

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Air Canada Named Best Airline in North America for Third Straight Year by Global Traveler

Air Canada has been named the Best Airline in North America for the third straight year by the readers of Global Traveler. The airline also won for Best Airline Cabin Cleanliness for the second consecutive year in the 18th edition of the GT Tested Reader Survey of the magazine's readership of frequent business and luxury travelers.

### 2. WestJet announces schedule for new service between London Heathrow and Calgary

WestJet on December 1, 2021 announced route details for its new non-stop service to London's Heathrow Airport (LHR), from the airline's largest, global hub, Calgary International Airport. The new route provides access to London's largest airport with close and rapid access to important destinations in London. Flights between the two global hubs are set to operate four-times weekly, beginning March 26, 2022 and are available to book on WestJet.com, December 1, 2021.

### 3. The Federal Government Must Work Closely with Canada's Airports to Ensure Feasibility of New Border Travel Measures

In response to the news announced on November 30, 2021 of a return to 100 per cent arrivals testing of all international travellers to Canada from all countries except the U.S., the Canadian Airports Council has the following statement: "Canada's airports appreciate the Government of Canada's swift move to implement new measures to guard against further spread of the Omicron variant in Canada," said Canadian Airports Council President Daniel-Robert Gooch. "We urge the Government of Canada to work with Canada's airports and air carriers in the coming hours to ensure these measures, which haven't been seen in detail, are operationally feasible at Canada's international airports. The only operationally-feasible way to test 100 per cent of international arriving travellers — from all countries except the U.S. — is to provide off-site tests, such as those that travellers can take at their home or other point of self-isolation. "We also must ensure there is sufficient testing capacity to implement this across all of the traveller groups that now will be required."

### 4. Weekly aircraft movements, November 13 to 19, 2021

Weekly data on aircraft itinerant movements are now available for November 13 to 19, 2021 from Statistics Canada website. For the week ending November 13, 2021, domestic movements were 35,234 compared to 40,742 for the week ending November 6, 2021.

### 5. U.S. Airlines' October 2021 Fuel Use Increases 4.4% from September, Remains 17% Lower than Pre-Pandemic October 2019

The Department of Transportation's Bureau of Transportation Statistics (BTS) on December 1, 2021 released U.S. airlines' October Fuel Cost and Consumption numbers. U.S. airlines used 1.28 billion gallons of fuel, 4.4% more fuel than in September but 17.3% less than in pre-pandemic October 2019. At \$2.23, the cost per gallon of fuel in October 2021 was up 12.1%

## AIR TRANSPORTATION Canada

1. Air Canada Named Best Airline in North America for Third Straight Year by Global Traveler, November 30, 2021, [www.aircanada.ca](http://www.aircanada.ca)
2. The Federal Government Must Work Closely with Canada's Airports to Ensure Feasibility of New Border Travel Measures, December 1, 2021, [www.cacairports.ca](http://www.cacairports.ca)
3. Weekly aircraft movements, November 13 to 19, 2021, December 1, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. U.S. Airlines' October 2021 Fuel Use Increases 4.4% from September, Remains 17% Lower than Pre-Pandemic October 2019, December 1, 2021, [www.bts.gov](http://www.bts.gov)
5. WestJet announces schedule for new service between London Heathrow and Calgary, December 1, 2021, [www.westjet.ca](http://www.westjet.ca)
6. Air Cargo Demand Up 9.4% in October, December 2, 2021, [www.iata.org](http://www.iata.org)
7. Ready for Takeoff: Air Canada and Chase Officially Launch New U.S. Chase Aeroplan® Credit Card, December 2, 2021, [www.aircanada.ca](http://www.aircanada.ca)
8. Porter Airlines launches new travel insurance partnership with Allianz Global Assistance, December 2, 2021, [www.flyporter.com](http://www.flyporter.com)
9. Air travel improves gradually as new challenges emerge, December 3, 2021, [www.iata.org](http://www.iata.org)
10. Air cargo demand up 9.4 percent in October, December 2, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
11. Statement by Minister Alghabra to mark Drone Safety Day, December 3, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
12. Air Canada's Latest Options Offer Customers Safe and Seamless Holiday Travel to the U.S., Making it Easy to Comply with Updated Government Requirements, December 6, 2021, [www.aircanada.ca](http://www.aircanada.ca)
13. U.S. Airlines' Net Profit in 3rd Quarter 2021 Nearly Triples 2nd Quarter, December 6, 2021, [www.bts.gov](http://www.bts.gov)
14. Minister Alghabra marks International Civil Aviation Day, December 7, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
15. WestJet Cargo and SmartKargo partner on innovative digital transformation to better serve customers, December 7, 2021, [www.westjet.ca](http://www.westjet.ca)
16. October Airline Industry Employment

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

from September's \$1.99.

#### **6. Air Cargo Demand Up 9.4% in October**

The International Air Transport Association (IATA) released October 2021 data for global air cargo markets showing that demand continued to be well above pre-crisis levels and that the capacity constraints have eased slightly. As comparisons between 2021 and 2020 monthly results are distorted by the extraordinary impact of COVID-19, unless otherwise noted, all comparisons below are to October 2019 which followed a normal demand pattern. Global demand, measured in cargo tonne-kilometers (CTKs), was up 9.4% compared to October 2019 (10.4% for international operations). Capacity constraints have eased slightly but remain 7.2% below pre-COVID-19 levels (October 2019) (-8.0% for international operations). Economic conditions continue to support air cargo growth but are slightly weaker than in the previous months. Several factors should be noted: 1) Supply chain disruptions and the resulting delivery delays have led to long supplier delivery times. This typically results in manufacturers using air transport, which is quicker, to recover time lost during the production process. The global Supplier Delivery Time Purchasing Managers Index (PMI) reached an all-time low of 34.8 in October 2021; values below 50 are favorable for air cargo. 2) Relevant components of the October 2021 PMIs (new export orders and manufacturing output) have been in a gradual slowdown since May 2021 but remain in favorable territory. 3) The inventory-to-sales ratio remains low ahead of the peak year-end retail events such as Christmas. This is positive for air cargo as manufacturers turn to air cargo to rapidly meet demand. 4) Global goods trade and industrial production remain above pre-crisis levels. 5) The cost-competitiveness of air cargo relative to that of container shipping remains favourable.

#### **7. Ready for Takeoff: Air Canada and Chase Officially Launch New U.S. Chase Aeroplan® Credit Card**

On December 2, 2021, Chase, the largest co-brand card issuer, and Air Canada, Canada's largest airline and a Star Alliance founding member, launched the new Chase Aeroplan® World Elite Mastercard® Credit Card, with Mastercard as the exclusive payments network. Providing U.S. cardmembers the ability to earn Aeroplan points to unlock faster and better access to the world, Aeroplan is the industry's most globally connected program with more than 45 partner airlines flying to hundreds of destinations across the globe.

#### **8. Porter Airlines launches new travel insurance partnership with Allianz Global Assistance**

Porter Airlines has partnered with Allianz Global Assistance as its new travel insurance provider, offering a variety of insurance products and options for customers. "We're giving Porter customers more insurance options, so they can feel comfortable and prepared for their unique travel needs," said Kevin Jackson, executive vice president and chief commercial officer, Porter Airlines. "Porter and Allianz are prepared to provide quality customer support for those looking to add these policies to their purchases." The new travel insurance plans can be included at the time of booking flights or Porter Escape vacation packages. Available plans may also be purchased after booking, through the Porter website or the Allianz call centre.

#### **9. Air Passenger Market Analysis October 2021**

Air travel improves gradually as new challenges emerge. The major highlights for October 2021 are: 1) Global air travel continued to slowly recover in October 2021, with industry-wide revenue passenger-kilometres (RPKs) 49.4% below October 2019 values. There was widespread improvement, with domestic and international RPKs both contributing to the recovery in October 2021. 2) Progress seen this month came on the back of rising vaccination rates and decreasing air travel restrictions. But new infection rates are growing globally, and in particular in Europe. 3)

Estimated to Increase from September, Remains 3.2% Below Pre-Pandemic October 2019, December 7, 2021, [www.bts.gov](http://www.bts.gov)

17. Relax in Myrtle Beach with Porter's seasonal service, December 8, 2021, [www.flyporter.com](http://www.flyporter.com)

18. Weekly aircraft movements, November 20 to 26, 2021, December 8, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

19. Air Canada's First Boeing 767-300ER Freighter Enters Service; Deployed to British Columbia to Support Canadian Supply Chain, December 9, 2021, [www.aircanada.ca](http://www.aircanada.ca)

20. Air Travel Consumer Report: September and 3rd Quarter 2021 Numbers, December 10, 2021, [www.dot.gov](http://www.dot.gov)

21. Air cargo traffic stable at high levels, drivers remain supportive – Q4, December 14, 2021, [www.iata.org](http://www.iata.org)

22. The WestJet Group opposes re-introduction of blanket air travel advisory, December 15, 2021, [www.westjet.ca](http://www.westjet.ca)

23. Eat, Ride and Earn: Aeroplan and Uber Canada Unveil Expanded Partnership, December 15, 2021, [www.aircanada.ca](http://www.aircanada.ca)

24. IATA Airlines Financial Monitor for November-December 2021, December 15, 2021, [www.iata.org](http://www.iata.org)

25. Confusion around testing at airports, new travel advisory causing avoidable uncertainty and worry for travellers, December 16, 2021, [www.cacairports.ca](http://www.cacairports.ca)

26. September 2021 U.S. Airline Traffic Data, December 16, 2021, [www.bts.gov](http://www.bts.gov)

26. Start the winter season with Porter's service to Mont-Tremblant, December 17, 2021, [www.flyporter.com](http://www.flyporter.com)

27. U.S. Scheduled Passenger Airlines Employ an Estimated 0.5% More Employees in October 2021 than in September and 8.7% Fewer than in Pre-Pandemic October 2019, December 17, 2021, [www.bts.gov](http://www.bts.gov)

28. UPS buying 19 Boeing freighters, December 22, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

29. October 2021 U.S. Airlines Passengers Increased 119% from October 2020, Remain 16% below Pre-Pandemic October 2019, December 22, 2021, [www.bts.gov](http://www.bts.gov)

30. United planning to buy hydrogen engines, December 24, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

31. ACI World and International Transport Forum agree to enhanced cooperation, December 21, 2021, [www.itf-oecd.org](http://www.itf-oecd.org)

32. Airlines cancel thousands of flights around the world as Omicron hits flight crews, December 24, 2021, [www.financialpost.ca](http://www.financialpost.ca)

33. Airlines' US holiday flight cuts near 2,400 on crew shortages, December 26, 2021, [www.ajot.com](http://www.ajot.com)

34. US cancels another 1,000 flights due to snow storms, Covid surge, December 27, 2021, [www.ajot.com](http://www.ajot.com)

Moreover, the emergence of the Omicron variant is likely to negatively impact the recovery. While it is too early to see an impact in bookings, travel restrictions have immediately been reimposed, and uncertainty is now much higher. Where stability had been slowly and steadily regained, this will affect consumer confidence and dampen demand.

#### **10. Air cargo demand up 9.4 percent in October**

Air cargo demand continued to be well above pre-crisis levels in October 2021. According to the International Air Transport Association (IATA) global demand, measured in cargo tonne-kilometers (CTKs), was up 9.4 percent compared to October 2019, and up 10.4 percent for international operations. Capacity constraints have eased slightly but remain 7.2 percent below pre-COVID-19 levels (October 2019), and down 8.0 percent for international operations. Economic conditions continue to support air cargo growth but are slightly weaker than in the previous months.

#### **11. Statement by Minister Alghabra to mark Drone Safety Day**

On December 3, 2021, the Minister of Transport, the Honourable Omar Alghabra, issued the following statement: "Across Canada, drones play an important role in connecting communities with the resources they depend on, reaching hard-to-access rural and remote areas, and helping in life-saving search and rescue and emergency operations. Drones are quickly becoming part of an important economic sector in Canada, with significant potential to improve the lives of Canadians across the country. "Drone Safety Day recognizes the exciting and innovative world of drones and the important role all drone pilots play in flying safely. This includes keeping drones at a safe distance from people, and away from other aircraft and forest fires, floods or other natural disasters. Drone pilots must also respect the privacy rights of others when flying."

#### **12. Air Canada's Latest Options Offer Customers Safe and Seamless Holiday Travel to the U.S., Making it Easy to Comply with Updated Government Requirements**

Air Canada announces a series of improvements for customers to meet new U.S. government entry requirements. In partnership with Switch Health, a Canadian-based health care company, Air Canada confirms ample supply of antigen test kits available for purchase. The self-administered antigen test will allow customers to conveniently meet new U.S. government entry requirements that travellers present a negative COVID-19 test taken not more than one day prior to departure. The test result takes about 15 minutes to complete. The self-administered test can be taken from the comfort of the customer's home or accommodation, within one day prior to departure. The test is conducted under the remote supervision of a telehealth professional from Switch Health and includes an electronic report suitable for travel. Customers can order the Switch Health Rapid Antigen Test Kit (which includes two tests) at [switchhealth.ca/aeroplan](https://switchhealth.ca/aeroplan) or redeem at [aircanada.com/estore](https://aircanada.com/estore).

#### **13. U.S. Airlines' Net Profit in 3rd Quarter 2021 Nearly Triples 2nd Quarter**

U.S. scheduled passenger airlines reported a third-quarter 2021 after-tax net profit of \$2.7 billion and a pre-tax operating loss of \$187 million. The third-quarter positive after-tax net profit is the second consecutive quarterly profit and the second quarterly profit since the onset of the COVID-19 pandemic. The airlines increased their second-quarter profit (\$1.0 billion) by 170%. The third-quarter pre-tax operating loss of \$187 million was also improved from the second-quarter loss of \$3.6 billion.

#### **14. Minister Alghabra marks International Civil Aviation Day**

The Honourable Omar Alghabra, Minister of Transport, issued this statement on December 7, 2021 to mark International Civil Aviation Day: "Every year, on December 7, we take time to recognize the special role that international civil aviation plays in bringing us together. This year, we also want to recognize and celebrate the incredible work of the many international civil aviation professionals who responded to the pandemic and helped to keep Canadians and travellers safe. "We've seen amazing efforts from the aviation industry to repatriate citizens displaced by the pandemic; maintain essential supply chains to equip countries and health professionals with critical PPE and lifesaving medication; act as the predominate supply chain to deliver vaccines to countries around the world; maintain essential business travel and re-unification of families and, implement strong virus mitigation measures, often acting at the leading edge of public health, testing and vaccination requirements..." Further details can be found on the Transport Canada website.

#### **15. WestJet Cargo and SmartKargo partner on innovative digital transformation to better serve customers**

WestJet Cargo and SmartKargo on December 7, 2021 announced a partnership that will provide extensive digital solutions to enhance and transform the airline's air cargo business. In 2022, SmartKargo, a comprehensive cargo information management solution, will implement innovative software that will provide a streamlined user experience for WestJet Cargo customers. "As we witness record-setting cargo volumes, we are making strategic investments in our technology, our aircraft and our people," said Charles Duncan, WestJet Executive Vice-President, Cargo. "Our partnership with SmartKargo signifies an integral step forward in the digital transformation of our business. We look forward to working in lockstep with SmartKargo to digitize our business and deliver an improved user experience to our valued customers."

#### **16. October Airline Industry Employment Estimated to Increase from September, Remains 3.2% Below Pre-Pandemic October 2019**

U.S. airlines employed an estimated 722,587 workers in September 2021, which is 2,817 (0.4%) more workers than in September 2021 (719,770) and 23,959 (3.2%) fewer than in pre-pandemic October 2019 (746,546). Major passenger airlines added an estimated 2,823 jobs in October 2021 and major cargo carriers add 1,237.

#### **17. Relax in Myrtle Beach with Porter's seasonal service**

Start planning your spring break trip with Porter Airlines' seasonal service to Myrtle Beach, S.C. Flights return March 9, 2022, and conclude May 28, 2022. "Relax with a trip to sandy beaches and sunshine," said Michael Deluce, president and CEO, Porter Airlines. "We're looking forward to returning to another seasonal destination. Myrtle Beach is only a short flight away and is perfect for a short getaway." Direct flights from Billy Bishop Toronto City Airport will operate twice weekly on Wednesdays and Saturdays, with connecting service from various Porter locations. Tickets are now available at [www.flyporter.com](http://www.flyporter.com).

#### **18. Weekly aircraft movements, November 20 to 26, 2021**

Weekly data on aircraft itinerant movements are now available for November 20 to 26, 2021. Domestic movements for the week ending November 20, 2021 were 39,020 compared to 35,234 for the week ending November 6, 2021.

#### **19. Air Canada's First Boeing 767-300ER Freighter Enters Service; Deployed to British Columbia to Support Canadian Supply Chain**

Air Canada's first dedicated Boeing 767-300ER freighter aircraft was put into service on December 9, 2021 and operated its inaugural flight from Toronto to Vancouver. Originally scheduled to first fly to Frankfurt, Air Canada Cargo deployed the aircraft early to provide capacity where needed.

#### **20. Air Travel Consumer Report: September and 3rd Quarter 2021 Numbers**

The U.S. Department of Transportation on December 10, 2021 released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of September 2021 and 3rd quarter 2021 numbers (9 months data) for on-time performance, mishandled baggage, mishandled wheelchairs and scooters, complaints received, and oversales. The ATCR is designed to assist consumers with information on the quality of services provided by airlines. The ATCR and other aviation consumer matters of interest to the public can be found at <http://www.transportation.gov/airconsumer>.

#### **21. Air cargo traffic stable at high levels, drivers remain supportive – Q4 2021**

IATA reports for Q4 2021 that: 1) Industry-wide cargo tonne-kilometres (CTKs) increased by 8.7% in the three months to October 2021 versus the same period in 2019. This is a strong performance, but growth and seasonally adjusted volumes have been stable in the past few months. 2) Manufacturing activity, new export orders and confidence have eased since Q2 due to issues on supply chains and inflation, but they remain broadly supportive for air cargo. Moreover, air cargo continues to outperform other modes of transport, as it is competitive both in terms of price and for its speed as businesses rush to meet demand during the key year-end period. 3) Air cargo capacity continued to slowly improve in the three months to October 2021, but remains 9.5% below levels of the same period in 2019. Air cargo yields rose further in that period, meaning air cargo revenues continue to perform particularly well.

#### **22. The WestJet Group opposes re-introduction of blanket air travel advisory**

The WestJet Group on December 15, 2021 is expressing its strong opposition to the travel advisory issued by the Government of Canada. The targeted advice outlined on December 15, 2021 is not based on science and data and significantly undermines aviation's proven safety record in response to COVID-19. These measures are a setback in Canada's progress and its successful transition from relying on blanket advisories and policies. "Air travel is the most tested and protected consumer activity in Canada, every person travelling internationally is tested on average twice throughout their travel journey," said Harry Taylor, WestJet President and CEO. "As the only fully-vaccinated air travel sector in the world, WestJet is calling on the government to publicly share the travel related COVID-19 data that has been used to re-impose the advisory and advice targeted towards fully-vaccinated Canadians and the travel and tourism industry."

#### **23. Eat, Ride and Earn: Aeroplan and Uber Canada Unveil Expanded Partnership**

Aeroplan is pleased to announce an expanded loyalty partnership with Uber Canada, giving Aeroplan members in Canada the opportunity to earn points on Uber Eats and Uber Rides purchases when they link their accounts. Aeroplan Credit Cardholders Can Now Enjoy \$0 Delivery Fees -and More With A Free Uber Pass Membership (CNW Group/Air Canada). Starting on December 15, 2021, Aeroplan members based in Canada will be able to earn points when linking their Aeroplan and Uber accounts.

#### **24. IATA Airlines Financial Monitor for November-December 2021**

The key points in the IATA Airlines Monitor for November-December 15, 2021 were as follows: 1. The latest sample of Q3 2021 financial results confirms that industry-wide losses diminished compared with Q2 amidst gradual air travel recovery and robust cargo revenues. However, the performance varied across regions; while North American,

European and Latin American airlines reported improvements in operating incomes, the financials deteriorated in Asia Pacific. 2. The airline share prices have fallen in response to Omicron news. As of December, the global airline share price index is 37% below pre-crisis levels while wider equity markets have risen by 30% since the start of the pandemic. 3. The bookings for future travel have been falling as Omicron-driven restrictions disrupt passengers' short-term travel plans.

#### **25. Confusion around testing at airports, new travel advisory causing avoidable uncertainty and worry for travellers**

The Canadian Airports Council issued the following statement on December 16, 2021 with regards to ongoing issues around testing at airports and the new travel advisory announced by the federal government on December 15, 2021. "Canada's airports understand the Government of Canada has an obligation to keep Canadians safe in light of the impact of the omicron variant. However, the decision to impose a blanket travel advisory, plus the ongoing confusion about arrivals testing at airports, has created a great deal of uncertainty for Canadians, particularly just prior to the holiday season, adversely affecting lives and livelihoods..."

#### **26. September 2021 U.S. Airline Traffic Data**

U.S. airlines carried 62.9 million systemwide (domestic and international) scheduled service passengers in September 2021, seasonally adjusted, according to the Bureau of Transportation Statistics (BTS), up 0.1% from August 2021. BTS reported 57.4 million domestic passengers and 5.5 million international passengers on U.S. airlines flights in September 2021. U.S. airline traffic reports are filed monthly with BTS. See the tables that accompany this release on the BTS website for summary data since 2016 and complete data since 2000.

#### **27. Start the winter season with Porter's service to Mont-Tremblant**

Starting on December 17, 2021, Porter is offering non-stop service from Billy Bishop Toronto City Airport to Mont-Tremblant International Airport, operating until March 28, 2022. "It is exciting to return to our first seasonal destination," said Michael Deluce, president and CEO, Porter Airlines. "Our passengers can fly from downtown Toronto to Mont-Tremblant in as little as 70 minutes and enjoy a number of winter and holiday festivities." The winter schedule includes up to four weekly flights, with connections from various Porter locations also available. Flights are available for booking on the Porter website.

#### **27. U.S. Scheduled Passenger Airlines Employ an Estimated 0.5% More Employees in October 2021 than in September and 8.7% Fewer than in Pre-Pandemic October 2019**

The 24 U.S. scheduled passenger airlines employed an estimated 412,844 full-time equivalents (FTEs) in October 2021, an increase of 0.5% (2,008 FTEs) from September 2021 (410,836 FTEs). October's total was down 39,508 FTEs or 8.7% from pre-pandemic October 2019 (452,352 FTEs). The increase from September 2021 resulted largely from Delta Airlines adding 2,701 FTEs, an increase tempered by American Airlines reducing employment by 462 FTEs. Other notable changes include near across-the-board employment reductions among regional airlines (down 446 FTEs) from September to October.

#### **28. UPS buying 19 Boeing freighters**

UPS will be buying 19 freighters from Boeing. The B767Fs will be delivered between 2023 and 2025. "The Boeing 767 is the most versatile aircraft we operate," said UPS U.S. operations president Nando Cesarone. "Our plan to purchase 19 aircraft and take delivery between 2023 and 2025 aligns with the strategy and capital expenditure forecast shared during our June 2021 Investor and Analyst Day. It also supports our sustainability efforts by making our fleet more efficient and improving reliability," he said. The deal adds to a record-breaking year for Boeing freighter sales, including 80 firm orders for new widebody freighters and more than 80 orders for Boeing Converted Freighters. In 2021 air cargo demand has surged due to an expansion of e-commerce and express cargo markets.

#### **29. October 2021 U.S. Airlines Passengers Increased 119% from October 2020, Remain 16% below Pre-Pandemic October 2019**

U.S. airlines carried 119.47% more scheduled service passengers in October 2021 than in October 2020 (preliminary), according to data filed with the Bureau of Transportation Statistics (BTS) by 23 airlines that carry more than 90% of the passengers. The increase from October 2020 was the smallest one-year increase since March (9.5%). Airline passenger volume remained 16.24% below October 2019, the most recent pre-pandemic corresponding month. The October 2021 air passenger difference relative to October 2019 is the smallest percent change from pre-pandemic 2019 since July (-15%).

#### **30. United planning to buy hydrogen engines**

United Airlines says it plans to buy up to 100 hydrogen-electric engines for regional aircraft. The carrier has taken an equity stake in ZeroAvia, which builds the zero-emission engines. Hydrogen-electric engines use electricity created by a chemical reaction in a fuel cell to power an electric motor instead of burning fossil fuel. The ZA2000-RJ engines could be retrofitted to existing United Express aircraft as early as 2028. One potential use is on the CRJ-550 regional jet. United's goal is to be 100 percent green by reducing its GHG emissions 100 percent by 2050, without relying on

traditional carbon offsets.

### **31. ACI World and International Transport Forum agree to enhanced cooperation**

At the Airports Council International (ACI) Latin America and Caribbean/World Annual General Assembly, Conference, and Exhibition on December 23, 2021, ACI World and the International Transport Forum (ITF) at the OECD have exchanged Letters of Cooperation that will enable increased collaboration between the two organizations. As the airport industry looks to rebuild and forge the path for sustainable development, this arrangement will allow ACI and ITF to have a more structured cooperation on policy topics encompassing economics, sustainability, and capacity issues, among other subjects.

### **32. Airlines cancel thousands of flights around the world as Omicron hits flight crews**

United Airlines and Delta Air Lines have cancelled hundreds of Christmas Eve flights, as the spreading COVID-19 Omicron variant takes a toll on its flight crews and other workers. Delta said on December 23, 2021 it has “exhausted all options and resources — including rerouting and substitutions of aircraft and crews to cover scheduled flying — before cancelling around 90 flights for Friday [December 24, 2021].”

### **33. Airlines’ US holiday flight cuts near 2,400 on crew shortages**

Airlines’ U.S. flight cancellations approached 2,400 for the Christmas weekend, disrupting travel on one of the busiest periods of the year as the omicron-fueled wave of Covid cases triggered air-crew shortages. The situation eased a bit on December 25, 2021 after December 24, 2021 pullbacks erased at least 12% of the schedule at Delta Air Lines Inc., United Airlines Holdings Inc. and JetBlue Airways Corp., according to data tracker FlightAware.com. JetBlue was the only one of the trio reporting 10% of its schedule cancelled on December 25, 2021, with the other two at 5% or less. The U.S. cuts on Christmas Day alone totalled more than 900. Airlines’ tie-ups added to evidence of economic disruptions from the omicron variant, whose fast spread is causing havoc even though initial indications suggest that it causes less-severe illness than other Covid strains. Health-care systems are being squeezed by a lack of staff, and a U.S. Navy warship is stuck at Guantanamo Bay after a Covid outbreak on board.

### **34. US cancels another 1,000 flights due to snow storms, Covid surge**

Flight cancellations that disrupted U.S. travel over the Christmas weekend stretched into December 27, 2021, with winter storms further pressuring carriers that were already short-staffed because of spreading Covid-19 cases. About 1,160 U.S. flights were cancelled on December 27, 2021 as of 4:20 p.m. New York time after more than 2,800 were dropped over the weekend, according to data from FlightAware.com. One of the hardest-hit carriers was Alaska Air Group Inc., whose operations at its main base at Seattle-Tacoma International Airport were affected by snowfall and some of the region’s coldest temperatures in years. An omicron-fueled wave of Covid cases remains a concern, weighing on airline shares. United Airlines Holdings Inc. said it cancelled about 2.9% of its scheduled flights December 27, 2021 including a vaccine mandate at United and a monthly surcharge for unvaccinated employees at Delta Air Lines Inc. Major airlines have said most of their employees have been vaccinated.

## **WATER TRANSPORTATION**

### **1. Port of Vancouver ship queue tops 50 as rail woes persist**

Canada’s supply chain is in a “crisis situation” as over 50 ships wait to dock at the Port of Vancouver and CN struggles to restore rail service.

### **2. Montreal moves ahead with Contrecoeur project**

The Montreal Port Authority (MPA) has launched the Request for Qualifications (RFQ) for the Contrecoeur expansion project’s Design-Build-Finance-Operate-Maintain (DBFOM). The goal is to enter into a long-term agreement to design, build, finance, operate and maintain the Contrecoeur terminal. The RFQ will remain open to national and international industry players for the next three months. More than 100 participants attended a virtual technical briefing open to all potential bidders on November 10, 2021.

### **3. Decarbonization, community relations top priorities for Montreal Port**

“On a scale of one to 10 my happiness is at 22,” said an upbeat Martin Imbleau in a fireside chat that marks his one-year anniversary as CEO of the Port of Montreal. Imbleau sat down with IHS Markit’s Peter Tirschwell for a live chat at a Traffic Club of Montreal event on December 1, 2021 that was also webcast to interested stakeholders. Imbleau said that in spite of a year that started with the pandemic, then the blockage of the Suez canal, then a strike at the port, and then the international supply chain crisis which is

## **WATER TRANSPORTATION Canada**

1. Port of Vancouver ship queue tops 50 as rail woes persist, November 29, 2021, [www.americanshipper.com](http://www.americanshipper.com)
2. Montreal moves ahead with Contrecoeur project, November 29, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
3. Decarbonization, community relations top priorities for Montreal Port, December 1, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
4. Vancouver port trucker strike averted as union reaches deal with 2nd carrier, December 2, 2021, [www.americanshipper.com](http://www.americanshipper.com)
5. Vancouver truck drivers’ strike averted, December 3, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
6. Georgia ports expedite new container capacity, December 7, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
7. PSA-Ceres Halifax deal catches eye of antitrust regulators, December 7, 2021, [www.joc.com](http://www.joc.com)
8. US House passes ocean shipping reform

affecting everyone, “the Port of M has been pretty resilient.” Although the port has not seen the type of congestion that West Coast ports are experiencing, Montreal has seen a dramatic climb in the number of empty containers being shipped.

#### **4. Vancouver port trucker strike averted as union reaches deal with 2nd carrier**

A union and a trucking company serving the Port of Vancouver reached a tentative agreement to give container drivers benefits and increased pay, averting a possible strike.

#### **5. Vancouver truck drivers’ strike averted**

A container truck driver strike at two companies serving the Port of Vancouver that was set to begin on December 3, 2021 will be avoided. Labour union Unifor says it has reached an agreement with Prudential Transportation at the time of deadline, avoiding a strike at Canada’s busiest port. It reached an agreement with Aheer Transportation on November 30, 2021. Truckers at the two companies had voted to strike if their employers didn’t match an agreement reached earlier this year with Harbour Link Transportation, which pays truckers \$60 per hour after the first hour they spend waiting for their vehicles to be loaded and unloading.

#### **6. Georgia ports expedite new container capacity**

By January, GPA will open 670,000 TEUs of new annual capacity at Garden City Terminal. In early March, 155,000 TEUs of additional terminal capacity will be available, and by June 2022 another 850,000 TEUs will come online at the port. The projects will deliver a total capacity increase of 25 percent in six months. A total of 504,350 TEUs crossed the Port of Savannah’s docks in October 2021, an increase of 8.7 percent or 40,250 TEUs over October 2020. The performance surpassed GPA’s previous all-time record of 498,000 TEUs set in March 2021.

#### **7. PSA-Ceres Halifax deal catches eye of antitrust regulators**

Canada’s antitrust agency (Competition Bureau) said it is taking a look at PSA International’s proposed acquisition of Ceres, which would leave Halifax with one container terminal operator

#### **8. US House passes ocean shipping reform legislation**

The House voted overwhelmingly in favor of the *Ocean Shipping Reform Act*, which if passed by the Senate and signed into law by President Joe Biden would herald the first rewriting of US shipping law since 1998.

#### **9. Transport Canada announces up to \$300K in new funding to support local and Indigenous community-based rail safety engagement**

On December 8, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced a new rail safety component under the Community Participation Funding Program and launched a call for proposals for 2021-22 with up to \$300K available in funding. The objectives of the Community Participation Funding Program-Rail Safety Component include: 1. supporting the participation of, and collaboration with, local and Indigenous communities and organizations in Transport Canada’s engagement processes; and 2. increasing awareness and improving information sharing regarding risks and mitigations associated with railway safety.

#### **10. Government of Canada invests in four projects to increase efficiency of cargo handling in the Lower Mainland**

On December 10, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced \$8.7M in funding for four new projects under the National Trade Corridors Fund, which will help to improve operational efficiencies at one of Canada’s major export gateways. Under the National Trade Corridors Fund, the Government of Canada will contribute \$7.4M to three projects to be undertaken by the Vancouver Fraser Port Authority: 1. The development and implementation of technology to improve the management of containers flagged for inspection, which will increase efficiency and reduce operating costs in the Pacific Gateway. 2. An engineering study for capacity improvements along a segment of rail that links Canadian Pacific’s intermodal and rail yards in Metro Vancouver with grain and container

legislation, December 8, 2021, [www.joc.com](http://www.joc.com)

9. Transport Canada announces up to \$300K in new funding to support local and Indigenous community-based rail safety engagement, December 8, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

10. Government of Canada invests in four projects to increase efficiency of cargo handling in the Lower Mainland, December 10, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

11. Maersk will build eight 16,000 TEU ships powered by methanol, December 10, 2021, [www.ajot.com](http://www.ajot.com)

12. The Ocean Shipping Reform Act, December 14, 2021, [www.cargonews.com](http://www.cargonews.com)

13. Port of Long Beach to Process 9MM TEUs Through 2021, December 13, 2021, [www.railwavage.com](http://www.railwavage.com)

14. Autonomous electric ship set to accept containers, December 15, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

15. End of Season Rush: U.S. Great Lakes ports report cargo spikes, December 15, 2021, [www.ajot.com](http://www.ajot.com)

16. Proposed Harris Road underpass in Pitt Meadows reaches milestone with partnering agreement, December 15, 2021, [www.portmetrovancover.com](http://www.portmetrovancover.com)

17. House votes for OSRA despite misgivings, lack of debate, December 15, 2021, [www.joc.com](http://www.joc.com)

18. Port of LA sees record 2021 despite backlogs, December 16, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

19. Giant kites that drag cargo ships across oceans go on trial, December 17, 2021, [www.ajot.com](http://www.ajot.com)

20. Port of LA, Long Beach container dwell fees on hold again, December 20, 2021, [www.cargonews.com](http://www.cargonews.com)

21. Port of Los Angeles headed to record cargo year, December 21, 2021, [www.ajot.com](http://www.ajot.com)

22. Maersk buying Hong Kong’s LF Logistics, December 22, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

23. U.S. Transportation Secretary Pete Buttigieg Announces Over \$241 Million in Grants for America’s Ports, December 23, 2021, [www.dot.gov](http://www.dot.gov)

24. ‘Container dwell fee’ activation remains on hold, December 22, 2021, [www.ajot.com](http://www.ajot.com)

25. Outlook 2022: NY-NJ volume forecast pulled forward five years on 2021 growth, December 28, 2021, [www.joc.com](http://www.joc.com)

26. USDOT Awards \$241MM for Port Improvement Projects, December 28, 2021, [www.railwavage.com](http://www.railwavage.com)

27. Port of Metro Vancouver, Accumulated Container Traffic: January to November 2021, December 30, 2021, [www.metrovancover.com](http://www.metrovancover.com)

terminals in the Port of Vancouver's South Shore Trade Area. 3. The funding is to support ongoing work of the Gateway Transportation Collaboration Forum Secretariat, which brings together a number of governmental and private organizations to identify gateway infrastructure priorities in Metro Vancouver. The Government of Canada is also investing \$1.3M in an additional technology and innovation project: 4. The development of a digital platform for sourcing and managing empty shipping containers. This project, to be undertaken by TSC Trakking Software Corporation, will improve container management, reduce costs for Canadian importers and exporters, and reduce greenhouse gases due to congestion in Metro Vancouver and potentially other Canadian cities.

#### **11. Maersk will build eight 16,000 TEU ships powered by methanol**

A.P. Moller-Maersk announced on December 8th that it will be building eight 16,000 twenty-foot unit (teu) container ships powered by "carbon-neutral methanol" with an alternative capability for low sulphur diesel fuel: "Today, we introduce the design of our eight groundbreaking and industry-leading 16,000 TEU container vessels powered by carbon-neutral methanol," announced Palle Laursen, chief technical officer, A.P. Moller – Maersk. He said the new ships to be built by Hyundai Heavy Industries in South Korea, "comes with an innovative dual-fuel engine setup that can operate on methanol and conventional low-sulphur fuel." With fuel capacity, "the vessels will be able to complete an entire round-trip, for example Asia-Europe, on green methanol." Laursen explained: "Unique to the industry, this design allows a 20% improved energy efficiency per transported container, when comparing to the industry average for vessels in this size. Additionally, the entire series is expected to save around one million tons of annual CO2 emissions, offering our customers carbon-neutral transportation at scale on ocean trades." He said the new ships will be 350 meters long, 53.5 meters wide and will look significantly different from what has been seen before for any larger container vessels.

#### **12. The Ocean Shipping Reform Act**

*The Ocean Shipping Reform Act* passed in the House last week due to Asian carriers "unfairly decimating against American cargo." Five major Asian liners have been accused of offloading goods at American ports and returning empty-handed, refusing to take American cargo back with them. The US agriculture industry is highly reliant on California ports that are now described as cargo parking lots as there are not enough workers to offload boats. In addition to these supply chain delays, discrimination against American products is causing countless containers filled with agricultural goods to rot.

#### **13. Port of Long Beach to Process 9MM TEUs Through 2021**

Port of Long Beach dockworkers and terminal operators moved more than 8.6 million twenty-foot equivalent units (TEUs) through November 2021, and are on track to process more than 9 million TEUs by the end the year. The Port of Long Beach reported the figures on Dec. 9, 2021 noting that its annual record is 8.1 million TEUs, set in 2020. The Port processed 745,488 TEU last month, a 4.9% drop from the strongest November on record, achieved in 2020. Imports fell 5.3% to 362,394 TEUs, and exports declined 6.4% to 109,821 TEUs. Empty containers moving through the Port were down 3.6% to 273,274 TEUs. There are 34 container vessels at anchor waiting to enter the San Pedro Bay ports complex, down from more than 80 last month, due to a new queuing process implemented in November 2021 by the Pacific Maritime Association, the Pacific Merchant Shipping Association and the Marine Exchange of Southern California, according to the Port of Long Beach.

#### **14. Autonomous electric ship set to accept containers**

The world's first autonomous and fully electric container ship will soon commence commercial operations. The Yara Birkeland has completed its maiden voyage to Oslo in mid-November and then sailed on to Porsgrunn, the southern Norwegian production site of Yara International, a fertilizer manufacturer and the vessel owner. The ship will operate for a two-year test period, then begin full autonomous operation on a route off the coast of Norway.

#### **15. End of Season Rush: U.S. Great Lakes ports report cargo spikes**

With just two weeks left of the season, U.S. Great Lakes ports and the St. Lawrence Seaway are reporting a rush of activity as manufacturers stockpile raw materials and businesses take advantage of the congestion-free waterway to export overseas. "U.S. Great Lakes ports have roared back this year – recovering from major 2020 declines in traditional cargoes like iron ore and steel but also developing new business and seizing on opportunities for infrastructure investment. This story of recovery and renewal is mirrored in the latest St. Lawrence Seaway cargo numbers," said Bruce Burrows, president and CEO of the Chamber of Marine Commerce. "Throughout the pandemic and amidst global supply chain disruptions, Great Lakes-Seaway shipping has once again proven it's a reliable, 'safe harbor' in a storm." According to the latest figures from the St. Lawrence Seaway, general cargo shipments, including steel, aluminum, and oversized machinery, from March 22 to November 30, 2021 are up 71%. Iron ore shipments are up 17%, while dry bulk shipments including construction materials like stone, cement and gypsum, have increased by 6%, compared to the same period last year.

#### **16. Proposed Harris Road underpass in Pitt Meadows reaches milestone with partnering agreement**

The proposed Harris Road underpass has reached an important milestone, as the Vancouver Fraser Port Authority and

key partners announce the approval of a project partnering agreement. The partnering agreement with the City of Pitt Meadows and Canadian Pacific (CP) is a critical step in advancing safety and livability improvements at one of the Lower Mainland's busiest rail crossings. For several years, the port authority, CP, and the City of Pitt Meadows have been collaborating to advance the Pitt Meadows Road and Rail Improvements Project, which is a port authority-led initiative to remove bottlenecks for both trade growth and cargo carriers, as well as for the local community and commuters.

#### **17. House votes for OSRA despite misgivings, lack of debate**

There was a lack of substantial debate in the House before passing major ocean shipping reform legislation even after the ranking member of the maritime subcommittee warned that while he supported the bill, he had reservations.

#### **18. Port of LA sees record 2021 despite backlogs**

The Port of Los Angeles – the busiest in the United States - is on track to move a record volume of import cargo this year, even as officials struggle to thin a backup of ship traffic and ease supply chain snarls that have been blamed for product shortages and higher shelf prices. “The sustained and unmatched demand by the American consumer is pushing our import numbers to new levels,” Gene Seroka, executive director of the Port of Los Angeles, told reporters in an online briefing. “We’re on track for an all-time import record in ... 2021.” Cargo containers are moving off the docks faster, Seroka said, but even so nearly 100 ships were drifting near the port or its neighboring sister port in Long Beach, or headed toward them.

#### **19. Giant kites that drag cargo ships across oceans go on trial**

At the start of 2022, the Ville de Bordeaux, a 154-meter-long ship that moves aircraft components for Airbus SE, will unfurl a 500 square meter kite on journeys across the Atlantic Ocean. It will undergo six months of trials and tests before full deployment. While the industry has come up with multiple decarbonization initiatives, it is struggling to keep pace with goals set out under the Paris Agreement on climate. There's also pressure on shipping lines from large customers who are pressing to make their own supply chains less polluting. The kite is called Seawing. Its developer, Airseas, estimates that an even larger 1,000 square-meter parafoil, flying at an altitude of 300 meters, will cut fuel consumption and emissions from vessels by about 20%. Shipping carries more than 80% of all goods traded globally but also accounts for almost 3% of man-made carbon dioxide emissions.

#### **20. Port of LA, Long Beach container dwell fees on hold again**

The ports of Los Angeles and Long Beach on Monday, Dec. 21, once again delayed imposing cargo dwell fees on ocean carriers, saying progress continues in clearing port areas of aging containers. The fee will be reconsidered on Monday, Dec. 27, when both port directors will reassess implementation based on cargo flow data. Since the fee was announced on Oct. 27, both ports have seen a combined 46% drop in aging cargo on the docks. The 90-day fee policy was passed by both harbor commissions on Oct. 29, 2021 with old cargo piling up and preventing arriving ships from getting unloaded as quickly as possible. While the fee policy is set due to expire at the end of January 2022, both commissions have the option to extend it, keeping that option available if needed.

#### **21. Port of Los Angeles headed to record cargo year**

The Port of Los Angeles is on track to break a new record for cargo throughput in 2021, processing more volume than any port in the Western Hemisphere. With two weeks left in the year, the Port anticipates its final volume will be approximately 10.7 million Twenty-Foot Equivalent Units (TEUs), about 13 percent more than its previous record set in 2018. “As we approach a new cargo milestone amid this pandemic, I’m so proud of the resilience of this Port, our labor force and all of our partners,” said Port of Los Angeles Executive Director Gene Seroka. “While there is much more that we need to improve upon, we’re delivering record amounts of cargo and goods are making their way into the hands of consumers and manufacturers. “Moving into 2022,” Seroka added, “we’ll continue our focus on efficiency improvements, job creation and economic development.”

#### **22. Maersk buying Hong Kong's LF Logistics**

Denmark's A.P. Moeller-Maersk, said on December 22, 2021 that it has acquired Hong Kong-based LF Logistics Holdings Limited in a US\$3.6 billion deal – one of the Danish group's biggest acquisitions ever. “It will allow us to go deep into Asia, which is the fastest-growing market,” Vincent Clerc, Maersk's chief executive of ocean and logistics told The Associated Press. “With this move, we will boost our warehousing and distribution offering.”

#### **23. U.S. Transportation Secretary Pete Buttigieg Announces Over \$241 Million in Grants for America's Ports**

The U.S. Department of Transportation Secretary on December 23, 2021 announced the award of more than \$241 million in discretionary grant funding for 25 projects to improve port facilities in 19 states and one territory through the Maritime Administration's (MARAD) Port Infrastructure Development Program (PIDP). These grants demonstrate rapid action on commitments in the Biden-Harris Port Action Plan, which will strengthen our supply chains to meet demand resulting from the rapid economic recovery over the past year, and help address inflationary pressures.

#### **24. 'Container dwell fee' activation remains on hold**

The Port of Long Beach and the Port of Los Angeles once again have delayed consideration of the “Container Dwell

Fee,” this time until Jan. 3, 2022. Since the program was announced on Oct. 25, 2021 the twin ports have seen a combined decline of 41% in aging cargo on the docks. As expected, progress has eased due to year-end holidays. The executive directors of both ports will reassess fee implementation after monitoring data over the next week. Fee implementation has been postponed by both ports since the start of the program.

#### **25. Outlook 2022: NY-NJ volume forecast pulled forward five years on 2021 growth**

The port of New York–New Jersey is looking at how it can deal with five years of expected cargo growth that has hit the port through 2021, while other Northeast ports are expanding capacity to deal with larger ships.

#### **26. USDOT Awards \$241MM for Port Improvement Projects**

The U.S. Department of Transportation (USDOT) will distribute more than \$241 million in grants to 25 port facility improvement projects under the Maritime Administration’s Port Infrastructure Development Program (PIDP); six are rail-related and will receive a total of \$86.22 million. The three-year-old PIDP supports port facility and freight infrastructure improvements that boost capacity and efficiency; it provides planning, operational and capital financing, and project management assistance. The fiscal year 2021 program’s priorities related to job creation, climate change and environmental justice impacts, according to the USDOT. America’s Green Gateway Phase 1: Pier B Early Rail Enhancements Project at the Port of Long Beach, Calif., was awarded \$52.3 million for a new locomotive facility and extension of the east and west rail yards.

#### **27. Port of Metro Vancouver, Accumulated Container Traffic: January to November 2021**

The Port of Metro Vancouver released its accumulated container traffic in TEUs for January to November 2021. Total container traffic increased 9.1% for this period to 3,432,231 TEUs from 3,146,219 TEUs compared to the same period in 2020. Total imports increased 5.6% to 1,778,544 TEUs from 1,683,835 TEUs and total exports increased 13.1% to 1,653,687 TEUs from 1,462,384 TEUs compared to the same period in 2020.

## **RAIL TRANSPORTATION**

### **1. Government of Canada announces new amendments that will improve safety at grade crossings**

On November 29, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced new amendments to *Grade Crossings Regulations*. The Grade Crossings Regulations increase safety at Canada’s federally regulated grade crossings and help prevent deaths, injuries, property damage and environmental damage by imposing requirements that grade crossings: 1) make use of engineering best practices to ensure that all crossing users can have a safe crossing experience; 2) put in place clear and enforceable safety standards for both new and existing crossings; and 3) define the roles and responsibilities of railway companies, road authorities and private landowners. Amendments to the Regulations will preserve the core safety objectives while providing financial relief to public and private authorities during the COVID-19 pandemic by extending compliance deadlines and ensuring that low-risk grade crossings are not subject to an undue burden. This includes: 1) a one-year extension for existing public grade crossings which present a higher risk; 2) a three-year extension for all remaining public and all private grade crossings; and 3) an exclusion from the construction and maintenance requirements for very low-risk grade crossings (such as field-to-field crossings with minimal train traffic).

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

In September 2021, the volume of cargo carried by Canadian railways reached 30.8 million tonnes, down slightly (-0.9%) from September 2020. While the overall freight volume was very close to the five-year monthly average of 31.5 million tonnes, increases in loadings of energy products and freight traffic from US connections helped to offset lower shipments of some agricultural and food products. To further explore current and historical data in an interactive format, please visit the Monthly Railway Carloadings: Interactive Dashboard on the Statistics Canada website.

### **3. U.S. Department of Transportation Announces up to \$606.7 million TIFIA Loan for the Farley Building Transportation**

The U.S. Department of Transportation’s Build America Bureau has

## **RAIL TRANSPORTATION Canada**

1. Government of Canada announces new amendments that will improve safety at grade crossings, November 29, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
2. Railway carloadings, September 2021, November 29, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. U.S. Department of Transportation Announces up to \$606.7 million TIFIA Loan for the Farley Building Transportation, November 29, 2021, [www.dot.gov](http://www.dot.gov)
4. The Mexican Tax Authority (Servicio de Administración Tributaria (SAT) Mandates Waybill Requirements for December 1<sup>st</sup>, November 29, [www.cn.ca](http://www.cn.ca)
5. Freight Rail Services Price Index, November 2021, November 30, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
6. Railroads converting to batteries could save \$94 billion in two decades, November 30, 2021, [www.ajot.com](http://www.ajot.com)
7. VIA Rail Showcases First Siemens Test Train, December 1, 2021, [www.railwavage.com](http://www.railwavage.com)
8. Rail Traffic for November and the Week Ending November 27, 2021, December 1, 2021, [www.ajot.com](http://www.ajot.com)
9. Building Ontario with Investments in GO Transit Bi-level Rail Coaches, November 30, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
10. West Coast backlogs grow even as rail lines reopen, Dec. 7, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
11. Railroad demonstrates continued robust, environmental transparency and quality of climate-related disclosure through CDP, December 7, 2021, [www.cn.ca](http://www.cn.ca)
12. CP shareholders approve KCS merger, December 8, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
13. U.S. Intermodal Slump Continued in Week 48, December 7, 2021, [www.railwavage.com](http://www.railwavage.com)
14. CN’s Board Ranks 1st in Canada for

provided a direct TIFIA loan in the amount of up to \$606.7 million to the New York State Urban Development Corporation, doing business as Empire State Development, for the construction of the Farley Building Transportation Project or Moynihan Train Hall. The Department provides TIFIA and other infrastructure financing through the Bureau to help reduce the cost of projects. This loan will add up to \$80.5 million to the \$526.5 million TIFIA loan that closed in 2017 and provide the Moynihan Train Hall a total of up to \$606.7 million. The additional loan capacity will ensure completion of security and passenger safety initiatives

#### **4. The Mexican Tax Authority (Servicio de Administración Tributaria (SAT) Mandates Waybill Requirements for December 1st.**

The Mexican Tax Authority (Servicio de Administración Tributaria (SAT) has mandated waybill requirements, referred to as Carta Porte, for all traffic destined to, shipped from, or traveling within Mexico and applicable for all loaded, revenue empty and dangerous/hazardous residue shipments. The requirements are effective December 1, 2021.

#### **5. Freight Rail Services Price Index, November 2021**

The Freight Rail Services Price Index (2018=100) is now available for November 2021 from Statistics Canada website. The index was 110.9 for November 2021 compared to 109.8 for October 2021.

#### **6. Railroads converting to batteries could save \$94 billion in two decades**

If U.S. Class 1 railroads convert from diesel locomotives to battery power, they can save \$94 billion over 20 years “while consuming half the energy consumed by diesel trains,” according to a Lawrence Berkeley National Laboratory report. The report, “*Economic, environmental and grid-resilience benefits of converting diesel trains to battery-electric*” was published in the November, 2021 issue of Nature Energy. The report argues the Class 1 railroads can become a leader in battery-powered conversion for freight transport because of the fuel-efficient nature of their long-haul operations: “The freight rail sector is three to four times more fuel efficient ... than road-based freight, on average. This advantage provides trains with a margin for adding the battery-related weight, volume and energy consumption needed to achieve a sufficient daily range while maintaining very high efficiency. In addition, the nature of battery technology and rail operations provides plentiful opportunities for recharging during long hauls.”

#### **7. VIA Rail Showcases First Siemens Test Train**

In September 2021, VIA Rail Canada took delivery of the first of 32 new Siemens trainsets, and on Nov. 30, 2021 revealed it to the public; testing starts in December 2021. Siemens was awarded the C\$989 million (US\$781.5 million) contract in December 2018, with funding from Canada’s federal government. The new bidirectional trainsets—powered by Siemens EPA Tier 4-emission-compliant Chargers (with Cummins QSK95, 16-cylinder diesel engines)—will replace VIA Rail’s fleet that operates along the Quebec City-Windsor Corridor. The corridor, VIA Rail’s busiest, carried more than 4.7 million riders in 2019, representing 96% of its pre-pandemic ridership. The first train is slated to begin service in fourth-quarter 2022, VIA Rail reported.

#### **8. Rail Traffic for November and the Week Ending November 27, 2021**

U.S. railroads originated 917,787 carloads in November 2021, up 2 percent, or 17,996 carloads, from November 2020. U.S. railroads also originated 1,028,039 containers and trailers in November 2021, down 9.6 percent, or

108,705 units, from the same month last year. 108,705 units, from the same month last year. Combined U.S. carload and intermodal originations in November 2021 were 1,945,826, down 4.5 percent, or 90,709 carloads and intermodal units from November 2020. Canadian railroads reported 66,506 carloads for the week, down 18.9 percent, and 46,106

Corporate Governance, December 9, 2021, [www.cn.ca](http://www.cn.ca)

15. Railway Age magazine announces Canadian Pacific’s Keith Creel and Kansas City Southern’s Pat Ottensmeyer have been named 2022 Railroaders of the Year, December 9, 2021, [www.cpr.ca](http://www.cpr.ca)

16. CP tax dodge prompts move to amend Constitution, December 14, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

17. Canadian Pacific and Kansas City Southern Close Into Voting Trust, December 14, 2021, [www.cpr.ca](http://www.cpr.ca)

18. CN Partners with Google Cloud to Modernize Railway Services and Deliver Enhanced Customer Experiences, December 14, 2021, [www.cn.ca](http://www.cn.ca)

19. Proposed amendments will enhance safety for transportation of dangerous goods across Canada, December 13, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

20. Week 49: Another Hit for Intermodal, December 15, 2021, [www.railwayage.com](http://www.railwayage.com)

21. Government of Canada approves changes to improve railway track inspections, December 15, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)

22. Ontario Appoints Commissioner of Inquiry into Ottawa Light Rail Transit, December 17, 2021, [www.mto.gc.ca.on](http://www.mto.gc.ca.on)

23. Transport Canada seeking comments on PART 6 Dangerous Goods Training Proposals, December 20, 2021, [www.ontruck.ca](http://www.ontruck.ca)

24. CN: Vena ‘No Longer Interested’ in Top Spot, December 20, 2021, [www.railwayage.com](http://www.railwayage.com)

25. Extended: Comment Period for CPKC Environmental Review Scope, December 17, 2021, [www.railwayage.com](http://www.railwayage.com)

26. CN and Watco Announce Surface Transportation Board Approval of the Sale of Rail Lines in Wisconsin and Michigan, December 21, 2021, [www.cn.ca](http://www.cn.ca)

27. BC Washouts: CN Network Productivity Returns to Normal Range, Community Support and Assistance Remains Ongoing, December 21, 2021, [www.cn.ca](http://www.cn.ca)

28. Maximum Grain Revenue Entitlements for Crop Year 2020–2021, December 22, 2021, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

29. Rail traffic for the week ending December 18, 2021, December 22, 2021, [www.ajot.com](http://www.ajot.com)

30. CP and Canpotex enter new long-term agreement, December 23, 2021, [www.cpr.ca](http://www.cpr.ca)

31. Railway carloadings, October 2021, December 24, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

32. Canadian Tire extends contract with CP, December 28, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

33. CN: British Columbia Productivity Near ‘Pre-Washout’ Levels, December 28, 2021, [www.railwayage.com](http://www.railwayage.com)

34. CP trains derail in Saskatchewan and Alberta, December 29, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

35. Rail traffic for the week ending December 25, 2021, December 29, 2021, [www.ajot.com](http://www.ajot.com)

36. STB to Shippers: Arbitration Rulemaking Proceeding Will Go Forward, December 29, 2021, [www.railwayage.com](http://www.railwayage.com)

intermodal units, down 38.4 percent compared with the same week in 2020. For the first 47 weeks of 2021, Canadian railroads reported cumulative rail traffic volume of 6,916,883 carloads, containers and trailers, up 2.1 percent.

#### **9. Building Ontario with Investments in GO Transit Bi-level Rail Coaches**

The Ontario government is providing \$171 million to refurbish 94 GO Transit bi-level rail coaches at the Alstom plant in Thunder Bay. This investment will support ongoing service expansion across the GO rail network, while supporting 200 manufacturing jobs and economic growth in Northwestern Ontario.

#### **10. West Coast backlogs grow even as rail lines reopen**

Amid growing backlogs, Canadian National Railway Co. trains are moving through southern British Columbia again after extensive flooding over the last three weeks. CN said service resumed December 5, 2021 after crews worked around the clock on the Vancouver-Kamloops corridor, which was first cut by landslides and washouts caused by torrential downpours in mid-November 2021. The country's largest railroad operator restored limited activity along the vital supply link late last month before opting to close the line again a week ago as more storms triggered further mudslides and debris. The damage to tracks and cars in dozens of spots followed floods that have caused bottlenecks for imports and exports on the West Coast.

#### **11. Railroad demonstrates continued robust, environmental transparency and quality of climate-related disclosure through CDP**

CN has been recognized for leadership in corporate sustainability by global environmental non-profit CDP, securing a place on its prestigious 'A List' for tackling climate change. CN was recognized for its actions to cut emissions, mitigate climate risks and develop the low-carbon economy, based on the data reported by the company through CDP's 2021 climate change questionnaire. CN is one of 200 high-performing companies to make the 'A' list out of nearly 12,000 companies that were scored. Through significant demonstrable action on climate, CN is leading on corporate environmental ambition, action and transparency worldwide.

#### **12. CP shareholders approve KCS merger**

More than 99 percent of Canadian Pacific shareholders have voted in favour of the merger with Kansas City Southern railway. A special shareholders meeting was held on December 8, 2021 to gauge support for the proposed transaction where they voted on two items of business. The first was an ordinary resolution (Share Issuance Resolution) to approve the issuance of up to 277,960,197 CP common shares as the share consideration under the terms of the merger agreement. It was approved by 99.91 percent of shareholders. The second was a special resolution (Name Change Resolution) to approve an amendment to CP's articles of incorporation to change its name to Canadian Pacific Kansas City Limited, a change contingent upon the approval by the U.S. Surface Transportation Board (STB) of the proposed CP-KCS combination. It received approval from 99.85 percent.

#### **13. U.S. Intermodal Slump Continued in Week 48**

For the week ending Dec. 4, 2021, U.S. rail traffic fell 2.8% from the same point last year, with an intermodal volume drop cutting a carload gain, the Association of American Railroads reported on Dec. 8, 2021. Week 48 U.S. freight rail traffic came in at 527,406 carloads and intermodal units, decreasing 2.8% from same week in 2020. Total carloads were 255,044, rising 3.9%, while U.S. weekly intermodal volume was 272,362 containers and trailers, dropping 8.4% compared with 2020. For the first 48 weeks of 2021, U.S. railroads reported cumulative volume of 11,129,483 carloads, up 6.9% from the same point last year; and 13,190,024 intermodal units, up 6% from last year. Total combined U.S. traffic for the first 48 weeks of 2021 was 24,319,507 carloads and intermodal units, a 6.4% boost over last year. Canadian railroads reported 70,735 carloads for the week, falling 16%, and 56,913 intermodal units, sinking 24.3% compared with the same week in 2020. For the first 48 weeks of 2021, they reported cumulative rail traffic volume of 7,044,531 carloads, containers and trailers, up 1.6%.

#### **14. CN's Board Ranks 1st in Canada for Corporate Governance**

CN has been recognized for leadership in corporate governance, ranking first in the *Globe and Mail's Report on Business*' annual comprehensive assessment of 220 S&P/TSX Composite Index Members. CN was given a score of 98 out of 100 points. Companies were ranked on 38 questions as well as sub questions on a multitude of subjects including ESG, sustainability, board composition, shareholding and compensation, shareholder rights, and disclosure. Details of the ranking and methodology are available on CN's website.

#### **15. Railway Age magazine announces Canadian Pacific's Keith Creel and Kansas City Southern's Pat Ottensmeyer have been named 2022 Railroaders of the Year**

Railway Age magazine on December 9, 2021 announced that its 2022 Railroader of the Year Award goes to two exemplary and visionary North American rail industry leaders: Canadian Pacific President and Chief Executive Officer Keith Creel, and Kansas City Southern President and Chief Executive Officer Patrick J. Ottensmeyer.

#### **16. CP tax dodge prompts move to amend Constitution**

The federal Conservative caucus in Saskatchewan is urging Ottawa to amend the Constitution as it relates to the *Saskatchewan Act*. Last week, Regina-Lewvan MP Warren Steinley introduced a motion in the House of Commons to

repeal a clause that exempts Canadian Pacific Railway from paying taxes in the province. CP is suing Saskatchewan to get back \$341 million in taxes paid, citing the clause which first appeared in an 1880 contract between Canada and the railway company's predecessor. The Saskatchewan government has unanimously voted to amend the Constitution pertaining to the clause, but that needs to pass on the House of Commons and Senate floors before it could come into effect.

#### **17. Canadian Pacific and Kansas City Southern Close Into Voting Trust**

Canadian Pacific Railway Limited (CP) on December 14, 2021 announced the completion of its acquisition of Kansas City Southern (KSU). The transaction represents an enterprise value of approximately US\$31 billion. KCS stockholders will receive 2,884 CP common shares and US\$90 in cash for each share of KCS common stock held and US\$37.50 in cash for each share of KCS preferred stock held. Immediately upon the closing of the acquisition, the shares of KCS were placed into a voting trust with Dave Starling, former KCS President and CEO, appointed as the Voting Trustee.

#### **18. CN Partners with Google Cloud to Modernize Railway Services and Deliver Enhanced Customer Experiences**

CN a world-class transportation leader and trade-enabler serving North America, and Google Cloud on December 14, 2021 announced a seven-year strategic partnership to transform CN's supply chain as part of digital scheduled railroading, deliver new customer experiences, and modernize its technology infrastructure in the cloud. The companies will collaborate on new services to revolutionize the North American railway system, combining CN's world-leading expertise in the transportation and logistics industry with Google Cloud's technology and culture of innovation.

#### **19. Proposed amendments will enhance safety for transportation of dangerous goods across Canada**

On December 13, 2021, the Honourable Omar Alghabra, Minister of Transport, announced the publication of proposed amendments to the Transportation of Dangerous Goods Regulations (Part 6 - Training), in the Canada Gazette, Part 1. The proposed amendments, aimed at any transportation employee, will: 1. Introduce a competency-based approach to training and assessment; 2. Incorporate by reference the new training standard developed under the guidance of the Canadian General Standards Board; and 3. Align training requirements with a series of international codes. These amendments provide greater clarity and certainty to employers regarding the level of training required to be compliant with Transportation of Dangerous Goods Regulations. By implementing these changes, Transport Canada will promote more consistent training and certification for employees who handle and transport dangerous goods across the country.

#### **20. Week 49: Another Hit for Intermodal**

U.S. rail traffic for the week ending Dec. 11, 2021 continued to suffer, as a near-11% fall-off in intermodal volume erased a small increase in carloads, the Association of American Railroads (AAR) reported on Dec. 15, 2021. U.S. Class I railroads in week 49 hauled 513,366 carloads and intermodal units, a 6% dip from the same point last year. Total carloads came in at 239,029, up 0.3% from 2000, and containers and trailers were 274,337, down 10.9% from last year. Canadian railroads reported 71,880 carloads for the week, a 17% drop, and 64,609 intermodal units, a 14.3% decline compared with the year-ago period. For the first 49 weeks of 2021, they reported cumulative rail traffic volume of 7,181,020 carloads, containers and trailers, a 1.2% lift.

#### **21. Government of Canada approves changes to improve railway track inspections**

On December 15, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced that Transport Canada has approved another phase of changes to the Rules Respecting Track Safety, which focus on track inspection frequency and the use of automated track inspection technology. These changes are the result of a Ministerial Order that was issued in 2020 to address major risks that could cause derailments due to the condition of railway infrastructure. As a result of these latest changes, railway companies will be required to: 1) increase the frequency of railway track inspections in higher risk areas where trains travel at faster speeds while carrying a greater tonnage of freight; 2) follow new procedures governing the use of advanced automated track inspection technology; and 3) ensure inspection data clearly identifies the exact date and track mileage of any track inspection so that rail safety inspectors can effectively verify compliance with regulatory requirements. The Rules Respecting Track Safety specify safety requirements that railway companies must follow when inspecting and maintaining their railway track infrastructure.

#### **22. Ontario Appoints Commissioner of Inquiry into Ottawa Light Rail Transit**

The Ontario government has appointed the Honourable Justice William Hourigan as Commissioner to lead the public inquiry into the commercial and technical circumstances that led to the breakdown and derailment of Stage 1 of the Ottawa Light Rail Transit (LRT) project. "The challenges plaguing Stage 1 of the Ottawa LRT are unacceptable and disappointing. This public inquiry is a prudent approach to uncovering the cause of these issues and preventing them from happening again," said Caroline Mulroney, Minister of Transportation. "Establishing the scope of the inquiry and appointing Justice Hourigan is an important step towards the safe implementation of the project, accountability, and value for taxpayer dollars."

#### **23. Transport Canada seeking comments on PART 6 Dangerous Goods Training Proposals**

Transport Canada has published a proposed amendment entitled “Regulations Amending the Transportation of Dangerous Goods Regulations (TDGR) (Part 6 – Training)” in the Canada Gazette, Part 1 (CGI). The proposed amendment in Canada Gazette, Part 1 is open for a 60-day comment period. The proposed amendment includes important elements that would update the TDGR.

#### **24. CN: Vena ‘No Longer Interested’ in Top Spot**

CN on Dec. 20, 2021 announced that Jim Vena, the former long-time CN operating executive who recently retired for the second time in his career as Chief Operating Officer of Union Pacific, has decided not to pursue returning to CN as President and CEO to replace the retiring JJ Ruest.

#### **25. Extended: Comment Period for CPKC Environmental Review Scope**

The STB’s Office of Environmental Analysis (OEA) on Nov. 12, 2021 issued a Notice of Intent to prepare an Environmental Impact Statement (EIS) relating to the merger, because it has the potential to result in “significant environmental impacts.” The public now has until Jan. 3, 2022 to provide comments on the scope of environmental review for the proposed Canadian Pacific-Kansas City Southern merger, the Surface Transportation Board (STB) reported on Dec. 17, 2021.

#### **26. CN and Watco Announce Surface Transportation Board Approval of the Sale of Rail Lines in Wisconsin and Michigan**

CN and Watco are pleased to announce that the United States Surface Transportation Board (STB) has approved the sale of non-core lines and assets on approximately 650 miles of branch lines of Wisconsin Central Ltd. in Wisconsin and Michigan. This marks an important step toward the successful conclusion of the sale process that CN announced and launched in July of 2020, which also includes the sale of the Soo subdivision (approximately 250 miles of track) that runs from Sault Ste. Marie, Ontario to Oba, Ontario. CN and Watco will work together in the coming weeks to implement a seamless transition for customers on the lines.

#### **27. BC Washouts: CN Network Productivity Returns to Normal Range, Community Support and Assistance Remains Ongoing**

CN announced on December 21, 2021 that the productivity and capacity of its network in BC has nearly returned to pre-washout levels as crews continue to work around the clock. During the three-week period between November 14, 2021 and December 4, 2021, when CN’s network was shut down, the Company experienced 58 outages over a 150-mile stretch. The railroad mobilized over 400 employees and contractors and over 110 pieces of heavy equipment, operating 24 hours a day, seven days a week to get the rail line back into service. 282,000 cubic yards of rock, earth, and backfill materials were moved to rebuild damaged locations, the equivalent of over 25,000 truckloads. Despite significant setbacks, including a recent stoppage near Jasper and cold weather in the Prairies, operating metrics are pointing towards successful recovery efforts approximately two weeks after the network reopened.

#### **28. Maximum Grain Revenue Entitlements for Crop Year 2020–2021**

In the 2020–2021 crop year, 52,334,795 tonnes of Western grain were moved by CN and CP – 9.0 percent more than the volume moved during the previous crop year and the highest volume ever on the record. In a determination issued on December 22, 2021, the Canadian Transportation Agency (CTA) ruled that revenues of the Canadian National Railway Company (CN) were above and the Canadian Pacific Railway Company (CP) were below their maximum grain revenue entitlements for the crop year 2020–2021. 1) CN’s grain revenue of \$1,044,909,345 was \$2,399,676 above its entitlement of \$1,042,509,669. 2) CP’s grain revenue of \$1,014,927,140 was \$20,248,072 below its entitlement of \$1,035,175,212. CN now has 30 days to pay the amount by which it exceeded its 2020–2021 revenue entitlement and a five percent penalty of \$119,984. Regulations require these payments to go to the Western Grains Research Foundation. This foundation is a farmer-financed and directed organization to fund research that benefits Prairie farmers.

#### **29. Rail traffic for the week ending December 18, 2021**

The Association of American Railroads (AAR) on December 22, 2021 reported U.S. rail traffic for the week ending December 18, 2021. For this week, total U.S. weekly rail traffic was 504,099 carloads and intermodal units, down 3.1 percent compared with the same week last year. Total carloads for the week ending December 18 were 234,704 carloads, up 1.7 percent compared with the same week in 2020, while U.S. weekly intermodal volume was 269,395 containers and trailers, down 6.9 percent compared to 2020. Canadian railroads reported 76,466 carloads for the week, down 9.7 percent, and 65,863 intermodal units, down 9.8 percent compared with the same week in 2020. For the first 50 weeks of 2021, Canadian railroads reported cumulative rail traffic volume of 7,323,349 carloads, containers and trailers, up 1 percent.

#### **30. CP and Canpotex enter new long-term agreement**

Canadian Pacific Railway Limited (CP) on December 23, 2021 announced the execution of a new long-term agreement with Canpotex Limited further cementing the long-standing relationship between the two companies and supporting Canpotex’s future growth. “We are pleased to have entered into this agreement and incredibly proud to continue our

successful relationship with Canpotex,” said Keith Creel, CP President and CEO. “Canpotex and CP are like-minded organizations, focused on asset utilization and efficiency. This long-standing relationship makes sense for us both. We look forward to the opportunity to continue serving Canpotex and supporting growth.” CP is the primary rail transportation provider supporting delivery of Canadian potash to Canpotex’s overseas export markets.

### **31. Railway carloadings, October 2021**

Canadian railways transported 32.4 million tonnes of freight in October 2021, down 1.2% from October 2020 and following a similar year-over-year decline in September 2021. Despite this small decrease, total freight carried was just under the five-year average of 33.0 million tonnes for October 2021, as increases in energy and steel product shipments helped to offset a large decline in grain shipments. To further explore current and historical data in an interactive format, visit the Monthly Railway Carloadings: Interactive Dashboard.

### **32. Canadian Tire extends contract with CP**

Canadian Tire has signed a new multi-year agreement with Canadian Pacific to continue moving the retailer’s goods in Canada. “CP is proud to continue our near-century-long commercial relationship with Canadian Tire, another iconic Canadian brand,” said Keith Creel, CP president and CEO. “As the single largest container importer in Canada, CTC will benefit from CP’s leading service, reliability and network capacity across Canada.” To support the movement of CTC’s goods and reduce carbon emissions, CP will begin directly serving Ashcroft Terminal in Ashcroft, B.C., reducing the need to shift volumes to truck. Canadian Tire took a stake in the inland terminal in August 2021.

### **33. CN: British Columbia Productivity Near ‘Pre-Washout’ Levels**

CN has reported that the productivity and capacity of its network in British Columbia is nearing pre-washout levels, as crews continue to work around the clock. When CN’s network was shut down between Nov. 14 and Dec. 4, 2021, due to disastrous flooding cutting off Vancouver from rail and road service, the Class I railroad experienced 58 outages over a 150-mile stretch. It mobilized more than 400 employees and contractors and 110-plus pieces of heavy equipment, operating 24/7 to resume service. Some 282,000 cubic yards of rock, earth and backfill materials were moved to rebuild damaged locations, the equivalent of more than 25,000 truckloads, according to CN. “Despite significant setbacks, including a recent stoppage near Jasper and cold weather in the Prairies, operating metrics are pointing toward successful recovery efforts approximately two weeks after the network reopened,” CN reported on Dec. 21, 2021.

### **34. CP trains derail in Saskatchewan and Alberta**

Emergency responders are clearing the scenes of two Canadian Pacific Railway train derailments in Western Canada. CP said in a statement that a freight train carrying potash went off the tracks on December 28, 2021 evening near Craven, Sask., northwest of Regina. The company said there were no injuries or public safety concerns. CP crews and resources were immediately dispatched to clean the site and continued to do so on December 29, 2021. The Transportation Safety Board of Canada said a significant amount of potash was released, but no dangerous goods were spilled.

### **35. Rail traffic for the week ending December 25, 2021**

The Association of American Railroads (AAR) on December 29, 2021 reported U.S. rail traffic for the week ending December 25, 2021. For this week, total U.S. weekly rail traffic was 420,373 carloads and intermodal units, up 3.7 percent compared with the same week last year. Total carloads for the week ending December 25 were 201,222 carloads, up 8.7 percent compared with the same week in 2020, while U.S. weekly intermodal volume was 219,151 containers and trailers, down 0.4 percent compared to 2020. For the first 51 weeks of 2021, U.S. railroads reported cumulative volume of 11,804,438 carloads, up 6.7 percent from the same point last year; and 13,952,907 intermodal units, up 5.2 percent from last year. Total combined U.S. traffic for the first 51 weeks of 2021 was 25,757,345 carloads and intermodal units, an increase of 5.9 percent compared to last year. Canadian railroads reported 70,498 carloads for the week, down 0.1 percent, and 57,568 intermodal units, up 1.1 percent compared with the same week in 2020. For the first 51 weeks of 2021, Canadian railroads reported cumulative rail traffic volume of 7,451,415 carloads, containers and trailers, up 1 percent.

### **36. STB to Shippers: Arbitration Rulemaking Proceeding Will Go Forward**

The Surface Transportation Board (STB) has denied a shipper group request to pause its proposed rulemaking on a voluntary arbitration program aimed at resolving small rate cases. On Nov. 15, 2021, STB proposed modifying its existing arbitration rules in response to a joint petition filed in 2020 by five Class I railroads—CN, CSX, Kansas City Southern, Norfolk Southern and Union Pacific. It also invited comment on modifications to the Final Offer Rate Review (FORR) procedure.

## HIGHWAY TRANSPORTATION

### 1. CTA launches broad trucking industry image campaign

The Canadian Trucking Alliance (CTA) has unveiled a multi-year public relations strategy that will rely on social media to reach a new generation of truckers. Primarily aimed at Millennials and members of Gen Z, demographic groups born since 1981, the multimedia material will be shared through social media channels including Twitter, Instagram, Facebook, You Tube, and Tik Tok. The information is anchored by the [www.chosetotruck.ca](http://www.chosetotruck.ca) website.

### 2. Two B.C. container fleets face strike action by Dec. 3

Truck drivers with two fleets that serve the Port of Vancouver could go on strike as soon as Dec. 3, 2021 adding to supply chain disruptions linked to B.C. floods. Unifor has issued 72 hours notice of the strike, following a vote by container truck drivers at Aheer and Prudential Transportation. They're looking for the fleets to adopt a pattern collective agreement reached in August 2021 with Harbour Link Transportation.

### 3. Vancouver truckers poised to strike on Friday

B.C.'s already hobbled supply chain could encounter another setback this week if container truck drivers at a company serving the Port of Vancouver follow through with a plan to strike on December 3, 2021. Labour union Unifor says it has told Prudential Transportation that many of its drivers will walk off the job later this week if they aren't offered better employment terms. The workers want better health, dental and insurance benefits for all drivers, along with increased payments for time spent waiting for their trucks to be loaded and unloaded. Earlier November 30, 2021, Unifor reached an agreement with Aheer Transportation, where, along with Prudential, workers had been in a strike position.

### 4. Urban public transit, September 2021

In September 2021, urban transit recorded its highest ridership since March 2020 as schools resumed in-class learning and more businesses reopened amid higher vaccination rates. Transit ridership recovered almost half (47.7%) of its pre-pandemic level from September 2019. There were 78.2 million passenger trips made on Canada's urban transit networks in September 2021, an increase of 24.3%, or 15.3 million trips, from September 2020. With schools back in session along with the final phased re-openings of businesses and proof-of-vaccination requirements, employment returned to its pre-pandemic level according to the Labour Force Survey for September 2021.

### 5. Couriers and Messengers Services Price Index, October 2021

The Couriers and Messengers Services Price Index (2003=100) is now available for October 2021 from Statistics Canada website. The index was 232.9 for October 2021 compared to 231.1 for September 2021.

### 6. Company drivers, owner-operators have different motivators: ATRI

New research from the American Transportation Research Institute (ATRI) found company drivers and independent contractors/owner-operators are motivated and satisfied by different factors. More than 2,000 truck drivers were interviewed, two-thirds of whom were independent contractors/owner-operators. Company drivers listed as their main motivators to work as an employee: job security/stability; income; and healthcare/retirement savings. However, independent contractors/owner-operators listed: independence/ability to set hours; schedule/flexibility' and choice of routes/length of haul.

### 7. Ontario Takes Next Step in Building Eglinton Crosstown West Extension

The Ontario government is entering into the next stage of planning, design and procurement for the future Eglinton Crosstown West Extension, bringing better rapid transit to Etobicoke and Mississauga by delivering on

## HIGHWAY TRANSPORTATION Canada

1. CTA launches broad trucking industry image campaign, Nov 29, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
2. Two B.C. container fleets face strike action by Dec. 3, Nov. 30, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
3. Vancouver truckers poised to strike on Friday, December 1, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
4. Urban public transit, September 2021, November 30, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. Couriers and Messengers Services Price Index, October 2021, November 30, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
6. Company drivers, owner-operators have different motivators: ATRI, December 1, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)
7. Ontario Takes Next Step in Building Eglinton Crosstown West Extension, December 2, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
8. American Trends report indicates women drivers at all-time high, December 2, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
9. Conditions for shippers not likely to improve soon: FTR, December 2, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
10. Ontario Moves Forward with Next Phase of Highway 3 Expansion, December 3, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
11. CN Milton Logistics Hub OK'd by CTA, December 6, 2021, [www.railwayage.com](http://www.railwayage.com)
12. Government of Canada Continues Educational Approach to ArriveCAN Submission as Border Vaccination Mandate Looms, December 6, 2021, [www.ontruck.ca](http://www.ontruck.ca)
13. Fuel Transport offering \$10,000 to vaccinated drivers, December 8, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
14. Western roadside inspections increasingly targeted, Dec. 7, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
15. Mullen Group's 2022 business plan reflects optimism, December 8, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
16. Kenworth Truck Centres opens second Mississauga dealership, December 8, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
17. October 2021 Freight Transportation Services Index (TSI), December 8, 2021, [www.bts.gov](http://www.bts.gov)
18. Toronto, Montreal transportation clubs join North American alliance, December 8, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
19. Ontario Advances Critical Road Infrastructure in the North, December 14, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
20. Border agents cleared 4.5M trucks in first 10 months of 2021, December 14, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
21. Loads surge, capacity tightens on Canadian spot market, December 15, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
22. North American Transborder Freight up 15.1% in October 2021 from October 2020, up 9.6% since Pre-Pandemic October 2019, December 15, 2021, [www.bts.gov](http://www.bts.gov)
23. Omicron remains 'wild card' in shipping conditions, says FTR, December 20, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)
24. BrightDrop delivers first EVs to FedEx, December 20, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

the largest subway expansion plan in Canadian history.

#### **8. American Trends report indicates women drivers at all-time high**

Women comprised a greater percentage of the U.S. trucking industry's professional driver force last year than ever before, at 7.8%. That was one of the findings from the American Trucking Associations' (ATA) annual American Trucking Trends report. The report also highlighted the impact Covid-19 had on the industry in 2020. The industry moved 10.23 billion tons of freight last year, down from 11.84 billion the previous year. The industry generated US\$732.3 billion in revenue and carried 70.9% of the value of surface trade between Canada and the U.S.

#### **9. Conditions for shippers not likely to improve soon: FTR**

Conditions for U.S. shippers were unchanged in September 2021, in negative territory at -6.5 according to the latest Shippers Conditions Index from industry forecaster FTR. August's 2021 reading was -6.8, with market conditions stalled for shippers. Tougher freight rates and higher fuel costs offset an easing in utilization, FTR reported. And it expects rising fuel costs to continue weighing on shippers in October 2021, with little improvement expected over the next year.

#### **10. Ontario Moves Forward with Next Phase of Highway 3 Expansion**

The Ontario government has issued a Request for Proposals (RFP) to three prequalified teams to design, build and finance the next stage of the Highway 3 Expansion project. This includes widening the highway from two to four lanes for 15.6 kilometres between the Town of Essex and the Town of Leamington, as part of the province's plan to build Ontario.

#### **11. CN Milton Logistics Hub OK'd by CTA**

The Canadian Transportation Agency (CTA) in November 2021 released its decision to approve CN's proposed C\$250 million logistics hub/intermodal facility, to be built in Milton, Ontario. The move follows the Canadian government's Jan. 21, 2021 approval, which would subject the project to 325 environmental/community-protection conditions, making it the most stringently regulated intermodal logistics hub in Canada. The facility—including a rail yard with more than 12 miles of track—would be built in "a provincially designated significant employment zone," on 400 of the 1,000 acres of land owned by CN east of Tremaine Road and south of Britannia Road in Milton, and adjacent to CN's Halton Subdivision. It's projected to handle four intermodal trains per day.

#### **12. Government of Canada Continues Educational Approach to ArriveCAN Submission as Border Vaccination Mandate Looms**

With proof of vaccination now required for all travellers through ArriveCAN, the Government of Canada is reminding the trucking industry that the submission of ArriveCAN data remains a mandatory pre-arrival requirement, but they confirm that they will continue to work with the industry and take an education-first approach until January 15, 2022 when the border vaccination mandate comes into force.

#### **13. Fuel Transport offering \$10,000 to vaccinated drivers**

Amid an ongoing labour shortage, a Canadian logistics company is offering a \$10,000 bonus to all truck drivers who have received their first dose of COVID-19 vaccine by mid-January. Fuel Transport, whose payroll counts about 300 employees – including roughly 90 truckers – says it hopes the incentive will retain employees and boost vaccination rates as well as head off potential delays at the border. "It wasn't just a pure play to motivate them to be vaccinated, but the opportunity was there to put it in and it was well-received," CEO Rob Piccioni said in a phone interview. "We know we kept you out of our buildings. We know we kind of alienated you. ... Thank you for sticking through it," he said, summing up his message to big-riggers.

#### **14. Western roadside inspections increasingly targeted**

Western Canada's highway enforcement teams are increasingly targeting their inspection activities, using tools as diverse as new technologies, social media, and the simple power of observation. Look no further than the out-of-service rates in Alberta for proof that a focus exists. The province's teams conducted 147,000 inspections between January 2016 and September 2021, placing a steep 42% of the equipment out of service. Another 24% needed extra attention.

#### **15. Mullen Group's 2022 business plan reflects optimism**

Mullen Group is projecting record revenue in 2022, and planning to reward its employees and shareholders, alike. In its 2022 business plan, the company said it anticipates further supply chain-related challenges, but feels it is well positioned to navigate them. "Recent events have highlighted just how important the supply chain is to a well functioning economy, to the timely delivery of everything including the most basic items consumers rely upon every day, as well as to price stability," Murray Mullen, chairman and CEO said in a release.

#### **16. Kenworth Truck Centres opens second Mississauga dealership**

Kenworth Truck Centres (KTC) on December 8, 2021 announced it has opened a second full-service dealership in

25. FMCSA extends emergency declaration to support B.C. flood relief, December 22, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)

26. U.S. for-hire truck tonnage makes November gains, Dec. 21, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)

27. TFI International highlights environmental, social, governance commitments, December 22, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

28. Ontario Opens Newly Expanded Highway 69, December 23, 2021, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

29. Ontario announces northern road upgrades, December 27, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)

30. EV makers face wide range of costs and terms for batteries, December 29, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

Mississauga, Ont. The new 22,000 square-foot dealership at 6999 Ordan Drive has access from Highways 410, 407 and 401.

#### **17. October 2021 Freight Transportation Services Index (TSI)**

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.5% in October to 135.7 from September (135.0 revised) according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). This is the second consecutive month-over-month increase. From October 2020 to October 2021, the index rose 1.9% compared to a decline of 3.6% from October 2019 to October 2020 and a decline of 0.7% from October 2018 to October 2019.

#### **18. Toronto, Montreal transportation clubs join North American alliance**

North America's largest transportation clubs have joined to create the new North American Transportation Club Alliance (NATCA). Included are: the Traffic Club of Chicago; Los Angeles Transportation Club; the Traffic Club of Montreal; the Traffic Club of New York; and the Toronto Transportation Club. Organizers say the new alliance will create opportunities for members to participate in partner clubs' events, social platforms, and networking opportunities. The first joint event will be Jan. 27, 2022, when a panel of supply chain experts discuss the theme 'Strengthening the supply chain and thriving through uncertainty.' Members can learn more about the alliance by contacting their local club.

#### **19. Ontario Advances Critical Road Infrastructure in the North**

The Ontario government is taking steps to help improve road safety and traffic flow in Northern Ontario with a 2+1 highway pilot on Highway 11 north of North Bay. The three-lane highway – with a centre passing lane that changes direction approximately every two to five kilometres – is part of the government's plan to build Ontario by getting shovels in the ground on critical infrastructure projects that support safe communities, economic growth and job creation.

#### **20. Border agents cleared 4.5M trucks in first 10 months of 2021**

Canada Border Services Agency (CBSA) officers saw postal and courier shipments rise "significantly" in the past year, as more Canadians turned to online shopping in the midst of the pandemic. In a year-end review, CBSA reported 4,833,327 truck drivers entered Canada between Jan. 1, 2021 and Oct. 31, 2021 with border service officers processing 4,511,477 trucks. During the same months in 2020, they had processed 4,455,371 commercial trucks, compared to 4,599,225 during the 10-month period in 2019.

#### **21. Loads surge, capacity tightens on Canadian spot market**

The Canadian spot market reached all-time high load volumes for November 2021, according to the latest data from *Loadlink Technologies*. Volumes accelerated through the month, Loadlink reports, bucking historic trends that tend to see load volumes slow near the end of the calendar year.

#### **22. North American Transborder Freight up 15.1% in October 2021 from October 2020, up 9.6% since Pre-Pandemic October 2019**

Transborder freight between the U.S. and North American countries (Canada and Mexico) in October 2021 was as follows: 1. Total transborder freight: \$117.4 billion of transborder freight moved by all modes of transportation, up 15.1% compared to October 2020. October 2021 transborder freight was up 9.6% compared to \$107.1 billion in October 2019. 2. Freight between the U.S. and Canada totalled \$58.6B, up 21.1% from October 2020. Freight between the U.S. and Mexico totalled \$58.8B, up 9.6% from October 2020. 3. Trucks moved \$73.8 billion of freight, up 8.9% compared to October 2020. 4. Railways moved \$16.5 billion of freight, up 13.9% compared to October 2020. U.S.-Canada freight in both directions in billions of dollars was as follows: Truck: \$32.7; Rail: \$9.0; Pipeline: \$7.3; Vessel: \$2.9; and Air: \$2.9.

#### **23. Omicron remains 'wild card' in shipping conditions, says FTR**

The conditions faced by shippers continue to decline in the face of surging diesel prices and tighter capacities alike, FTR's latest Shippers Conditions Index shows. But there are signs that suggest the environment will ease somewhat in 2022 – depending on the impact of the Omicron variant of Covid-19. The October 2021 index dropped to a -12.38 reading, largely driven by rising freight rates, and hit the lowest reading since an all-time low was reached in March 2021.

#### **24. BrightDrop delivers first EVs to FedEx**

BrightDrop delivered the first five of 500 electric light commercial vehicles to FedEx, the first customer to receive the EV600s. The introduction of BrightDrop's all-electric, zero-tailpipe emissions vehicles into the FedEx fleet is an important step in the company's goal to take its global operations carbon neutral by 2040. "The delivery of the first BrightDrop EV600s is a historic moment, born out of a spirit of collaboration between two leading American companies," said Mitch Jackson, chief sustainability officer at FedEx.

#### **25. FMCSA extends emergency declaration to support B.C. flood relief**

The U.S. Federal Motor Carrier Safety Administration (FMCSA) has extended a regional emergency declaration that

allows trucks to move through the U.S. when bypassing Canadian areas cut off by floods and landslides in B.C. The declaration now lasts until Jan. 31, 2022 adding to relief under U.S. Customs and Border Protection's temporary in-transit program that was recently extended to Jan. 8, 2022.

#### **26. U.S. for-hire truck tonnage makes November gains**

For-hire truck tonnage was on the rise in the U.S. this November 2021, with the American Trucking Associations' (ATA) seasonally adjusted For-Hire Truck Tonnage Index up 1.3%. That builds on a 0.4% gain in October 2021. The November reading reached 114.5, compared to a baseline of 100 established in 2015. It was 2.5% higher than November 2020, marking the largest year-over-year gain since May.

#### **27. TFI International highlights environmental, social, governance commitments**

Canada's largest trucking fleet, TFI International, has unveiled insights into several business practices through an inaugural report on environmental stewardship, social issues, and corporate governance. "Over the years, we have fostered a deeply embedded culture of ethical behavior, inclusion, charitable giving, community involvement, environmental stewardship and strong corporate governance," said chairman, president and CEO Alain Bedard, in a related press release. The first of the *Environmental, Social and Governance* reports focuses on 2020, which saw traditional activities upended by Covid-19.

#### **28. Ontario Opens Newly Expanded Highway 69**

On December 23, 2021, the Ontario government opened a 14-kilometre expansion of Highway 69 in the French River area. The newly widened highway from two to four lanes will help improve traffic flow and safety, and support economic growth and prosperity in Northern Ontario.

#### **29. Ontario announces northern road upgrades**

The Ontario government has opened a widened section of Trans-Canada Highway (Highway 69) and pledged funding to create year-round access roads in the province's far north. Highway 69 provides access from Southern Ontario's industrial heartland to the northern part of the province and Western Canada. A 14-kilometre expansion in the French River area was opened for traffic on December 23, 2021. The newly widened highway from two to four lanes will help improve traffic flow and safety. The new lanes on Highway 69 extend from north of Highway 522 to north of Highway 607. The expansion also includes two new interchanges.

#### **30. EV makers face wide range of costs and terms for batteries**

Electric vehicle manufacturers face a wide range of prices and supply chain conditions when it comes time to purchase the all-important batteries, a new study led by Calstart shows. And the market conditions are thought to give upstart electric vehicle makers one competitive advantage compared to established OEMs. The view of the market emerged in *Commercial Vehicle Battery Cost Assessment: Strategic Sourcing Challenges for North American Truck and Bus OEMs and Tier 1 Suppliers*, written by the Yunev consulting group.

### **GENERAL TRANSPORTATION**

#### **Canada**

#### **1. Omicron threatens to boost supply shortages and inflation, OECD warns**

The Omicron coronavirus variant threatens to intensify imbalances that are slowing growth and raising costs, the OECD said on December 1, 2021 as it significantly increased its inflation forecasts from three months ago.

#### **2. U.S. Transportation Sector Unemployment Rate Decreases to 6.1% in November 2021; Remains Above Pre-Pandemic Level of 3.3% in November 2019**

The unemployment rate in the U.S. transportation sector was 6.1% (not seasonally adjusted) in November 2021 according to Bureau of Labor Statistics (BLS) data recently updated on the Bureau of Transportation Statistics (BTS) Unemployment in Transportation dashboard. The November 2021 rate fell 2.9 percentage points from 9.0% in November 2020 but remains above the pre-pandemic rate of 3.3% in November 2019. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May and July 2020. Unemployment in the transportation sector remains above overall unemployment. BLS reports that the U.S. unemployment rate, not

### **GENERAL TRANSPORTATION**

#### **Canada**

1. Omicron threatens to boost supply shortages and inflation, OECD warns, December 2, 2021, [www.financialpost.ca](http://www.financialpost.ca)
2. U.S. Transportation Sector Unemployment Rate Decreases to 6.1% in November 2021; Remains Above Pre-Pandemic Level of 3.3% in November 2019, December 3, 2021, [www.bts.gov](http://www.bts.gov)
3. Canadian Tourism Activity Tracker, September 2021, December 6, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Government of Canada announces a new National Trade Corridors Fund call for proposals to increase the resiliency of Canada's supply chain, December 9, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
5. Transport Canada Awards CS8.7MM in Trade Corridor Grants, Issues Call for Proposals, December 13, 2021, [www.railwavage.com](http://www.railwavage.com)
6. Minister of Transport announces a National Supply Chain Summit, December 13, 2021, [www.tc.gc.ca](http://www.tc.gc.ca)
7. Amazon leases new facility in Ottawa, December 15, 2021, [www.insidelogistics.ca](http://www.insidelogistics.ca)
8. Kalmar opens the door to a new era for logistics, December 15, 2021, [www.ajot.com](http://www.ajot.com)
9. Department of Transportation Marks 50th Anniversary of National Transportation Statistics

seasonally adjusted, in November 2021 was 3.9% or 2.2 percentage points below the transportation sector rate. Seasonally adjusted, the U.S. unemployment rate in November 2021 was 4.2%.

### **3. Canadian Tourism Activity Tracker, September 2021**

In September 2021, overall tourism activity in Canada was 37.1% below the level reached in September 2019, before the pandemic. This was the fourth consecutive month of recovery since activity dipped 68.6% below the pre-pandemic level in May 2021. The reopening in some provinces over the summer, along with the easing of border restrictions starting in July 2021, contributed to this improvement.

### **4. Government of Canada announces a new National Trade Corridors Fund call for proposals to increase the resiliency of Canada's supply chain**

On December 9, 2021, the Minister of Transport, the Honourable Omar Alghabra, announced that the Government of Canada is launching a new call for proposals under the National Trade Corridors Fund, with a focus on increasing the fluidity of Canada's supply chains. The announcement was made during the Minister's participation at the Western Transportation Advisory Council (WESTAC) Forum in Vancouver. The bi-annual forum provides an opportunity for transportation leaders to discuss the supply chain and transportation sector challenges in Western Canada. This new call builds on the 2021 Budget in which the Government of Canada provided additional funding of \$1.9 billion over four years for this Fund. Under the new call, Transport Canada advances funding under two investment themes: 1. strengthening Canada's connections to global markets; and 2. building internal trade corridors.

### **5. Transport Canada Awards C\$8.7MM in Trade Corridor Grants, Issues Call for Proposals**

Transport Canada is tackling transportation bottlenecks with the distribution of C\$8.7 million in grants to four projects under the National Trade Corridors Fund, including one that will boost capacity between Canadian Pacific and the Port of Vancouver; the agency is also requesting further supply chain improvement proposals under the same grant program.

### **6. Minister of Transport announces a National Supply Chain Summit**

On December 13, 2021, the Honourable Omar Alghabra, Minister of Transport, announced that he will host a National Supply Chain Summit in early 2022. This summit will bring together industry, shippers and organizations that run critical infrastructure to discuss how to better streamline Canada's supply chain. The National Supply Chain Summit will serve as an opportunity to convene a broad range of supply chain stakeholders to discuss challenges, strategies, and next steps that will enable a swift recovery of Canada's transportation supply chain. Facilitating open discussions will allow the Government of Canada to identify ways to mitigate supply chain pressures, and to encourage partners to come up with innovative solutions. For the participants, it will also be an opportunity to hear about the Government's key priorities as it builds back better from COVID-19 and recent natural disasters.

### **7. Amazon leases new facility in Ottawa**

Amazon has signed a lease for a 100,000 square foot facility in the Ottawa area. Canadian Urban Limited reported the warehouse will be used by Amazon exclusively as a delivery station. The facility will include robotics technology, inventory and shipping operations. The facility is located in the Hawthorne Industrial Park, which is approximately 10 kilometres southeast of Ottawa's central business district.

### **8. Kalmar opens the door to a new era for logistics**

Kalmar, part of Cargotec, has on December 15, 2021 announced the introduction of the Kalmar Robotic Portfolio – a future range of intelligent, flexible and autonomous mobile equipment solutions designed to improve safety and eco-efficiency without compromising productivity.

### **9. Department of Transportation Marks 50th Anniversary of National Transportation Statistics with Data Updates and Special Edition**

The U.S. Department of Transportation's (USDOT) Bureau of Transportation Statistics (BTS) and Volpe National Transportation Systems Center on December 16, 2021 released the 50th anniversary edition of the National Transportation Statistics (NTS), a collection of transportation data first published in November 1971. The commemorative publication includes links to digitized versions of the entire NTS collection and is the first NTS volume available in print since 2018.

### **10. Transport minister's mandate includes vaccines, emissions, supply chain**

Federal Transport Minister Omar Alghabra has a mandate in hand for the coming term of office – and it includes the call for Covid-19 vaccines in the transportation sector. The details emerged in a mandate letter issued by Prime Minister Justin Trudeau, calling on Alghabra to “continue to work with the federally regulated transportation sector to ensure that Covid-19 vaccination is prioritized for those workers.” The federal government has announced plans to mandate Covid-19 vaccines for border-crossing truck drivers as of Jan. 15, 2022 and also to apply a mandate to a

with Data Updates and Special Edition, December 16, 2021, [www.bts.gov](http://www.bts.gov)

10. Transport minister's mandate includes vaccines, emissions, supply chain, December 17, 2021, [www.todaystrucking.ca](http://www.todaystrucking.ca)

11. The Accessible Transportation Planning and Reporting Regulations are now finalized, December 22, 2021, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

12. Travel between Canada and other countries, October 2021, December 22, 2021, [www.statcan.gc.ca](http://www.statcan.gc.ca)

13. CTA Update on Border/Domestic Vaccine Mandates, December 22, 2021, [www.ontruck.ca](http://www.ontruck.ca)

14. More of the same ahead in 2022: ACT Research, December 24, 2021, [www.todaystrucking.com](http://www.todaystrucking.com)

15. Canada to join Mexico in complaint on US car-origin rules, December 26, 2021, [www.ajot.com](http://www.ajot.com)

broader list of federally regulated road transportation workers. Those workers include truck drivers who cross provincial borders. Road transportation has, to date, been exempted from federal vaccine mandates applied to workers in other transportation sectors. Alhabra was also told to continue to work with the ministers of public safety and health on the safe, responsible and compassionate management of the border with the U.S. and other ports of entry.

#### **11. The Accessible Transportation Planning and Reporting Regulations are now finalized**

The Canadian Transportation Agency (CTA) on December 22, 2021 announced that the *Accessible Transportation Planning and Reporting Regulations* are now finalized and published in Part II of the Canada Gazette. The Accessible Canada Act (ACA) sets out planning and reporting requirements to identify and remove barriers faced by persons with disabilities in using the federal transportation network, and prevent new barriers - in priority areas such as communication, services and equipment. The ATPRR provides important details of how to implement these requirements for transportation service providers (TSPs), including timelines for publication, the manner in which accessibility plans and progress reports must be published, and the alternate formats in which they must be provided on request. The final regulations reflect input the CTA received from representatives of the community of persons with disabilities, the general public, and industry during extensive consultations held from December 3, 2019, to February 28, 2020.

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

The number of international arrivals to Canada continued to increase during October 2021, but remains well below pre-pandemic levels. While travellers from overseas countries made 160,700 trips to Canada in October 2021, nearly six times more compared with the same month a year earlier, it was over one-quarter (28.3%) of the pre-pandemic levels from October 2019. In October 2021, there were 488,600 American residents travelling to Canada, over four times greater than in October 2020, yet this was 26.4% of the same month in 2019. Canadians made a total of 858,200 return trips home from abroad in October 2021, two and a half times compared with the same month in 2020 but one-fifth (20.0%) of October 2019 levels.

#### **13. CTA Update on Border/Domestic Vaccine Mandates**

The Canadian Trucking Alliance continues to engage the governments of Canada and the U.S. in the hope they would reconsider current plans to mandate vaccinations in 2022 for cross-border and domestic Canadian truck drivers.

#### **14. More of the same ahead in 2022: ACT Research**

The issues that defined 2021 – supply chain difficulties, Covid, inflation, high energy prices, robust freight and rates – are likely to continue to be the dominant issues of 2022. That’s according to industry analyst at ACT Research. “Class 8 demand remains strong, but the ability of manufacturers to respond to that demand continues to be constrained,” said Kenny Vieth, ACT’s president and senior analyst. “Higher prices are the inevitable result, and that will remain the case through much of 2022. We believe these conditions will gradually be alleviated, but risks will be higher than usual for a wide set of possible outcomes around our base case. Freight market equilibrium, the supply-demand balance between equipment and drivers and freight volumes, probably won’t be achieved until the fourth quarter of next year.”

#### **15. Canada to join Mexico in complaint on US car-origin rules**

Canada plans to formally join Mexico in calling for an arbitration panel to resolve a dispute with the U.S. over how to interpret rules governing the origin of vehicle parts. The two countries expect to request in the first days of January 2022 the creation of a tribunal of experts to rule on the matter as allowed under the U.S.-Mexico-Canada Agreement, known as USMCA, according to three people familiar with the plans. The individuals spoke on condition they not be identified because they aren’t authorized to speak publicly on the issue. Canada Trade Minister Mary Ng’s office didn’t immediately respond to requests for comment. The conflict focuses on differences over how to calculate the percentage of a vehicle that comes collectively from the three countries. Both Mexico and Canada believe the trade deal stipulates that more regionally produced parts should count toward duty-free shipping than the U.S. wants to allow. Motor vehicles are the top manufactured product traded between the three countries. The panel—whose findings are binding—will be tasked with deciding whether the U.S. application of the content rules, known as rules of origin, is inconsistent with the trade pact.