match the information to a shipment, which benefits both shippers and carriers.

### **38. 4Tracks building new facility in CentrePort**

4Tracks has broken ground on a \$12.5 million office, warehouse, and cross-dock facility in CentrePort Canada in Manitoba. The transportation company is expanding its operations with plans for future growth. The facility is in CentrePort North, the Rural Municipality of Rosser lands at the inland port.

### **39. Acquisitions drive Mullen Group to record quarterly revenue**

Mullen Group achieved its best ever quarterly revenue in the 2021 third quarter, bolstered by recent acquisitions. Murray Mullen, chairman and CEO said he was “Very pleased to report that we have achieved record revenues for the quarter, in fact for any quarter. The main reason is acquisitions that were completed earlier this year.”

### **40. TFI International Announces 2021 Third Quarter Results – Record Q3 results and strong profitability driven by all four business segments**

TFI International Inc. a North American leader in the transportation and logistics industry, on October 28, 2021 announced its results for the third quarter ended September 30, 2021. All amounts are shown in U.S. dollars. The highlights were: 1) Third quarter operating income from continuing operations of \$192.8 million increased 65% from \$117.0 million in the same quarter year. 2) Third quarter net income from continuing operations of \$132.8 million increased 60% compared to \$83.1 million in Q3 2020, while adjusted net income of \$138.9 million increased 59% compared to \$87.4 million in Q3 2020. 3) Third quarter diluted earnings per share (diluted “EPS”) from continuing operations of \$1.40 increased 56% compared to \$0.90 in Q3 2020, while adjusted diluted EPS1 of \$1.46 increased 55% compared to \$0.94 in Q3 2020. 4) Third quarter net cash from continuing operating activities of \$211.2 million increased 50% compared to \$140.6 million in Q3 2020. 5) Total revenue of \$2.09 billion was up 124% from \$936.1 million and, net of fuel surcharge, revenue of \$1.87 billion was up 116% compared to the prior year period.

### **41. BTS Updates National Transportation Statistics with Annual Cost of Car Ownership, Transportation Fatalities, and Other Historical Tables**

The Bureau of Transportation Statistics (BTS) on October 2021 released its monthly update to National Transportation Statistics (NTS), a guide to historical transportation trends at the national level. October’s 2021 featured table, Average Cost of Owning and Operating an Automobile, speaks directly to consumer pocketbooks. The October 2021 release also features tables on transportation safety as well as transportation and pollution.

## **GENERAL TRANSPORTATION**

### **Canada**

#### **1. National tourism indicators, second quarter 2021**

Tourism spending in Canada increased 4.2% in the 2021 second quarter, following a 2.5% decrease in the first quarter. Tourism gross domestic product (GDP) (+4.0%) and jobs attributable to tourism (+1.0%) also increased in the 2021 second quarter. The COVID-19 pandemic had a continued economic impact in the 2021 second quarter. Throughout this period, restrictions were both expanded and eased in many regions, similar to the previous quarter. The vaccination campaign that began late in the fourth quarter of 2020 also ramped up throughout the second quarter of 2021. The increase in tourism spending in the 2021 second quarter was mostly driven by spending on accommodation services (+6.1%) and food and beverage services (+4.3%). Overall, tourism spending in Canada in the 2021 second quarter was 55.4% lower than the pre-pandemic levels in the fourth quarter of 2019. Tourism GDP rose 4.0% in the 2021 second quarter, following a 1.9% decline in the previous quarter. Economy-wide, GDP declined 0.3% in the 2021 second quarter, in large part due to falling exports and home ownership transfer costs, which did not have the same impact on the tourism sector.

#### **2. Gartner research reveals growth for smart robots in retail**

A recent Gartner report details that “Retailers are scaling up smart robots to support flexibility and labor optimization in physical stores for unified commerce execution.” GreyOrange, a leading provider of modern software and systems for modern fulfillment, is featured in the

## **GENERAL TRANSPORTATION**

### **Canada**

1. National tourism indicators, second quarter 2021, September 29, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Gartner research reveals growth for smart robots in retail, October 1, 2021, [www.ajot.com](http://www.ajot.com)
3. PEI Implementing Mandatory Covid Testing Upon Entry Sept 30, September 30, 2021, [www.ontruck.ca](http://www.ontruck.ca)
4. Updates to National Transportation Statistics Include Time Lost and Fuel Wasted in Road Congestion and Other Historical Tables, September 30, 2021, [www.bts.gov](http://www.bts.gov)
5. Canadian Tourism Activity Tracker, June and July 2021, October 6, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
6. Canadian oil exports to the US jump with new pipeline startup, October 6, 2021, [www.ajot.com](http://www.ajot.com)
7. Quebec manufacturers suffering extreme labour shortage, October 7, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
8. U.S. Transportation Sector Unemployment Rate Falls to 5.7% in September 2021 from August's 6.4%, Remains Above Pre-Pandemic September 2019's 3.3%, October 8, 2021, [www.bts.gov](http://www.bts.gov)
9. Pre-Pandemic September 2019's 3.3%, October 12, 2021, [www.bts.gov](http://www.bts.gov)
10. International standardized proof of vaccine a welcome step in the safe reopening of Canada's air borders, October 21, 2021, [www.cacairports.ca](http://www.cacairports.ca)
11. Customs seeks to streamline cargo clearance processes, October 20, 2021, [www.joc.com](http://www.joc.com)
12. Travel between Canada and other countries, August 2021, October 22, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

report for its variety of smart robots that help retailers improve how they get products to buyers, whether through stores, distribution centers or emerging options such as localized micro fulfillment centers. The report, “Market Guide for Smart Robots in Retail,” led by Keslie Marian, notes that “the critical need to optimize costs, due to labor shortages and minimum wage increases, is driving continued retailer interest and investment in smart robots throughout 2021.” Continued

13. Over 880,000 Canadian jobs vulnerable in clean energy transition, October 25, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)  
14. Amazon opens new Montreal area DC, October 28, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)  
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investment in smart robot technology will further optimize costs while releasing human resources for more revenue-generating activities, allowing for better allocation of both resources and time.

### **3. PEI Implementing Mandatory Covid Testing Upon Entry Sept 30**

Prince Edward Island is implementing Covid testing at all points of entry into the province, effective September 30 – regardless of immunization status and time outside of province.

### **4. Updates to National Transportation Statistics Include Time Lost and Fuel Wasted in Road Congestion and Other Historical Tables**

BTS on September 30, 2021 released its monthly update to National Transportation Statistics (NTS), a guide to historical transportation trends at the national level. This month’s featured table, Annual Highway Congestion Cost by Urban Area, is part of the NTS section on transportation system performance. Related tables also in this round of updates include the Urban Area Travel Time Index, Hours of Highway Traffic Delay, and Wasted Fuel Due to Congestion.

### **5. Canadian Tourism Activity Tracker, June and July 2021**

In July 2021, overall tourism activity in Canada was 40.9% below the level in July 2019, before the pandemic. This signals an improvement from June 2021, when overall tourism activity was 57.8% below that recorded in June 2019. The reopening in some provinces during June 2021 and the easing of border restrictions starting in July contributed to this improvement.

### **6. Canadian oil exports to the US jump with new pipeline startup**

Canadian oil shipments to the U.S. jumped to the highest volume since the start of the year thanks in part to the startup of a long-delayed Canadian pipeline. Weekly oil deliveries from America’s northern neighbor reached 4.04 million barrels a day, the most since January 2021, according to the Energy Information Administration. It’s only the third time the U.S. has imported more than 4 million barrels a day of Canadian crude since the agency began compiling weekly data in 2010. It’s likely these increased flows will be the new norm mainly because of the expanded Line 3, said Elisabeth Murphy, ESAI Energy LLC upstream analyst for North America. In fact, weekly volumes should start to average closer to 3.7-3.8 million barrels a day from here, from current levels of around 3.5 million, she added.

### **7. Quebec manufacturers suffering extreme labour shortage**

Quebec manufacturers have lost \$18 billion in the last two years due to labour shortages which have caused them to turn down contracts, pay late penalties or even scale back their operations. This conclusion emerges from a survey of 400 manufacturers in 10 regions across the province conducted by *Manufacturiers et Exportateurs du Québec* (MEQ). “The labour shortage is a constraint on economic recovery and growth. How much money is the government ready to lose in the next few years? How many companies will have to refuse contracts, relocate part of their activities abroad, reduce their growth or close before the labour shortage in the manufacturing sector is solved with measures that have an impact?” said Véronique Proulx, president and CEO of MEQ.

### **8. U.S. Transportation Sector Unemployment Rate Falls to 5.7% in September 2021 from August's 6.4%, Remains Above Pre-Pandemic September 2019's 3.3%**

The unemployment rate in the U.S. transportation sector was 5.7 percent (not seasonally adjusted) in September 2021 according to analysis of recently updated data from the Bureau of Labor Statistics (BLS) on the BTS Unemployment in Transportation dashboard. The September 2021 rate was down nearly 50% from September 2020’s 11.3 percent but remains above the 3.3 percent rate in pre-pandemic September 2019.

### **9. Pre-Holiday Shipping Demand Will Further Test Supply Chain: Analysts**

The ‘peak’ shipping season is already underway as shoppers appear to have begun purchasing holiday gifts and other items earlier than usual, raising concerns over shipping delays and capacity and which has already strained international supply chains this year.

### **10. International standardized proof of vaccine a welcome step in the safe reopening of Canada’s air borders**

Canada’s airports were pleased to hear the Government of Canada’s update on October 21, 2021 on the implementation of an internationally-recognized, national, standardized proof of vaccination. However, there are other issues that must be addressed if we are to restore air service quickly and safely, according to Daniel-Robert Gooch, president of the Canadian Airports Council. With the holiday travel season only weeks away, it is critical that Canada restores

international access to more airports. While 10 Canadian airports can now receive international flights, there are still about 20 airports with regular international flights prior to the pandemic that have not yet been given permission by the government to reopen to international traffic.

#### **11. Customs seeks to streamline cargo clearance processes**

US Customs and Border Protection is stepping up its efforts to reduce port congestion amid record imports by working with customs brokers to target illegal shipments, thereby freeing up staff and resources to expedite clearance of legitimate imports.

#### **12. Travel between Canada and other countries, August 2021**

The number of international arrivals to Canada continued to increase during August 2021, but remains a fraction of pre-pandemic levels. While travellers from overseas countries made 91,300 trips to Canada in August 2021, more than double compared with August 2020, it was less than 10% of the pre-pandemic levels from August 2019. In August 2021, there were 509,700 American residents travelling to Canada—more than four times greater than in August 2020, yet 14.3% of the number from the same month in 2019. Canadians made a total of 847,900 return trips home from abroad in August 2021, more than double August 2020, but a small portion (14.4%) of the August 2019 level.

#### **13. Over 880,000 Canadian jobs vulnerable in clean energy transition**

More than 880,000 Canadians work in industries at risk of decline or closure in the global transition to clean energy, a new analysis says. The Canadian Institute for Climate Choices is warning in its publication Sink or Swim, that if these industries and federal and provincial governments don't acknowledge that change is coming and prepare for it, there could be devastating consequences. "This transition is coming irrespective of decisions in Ottawa, or even decisions at provincial levels," said Dale Beugin, vice-president of research at the institute.

#### **14. Amazon opens new Montreal area DC**

Amazon Canada has opened YUL9, its most advanced sortation centre in the country, in Coteau-du-Lac, Quebec. The 720,000 sq. ft. facility will be the first in Canada to integrate Amazon Robotics' leading-edge mobile fulfillment systems in 2022. This advanced technology allows Amazon to improve the speed and efficiency of its services to better serve its customers in Eastern Canada and make the workplace even safer. The facility will employ 500. "The entire Amazon team is proud to continue investing in Quebec and Coteau-du-Lac," said Anamaria Zammit, site leader, Amazon Canada.