

Transportation Information Update*

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AIR TRANSPORTATION

1. Air Canada reducing summer flights as industry faces 'unprecedented strains' on travel operations

Air Canada, citing "unprecedented strains" on the airline industry from resurgent travel, says it is cancelling 154 flights per day in July and August 2022, or 15 per cent of its schedule. Michael Rousseau, CEO said in a message on June 29, 2022 that "Regrettably, things are not business as usual in our industry globally, and this is affecting our operations and our ability to serve you with our normal standards of care," "Despite detailed and careful planning, the largest and fastest scale of hiring in our history, as well as investments in aircraft and equipment, it is now clear that Air Canada's operations too have been disrupted by the industry's complex and unavoidable challenges." Mr. Rousseau's customer message did not provide details on the reductions, but Air Canada gave specifics in a response to questions from *The Globe and Mail*. Transport Minister, Alghabra said "We've done everything that is in the jurisdiction of the federal government (to reduce congestion at airports)." He pointed out that the federal government has temporarily suspended random testing in airports, at least until it works out the logistics of an automated process that tests passengers away from the airport. The government has also suspended domestic travel vaccine mandates and hired 1,000 staff at the Canadian Air Transport Security Authority, which is charged with airport security.

2. Flight delays and cancellations, missing luggage disrupt air travel over Canada Day long weekend

Flight delays and cancellations, missing luggage disrupt air travel over Canada Day long weekend. Canada Day long weekend saw a continuation of Travel chaos at the major airports. Some of the worst delays were in Montreal and Toronto, where check-in lineups stretched to the entrances of the terminals. "We've had a gong show coming and going," said Ms. Bears, 65. The delay meant Mr. Bears had to cancel an MRI scan on his back in Calgary and "It's insane," Ms. Bears said. "We should be home right now." South of the border, the Fourth of July long weekend led to U.S. airports being jammed with their biggest crowds since the pandemic began in 2020. Air Canada has said some of the issues are beyond its control, as short-staffed airports struggle to handle an immense amount of baggage sitting in terminals. Canadian airlines and airport operators have also blamed the federal government for security staffing shortages that have created bottlenecks at screening points.

3. Government of Canada invests in projects to improve supply chain efficiency for Canadian airlines across the country and the Government of Canada and air industry partners continue work on reducing traveller wait times and congestion at Canada's busiest airports

The Government of Canada is committed to strengthening Canada's trade corridors, which support our supply chains, help grow our economy and ensure its recovery, while creating good, middle-class jobs. On June 29, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced

AIR TRANSPORTATION Canada

1. Air Canada reducing summer flights as industry faces 'unprecedented strains' on travel operations, June 29, 2022, www.globeandmail.ca; and John Ivison: Transport minister thinks he's done all he can to alleviate airport chaos. He's wrong, June 29, 2022, www.nationalpost.ca
2. Flight delays and cancellations, missing luggage disrupt air travel over Canada Day long weekend, July 1, 2022, www.headtopics.com and www.globeandmail.ca
3. Government of Canada invests in projects to improve supply chain efficiency for Canadian airlines across the country; and The Government of Canada and air industry partners continue work on reducing traveller wait times and congestion at Canada's busiest airports, June 29, 2022, www.tc.gc.ca
4. Aircraft movement statistics: Major airports, April 2022, July 4, 2022, and Monthly civil aviation statistics, April 2022, July 4, 2022, www.statcan.gc.ca
5. U.S. Department of Transportation Issues Order to Enhance Competition and Affordable Flight Options for Travelers at Newark-Liberty International Airport, July 5, 2022, www.dot.gov
6. U.S. Airlines' May 2022 Fuel Consumption Down 10% from Pre-Pandemic 2019; Aviation Fuel Cost per Gallon Hits All Time High, July 6, 2020, www.bts.gov
7. Vancouver airport testing digital cargo management, July 7, 2022, www.insidelogistics.ca
8. DOT Announces First-Ever Bill of Rights for Passengers with Disabilities, Calls on Airlines to Seat Families Together Free of Charge, July 7, 2022, www.dot.gov
9. "The travel recovery continues to gather momentum, and May Air Cargo Buoyed by Easing of Omicron Restrictions in China, July 7, 2022, www.iata.org
10. The Government of Canada and air industry continue efforts to reduce congestion at Canadian airports, July 8, 2022, www.tc.gc.ca
11. Air Canada and Emirates Form Strategic Partnership, July 12, 2022, www.aircanada.ca
12. Leading indicator of international arrivals to Canada, June 2022, July 11, 2022, www.statca.gc.ca
13. Canadian Transportation Agency has issued a decision which clarifies when crew

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close to \$105 million for three new projects with NAV CANADA under the National Trade Corridors Fund. These projects will help improve supply chain efficiency for Canadian airlines across the country. The Government of Canada will contribute: 1. Up to \$39.2 million to provide new technology to improve the reliability, safety, and performance of Canada's air transportation system, with NAV CANADA contributing \$59.7 million. 2. Up to \$34.5 million to implement technology to improve air traffic management with NAV CANADA contributing \$50.7 million. 3. Up to \$31.2 million to improve the technology and infrastructure at four major airports (Montréal-Trudeau International Airport, Toronto Pearson International Airport, Calgary International Airport, and Vancouver International Airport) with NAV CANADA contributing \$45.8 million. In the final week of June 2022, Minister Alghabra met once again with the CEOs of the Greater Toronto Airports Authority and WestJet. They discussed current and planned actions being taken by industry to quickly bring on more employees and to bolster core operations to better respond to the challenges of rapidly increasing demands as the number of Canadians travelling by air continues to grow. Minister Alghabra will also meet next week with the CEO of Air Canada.

4. Aircraft movement statistics: Major airports, April 2022 and Monthly civil aviation statistics, April 2022

In April 2022, aircraft movements at Canada's major airports totalled 398,724, an increase of 15.7% from April 2021. The total in April 2022 represents over four-fifths (82.2%) of the number recorded for the same month in 2019, before the COVID-19 pandemic, and is an improvement from the three-quarters (74.2%) recovery observed in March 2022. While all three sectors of air traffic continued to recover in April, aircraft movements within Canada appeared to be reaching their pre-pandemic level (April 2019) faster than flights to and from the United States and other international traffic. Toronto/Lester B. Pearson International remained Canada's busiest airport in April 2022. Major Canadian airlines carried 4.7 million passengers on scheduled and charter services in April 2022, almost nine times the number of passengers carried in April 2021. Airlines have now recovered two-thirds (66.2%) of the passenger level reported in April 2019, prior to the pandemic, an improvement from the 55.2% proportion reported in March 2022. With air traffic at 11.5 billion passenger-kilometres and capacity at 14.5 billion available seat-kilometres, the passenger load factor (the ratio of passenger-kilometres to available seat-kilometres) was 79.1% in April. The \$1.5 billion operating revenue earned was 77.0% of that earned before the COVID-19 pandemic in April 2019.

5. U.S. Department of Transportation Issues Order to Enhance Competition and Affordable Flight Options for Travelers at Newark-Liberty International Airport

The U.S. Department of Transportation on July 5, 2022 reassigned, with conditions, 16 peak-hour runway timings, previously operated by Southwest Airlines, at Newark-Liberty International Airport to Spirit Airlines. This action secures low-cost service options for Newark customers and improves competition in the Newark market, which was affected when Southwest Airlines discontinued service there. This decision provides certainty to carriers that have been operating at Newark using temporary, ad hoc timings made available while other carriers reduced service during the COVID-19 pandemic. Given the Department's concern over the recent airline cancellations, delays, challenges with customer service and other operational disruptions that have hurt travelers, the Department is requiring Spirit, as a condition of accepting the timings, to report additional data on disruptions

shortages may be considered within the airline's control, July 12, 2022, www.cta-otc.gc.ca

14. Heathrow asks airlines to stop selling seats to ease chaos, July 12, 2022, www.ajot.com

15. Air Canada Named One of Canada's Best Employers for Diversity by Forbes, July 13, 2022, www.aircanada.ca

16. Premature Return to Pre-Pandemic Slot Rules Risks Continued Passenger Disruption, July 13, 2022, www.iata.org

17. The Government of Canada and air industry continue collaboration to reduce wait times at airports across Canada, July 13, 2022, www.tc.gc.ca

18. Canadian Government Urgently Needs to Remove COVID-19 Travel Restrictions, July 15, 2022, www.iata.org

19. Heathrow goes from Europe's gateway to UK's travel nightmare, July 16, 2022, www.ajot.com

20. 'Completely dropped the ball': Transport Canada's endless delays grounds pilots, July 19, 2022, www.nationalpost.ca

21. April 2022 U.S. Airline Traffic Data, July 18, 2022, www.bts.gov

22. Government of Canada makes important investments at Kamloops Airport, July 18, 2022, www.tc.gc.ca

23. Porter Airlines Orders a Further 20 Embraer E195-E2s to Support Major Expansion Plan, July 19, 2022, www.flyporter.com

24. Government of Canada makes important investments at Prince George Airport, July 20, 2022, www.tc.gc.ca

25. WestJet statement regarding Unifor strike authorization vote results, July 20, 2022, www.westjet.ca; and WestJet employees in Calgary and Vancouver back strike vote if deal can't be reached, July 20, 2022, www.westjet.ca

26. Air Travel Consumer Report: Consumer Complaints Down from April, Still More Than 200 Percent Above Pre-Pandemic Levels, July 20, 2022, www.dot.gov

27. First Quarter 2022 Average Air Fare Increases 16.9% from First Quarter 2021, July 20, 2022, www.bts.gov

28. Government of Canada invests to expand supply chain capacity at the Edmonton International Airport, July 21, 2022, www.tc.gc.ca

29. The Government of Canada and industry continue taking action to reduce congestion and delays at Canada's largest airports, July 20, 2022, www.tc.gc.ca

30. WestJet and Unifor reach tentative agreement, July 24, 2022, www.westjet.ca

31. Air Canada and United Airlines Expand Relationship to Make Transborder Travel Easier, With More Choice, July 22, 2022, www.aircanada.ca

32. Monthly civil aviation statistics, May 2022, July 28, 2022, www.statcan.gc.ca

33. Aircraft movement statistics: Major airports, May 2022, July 28, 2022,

facing their airline customers and its ability to provide them with accommodations. These reporting requirements will enable the Department to monitor Spirit's ability to deliver on its customer commitment and permit the Department to better quantify the financial impact of operational disruptions on travelers.

www.statcan.gc.ca

34. The Government of Canada and industry continue efforts to reduce traveller wait times and congestion at Canadian airports, July 27, 2022, www.tc.gc.ca

6. U.S. Airlines' May 2022 Fuel Consumption Down 10% from Pre-Pandemic 2019; Aviation Fuel Cost per Gallon Hits All Time High

The Department of Transportation's Bureau of Transportation Statistics (BTS) on July 6, 2022 released U.S. airlines' May 2022 Fuel Cost and Consumption numbers indicating U.S. scheduled service airlines used 1.41 billion gallons of fuel, (4.4%) more fuel than in April 2022 (1.35B gallons) and (10.8%) less than in pre-pandemic May 2019. The cost per gallon of fuel in May 2022 (\$3.90) was up 32 cents (8.9%) from April 2022 (\$3.58) and up \$1.79 (84.8%) from May 2019. Total May 2022 fuel expenditure (\$5.51B) was up (14.3%) from April 2022 (\$4.82B) and up (64.5%) from pre-pandemic May 2019. At \$3.90, the cost per gallon of fuel in May 2022 was the highest since April 2022 \$3.58. Also, in May 2022, the 17.4% year-over-year increase in fuel consumption on domestic flights, reflects an increase in domestic air travel from last May.

7. Vancouver airport testing digital cargo management

Vancouver International Airport (YVR) is testing a digital cargo management system. The airport will be running a proof of concept program using the Airport Cargo Community System (ACCS) software and app to help manage increasing cargo throughput. The system is being introduced to help address truck congestion challenges, which affect many North American airports as cargo volumes swell. YVR is investing in its cargo operations to ensure it can continue to meet growing demand while identifying new solutions that will increase efficiencies with trucking and transportation, especially during peak hours.

8. DOT Announces First-Ever Bill of Rights for Passengers with Disabilities, Calls on Airlines to Seat Families Together Free of Charge

As the busy summer travel season continues, U.S. Transportation Secretary Pete Buttigieg on July 7, 2022 announced actions taken by the U.S. Department of Transportation (USDOT) to help protect airline passengers. USDOT has published the first-ever Airline Passengers with Disabilities Bill of Rights and issued a notice to airlines to seat young children next to a parent. U.S. Transportation Secretary Pete Buttigieg said "Today's announcements are the latest steps toward ensuring an air travel system that works for everyone. Whether you're a parent expecting to sit together with your young children on a flight, a traveler with a disability navigating air travel, or a consumer traveling by air for the first time in a while, you deserve safe, accessible, affordable, and reliable airline service."

9. International Travel Drives May Air Traffic Recovery and May Air Cargo Buoyed by Easing of Omicron Restrictions in China

The International Air Transport Association (IATA) announced passenger data for May 2022 showing that the recovery in air travel accelerated heading into the busy Northern Hemisphere summer travel season. The highlights were 1. Total traffic in May 2022 (measured in revenue passenger kilometers or RPKs) was up 83.1% compared to May 2021, largely driven by the strong recovery in international traffic. Global traffic is now at 68.7% of pre-crisis levels. 2. Domestic traffic for May 2022 was up 0.2% compared to the year-ago period. Significant improvements in many markets were masked by a 73.2% year-on-year decline in the Chinese domestic market due to COVID-19 related restrictions. May 2022 domestic traffic was 76.7% of May 2019. 3. International traffic rose 325.8% versus May 2021. The easing of travel restrictions in most parts of Asia is accelerating the recovery of international travel. May 2022 international RPKs reached 64.1% of May 2019 levels. IATA also released May 2022 data for global air cargo markets showing that the easing of Omicron restrictions in China helped to alleviate supply chain constraints and contributed to a performance improvement in May 2022. The highlights were: 1. Global demand, measured in cargo tonne-kilometers (CTKs*), was 8.3% below May 2021 levels (-8.1% for international operations). This was an improvement on the year-on-year decline of 9.1% seen in April. 2. Capacity was 2.7% above May 2021 (+5.7% for international operations). This more than offset the 0.7% year-on-year drop in April. Capacity expanded in all regions with Asia-Pacific experiencing the largest growth. 3. Air cargo performance is being impacted by several factors: a) Trade activity ramped up slightly in May as lockdowns in China due to Omicron were eased. Emerging regions also contributed to growth with stronger volumes. b) New export orders, a leading indicator of cargo demand and world trade, decreased in all markets, except China. c) The war in Ukraine continues to impair cargo capacity used to serve Europe as several airlines based in Russia and Ukraine were key cargo players.

10. The Government of Canada and air industry continue efforts to reduce congestion at Canadian airports

Several Ministers from the Government of Canada issued this update on July 8, 2022 on progress being made by the Government of Canada and industry partners to reduce wait times and congestion at Canadian airports. 1. On Monday, July 4, Minister Alghabra met with the CEO of Air Canada. They discussed current and planned actions being taken by

industry to quickly bring on more employees and to bolster core operations to better respond to the challenges of rapidly increasing demands. 2. On Thursday, July 7, Minister Alghabra was joined by the CEO of Air Canada for a tour of the company's Systems Operation Control Centre. 3. Later that day, the Minister, accompanied by the CEO and staff of WestJet, visited WestJet's operation centre at Terminal 3 at Toronto Pearson International Airport. 4. These facilities, which operate 24/7, 365 days per year, function as the nerve-centre for an airline's operations by coordinating activities such as crew and flight scheduling and cargo operations management. 5. Transport Canada continues to meet regularly with Canadian Air Transport Security Authority (CATSA), airports, and airlines alongside the Public Health Agency of Canada (PHAC), the Canada Border Services Agency (CBSA), and NAV CANADA to find solutions to address bottlenecks affecting travel.

11. Air Canada and Emirates Form Strategic Partnership

Air Canada and Emirates on July 12, 2022 announced the signing of a strategic partnership agreement that will create more options for customers when travelling on the carriers' networks while also enhancing the customer experience throughout the journey. Air Canada and Emirates intend to establish a codeshare relationship later in 2022 that will offer enhanced consumer travel choices for Air Canada customers to travel to the United Arab Emirates and to destinations beyond Dubai. Emirates customers will also enjoy an enhanced travel experience when travelling to Toronto or to key destinations across the Air Canada network. Customers will have the ability to book connecting travel between both airlines' networks with the ease of a single ticket, seamless connectivity at the carriers' respective global hubs and baggage transfers to their final destinations.

12. Leading indicator of international arrivals to Canada, June 2022

In June 2022, the number of international arrivals to Canada rose sharply compared with June 2021, nearing levels recorded in the same month in 2019, before the pandemic. The 846,700 non-resident visitors arriving from abroad at Canadian airports equipped with electronic kiosks in June 2022 is over 820,000 more than in June 2021. Likewise, US residents took 904,700 trips to Canada through land ports with electronic sensors in June 2022, over 800,000 more than in June 2021. At the same time, the number of Canadian residents returning by air from visiting abroad via kiosk-equipped airports (901,300) was over 15 times greater than in June 2021. Compared with June 2021, over 1 million more Canadian residents—for a total of 1.3 million—returned from trips to the United States through land ports with electronic sensors.

13. Canadian Transportation Agency has issued a decision which clarifies when crew shortages may be considered within the airline's control

The applicant indicated that Westjet cancelled his flight and was rebooked the next day resulting in a 21 hour delay. Westjet rejected the request for compensation. The Canadian Transportation Agency (CTA) ordered WestJet to pay compensation for inconvenience to the applicant in the amount of \$1,000. The decision is of interest because the Agency set out its interpretation for *crew shortages*. According to this interpretation: 1. Crew shortages are within the airline's control, unless the airline could not have prevented the flight disruption despite proper planning. 2. The threshold for establishing that a crew shortage is not within the airline's control is high, given that airlines generally have control over staffing issues, such as hiring, dispatching and training. 3. The airline must provide evidence showing that the crew shortage was not the result of its own actions or inactions. 4. Failing this, the disruption is considered within the airline's control for the purposes of the APPR. In this case, the Agency found that the evidence filed by WestJet did not sufficiently establish that the cancellation resulting from the crew shortage was unavoidable despite proper planning, nor did it demonstrate that the cancellation was not the result of its own actions or inactions.

14. Heathrow asks airlines to stop selling seats to ease chaos

London Heathrow is imposing a two-month cap on daily passenger traffic to contain flight chaos, a dramatic response by the UK's busiest airport to address the struggle with surging demand for travel. The airport will limit daily passenger traffic to 100,000 departing people through Sept. 11, 2022 asking carriers to refrain from selling summer tickets. Current forecasts are modeling for as many as 104,000 passengers a day over the summer, still below the roughly 125,000 this time before the pandemic. The move comes in reaction to staffing that Heathrow said is not yet "up to full speed" as it rushed to replenish its workforce with new recruits. Some key functions, like ground handlers for baggage, remain significantly under-resourced, according to the airport. The hub has been particularly hard hit by the travel disruptions, as a surge in bookings during the busiest time of the year clashed with a mass exodus of workers during the pandemic. "Our objective is to protect flights for the vast majority of passengers at Heathrow this summer," Chief Executive Officer John Holland-Kaye said in a release. "We recognise that this will mean some summer journeys will either be moved to another day, another airport or be canceled and we apologise to those whose travel plans are affected." Ticket pricing and cancellation data show that Europe is where the turmoil is inflicting maximum pain on consumers, while Asia's travel industry is still navigating Covid-19 and the US suffers from a shortage of pilots. Some airlines have already responded, with British Airways scrapping a swath of flights for the summer season. Heathrow said that of the expected 4,000 excess daily seats, only about 1,500 have currently been sold, giving it room to act.

15. Air Canada Named One of Canada's Best Employers for Diversity by Forbes

Air Canada has been recognized as one of Canada's Best Diversity Employers by Forbes in its inaugural ranking of Canadian companies. According to Forbes, this award demonstrates "excellent leadership and success" and "signifies to potential employees that Air Canada's brand belongs to the top performers." Arielle Meloul-Wechsler, Executive Vice President, Chief Human Resources Officer and Public Affairs said "We are thrilled with this recognition, as we value diversity, equity and inclusion as being paramount to our organization's success. We are committed to fostering an environment that brings together different talents and skills, and, in turn, helping our employees fulfill their purpose and achieve their goals within a diversified, equitable and inclusive work environment. Our various programs and initiatives to promote equal opportunities for everyone and a work environment that enables our employees to feel recognized and respected underscore our enduring commitment to diversity, equity and inclusion."

16. Premature Return to Pre-Pandemic Slot Rules Risks Continued Passenger Disruption

The International Air Transport Association (IATA) expressed concern that a premature return to pre-pandemic slot use rules in the EU this winter risks continuing disruption to passengers. The European Commission has announced it intends to return to the longstanding 80-20 slot use rule, which requires airlines to operate at least 80% of every planned slot sequence. Global slot rules are an effective system for managing access to and the use of scarce capacity at airports. The system has stood the test of time and while airlines are keen to restart services, the failure of several key airports to accommodate demand, coupled with increasing air traffic control delays, means a premature return to the 80-20 rule could lead to further passenger disruption. The evidence so far this summer has not been encouraging. Airports had the 2022 summer season schedules and final slot holdings in January and didn't evaluate how to manage this in time. Airports declaring that full capacity is available and then requiring airlines to make cuts this summer shows the system is not ready for reviving "normal" slot use this winter season (which begins at end of October).

17. The Government of Canada and air industry continue collaboration to reduce wait times at airports across Canada

Government officials issued an update on progress being made by the Government of Canada and industry partners to reduce wait times and congestion at Canadian airports. Minister Alghabra continues to meet with senior leadership of airports and air carriers of all sizes across the country in mid July 2022. More specifically he met with the CEOs of Windsor International Airport, London International Airport, Winnipeg International Airport, Canada Air Transportation Security Airport and also visited NAV CAN air control towers.

18. Canadian Government Urgently Needs to Remove COVID-19 Travel Restrictions

The International Air Transport Association (IATA) is once again calling on the Canadian Government to urgently discontinue the current COVID-19 related travel restrictions. These are now out of step with the global trend of lifting travel restrictions and are partly responsible for the ongoing delays and disruption affecting air travelers across Canada.

19. Heathrow goes from Europe's gateway to UK's travel nightmare

Less than a decade ago, London's Heathrow was the undisputed hub airport for Europe, with thousands of daily passengers and an ambitious expansion plan that included a brand new runway. Terminal 5 was still a novelty -- the UK's largest free-standing building hosted a string of glitzy shops and restaurants, including one founded by celebrity chef Gordon Ramsay. The airport was associated with aspiration, growth and an outward-looking Britain. How things change. Today, Heathrow is locked in yet another dispute with airlines after insisting they halt ticket sales during the lucrative school holiday season, a move that could cost as much as \$500 million in lost revenue. The airport has been struggling to manage a post-pandemic rush in holidaymakers, with long queues of frustrated fliers becoming a common scene. One airline, Emirates, initially refused to comply with the cap on passengers, describing it as "airmageddon," before backing down. The UK government has been forced to intervene, demanding a "credible and resilient" recovery plan from the airport. Any prospect of a third runway remains years away, as critics ask whether Heathrow needs more space if it cannot even cope with its current capacity, regardless of environmental concerns. With Britain's chronic labor shortage at the heart of the travel chaos, Heathrow's travails have become emblematic of a nation beset by economic stagnation, political upheaval and an increasingly uncertain place in the world.

20. 'Completely dropped the ball': Transport Canada's endless delays grounds pilots

Members of the Canadian aviation industry say growing backlogs at Transport Canada are making it more difficult for new and existing pilots to get their licences, and the federal government has failed to address the issue. "They've completely dropped the ball," said Dario Matrondola, president of Canadian Flyers Aviation College — a flight school based at Buttonville Airport northeast of Toronto. "They don't answer the phone, they don't call you back, and you're lucky if they answer emails." Transport Canada's civil aviation department is struggling to issue the paperwork necessary to fly, effectively grounding an unknown number of Canadian and foreign pilots who train here. Of particular concern are unacceptable delays with Transport Canada's issuance of medical certificates. While applicants normally receive their certificates between 30 and 40 days after submitting their paperwork, some of Matrondola's students have been left waiting more than a year.

21. April 2022 U.S. Airline Traffic Data

U.S. airlines carried 72.2 million systemwide (domestic and international) scheduled service passengers in April 2022, seasonally adjusted, according to the Bureau of Transportation Statistics' (BTS), up 4.4% from March 2022. BTS reported 63.8 million domestic passengers and 8.4 million international passengers on U.S. airlines flights in April 2022.

22. Government of Canada makes important investments at Kamloops Airport

On July 18, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced that the Government of Canada is making important safety investments at the Kamloops Airport. Through Transport Canada's Airports Capital Assistance Program, the Government of Canada is providing the airport with more than \$1.8 million for an airfield electrical replacement project that will help maintain safe airport operations for passengers, aircraft crews and airport employees. The work includes the replacement of edge lights, omni-directional approach lights and wind direction indicators on Runways 09 and 27 and Taxiways A and B, as well as the replacement of guidance signs on Runway 13. This investment is in addition to the more than \$1.3 million in Airports Capital Assistance Program funding provided to the airport in May 2021 for the rehabilitation of Taxiways B and C.

23. Porter Airlines Orders a Further 20 Embraer E195-E2s to Support Major Expansion Plan

Porter Airlines has placed a firm order for 20 Embraer E195-E2 passenger jets, adding to their existing 30 firm orders. Porter will use the E195-E2 to extend its award-winning service to destinations throughout North America. The deal, with a list price value of US\$1.56 billion, brings Porter's orders with Embraer to a total of up to 100 E195-E2 aircraft, with 50 firm commitments and 50 purchase rights. In 2021, Porter ordered 30 Embraer E195-E2 jets, with purchase rights for a further 50 aircraft, worth US\$5.82 billion at list price, with all options exercised.

24. Government of Canada makes important investments at Prince George Airport

The Minister of Transport, the Honourable Omar Alghabra, on July 20, 2022 announced that the Government of Canada is investing more than \$1.7 million in the Prince George Airport through Transport Canada's Airport Relief Fund to help it maintain important airport operations and essential air services for residents and workers in Prince George and surrounding communities. The Prince George Airport also received over \$1.4 million from Transport Canada's Airports Capital Assistance Program for the purchase of a 4x4 snowplow truck and a wet/dry material spreader. These investments are in addition to the over \$1.4 million in Airports Capital Assistance Program funding provided to the airport in May 2021 for the purchase of an aircraft rescue firefighting vehicle and a runway ice sweeper.

25. WestJet employees in Calgary and Vancouver back strike vote if deal can't be reached and WestJet statement

WestJet workers at the Calgary and Vancouver airports have voted in support of a strike if they cannot reach a deal with the airline. Unifor says the local representing more than 700 baggage and customer service agents among other employees voted to strike by 98 per cent, and could walk off the job as early as July 27, 2022. Wages are the key issue in talks over the group's first collective agreement with the carrier, Unifor spokesman Scott Doherty said on July 20, 2022. "The pay scale has not been increased for more than five years, making WestJet's wages among the lowest in the Canadian aviation industry and no match for soaring inflation," he said in a statement. WestJet on July 20, 2022 issued the following statement regarding the announcement made by Unifor, the certified union representing certain WestJet airport employees at YYC Calgary International Airport and Vancouver International Airport, regarding the results of its strike authorization vote. In response to Unifor strike authorization, Angela Avery, Executive Vice-President and Chief People, Corporate and Sustainability Officer commented, "This is a common step in the labour negotiation process and was not unexpected. We remain focused on successfully negotiating an agreement that provides value to our airport employees, many of whom have joined WestJet in the last year. In the meantime, we will continue to provide our guests with the friendly and affordable air travel WestJet has always been known for."

26. Air Travel Consumer Report: Consumer Complaints Down from April, Still More Than 200 Percent Above Pre-Pandemic Levels

The U.S. Department of Transportation on July 20, 2022 released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of May 2022 for on-time performance, consumer complaints received, mishandled baggage, and mishandled wheelchairs and scooters. There was a 15% decline in complaints against airlines from April 2022 to May 2022, however complaints are still 200 percent above pre-pandemic levels.

27. First Quarter 2022 Average Air Fare Increases 16.9% from First Quarter 2021

The average U.S. domestic air fare decreased in the first quarter of 2022 to \$328, down 1.8% from the fourth quarter 2021 inflation-adjusted fare of \$335. Adjusted for inflation (constant 2022 dollars), the average 1Q 2022 air fare was down 11.1% from \$370 in the same quarter of 2020 and down 16.6% from pre-pandemic Q4 2019 (\$394). Adjusted for inflation, the first quarter 2022 fare is up 16.9% from the first quarter 2021 fare of \$281. In the first quarter 2022, passenger demand increased with U.S. airlines reporting 66.4 million originating passengers in the first quarter of 2022, up 9.1% from 60.8 million passengers in first quarter of 2020.

28. Government of Canada invests to expand supply chain capacity at the Edmonton International Airport

On July 21, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced up to \$100 million in funding under the National Trade Corridors Fund to increase cargo and logistics handling operations at the Edmonton International Airport. The project will convert approximately 2,000 acres of land into a new global cargo handling operation. With this investment, the Edmonton International Airport will expand its multi-modal distribution throughout Canada, the United States of America, and Mexico. The airport's increased cargo capacity will improve the movement of import and export trade routes and strengthen Canada's supply chain.

29. The Government of Canada and industry continue taking action to reduce congestion and delays at Canada's largest airports

On July 20, 2022, the Government of Canada and air industry partners indicated that they continue to take significant action to increase resources and streamline processes to ease airport congestion and help keep travellers moving. In sum these include: 1. Moving random mandatory testing out of airports; 2. Collaborating with air industry partners; 3. Increasing staffing for security screening and customs processing; 4. Streamlining customs processing at Toronto Pearson International Airport; and 5. Improving ArriveCAN

30. WestJet and Unifor reach tentative agreement

On July 24, 2022, WestJet and Unifor, the certified union representing certain WestJet airport employees at YYC Calgary International Airport and Vancouver International Airport, reached a tentative agreement on the first collective bargaining agreement between the organizations. Both parties now await the ratification vote to be put forward to membership. "WestJet is pleased to have reached a tentative agreement that recognizes the important contributions of its valued airport employees, in balance with the long-term success of our airline," said Angela Avery, WestJet Executive Vice-President and Chief People, Corporate and Sustainability Officer. "Achieving this settlement reflects WestJet's commitment to its employees and to fulfilling the important and long-awaited travel plans of our guests, at this critical recovery time for the Canadian travel and tourism sector."

31. Air Canada and United Airlines Expand Relationship to Make Transborder Travel Easier, With More Choice

Air Canada and United Airlines on July 22, 2022 announced a joint business agreement for the Canada-U.S. transborder market, building on their long-standing alliance, that will give more flight options and better flight schedules to customers traveling between the two countries. Customers will be able to connect to 38 codeshare destinations in the U.S. and eight of the most popular cities in Canada — all while enjoying the benefits of the carriers' MileagePlus® and Aeroplan loyalty programs. The agreement will also strengthen and grow both carriers' s networks and help accelerate their COVID-19 recovery.

32. The Government of Canada and industry continue efforts to reduce traveller wait times and congestion at Canadian airports

The Government of Canada and air industry partners continue to make efforts to increase resources and streamline processes across the air system to ease airport congestion and help keep travellers moving, including: 1. Collaborating with air industry partners. 2. Increasing staffing for security screening and customs processing (which is now 100 percent of summer target levels). 3. Streamlining customs processing at Toronto Pearson International Airport (adding 10 new eGates and 30 more primary inspection kiosks at Pearson). 4. Improving ArriveCAN (by using the Advance CBSA Declaration optional feature in ArriveCAN). 5. Providing information resources for passengers experiencing flight delays, cancellations and lost or delayed baggage

33. Monthly civil aviation statistics, May 2022

The highlights in civil aviation for the month of May 2022 were described by Statistics Canada as follows: Major Canadian airlines carried 5.3 million passengers on scheduled and charter services in May 2022, more than 10 times the number of passengers carried in May 2021 and just over three-quarters (77.3%) of the May 2019 level. For the first time since February 2020, before the COVID-19 pandemic, more than 5 million passengers took to the skies on Level I air carrier flights. With air traffic at 13.2 billion passenger-kilometres and capacity at 16.7 billion available seat-kilometres, the passenger load factor (the ratio of passenger-kilometres to available seat-kilometres) was 78.9% in May. The \$1.6 billion operating revenue earned was 79.5% of that earned before the pandemic in May 2019.

34. Aircraft movement statistics: Major airports, May 2022

The highlights in aircraft movement for the month of May 2022 were described by Statistics Canada as follows: In May 2022, Canada's major airports totalled 478,736 aircraft movements. This was an increase of 28.1% from May 2021 and 84.7% of the pre-COVID-19 pandemic number from May 2019, the highest rate in over two and a half years. Both domestic and international movements continued to approach pre-pandemic levels in May, with the former leading the way. Total domestic movements were at 84.8% of their pre-pandemic level, while those operated by Levels I-III and foreign carriers were at 80.9%. Calgary International has moved back into the top three busiest airports in Canada, following Toronto/Lester B. Pearson International and Vancouver International.

WATER TRANSPORTATION

1. LA port chief sees no strike as labor-contract expiry looms

The head of the US's busiest port said he doesn't foresee strikes at about 30 West Coast maritime hubs even as the labor contract for 22,000 dockworkers is about to lapse on July 1, 2022 without a new deal. "Anything's possible but it will not happen," Port of Los Angeles Executive Director Gene Seroka said about the potential for a strike in an interview on Bloomberg Television on June 29, 2022. The port is giving the union and employers "as much room as they need to negotiate and the rest of us are just moving all this cargo through the nation's largest gateway."

2. Vancouver to start phasing out aging trucks from mid-September

Older container trucks serving the Port of Vancouver will begin to be phased out from mid-September as the port looks to replenish the fleet with cleaner-running vehicles.

3. Do automated LA and Long Beach container terminals generate more work and higher pay for ILWU?

Automated container terminals at the Ports of Long Beach and Los Angeles have generated more work hours and higher pay for longshore workers according to a report commissioned by the Pacific Maritime Association (PMA). The report entitled "*Terminal Automation in Southern California: Implications for Growth, Jobs, and the Future Competitiveness of West Coast Ports*" was authored by Dr. Michael Nacht and Larry Henry. The PMA report was harshly criticized by an International Longshore and Warehouse Union (ILWU) official as hiding the impact of job losses caused by automated operations at the Ports of Long Beach and Los Angeles. Automation will be a major issue as the ILWU and PMA negotiate a new contract agreement for West Coast ports. The findings by the authors argue that automated terminals already increase the competitiveness of the Ports of Los Angeles and Long Beach: "As a result, cargo handling has grown rapidly, and paid hours for ILWU workers at LBCT (Long Beach Container Terminal) and TraPac (located at the Port of Los Angeles) were 31.5% higher in 2021 than in 2015, before the transition to automation began ... That is more than twice the 13.9% growth in paid hours at San Pedro Bay's non-automated terminals. Rather than reducing work for ILWU members, automation has raised demand for their services."

4. Ports of LA, Long Beach delay container fee again

The ports of Los Angeles and Long Beach again delayed implementing a fee on ocean carriers whose import containers linger at marine terminals, even as the backlog worsened significantly this week — though officials said the Fourth of July holiday and the Bloody Thursday commemoration were the primary causes. The Container Dwell Fee, which could take effect, if necessary, on Friday, July 15, has been delayed essentially since its inception. The fee was initially set to go into effect on Nov. 1, but the ports quickly delayed that until Nov. 15 to give ocean carriers, which would face the charges, time to voluntarily comply. When Nov. 15 came, the ports delayed it to Nov. 22 — and have postponed the fee every week since. The nation's two busiest ports have cited progress among ocean carriers in reducing the number of containers at the terminals since late October as the reason for holding off on the fee.

5. U.S. ports set another record and West coast labor talks continue

Imports set another record high this spring as the nation's major container ports worked to reduce congestion and retailers stocked up before dockworkers' West Coast labor contract expired, according to the monthly *Global Port Tracker* report released on July 8, 2022 by the National Retail Federation (NRF) and Hackett Associates. NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said "Cargo volume is expected to

WATER TRANSPORTATION Canada

1. LA port chief sees no strike as labor-contract expiry looms, June 29, 2022, www.ajot.com

2. Vancouver to start phasing out aging trucks from mid-September, July 5, 2022, www.joc.com

3. Do automated LA and Long Beach container terminals generate more work and higher pay for ILWU?, July 5, 2022, www.ajot.com

4. Ports of LA, Long Beach delay container fee again, July 8, 2022, www.cargonews.com

5. U.S. ports set another record and West coast labor talks continue, July 8, 2022, www.ajot.com

6. There's still over \$40B in cargo on container ships waiting offshore, July 8, 2022, www.freightwaves.com

7. Government of Canada invests in warehouse capacity to relieve supply chain congestion at the Port of Windsor, July 12, 2022, www.tc.gc.ca

8. For Port of Windsor, a C\$11MM Capacity Boost, July 12, 2022, www.railwayage.com

9. May's cargo volume makes history at the Port of New York and New Jersey, July 13, 2022, www.ajot.com

10. Hapag-Lloyd adds new service from Saint John to Europe, July 14, 2022, www.insidelogistics.ca

11. Feds gives shippers new power to dispute ocean carrier charges, July 14, 2022, www.freightwaves.com

12. Strongest June on record at Port of Long Beach, July 14, 2022, www.ajot.com

13. LA and Long Beach container dwell fee on hold through July 22, July 18, 2022, www.ajot.com

14. Oversupply of containers leading to second-hand container market price correction; Container xChange analysis, July 19, 2022, www.ajot.com

15. Great Lakes shipping on the rise, study finds, July 19, 2022, www.insidelogistics.ca

16. Containers flood into U.S. ports at record levels, July 20, 2022, www.insidelogistics.ca

17. Chinese ports continue recovery, July 20, 2022, www.insidelogistics.ca

18. Maritime Administration Awards Nearly \$20 Million in Funding to Strengthen U.S. Shipyard Economic Competitiveness, July 21, 2022, www.dot.gov

19. Port Houston continues record-breaking container volume, July 21, 2022, www.ajot.com

20. Port Everglades sets May/June cargo records, July 22, 2022, www.ajot.com

21. The Government of Canada invests in the protection and restoration of marine ecosystems as part of the next phase of the Oceans Protection Plan, July 25, 2022, www.tc.gc.ca; and Ocean carriers applaud federal commitment to coastline protection, July 25, 2022, www.insidelogistics.ca

22. Accumulated Container Statistics for the Port of Vancouver and Port of Montreal, July 2022, www.portofmetrovancover and www.portofmontreal.ca

remain high as we head into the peak shipping season, and it is essential that all ports continue to operate with minimal disruption. Supply chain challenges will continue throughout the remainder of the year, and it is particularly important that labor and management at West Coast ports remain at the bargaining table and reach an agreement.” The contract between the International Longshore and Warehouse Union and the Pacific Maritime Association expired July 1, 2022 but cargo operations are continuing. NRF and more than 150 groups wrote to President Biden last week asking the administration to work with both sides to avoid disruption.

23. The Government of Canada invests in marine safety as part of the next phase of the Oceans Protection Plan, July 26, 2022, www.tc.gc.ca
24. Port of Prince Rupert: Accumulated container traffic January to June 2022, July 29, 2022, www.rupertport.com
25. Port of Oakland June volume down 1.5 percent from prior year, July 28, 2022, www.ajot.com
26. UK’s largest port threatened by strike, July 28, 2022, www.insidelogistics.ca

6. There’s still over \$40B in cargo on container ships waiting offshore

Anchorage continue to fill with waiting container ships off East and Gulf Coast ports, where vessel queues have now far outgrown those off the West Coast. Along all three coasts combined, the number of waiting container vessels remains exceptionally high. There were 125 container ships waiting off North American ports on July 8, 2022 morning, according to an analysis of ship-tracking data from MarineTraffic and queue numbers from California. That’s down 16% from 150 waiting ships in January, when West Coast congestion peaked, but up 36% from 92 ships a month ago. The ship queue off Los Angeles/Long Beach garnered the most headlines over the past year, yet the congestion epicenter has shifted: As of July 8, 2022, only 36% of waiting ships were off West Coast ports, with 64% off the East and Gulf Coast ports. Savannah, Georgia, now has the largest ship queue in North America.

7. Government of Canada invests in warehouse capacity to relieve supply chain congestion at the Port of Windsor

On July 12, 2022, government officials, announced \$5 million in funding under the National Trade Corridors Fund (NTCF). The funding will support a project at the Port of Windsor that will increase warehousing capacity and speed up loading activities, such as transferring cargo from a truck to a rail car. The Essex Terminal Railway Company is contributing \$6.2 million, bringing the total investment to \$11.2 million. The investment will also help increase the capacity and efficiency of Morterm Limited’s transload activities. The investment will help relieve supply chain congestion at the Port of Windsor.

8. For Port of Windsor, a C\$11MM Capacity Boost

Transport Canada on July 12 reported that the government will provide C\$5 million through the National Trade Corridors Fund, which supports infrastructure projects that “improve the flow of goods and people in Canada; increase the flow of trade in and out of Canada; help the transportation system to withstand the effects of climate change and better adapt to new technologies and innovation; and address the transportation needs of Arctic and northern communities.” ETR will contribute C\$6.2 million. Located at the Windsor-Detroit Gateway, the 22-mile (35-kilometer) short line runs from the east side of Windsor through the town of LaSalle and terminates in Amherstburg, roughly paralleling the Detroit River. It interchanges with CN, Canadian Pacific and CSX, and services customers in the industrial, chemical, agribusiness, salt, automotive engines, lumber, scrap and food products sectors. The joint investment will also help increase the capacity and efficiency of Morterm Limited’s transload activities at the port, according to Transport Canada. Morterm, an ETR sister company, has 160,000 square feet of indoor storage and more than 90 acres of outdoor, fenced and gated storage yards.

9. May’s cargo volume makes history at the Port of New York and New Jersey

May 2022 was a historic month at the Port of New York and New Jersey as it became the second busiest month of cargo activity in our history. Total volume increased by 6.1 percent in May 2022, totalling 845,305 TEUs (468,098 containers) compared to 796,693 TEUs (442,544 containers) in May 2021. This number brings our yearly total to 4,034,683 TEUs (2,226,155 containers). Imports also rose by 7.6% in May 2022, totalling 426,423 TEUs (236,696 containers) versus 396,417 TEUs (220,620 containers) the previous year. From January through May 2022, imported loads at the Port of New York and New Jersey reached 2,068,369 TEUs (1,143,259 containers), a 11.5 percent increase over the 1,854,409 TEUs (1,031,686 containers) recorded in the same period of 2021. Exports in May 2022 totalled 118,552 TEUs (63,951 containers) versus 134,458 TEUs (73,255 containers) in May 2021, a 11.8 percent decrease. Exported loads reached 554,480 TEUs (299,674 containers) from January through May 2022 versus 586,264 TEUs (319,366 containers) in the same period of 2021, a 5.4 percent decrease.

10. Hapag-Lloyd adds new service from Saint John to Europe

Hapag-Lloyd’s new Saint John Express connects Northern Europe with North American markets. The service calls at Hamburg, Germany, and Antwerp, Belgium, before making the Atlantic crossing. From Port Saint John containers can reach Toronto, Winnipeg, Regina, Calgary, Edmonton, and Vancouver in Canada, along with Chicago, Detroit, and Minneapolis in the U.S. via the Canadian Pacific railway network. Hapag-Lloyd says the stand-alone weekly service to

Canada & U.S. Midwest markets is an alternative to avoid congested gateways, while offering hinterland connections with partner CP Rail.

11. Feds gives shippers new power to dispute ocean carrier charges

New guidance issued by federal regulators aimed at fighting unreasonable ocean carrier charges is short on detail but long on historic importance, according to a U.S. exporter group. The advisory enacts provisions of the Ocean Shipping Reform Act of 2022 (OSRA), signed into law last month, by providing a simplified process for container carrier customers who want the Federal Maritime Commission to investigate their complaints. “Today is a landmark moment in the history of the Federal Maritime Commission and the U.S. shipping public,” said Peter Friedmann, executive director of the Agriculture Transportation Coalition (AgTC), in a statement. “The provisions in OSRA calling for informal processes to facilitate effective FMC enforcement are perfectly implemented in the Commission’s Industry Advisory today.” The one-page advisory outlines steps for filing charge complaints against the carriers. Among the steps are identifying the carrier and the alleged violation, submitting documentation, confirming that the disputed charge was incurred after the June 16 enactment of OSRA, and submitting all the materials in one email, if possible, to the FMC. When the agency receives sufficient information, it “will promptly initiate an investigation, which could ultimately result in a civil penalty and order for a refund of charges paid,” the advisory states.

12. Strongest June on record at Port of Long Beach

The Port of Long Beach achieved its most active June and busiest quarter on record, boosted by increased consumer demand as retailers stock shelves for back-to-school shopping. Dockworkers and terminal operators moved 835,412 twenty-foot equivalent units in June, up 15.3% from the same month last year and surpassing the previous record set in June 2018 by 83,224 TEUs. Imports rose 16.4% to 415,677 TEUs, while exports saw a 1.4% decrease to 115,303 TEUs. Empty containers moved through the Port jumped 21.6% to 304,433 TEUs. “We are anticipating a robust summer season as consumer demand continues to drive cargo to our docks,” said Port of Long Beach Executive Director Mario Cordero. “We expect to remain moderately busy in the coming months, and we will work to promptly process containers lingering at the Port.” “Our waterfront workforce continues to move cargo at a record-setting pace,” said Long Beach Harbor Commission President Steven Neal. “Our strong partnerships with labor and industry continue to make us a leader in trans-Pacific trade.”

13. LA and Long Beach container dwell fee on hold through July 22

The San Pedro Bay ports of Long Beach and Los Angeles will once again delay consideration of the “Container Dwell Fee” for another week, this time until July 22, 2022. Since the program was announced on Oct. 25, the two ports have seen a combined decline of 25% in aging cargo on the docks. 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. The Long Beach and Los Angeles Boards of Harbor Commissioners have both extended the fee program through Oct. 26, 2022. Under the temporary policy, ocean carriers can be charged for each import container dwelling nine days or more at the terminal. Currently, no date has been set to start the count with respect to container dwell time. The ports plan to charge ocean carriers \$100 per container, increasing in \$100 increments per container per day until the container leaves the terminal. Any fees collected from dwelling cargo will be reinvested for programs designed to enhance efficiency, accelerate cargo velocity and address congestion impacts. The policy was developed in coordination with the Biden-Harris Supply Chain Disruptions Task Force, U.S. Department of Transportation and multiple supply chain stakeholders.

14. Oversupply of containers leading to second-hand container market price correction; Container xChange analysis

The oversupply of containers is contributing to second-hand container market prices plummeting, Container xChange shared in a recent analysis. “The current situation of oversupply of containers is a result of a series of reactionary market disruptions that began soon after the outbreak of the pandemic in early 2020. With the rise in demand, congestion at ports increased and the container capacity was held up for a considerably long period of time. This led to the panic ordering of new boxes at record levels. With time, as markets reopen and demand softens, the oversupply is a natural outcome of demand-supply forces balancing at new levels.” said Christian Roeloffs, Cofounder and CEO of Container xChange, a tech platform that simplifies the logistics of container movement. “The oversupply situation does not come as a surprise because the average container prices and leasing rates have been declining globally since Sept-Oct 2021.” added Roeloffs.

15. Great Lakes shipping on the rise, study finds

In a presentation to the Great Lakes Economic Forum in Chicago, the Hamilton-Oshawa Port Authority (HOPA Ports) highlighted the increasing viability of short sea shipping to move goods between some of the Great Lakes region’s biggest cities. “Short sea shipping on the Great Lakes is one of those ideas that’s been simmering for a long time, but recently, the stars are starting to align,” explained Larissa Fenn, HOPA’s director of public affairs. The forthcoming

paper, Foundational Study on Cross-Border Short Sea Shipping Opportunities, will provide indications of the commodities that present the greatest opportunities.

16. Containers flood into U.S. ports at record levels

Import volumes at U.S. ports continued at record levels in June, still above previous 2021 levels. Descartes Systems Group's July report on the ongoing global shipping crisis shows that while volumes are lower than May 2022's all-time record, they remain above the level that has caused port congestion and delays for the last 15 months. A number of factors such as the economy, inflation, high fuel costs and an increase in ships waiting off ports continue to make managing supply chain risk challenging.

17. Chinese ports continue recovery

Import and export ocean shipment volumes have continued to bounce back at Chinese ports over the past weeks as Covid-19 lockdowns have eased. Volume at the Port of Shanghai has increased since mid-May 2022, with the 14-day average ocean shipment volume now up five percent compared to March 12th (the day before lockdowns went into effect) and up five percent week-over-week for shipments tracked by *FourKites*. This is up from mid-May, where shipment volume was down as much as 25 percent over the same period.

18. Maritime Administration Awards Nearly \$20 Million in Funding to Strengthen U.S. Shipyard Economic Competitiveness

On July 21, 2022, the U.S. Department of Transportation's Maritime Administration (MARAD) announced \$19.6 million in grant awards to 24 small shipyards in 19 states through the Small Shipyard Grant Program. The funds will help awardees modernize, increase productivity, and expand local employment opportunities while competing in the global marketplace.

19. Port Houston continues record-breaking container volume

June 2022 container volume at Port Houston showed double-digit growth, totaling 323,823 TEUs, a 11% increase compared to the same month last year and the biggest June ever for containers. It's the fifth month this year with double-digit growth over 2021, which was a record year for Port Houston's container volume. Year-to-date, Port Houston has handled just shy of two million TEUs, specifically 1,897,065 TEUs, an 18% increase compared to 2021. Port Houston owns and operates two container terminals, Barbours Cut and Bayport Container Terminals, though recently containers can also be seen at Port Houston's general cargo terminals. While still a relatively small number of containers, 106% more container TEUs than last June and 25% more year-to-date moved through the general cargo terminals. This spillover cargo is likely a result of the industry looking for creative solutions to the record rates and disruption in the container market. "Port Houston is seeing record volumes at our container terminals but also some delays due to the enormous demand," said Roger Guenther, Port Houston Executive Director. "Just like others in our industry, we are looking for creative solutions to get the cargo where it needs to be as efficiently as possible."

20. Port Everglades sets May/June cargo records

Everglades exceeded its record May and June cargo volumes thanks to new ocean shipping services from India, Turkey and Greece. "Unlike the downturn that we typically experience at the end of our busy melon season, we had a spike in May and June because of the new Mediterranean Shipping Company (MSC) services from South Asia and the Mediterranean," said Port Everglades Chief Executive and Port Director Jonathan Daniels. "We are on track to shatter our annual record from 2018." In May 2022, Port Everglades recorded 97,502 TEUs (20-foot equivalent units, the maritime industry's standard container measurement), up 4 percent over the Port's former record set in May 2015. Containerized cargo volumes jumped 5 percent in June 2022 over the former record set in June 2018, with 94,106 TEUs.

21. The Government of Canada invests in the protection and restoration of marine ecosystems as part of the next phase of the Oceans Protection Plan and ocean carriers applaud federal commitment to coastline protection

On July 25, 2022, the Minister of Transport, the Honourable Omar Alghabra, and the Member of Parliament for Saint John—Rothesay, Wayne Long, announced an investment of up to \$447 million to further protect and restore coastal ecosystems across Canada, as part of the next phase of Canada's Oceans Protection Plan. Since its launch in 2016, Canada's Oceans Protection Plan has increased protections for our marine ecosystems and species, including the restoration of 60 marine ecosystems nationally. The Chamber of Shipping has spoken out in support of the federal government's announcement last week expanding the Oceans Protection Plan (OPP) for an additional nine years with a further investment of \$2 billion. The chamber, said in a statement it is pleased with the federal government's acknowledgment of the relationship between the supply chain and ocean protection. Protecting Canada's oceans and coasts requires effective and efficient ports, and safe, sustainable and competitive marine transportation corridors, it said.

22. Accumulated Container Statistics for the Port of Vancouver and Port of Montreal

The Ports of Vancouver and Montreal released their total cargo statistics for the first six months of 2022. For the **Port of Metro Vancouver**, total traffic for the first six months of 2022 in terms of TEUs changed **-7.2%** to 1,803,477 TEUs

compared to 1,944,092 TEUs for the same period in 2021. Inbound traffic was 951,122 TEUs and outbound traffic was 852,356 TEUs, a change of -3.9% and -10.7% (i.e. from 989,442 TEUs and 954,650 TEUs). For the **Port of Montreal** for the first six months of 2022 total traffic in terms of TEUs was up **4.00%** compared to the same period in 2021 (i.e. to 873,047 TEUs from 839,497 TEUs). Imports traffic in terms of TEUs increased 7.19% (i.e. to 448,565 TEUs from 418,490 TEUs) and exports increased 0.83% (i.e. to 424,483 TEUs from 421,008 TEUs).

23. The Government of Canada invests in marine safety as part of the next phase of the Oceans Protection Plan

On July 26, 2022, the Minister of Transport, the Honourable Omar Alghabra, alongside Mike Kelloway, Parliamentary Secretary to the Minister of Fisheries, Oceans and the Canadian Coast Guard and Member of Parliament for Cape Breton—Canso, announced over \$384 million in funding to strengthen marine safety as part of the next phase of Canada's Oceans Protection Plan.

24. Port of Prince Rupert: Accumulated container traffic January to June 2022

The Port of Prince Rupert Authority released its container traffic for the first six months of 2022 on July 29, 2022. Total container traffic (TEUs) for this period increased 6% compared to the same period in 2021, increasing to 521,877 from 491,711. Total imports for this period increased 9% to 271,818 from 250,103. Total exports for this period increased 3% to 250,060 from 241,608.

25. Port of Oakland June volume down 1.5 percent from prior year

The Port of Oakland's total loaded container volume in June 2022 was down 1.5% compared to June 2021. The Port handled 163,757 loaded TEUs (twenty-foot containers) last month compared to 166,252 in June 2021. The total volume, including empties, was down 2.9%. Loaded import volume continues to rise. Loaded imports were slightly up with 95,530 TEUs last month compared to 95,060 in June 2021. That's a 0.5% increase. The trend sets an import volume record. The increase in imports was offset by a drop in loaded exports. Loaded export containers came in at 68,227 TEUs in June compared to 71,192 TEUs in June 2021. This represents a 4.2% decline, reflecting ongoing challenges with vessel schedule disruptions and lack of sufficient capacity on departing ships at Oakland for full exports. "Despite prolonged supply chain challenges, so far we are maintaining our import volume," said Port of Oakland Maritime Director Bryan Brandes. "We're continuing to encourage ocean carriers to restore routes that will help expand vessel capacity for our exporters."

26. UK's largest port threatened by strike

Felixstowe, the largest port in the United Kingdom, may face a strike in August. Workers at the port overwhelmingly backed strike action in a dispute over pay. Members of Unite, one of the biggest unions in the UK voted 92 percent in favour of industrial action on an 81 percent turnout. Unite members at Felixstowe are responsible for all aspects of the port's operation. The dispute is a result of the Felixstowe Dock and Railway Company offering a pay increase of just five percent to its workers. This is an effective pay cut with the real (RPI) rate of inflation currently standing at 11.9 percent. Last year the workforce received a below inflation pay increase of 1.4 percent.

RAIL TRANSPORTATION

1. CN adds second Halifax daily service amid growth expectations and invests \$55 million in Minnesota

Despite an almost 10 percent drop in the Port of Halifax's first quarter volumes, Canadian National Railway (CN) has added a second daily train service in anticipation of a cargo rebound. On June 29, 2022, CN announced plans to invest approximately \$55 million in Minnesota in 2022. This includes investments in technology, capacity, rolling stock units and company-wide decarbonization initiatives, as well as network improvements. These investments will power sustainable growth and ensure the continued safe movement of goods in Minnesota and everywhere on CN's transcontinental network. Sean Finn, Executive Vice-President, Corporate Services and Chief Legal Officer of CN said "We continue to make significant investments in our network, technology, and capacity. We are building the premier railroad of the 21st century to do even more for our customers, railroaders, shareholders, and the communities in which we operate."

2. CP announces ratification of three new labor agreements bringing higher wages to locomotive engineers and conductors in the U.S. and

RAIL TRANSPORTATION Canada

1. CN adds second Halifax daily service amid growth expectations, June 28, 2022, www.joc.com; and CN to Invest \$55 Million in Minnesota Enabling Sustainable Growth, Improving Capacity and Advancing the Company's Commitment to Safety, June 29, 2022, www.cn.ca
2. CP announces ratification of three new labor agreements bringing higher wages to locomotive engineers and conductors in the U.S. and Eastern Canada, June 29, 2022, www.cpr.ca
3. Week 25: U.S. Carloads, Intermodal Down (Again), June 29, 2022, www.railwayage.com
4. CN to IBEW: 'Return to the Bargaining Table', June 30, 2022, www.railwayage.com
5. CN to Invest \$55 Million in Michigan and Iowa Enabling Sustainable Growth, Improving Capacity and Advancing the Company's Commitment to Safety and CN to Invest \$20 Million in Iowa Enabling Sustainable Growth,

Eastern Canada

Canadian Pacific (CP) announced on June 29, 2022 three collective bargaining agreements have been ratified by employees of CP's Dakota, Minnesota & Eastern (DM&E) South; Central Maine & Quebec (CMQ) U.S. and Central Maine & Quebec Canada subsidiaries. The agreements, reached on CP properties in Maine, the U.S. Midwest (Iowa, Missouri and Illinois) and parts of Quebec, provide higher hourly wages for all employees. They affect a total of approximately 430 employees represented by United Steel Workers Local 1976 on the CMQ Canada, SMART Transportation Division representing all employees on the CMQ U.S. and the Brotherhood of Locomotive Engineers and Trainmen representing all train and engine employees on the DM&E South. Mark Redd, CP Executive Vice-President Operations said "CP welcomes the ratification of these three recently negotiated agreements that bring wage increases to hundreds of our dedicated employees. "We continue to work productively with all of our union partners to achieve long-term agreements that meet the needs of CP's growing business and our industry-leading railroaders."

3. Week 25: U.S. Carloads, Intermodal Down (Again)

For the week ending June 25, 2022, total U.S. weekly rail traffic was 493,374 carloads and intermodal units, down 4.4 percent compared with the same week last year. Total carloads for the week ending June 25 were 229,857 carloads, down 3.1 percent compared with the same week in 2021, while U.S. weekly intermodal volume was 263,517 containers and trailers, down 5.5 percent compared to 2021. Canadian railroads reported 75,447 carloads for the week, down 3.3 percent, and 70,496 intermodal units, down 1.8 percent compared with the same week in 2021. For the first 25 weeks of 2022, Canadian railroads reported cumulative rail traffic volume of 3,577,573 carloads, containers and trailers, down 5.5 percent.

4. CN to IBEW: 'Return to the Bargaining Table'

The International Brotherhood of Electrical Workers (IBEW) "has failed to respond to CN's latest offer to resolve the ongoing strike, now in its 10th day," the Class I railroad reported June 29, noting in a Twitter update that it is "maintaining normal rail operations across Canada."

5. CN to Invest \$55 Million in Michigan and Iowa Enabling Sustainable Growth, Improving Capacity and Advancing the Company's Commitment to Safety

CN announced on June 30, 2022 plans to invest approximately \$55 million in Michigan and \$20 million in Iowa in 2022. This includes investments in technology, capacity, rolling stock units and company-wide decarbonization initiatives, as well as network improvements. These investments will power sustainable growth and ensure the continued safe movement of goods in Michigan and Iowa and everywhere on CN's transcontinental network. Sean Finn, Executive Vice-President, Corporate Services and Chief Legal Officer of CN said "We continue to make significant investments in our network, technology, and capacity. We are building the premier railroad of the 21st century to do even more for our customers, railroaders, shareholders, and the communities in which we operate."

6. CN strike ends as union agrees to arbitration

A two-week strike at Canadian National Railway Co. is ending after the union representing 750 signals and communications workers agreed to binding arbitration. Steve Martin, a spokesman for the International Brotherhood of Electrical Workers, said the strike that was launched June 18, 2022 will end just after midnight. Employees will return to their roles on July 5, 2022, the company said in a news release. The IBEW initially rejected the railway's proposal to resolve remaining differences, on wages and benefits, through binding arbitration, saying the concessions didn't go

Improving Capacity and Advancing the Company's Commitment to Safety, June 30, 2022, www.cn.ca

6. CN strike ends as union agrees to arbitration, July 5, 2022, www.insidelogistics.ca

7. CPKC: CN, NS Seek Conditions, July 5, 2022, www.railwayage.com

8. President Biden, USDOT Announce More Than \$573 Million in Available Funding from the New Railroad Crossing Elimination Program, June 30, 2022, www.dot.gov

9. Minister of Transport announces new measures to address extreme weather and climate change impacts on rail infrastructure, July 5, 2022, www.tc.gc.ca

10. Big business calls on Biden to avert rail strike, July 6, 2022, www.freightwaves.com

11. New rules to help prevent destruction of rail infrastructure, July 6, 2022, www.insidelogistics.ca

12. U.S. Rail Traffic: 'A Mix of Red, Yellow and Green,' AAR, July 6, 2022, www.railwayage.com

13. Negotiations continue as UNIFOR issues 72-hour strike notice, July 7, 2022, www.viarail.ca

14. For CN, \$485MM in U.S. Capex for 2022, July 8, 2022, www.railwayage.com

15. Transport Canada on July 5 announced new fire-mitigation rules and a research-funding program to help railroads improve safety and security and build "climate resiliency.", July 7, 2022, www.railwayage.com

16. Negotiations extended: VIA rail's service suspension postponed, July 11, 2022, www.virail.ca

17. Strike averted: VIA rail reaches tentative agreements, July 12, 2022, www.viarail.ca

18. City of Kamloops, B.C., says crews responding to CP Rail train derailment, July 14, 2022, www.insidelogistics.ca

19. Canada Investing \$4.4MM to Improve Hudson Bay Railway Corridor Safety, July 13, 2022, www.railwayage.com

20. AAR: North American Rail Volume Down Through 27 Weeks, July 13, 2022, www.railwayage.com

21. Government of Canada invests in four projects to increase the shipping efficiency of railroads in Regina and southern Saskatchewan, July 14, 2022, www.tc.gc.ca

22. CP, KCS to STB: CPKC 'Compellingly in the Public Interest, Should Be Approved Without Conditions', July 14, 2022, www.railwayage.com

23. Biden steps in to delay rail strike, July 18, 2022, www.insidelogistics.ca; and Railroads welcome appointment of "Presidential Emergency Board", July 18, 2022, www.ajot.com

24. Hurontario LRT: Guideway Crews 'Dig In', July 18, 2022, www.railwayage.com

25. CP applauds agreement to extend Kansas City Southern de México's concession exclusivity until 2037, July 19, 2022, www.cpr.ca

26. Surface Transportation Board receives earful on CP-KCS merger, July 19, 2022, www.freightwaves.com

27. AAR: Carloads, Intermodal Fall in Week 28, July 20, 2022, www.railwayage.com

28. Canada: Grassroots Advocacy for Ag By

far enough.

7. CPKC: CN, NS Seek Conditions

The Surface Transportation Board (STB) on July 1, 2022 accepted for consideration responsive applications by CN and Norfolk Southern (NS) regarding the Canadian Pacific-Kansas City Southern merger, which is under STB review and seeks to create North America's first transnational freight railroad, Canadian Pacific Kansas City, or CPKC. In connection with the line acquisition, ICRR (CN's subsidiary) seeks acquisition of an 8.33% ownership share of Kansas City Terminal Railway Company (KCT), which would enable ICRR to operate over KCT-controlled trackage in Kansas City, and a 50% ownership interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City," among other conditions, according to the STB decision. NS is also pursuing "certain contingent trackage rights for overhead movement on KCS's line." Bob Knief, President of Bartlett Grain Co., LP, a leading U.S. exporter of grain to Mexico, submitted a statement on June 22 to STB to address comments and applications filed on the CP-KCS merger; specifically, Bartlett urged STB to approve the merger and reject CN's request that KCS's Springfield Line be divested to it.

8. President Biden, USDOT Announce More Than \$573 Million in Available Funding from the New Railroad Crossing Elimination Program

The U.S. Department of Transportation on June 30, 2022 issued a Notice of Funding Opportunity (NOFO) announcing more than \$573 million in available grant funding this year alone for the Railroad Crossing Elimination Program. This new competitive discretionary grant program – which will help improve safety, eliminate lengthy delays at railroad crossings in communities across the country and ultimately lower the costs of transporting goods, making them more affordable for American families – was created by the Bipartisan Infrastructure Law and will be administered by the Federal Railroad Administration. At least 20% of available funding will go to rural and Tribal areas. Incidents this week in Missouri and California have underscored the tragic consequences of collisions between trains and vehicles that occur throughout the country. In 2021, there were approximately 2,148 grade crossing incidents, resulting in 236 deaths and 662 injuries.

9. Minister of Transport announces new measures to address extreme weather and climate change impacts on rail infrastructure

On July 5, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced two new rail safety measures. One focuses on railway-related fire prevention, while the other improves the resiliency of Canada's railway infrastructure against climate change impacts, such as flooding, landslides, and fire risks. To help prevent fires on railway property and in nearby communities, Transport Canada is introducing these measures as part of broader federal government efforts on climate change adaptation by creating new rules for the fire season (April 1 to October 31). These new rules require railway companies to: 1. Reduce train speeds and conduct additional track inspections when temperatures are high to reduce the risk of a derailment caused by track conditions; 2. Inspect locomotive exhaust systems more frequently to ensure they are free of any deposits that could pose a fire risk; and 3. Implement a fire risk reduction plan.

10. Big business calls on Biden to avert rail strike

The U.S. Chamber of Commerce is calling on President Joe Biden to help resolve a dispute between the country's Class 1 railroads and 12 rail unions to avert a possible rail strike beginning July 18, 2022. In a letter sent to the White House on July 6, 2022, U.S. Chamber President Suzanne Clark warned that the decision last month by the National Mediation Board (NMB) to release the railroads and unions from mediation and begin a 30-day cooling off period "presents a new challenge to the U.S. business community, which is already navigating a difficult environment." Unless the administration acts, either party is free to exercise "self-help" options — including a strike beginning at 12:01 a.m. on July 18, when the 30-day cooling-off period ends. The railroads and their unions have been embroiled in disagreements over a contract since January 2020, with wages and health care benefits being major sticking points. The NMB, an independent federal agency that mediates labor agreements for the railway and airline industries, stepped in earlier this year to mediate.

11. New rules to help prevent destruction of rail infrastructure

The federal government has introduced two new rule sets for railways to help prevent damage to infrastructure from fire and natural disasters. One focuses on railway-related fire prevention; the other seeks to improve the resiliency of Canada's railway infrastructure against climate change impacts, such as flooding, landslides, and fire risks. To help

Rail, July 21, 2022, www.railwayage.com

29. CN Honors Lifetime Leaders in Safety, July 22, 2022, www.railwayage.com

30. Railway carloadings, May 2022, July 22, 2022, www.statcan.gc.ca

31. Minister of Transport announces new measures to improve rail safety in response to TSB recommendations on the 2019 derailment in Field, British Columbia, July 25, 2022, www.tc.gc.ca

32. CN Reports Second Quarter Results, July 26, 2022, www.cn.ca; and Declares Third-Quarter 2022 Dividend, July 26, 2022, www.cn.ca, July 26, 2022, www.cn.ca

33. Canadian Pacific Railway Limited declares dividend, July 27, 2022, www.cpr.ca

34. CP reports strong Q2 results; momentum accelerating in second half of the year, July 28, 2022, www.cpr.ca

35. Rail traffic for the week ending July 23, 2022, July 27, 2022, www.ajot.com

36. NS: 'Solid Second Quarter Results Despite Network Fluidity Challenges', July 27, 2022, www.railwayage.com

prevent fires on railway property and in nearby communities, Transport Canada is introducing these measures as part of broader federal government efforts on climate change adaptation by creating new rules for the fire season (April 1 to October 31).

12. U.S. Rail Traffic: ‘A Mix of Red, Yellow and Green,’ AAR

“Like many other economic indicators today, rail traffic is a mix of red, yellow and green, with some traffic lines, such as automotive, providing generally positive indicators, while others, such as chemicals, being a bit more subdued than they were earlier in the year,” Gray noted in the AAR traffic report for June 2022 and the week ending July 2, 2022. U.S. Class I railroads hauled 1,157,555 carloads last month, down 1.5%, or 17,970 carloads, from June 2021; and 1,323,119 containers and trailers, down 4.6%, or 63,483 units. Combined U.S. carload and intermodal originations in June 2022 came in at 2,480,674, down 3.2%, or 81,453 carloads and intermodal units from the same month last year. Total U.S. carload traffic for the first six months of this year came in at 5,993,917, down 0.1%, or 8,823 carloads, from first-half 2021; and 6,878,726 intermodal units, down 6.2%, or 453,282 containers and trailers. Total combined U.S. traffic for the first 26 weeks of 2022 was 12,872,643 carloads and intermodal units, a 3.5% dip from last year. Canadian railroads reported 76,963 carloads for the week, up 5.7%, and 69,631 intermodal units, up 8.8% from the same week in 2021. For the first 26 weeks of 2022, they reported cumulative rail traffic volume of 3,724,167 carloads, containers and trailers, down 5.1%.

13. Negotiations continue as UNIFOR issues 72-hour strike notice

With a 72-hour strike notice now issued by UNIFOR the union representing some 2,400 VIA Rail Canada (VIA Rail) employees working in its stations, on board its trains, in its maintenance centres, the VIA Customer Centre, and administrative offices, VIA Rail may be forced to suspend its services across its network at 12:01 a.m. (ET) on July 11, 2022 should no agreement be reached by that time. As part of the usual collective agreement renewal process, and with the assistance of conciliators, VIA Rail and Unifor will continue to negotiate. VIA Rail remains committed to holding these negotiations in good faith in an effort to reach a new agreement without any disruption of service before the deadline.

14. For CN, \$485MM in U.S. Capex for 2022

CN in 2022 will invest a total of \$485 million in U.S. capital projects throughout the states of Illinois, Iowa, Louisiana, Michigan, Minnesota, Mississippi, Tennessee and Wisconsin. The Class I railroad late last month reported the work, which covers technology, capacity, rolling stock and company-wide decarbonization initiatives, as well as network improvements. Sean Finn, Executive Vice President, Corporate Services, and Chief Legal Officer at CN said “We continue to make significant investments in our network, technology and capacity. We are building the premier railroad of the 21st century to do even more for our customers, railroaders, shareholders, and the communities in which we operate.” The investment in the above States were: Illinois (\$150m.), Iowa (20m.), Louisiana (\$25m.), Michigan (\$55m.), Minnesota (\$55m.), Mississippi (65m.), Tennessee (\$30m.) and Wisconsin (\$85m.).

15. Transport Canada on July 5 announced new fire-mitigation rules and a research-funding program to help railroads improve safety and security and build “climate resiliency.”

Under the new rules for the fire season (April 1 to Oct. 31), Transport Canada is requiring rail companies to: 1. Reduce train speeds and conduct additional track inspections when temperatures are high to reduce the risk of a derailment caused by track conditions. 2. Inspect locomotive exhaust systems more frequently to ensure they are free of any deposits that could pose a fire risk. 3. Implement a fire risk reduction plan, which “requires companies to monitor fire risk levels, manage vegetation, reduce activities that could spark fires, and respond to detected fires.” Companies must also engage local governments and Indigenous communities on their plans. 4. The new rules make permanent the measures contained in Ministerial Order 21-06, issued in July 2021, to reduce the risk of wildfires in the context of extreme weather, according to Transport Canada

16. Negotiations extended: VIA rail’s service suspension postponed

VIA Rail Canada (VIA Rail) continues to negotiate with the union representing some 2,400 VIA Rail employees working in its stations, on board its trains, in its maintenance centres, the VIA Customer Centre, and administrative offices. As talks have progressed, Unifor has pushed the strike deadline until 4:00 p.m. (ET) on Monday, July 11, 2022. Some services for Monday, July 11 may be impacted. For the latest updates on train status please visit their website at viarail.ca.

17. Strike averted: VIA rail reaches tentative agreements

VIA Rail Canada (VIA Rail) has reached tentative agreements with Unifor’s Council 4000 and Local 100, the union representing some 2,400 VIA Rail employees working in its stations, on board its trains, in its maintenance centres, the VIA Customer Centre, and administrative offices. These tentative agreements are subject to a ratification vote by VIA Rail’s Unifor members. Once ratified, the collective agreements will be retroactive to January 1, 2022 and in effect through December 31, 2024. Please note that details of the agreements will only be released following ratification by members.

18. City of Kamloops, B.C., says crews responding to CP Rail train derailment

The City of Kamloops says crews are investigating a train derailment in the B.C. Interior community. The city says in a tweet that Canadian Pacific Railway has confirmed there were no hazardous goods aboard the train cars. CP says in a statement no one was injured and the train was carrying grain, however the company did not make anyone available for an interview. It's unclear what caused the train to go off the tracks and the rail company says it has dispatched crews and equipment to the incident.

19. Canada Investing \$4.4MM to Improve Hudson Bay Railway Corridor Safety

The government of Canada is committing C\$4.4 million to identify potential mitigation strategies for permafrost hazards along the Hudson Bay Railway corridor in Manitoba, reported Minister of Transport Omar Alghabra on July 13. The University of Calgary will undertake the study, and the results will be used “to ensure the safety and resiliency” of the corridor, which includes 627 miles of former CN trackage, according to [Transport Canada](#). The funding is being provided through the National Trade Corridors Fund, which is described as “a competitive, merit-based program designed to help infrastructure owners and users invest in the critical transportation assets that support economic activity in Canada.”

20. AAR: North American Rail Volume Down Through 27 Weeks

North American rail volume for the first 27 weeks of this year (ending July 9) on 12 reporting U.S., Canadian and Mexican railroads came in at 18,170,988 carloads and intermodal units. Cumulative volume in the U.S. was 13,310,243; in Canada, 3,863,292; and in Mexico, 997,453 carloads and intermodal containers and trailers. According to the AAR, for the week ending July 9, 2022, U.S. Class I railroads hauled a total of 437,600 carloads and intermodal units, decreasing 3.1% compared with the same week last year. This comprises 207,450 carloads—down 1.3% from the prior-year period—and 230,150 containers and trailers—down 4.7% compared with 2021. Canadian railroads reported 73,339 carloads for the week, rising 14%, and 65,786 intermodal units, increasing 26.7% from the same week in 2021.

21. Government of Canada invests in four projects to increase the shipping efficiency of railroads in Regina and southern Saskatchewan

On July 14, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced \$18.3 million in funding for four new projects under the National Trade Corridors Fund, which will help to improve the efficiency of rail networks in Regina and in southern Saskatchewan. The Government of Canada and other partners will invest: 1. \$1 million to develop a preliminary design to relocate railroad crossings in Regina, Saskatchewan. The City of Regina is contributing the remaining amount for a total investment of \$2.4 million. 2. \$13.5 million for a railway grade stabilization project, where extensive railway work will be undertaken on the Canadian Pacific Rail Interchange near Eston, Saskatchewan. Last Mountain Railway will contribute an equal amount for a total investment of \$27 million. 3. \$1.6 million for a new pre-interchange yard on the Canadian Pacific Railway Interchange near the town of Assiniboia, Saskatchewan, which will increase operating interchange capacity, allowing increased traffic flow and improved fluidity. Great Western Railway will contribute an equal amount for a total investment of \$3.2 million. 4. \$2.2 million to build 12,000 feet of additional track to address congestion issues at the interchange between the Stewart Southern Railway and Canadian Pacific in Lajord, Saskatchewan. Purely Canada Foods will contribute the remaining funding toward the project for a total investment of over \$6.5 million

22. CP, KCS to STB: CPKC ‘Compellingly in the Public Interest, Should Be Approved Without Conditions’

Canadian Pacific’s and Kansas City Southern’s made a 4,300 page filing to the Surface Transportation Board filing on their merger application to requests and opposition to their application. They indicate that “The transaction is supported by hundreds of shippers, short lines, passenger rail interests, labor organizations, and others. No shipper or shipper association requests that the transaction be denied.” “What opposition there is comes principally from the five Class I railroads. The protection these Class I railroads seek is itself evidence that they see the CP/KCS transaction an injecting new competition into the North American rail network.” They indicate that requests from railways should be denied.

23. Biden steps in to delay rail strike

President Joe Biden on July 15, 2022 blocked a freight railroad strike for at least 60 days by naming a board of arbitrators to intervene in the contract dispute, averting action that could have disrupted all kinds of shipments. The widely expected move will keep 115,000 rail workers on the job while the arbitrators develop a set of contract recommendations for both sides to consider. Biden had to act before July 18, 2022 to prevent a possible strike. A new round of negotiations is likely after those recommendations are issued. The railroads stated “We are pleased that President Biden has taken an important step by creating a PEB [Presidential Executive Board] to help all parties find a reasonable path forward,” continued Jefferies. “An agreement that allows both our hardworking employees and the industry to thrive into the future remains possible.”

24. Hurontario LRT: Guideway Crews ‘Dig In’

Guideway construction for the Hurontario LRT (light rail transit) project in Ontario is under way. Work along Hurontario Street marks an important step for the LRT line, which will extend from Mississauga to Brampton. The

team's current task is to construct the guideway in preparation for track installation. Work will progress from south to north, beginning between Matheson Boulevard to Britannia Road. "Once the foundation is installed, the guideway will be backfilled and topped with a concrete slab, followed by installation of the tracks," said Bernard Sharpe, Director of Trackworks for Hurontario LRT (also known as Hazel McCallion LRT).

25. CP applauds agreement to extend Kansas City Southern de México's concession exclusivity until 2037

Canadian Pacific Railway Limited (CP) on July 19, 2022 applauded the announcement by Kansas City Southern ("KCS") and its affiliate Kansas City Southern de México, S.A. de C.V. ("KCSM") of an agreement extending the concession exclusivity rights granted to KCSM for an additional 10 years. KCSM reached an agreement with the Mexican Ministry of Infrastructure, Communications and Transportation ("SICT") to fund a new investment in the Celaya-NBA Line Railway Bypass and other infrastructure. As part of the agreement, the SICT has authorized the amendment of KCSM's Concession Title effective July 14, 2022, to extend the exclusivity rights granted to KCSM for an additional period of 10 years. Under this amendment, KCSM's exclusivity will now expire in 2037.

26. Surface Transportation Board receives earful on CP-KCS merger

The Surface Transportation Board has been receiving testimony on the proposed merger between Canadian Pacific and Kansas City Southern — and it's been an earful. Shareholders of CP (CP) and KCS [approved](#) the \$31 billion deal in December and the merger is now before STB for review. CP has said it hopes for STB approval by early 2023. The article provides a smattering of excerpts from recent testimony provided to the board such as the BNSF concerns, the CN concerns, the NS concerns and the question of public interest.

27. AAR: Carloads, Intermodal Fall in Week 28

U.S. rail traffic for the week ending July 16, 2022 (Week 28) was 498,899 carloads and intermodal units, down 2.8% from the same week last year, according to the Association of American Railroads' July 20 report. It is the 21st consecutive week that total traffic has declined. Total carloads for the week ending July 16, 2022, came in at 229,809, down 2.4%, while U.S. intermodal volume of 269,090 containers and trailers fell 3.2% from the prior-year period. Canadian railroads reported 73,518 carloads for the week, rising 4.6%, and 70,728 intermodal units, increasing 11.1% from the same week in 2021. For the first 28 weeks of 2022, they reported cumulative rail traffic volume of 4,007,538 carloads, containers and trailers, dropping 4% from last year.

28. Canada: Grassroots Advocacy for Ag By Rail

Two Canadian agricultural groups, Pulse Canada and the Western Grain Elevator Association, have launched a campaign called "Canada's Ready," described as a grassroots public awareness campaign to "show Canadians and the world that our farmers, processors and exporters are ready to step up and deliver," and "to ensure there are no weak links in Canada's agriculture supply chain," the most important segment of which is railroads.

29. CN Honors Lifetime Leaders in Safety

A special ceremony solely to celebrate excellence in safety took place recently on CN. Retired employees from [CN](#) Operations functions across its network gathered in the railroad's Montreal headquarters to celebrate their leadership in safety. Additionally, the Class I railway inaugurated its new multi-media "Wall of Outstanding Achievements in Safety." *Lifetime Leader in Safety Awards* were granted to CN retirees from all crafts who worked their entire careers of at least 35 years in field operations without a single personal injury. Each retiree was inducted on the interactive "Wall of Outstanding Achievements in Safety," which is on permanent display in the lobby of CN headquarters and open to the public.

30. Railway carloadings, May 2022

Canadian railways carried 32.1 million tonnes of freight in May 2022, up 8.7% from May 2021 levels and ending the string of eight straight year-over-year monthly decreases in tonnage. Higher shipments of iron ores and some energy products more than offset a continued slide in agricultural and food products. The overall traffic volume was also the highest level for May since 2019, before the COVID-19 pandemic, and it exceeded the five-year average of 31.3 million tonnes for the month. To further explore current and historical data in an interactive format, please visit the Statistics Canada [Monthly Railway Carloadings: Interactive Dashboard](#). The rail traffic growth in May 2022 was the result of higher volumes across all types of rail operations: non-intermodal loadings (mainly commodities) and intermodal loadings (mainly containers), as well as freight traffic from connections with American railways.

31. Minister of Transport announces new measures to improve rail safety in response to TSB recommendations on the 2019 derailment in Field, British Columbia

On July 25, 2022, a new Ministerial Order will come into effect and will require railway companies to propose revisions to rules for the Minister's approval. The revisions to be proposed will enhance regular pre-departure inspections and periodic maintenance of air brakes on trains and address the elevated risks of operating trains in cold temperatures. In addition, the order requires rail companies to develop a winter operating plan for their equipment. That plan would specify actions to be taken when temperatures are very cold, including implementing speed restrictions and performing enhanced inspections. This will address the Transportation Safety Board of Canada's recommendation to enhance

inspection and maintenance requirements for brakes on steep grades in cold weather. The Minister of Transport also announced that, beginning in September 2022, Transport Canada will launch a working group with railway companies to consider the design and safety parameters of automatic parking brakes. Transport Canada will also conduct testing of automatic braking technology under real world operating conditions to verify safety and performance. This is in alignment with the Transportation Safety Board of Canada's recommendation to install automatic parking brakes on all freight cars. Finally, in agreement with the Transportation Safety Board of Canada's third recommendation for Transport Canada, the Government of Canada will launch targeted audits of Canadian Pacific Railway by August 2022, to assess the effectiveness of their safety management systems and training regime. In parallel, the department will conduct oversight of Canadian Pacific Railway's occupational health and safety committees. This will enable Transport Canada to monitor whether the company is effectively identifying and addressing hazards.

32. CN Reports Second Quarter Results and Declares Third-Quarter 2022 Dividend

CN on July 26, 2022, reported its financial and operating results for the second quarter ended June 30, 2022. Financial performance improved year-over-year with record adjusted diluted earnings per share (EPS) of C\$1.93, up 30%. For the same period, the Company reported diluted EPS up 32% to C\$1.92. CN also delivered solid operational performance with improvements in key operating metrics such as origin train performance, car velocity, through dwell and record fuel efficiency, resulting in a lower operating ratio. Tracy Robinson, President and Chief Executive Officer, CN said "I am proud of our team of railroaders and pleased with our solid performance this quarter. Our team has the network running well, demonstrating improvements in service levels to our customers, driving greater velocity and generating strong financial results. We are preparing for a busy fall and are well positioned to achieve our 2022 outlook." Financial results and operating highlights for the second quarter of 2022 compared to same quarter in 2021 were: 1. Record revenues of C\$4,344 million, an increase of C\$746 million or 21%. 2. Record operating income of C\$1,769 million, an increase of 28%, and record adjusted operating income of C\$1,781 million, an increase of 29%. 3. Diluted EPS of C\$1.92, an increase of 32%, and record adjusted diluted EPS of C\$1.93, an increase of 30%. 4. Operating ratio, defined as operating expenses as a percentage of revenues, of 59.3%, an improvement of 2.3-points, and adjusted operating ratio of 59.0%, an improvement of 2.6-points. 5. Free cash flow for the first six months of 2022 was C\$1,568 million compared to C\$1,280 million for the same period in 2021. Its Board of Directors has approved a third-quarter 2022 dividend on the Company's common shares outstanding of seventy-three and a quarter cents (C\$0.7325) per common share will be paid on September 29, 2022.

33. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited on July 27, 2022 declared a quarterly dividend of \$0.19 per share on the outstanding Common Shares.

34. CP reports strong Q2 results; momentum accelerating in second half of the year

Canadian Pacific Railway Limited on July 28, 2022 announced its second-quarter 2022 results, including revenues of \$2.20 billion, reported operating ratio (OR) of 60.6 percent, adjusted OR of 59.7 percent, reported diluted earnings per share ("EPS") of \$0.82 and core adjusted diluted EPS of \$0.95. Keith Creel, CP President and CEO said "After a challenging first quarter of the year, I'm proud of the resiliency and discipline the CP team demonstrated to deliver these results. They continue to display the grit and tenacity it takes to run a world-class North American railroad and deliver for our customers." For the 2022 the second-quarter the highlights were: 1. Revenues increased by 7 percent to \$2.20 billion from \$2.05 billion last year; 2. Reported OR increased by 50 basis points to 60.6 percent from 60.1 percent last year; 3. Adjusted OR increased by 440 basis points to 59.7 percent from 55.3 percent last year; 4. Reported diluted EPS was \$0.82, a 56 percent decrease from last year; 5. Core adjusted diluted EPS, excluding significant items and Kansas City Southern purchase accounting, was \$0.95, an 8 percent decrease from last year. Creel said "The strong demand environment for North American goods and commodities, coupled with our own unique growth initiatives and the promising upcoming Canadian grain crop, gives me confidence that we will continue to see momentum build into the back half of 2022 and beyond."

35. Rail traffic for the week ending July 23, 2022

The Association of American Railroads (AAR) on July 27, 2022 reported U.S. rail traffic for the week ending July 23, 2022. For this week, total U.S. weekly rail traffic was 498,901 carloads and intermodal units, down 0.8 percent compared with the same week last year. Total carloads for the week ending July 23 were 232,565 carloads, up 1.1 percent compared with the same week in 2021, while U.S. weekly intermodal volume was 266,336 containers and trailers, down 2.5 percent compared to 2021. Canadian railroads reported 73,607 carloads for the week, down 2.2 percent, and 70,481 intermodal units, down 0.9 percent compared with the same week in 2021. For the first 29 weeks of 2022, Canadian railroads reported cumulative rail traffic volume of 4,151,626 carloads, containers and trailers, down 3.9 percent.

36. NS: 'Solid Second Quarter Results Despite Network Fluidity Challenges'

Norfolk Southern in second-quarter 2022 delivered a “solid financial performance, despite network fluidity challenges,” President and CEO Alan H. Shaw said on July 27 in an earnings announcement. Revenue and volume were both up from last year, he reported, up 16% and 9%, respectively. NS reported a 21% increase in operating expenses over second-quarter 2021’s, due to “higher fuel prices, lower property sales, and increased costs from inflation and service challenges.”

HIGHWAY TRANSPORTATION

1. FedEx forecasts strong profits for LTL division

FedEx expects its trucking operating profits to keep rising, despite what could be a rocky economic road in the second half of 2022, executives said at an investor meeting.

2. Canadian Border Restrictions Extended Until at Least Sept 30

The Government of Canada announced the extension of its border restrictions until at least September 30, 2022 including the mandatory vaccination requirement at the land border for all travellers entering the country, including truck drivers crossing the border. This decision comes after an announcement in June pausing mandatory vaccination requirements for most domestic and international air travellers, as well as the suspension of the mandatory vaccination requirement for employers in the federally regulated air, rail, and marine sectors.

3. Shippers see improving conditions

U.S. shippers saw business conditions improve in April 2022 to the best conditions since September 2020, according to industry analyst FTR. Its Shipper Conditions Index improved to a reading of -1.7 in April 2022. That comes on the heels of the toughest conditions ever just a month earlier. Shippers saw relief from more stable diesel prices and loosening capacity utilization and rates.

4. New trailer underride guards fall short, safety advocate says

U.S. regulators are adopting tougher standards for the rear impact guards on trailers, mirroring Canadian rules designed to better protect the occupants of light vehicles at crash speeds up to 56 km/h. Previous standards were based on speeds of 48 km/h, and the upgraded guards will need to withstand higher forces when a car hits a guard straight on, or when the front half of a car overlaps a trailer’s rear end. National Highway Traffic Safety Administration (NHTSA) administrator Steven Cliff said in a press release “This new rule will improve protection for passengers and drivers of passenger vehicles.” Manufacturers must comply with the rules two years after they’re published in the federal register.

5. Transport Canada Seeking Input on Client Identification Database Proposal

Transport Canada is seeking input on client identification database proposal. The proposed amendment includes important elements that would update the Transportation of Dangerous Goods Regulations (TDGR) to: 1. Require that persons who import, offer for transport, handle or transport dangerous goods be registered in a new registration database when applicable; and 2. Require that all registered persons provide administrative information and information concerning the dangerous goods and operations being conducted at their respective transportation of dangerous goods (TDG) Site. The amendment entitled “Regulations Amending the Transportation of Dangerous Goods Regulations (Registration database)” was published in the Canada Gazette, Part 1 (CGI) on June 25, 2022 for a 70-day comment period. The amendment is accessible through the following URL: <https://gazette.gc.ca/rp-pr/p1/2022>

6. ELD Enforcement Coming Jan 2023

There will be no more delays in enforcement of the electronic logging

HIGHWAY TRANSPORTATION

Canada

1. FedEx forecasts strong profits for LTL division, June 29, 2022, www.joc.com
2. Canadian Border Restrictions Extended Until at Least Sept 30, June 30, 2022, www.ontruck.ca
3. Shippers see improving conditions, June 30, 2022, www.todaystrucking.com
4. New trailer underride guards fall short, safety advocate says, July 4, 2022, www.todaystrucking.com
5. Transport Canada Seeking Input on Client Identification Database Proposal, July 5, 2022, www.ontruck.ca
6. ELD Enforcement Coming Jan 2023, July 6, 2022, www.ontruck.ca
7. Minister of Transport proposes changes to school buses to boost safety, July 6, 2022, www.tc.gc.ca
8. Shoreland Transport acquires Connors Transfer, July 8, 2022, www.insidelogistics.ca; and TFI International buys Transport St-Amour, July 8, 2022 www.todaystrucking.com
9. Toronto and Purolator piloting mini-hubs for parcel shipping, July 12, 2022, www.insidelogistics.ca
10. Feds Announce New Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles Program, July 11, 2022, www.ontruck.ca; and Federal incentives to promote electric trucks, July 12, 2022, www.insidelogistics.ca
11. Minister of Transport announces new Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles Program, July 11, 2022, www.tc.gc.ca
12. May 2022 Freight Transportation Services Index (TSI), July 13, 2022, www.bts.gov
13. Tiger Trucking on Prioritizing Safety in the Trucking Industry, July 13, 2022, www.todaystrucking.com
14. Jardine picks up K&T Transport, July 14, 2022, www.insidelogistics.ca
15. Jardine Group acquires K&T Transport, July 18, 2022, www.todaystrucking.com
16. Urban public transit, May 2022, July 19, 2022, www.statcan.gc.ca
17. Mullen Group Ltd. nearly doubles second-quarter profit, July 22, 2022, www.insidelogistics.ca; and Mullen Group posts record Q2 results, sees no sign of ‘freight recession’, July 21, 2022, www.todaystrucking.com
18. Canada’s spot market beginning to normalize: Loadlink, July 27, 2022, www.todaystrucking.com
19. North American Transborder Freight up 28.3% in May 2022 from May 2021, Jul 27, 2022, www.bts.gov
20. FedEx tells small contractors it won’t

device (ELD) mandate for federally regulated carriers, authorities confirm to the Canadian Trucking Alliance. The mandate will take effect on Jan. 1, 2023. CTA has been advised by the Canadian Council of Motor Transport Administrators (CCMTA) that the provinces and territories are firmly

negotiate collectively, July 27, 2022,
www.ajot.com

committed to enforcing the ELD mandate in January 2023 and no announcements on further delays are expected. If a particular jurisdiction is not able to enforce the rule in January, all others who are ready will proceed with enforcement at that time, regardless. Geoff Wood said “Based on updates from our government partners at CCMTA and provincial associations, it is our clear understanding all jurisdictions will be ready to start enforcement on January 1.”

7. Minister of Transport proposes changes to school buses to boost safety

The safety of Canada’s road users is a priority for the Government of Canada, and that starts with the safe transportation of our school children. The Minister of Transport, the Honourable Omar Alghabra, announced on July 6, 2022 proposed regulatory changes to further strengthen school bus safety. The proposal recommends that: 1. All new and imported school buses in Canada be equipped with extended stop arms and a new visibility system for the bus driver to better see around the bus; and 2. Clear requirements be set for the voluntary installation of infraction cameras. These devices can help law enforcement catch unsafe driver behaviour around school buses. Together, these measures can help deter vehicles from illegally passing a stopped school bus, while also helping improve the bus driver’s ability to see children outside the bus. The proposal follows the 2020 Report of the Task Force on School Bus Safety, which recommends new measures to protect children outside the school bus, where they are at the highest risk.

8. Shoreland Transport acquires Connors Transfer and TFI International buys Transport St-Amour

Shoreland Transport Inc. says it has acquired Connors Transfer Ltd. of Stellarton in a move that will strengthen Cooke’s vertical integration. It also makes Shoreland Transport one of the largest trucking companies in Atlantic Canada. Glenn Cooke, CEO of Shoreland Transport, says the company is pleased to welcome the trucking company’s 215 employees to its team. Connors was founded in Stellarton, Nova Scotia in 1982 and has grown from two trucks delivering dry goods to grocery stores in Nova Scotia to a fleet of 143 trucks and 261 trailers with four terminal locations. In another transaction, TFI International has acquired Transport St-Amour, from l’Ange Gardien in Quebec’s Outaouais region. The news was announced by Kingsway Bulk, a division of TFI, via social media. The transaction allows Kingsway to expand its chip division. Financial details of the sale were not disclosed.

9. Toronto and Purolator piloting mini-hubs for parcel shipping

Toronto residents will soon be seeing blue shipping containers splashed with Purolator’s logo in Green P parking lots. The containers are mini retail outlets where residents can ship or receive parcels. The two Urban Quick Stop mini hubs in Toronto will operate full retail services and a total of five electric cargo bikes to deliver packages to the surrounding areas. The program is expected to help reduce traffic congestion and CO2 emissions by 68 tonnes per year.

10. Feds Announce New Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles Program

Minister of Transport Omar Alghabra announced on July 11, 2022 that the Government of Canada will be introducing a medium-and heavy-duty zero-emission vehicles (iMHZEV) incentive program, which will provide approximately 50% of the cost difference between traditional diesel vehicle and a zero-emission alternative to assist trucking fleets in reducing their carbon footprint. The announcement follows through on the commitment by the federal government [outlined in Budget 2022](#) to provide \$547.5 million over four years to launch the new purchase incentive program for zero-emission vehicles (ZEV). As part of EVWeek in Canada, the federal government has unveiled incentives for the purchase of medium and heavy-duty electric vehicles. The Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles (iMHZEV) Program began on July 11, 2022. Scheduled for four years, the program, will help businesses and communities across the country make the switch to zero-emission vehicles with close to \$550 million in incentives. It is offering purchase incentives worth approximately half of the price difference between an electric vehicle and a traditional vehicle. The incentive tops out at \$200,000 per vehicle (for a class 7/8 coach), and can be combined with provincial or territorial incentives.

11. Minister of Transport announces new Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles Program

On July 11, 2022, as part of #EVWeek in Canada, the Minister of Transport, the Honourable Omar Alghabra, announced the new Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles (iMHZEV) Program. Starting on July 11, 2022 this four-year, close to \$550 million program, will help businesses and communities across the country make the switch to zero-emission vehicles. The Medium- and Heavy-Duty Zero-Emission Vehicles Program will provide purchase incentives worth approximately 50% of the price difference between an electric vehicle and a traditional vehicle. These incentives will be: 1. applicable to purchase or lease commercial, medium- and heavy-duty zero-emission vehicles such as the Ford e-Transit cargo van, the Karsan e-Jest shuttle, the Lion8 vocational truck, the Volvo VNR-electric tractor truck, and more ([eligible vehicles](#)). 2. eligible to provinces and territories, municipal and

local governments, organizations, and businesses. 3. worth up to \$200,000 per vehicle, and able to be combined with provincial or territorial incentives to make these vehicles even more affordable

12. May 2022 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 0.3% in May 2022 from April 2022, rising after a one-month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From May 2021 to May 2022 the index rose 2.6% compared to a decline of 2.0% from May 2019 to May 2021. The level of for-hire freight shipments in May 2022 measured by the Freight TSI (140.1) was 1.3% below the all-time high level of 142.0 in August 2019.

13. Tiger Trucking on Prioritizing Safety in the Trucking Industry

Giant Tiger's private fleet, Tiger Trucking, was honoured at the Private Motor Truck Council of Canada (PMTCC) Annual Conference in June 2022 for its accomplishments and exceptional track record for fleet safety. This is a huge milestone that Mike Louwerse, fleet manager of Tiger Trucking, attributes to the company's continued commitment to providing the best-in-class training and equipment for Giant Tiger's drivers, new and seasoned. Tiger Trucking has more than 170 fleet employees.

14. Jardine picks up K&T Transport

Jardine Transport Group has bought K&T Transport Ltd., an open-deck, dry van and logistics transportation business based in Plaster Rock, New Brunswick. K&T was established in 1984 and currently operates a fleet of 60 power units serving customers throughout Canada and the United States. Jardine Transport Group has [completed five acquisitions in the past seven years](#) and now operates a fleet of over 210 power units.

15. Jardine Group acquires K&T Transport

Jardine Transport Group has purchased K&T Transport, an open-deck, dry van and logistics provider based in Plaster Rock, N.B. The company adds more than 60 power units to Jardine's growing network. It has completed five acquisitions over the past seven years and now operates more than 210 trucks. Dion Cull, president of Jardine Transport Group said "The acquisition of K&T is consistent with our strategy of building a leading transportation company based in Atlantic Canada. Tim Linton has built a very strong business and I'm pleased that he will remain as general manager of K&T. The company has a long track record of success and will complement our existing operations very well."

16. Urban public transit, May 2022

The number of urban transit passengers in Canada continued to rise in May 2022, reaching 94.5 million trips, the highest monthly level since before the COVID-19 pandemic, a 82.8% increase from a year ago. With an easing of public health restrictions and more Canadians returning to the workplace, ridership has now recovered 60.8% of its pre-pandemic level. Transit operating revenues were \$218.3 million in May 2022 a rise of 78.4% from a year ago.

17. Mullen Group Ltd. nearly doubles second-quarter profit

Mullen Group Ltd. nearly doubled its 2022 second-quarter profit compared with a year ago as its revenue rose 67 per cent. Mullen Group chair and senior executive officer Murray Mullen says consolidated revenue hit record levels driven by acquisitions, general pricing increases, fuel surcharges and steady customer demand. The trucking and logistics company says it earned \$42.7 million or 43 cents per diluted share for the quarter ended June 30, 2022. The result was up from a profit of \$21.7 million or 23 cents per diluted share in the same quarter last year. However, Mullen added there's reason to believe economic activity will begin to slow as inflationary pressures impact consumer spending. "Overall, our pace of growth will moderate over the next quarters as we delay future acquisitions," Mullen said, adding he anticipates the strong job market will keep consumer spending from crashing. On a conference call with analysts, Mullen provided more color into the current freight market. Mullen said. "Demand is not collapsing. There's less capacity to move available freight...our results should be just fine, especially with sticky freight rates." Mullen said he hears the same sentiment from peers in the industry on both sides of the border. "We have not seen any meaningful decline in demand."

18. Canada's spot market beginning to normalize: Loadlink

Canada's spot market saw an influx of capacity amid softening freight demand in June 2022, according to Loadlink Technologies. The shift signals a return to normalization. Spot market loads fell 23% from record May volumes, but remained 7% higher year over year. Capacity grew for the third straight month, with 2.53 trucks posted for every load. Some lanes, such as Alberta and Vancouver, did see growth, however. Outbound freight to the U.S. dropped 53% from May, but remained up 21% from last June. Inbound cross-border loads fell 34% from May and were down 6% year over year. Domestic loads dipped 21% from May, but remained 25% stronger year over year. Loadlink describes the 2.53 truck-to-load ratio as "healthy," with the ratio remaining about 5% lower than the 2.68 trucks per load posted in June 2021.

19. North American Transborder Freight up 28.3% in May 2022 from May 2021

Transborder freight between the U.S. and North American countries (Canada and Mexico) in May 2022 was as follows: 1. Total transborder freight: \$139.4 billion of transborder freight moved by all modes of transportation, up 28.3% compared to May 2021. 2. Freight between the U.S. and Canada totaled \$71.0 billion, up 30.4% from May 2021. 3. Freight between the U.S. and Mexico totaled \$68.4 billion, up 26.3% from May 2021. 4. Trucks moved \$82.1 billion of freight, up 20.7% compared to May 2021. 5. Railways moved \$19.3 billion of freight, up 21.0% compared to May 2021. U.S.-Canada transborder freight (both directions) is as follows: 1.Truck: \$36.7b. 2. Rail: \$11.4b. 3. Pipeline: \$12.1b. 4. Vessel: \$4.2b. 5. Air: \$3.0b.

20. FedEx tells small contractors it won't negotiate collectively

FedEx Corp's head of ground unit operations told contractors that deliver packages for it that the company will only negotiate individually with them and that any effort to discuss financial terms as a group is a breach of their contracts, according to a memo seen on July 27, 2022 by *Bloomberg News*. 1. The memo from ground unit chief John Smith comes after a large contractor last week urged FedEx to boost payments to make up for rising costs and warned contractors would form a 10-person committee to negotiate with the company. 2. "FedEx Ground will not discuss, negotiate, or renegotiate service provider agreements or financial terms with a committee or any individual purporting to represent a collective body of service provider businesses," the memo says. 3. FedEx uses some 6,000 small, independently run companies for ground delivery of its packages throughout the US and Canada.

GENERAL TRANSPORTATION

Canada

1. Peru added to Canada's trusted trade partners

The Canada Border Services Agency (CBSA) and Peru's Customs administration have signed an agreement to recognize each other's Trusted Trader programs. The Mutual Recognition Arrangement (MRA) between CBSA and the National Superintendency of Customs and Tax Administration of the Republic of Peru (SUNAT) will contribute to increased security of the international supply chain, facilitate trade at the border, and strengthen the economic competitiveness of Canadians doing business with Peru, CBSA said in a statement.

2. EU to require advance customs notice

Beginning March 1, 2023, all freight forwarders, air carriers, express couriers, and postal operators transporting goods to or through the EU (including Norway and Switzerland) will be required to submit advance cargo information. These new requirements come under the second phase of the EU's new customs pre-arrival security and safety program – Import Control System 2 (ICS2) Release 2.

3. Biden may roll back Chinese tariffs this week, Dow Jones says

US President Joe Biden could announce his decision to roll back some tariffs on Chinese imports as soon as this week, Dow Jones reports, a move that might lessen domestic inflation but could also reduce pressure on Beijing. The changes could include a suspension of tariffs on consumer goods including clothing and school supplies and setting up a way for importers to request waivers on the import taxes, according to the report, which cited unidentified people familiar with the matter. The offshore yuan rose as much as 0.3% to 6.6807 per dollar, the strongest in a week, after the report. The Australian dollar extended gains following the report, climbing 1% versus the US dollar to 0.6884. The New Zealand dollar tracked the Aussie higher, rising 0.9% to 0.6250. Biden's administration is weighing what to do about former President Donald Trump's tariffs on hundreds of billions of dollars worth of imports from China, which is both its biggest trading partner and most powerful competitor. While some businesses have benefited from protection from Chinese imports, those that use the goods as inputs in areas including manufacturing have been hurt by the price rises.

4. Canadian Tourism Activity Tracker, April 2022

In April 2022, overall tourism activity in Canada was 24.3% below the level reached in April 2019, before the COVID-19 pandemic. Tourism activity as a whole has steadily improved since May 2021, except for a temporary pause in January 2022 due to the Omicron variant and renewed restrictions. With further easing of travel restrictions in April

GENERAL TRANSPORTATION

Canada

1. Peru added to Canada's trusted trade partners, July 1, 2022, www.insidelogistics.ca
2. EU to require advance customs notice, July 1, 2022, www.insidelogistics.ca
3. Biden may roll back Chinese tariffs this week, Dow Jones says, July 4, 2022, www.ajot.com
4. Canadian Tourism Activity Tracker, April 2022, July 5, 2022, www.statcan.gc.ca
5. National tourism indicators, first quarter 2022, July 6, 2022, www.statcan.gc.ca
6. U.S. Transportation Sector Unemployment Rate of 4.1% in June 2022 Was Below the June 2021 Level of 6.2% And Was The Same As the Pre-Pandemic June Level of 4.1% in 2019; and National Transportation Statistics 7/8/22 Updated, July 8, 2022, www.bts.gov
7. Global trade hits record \$7.7 trillion in first quarter of 2022, July 7, 2022, www.ajot.com
8. Secretary Buttigieg Statement on the First Anniversary of the Biden Administration's Competition Council, July 11, 2022, www.dot.gov
9. China's trade surplus blossoms after shutdowns end, July 13, 2022, www.insidelogistics.ca
10. Travel between Canada and other countries, May 2022, July 22, 2022, www.statcan.gc.ca
11. New International Harmonization Rule Will Help Speed Up the Movement of Goods, Reduce Costs for Americans, July 25, 2022, www.dot.gov
12. The United States became the world's largest LNG exporter in the first half of 2022, July 25, 2022, www.ajot.com

2022, both domestic and inbound travel contributed to the overall tourism recovery across the country, resulting in the highest level since the onset of the pandemic.

5. National tourism indicators, first quarter 2022

Tourism spending in Canada grew 1.3% in the first quarter of 2022, a fourth consecutive quarterly increase. Tourism gross domestic product (GDP) (+0.9%) and jobs attributable to tourism (+0.8%) also rose in the first quarter. Tourism spending in Canada increased 50.7% over the last four quarters but was 34.2% below the pre-pandemic levels of the fourth quarter of 2019. Growth in the first quarter of 2022 was driven by an increase in tourism spending by Canadians in Canada (+2.9%). Tourism spending by international visitors fell 6.9%, as overnight travel to Canada declined in the first quarter following a large increase in the fourth quarter of 2021. New travel restrictions were set in late 2021 in response to COVID-19's Omicron variant. Phased easing and lifting of these restrictions did not come into effect until February 28, 2022.

6. U.S. Transportation Sector Unemployment Rate of 4.1% in June 2022 Was Below the June 2021 Level of 6.2% And Was The Same As the Pre-Pandemic June Level of 4.1% in 2019

The unemployment rate in the U.S. transportation sector was 4.1% (not seasonally adjusted) in June 2022 according to Bureau of Labor Statistics (BLS) data recently updated on the Bureau of Transportation Statistics (BTS) Unemployment in Transportation dashboard. The June 2022 rate fell 2.1 percentage points from 6.2% in June 2021 and was just same as the pre-pandemic June level of 4.1% in June 2019. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020. Unemployment in the transportation sector was above overall unemployment. BLS reports that the U.S. unemployment rate, not seasonally adjusted, in June 2022 was 3.8% or 0.3 percentage points below the transportation sector rate. Seasonally adjusted, the U.S. unemployment rate in June 2022 was 3.6%. The Bureau of Transportation Statistics (BTS) also released its monthly update to National Transportation Statistics (NTS), a guide to historical national-level transportation trends.

7. Global trade hits record \$7.7 trillion in first quarter of 2022

The value of global trade rose to a record \$7.7 trillion in Q1 2022, an increase of about \$1 trillion relative to Q1 2021, according to UNCTAD's Global Trade Update published on 7 July, 2022. The growth, which represents a rise of about \$250 million relative to Q4 2021, is fuelled by rising commodity prices, as trade volumes have increased to a much lower extent. Though expected to remain positive, trade growth has continued to slow during Q2 2022. "The war in Ukraine is starting to influence international trade, largely through increases in prices," the report says. It adds that rising interest rates and the winding down of economic stimulus packages will likely have a negative impact on trade volumes for the rest of 2022. Volatility in commodity prices and geopolitical factors will also continue to make trade developments uncertain.

8. Secretary Buttigieg Statement on the First Anniversary of the Biden Administration's Competition Council.

With fighting inflation as the President's top economic priority, the Biden Harris Administration's Competition Council has never been more important. I am proud of the work the Department of Transportation has contributed – including work on a new rule requiring airlines to refund fees for passengers when their baggage is delayed or they don't receive services they paid for like WiFi; imposing the biggest fine in DOT history against an airline for failing to issue timely refunds; directly helping Americans get refunds they deserve when their flights are cancelled; and increasing the number of takeoff and landing opportunities for low-cost carriers at Newark Airport. There's a lot of important work ahead, but President Biden's approach – insisting that competition must be enforced and consumers must be protected – is making a difference in ensuring fairness and lowering prices for the American people.

9. China's trade surplus blossoms after shutdowns end

China's monthly trade surplus soared to a record US\$97.9 billion in June 2022 as export growth picked up after anti-virus controls that shut down Shanghai were lifted and shippers moved a backlog of cargo. Exports rose 17.9 percent over a year ago to \$331.2 billion, up from May's 16.9 percent growth, customs data showed July 20, 2022. In a sign of Chinese economic weakness, imports rose just one percent to \$233.3 billion, pushing up the trade surplus by 90 percent from a year ago. Imports from Russia, mostly oil and gas, rose 56 percent over a year ago as Beijing took advantage of price cuts offered by the Kremlin after Washington and Europe suspended most of their own purchases to punish Moscow for its invasion of Ukraine.

10. Travel between Canada and other countries, May 2022

In May 2022, the number of international arrivals to Canada continued to increase, but remained below 2019 levels, before the COVID-19 pandemic. Residents of overseas countries made almost 12 times more trips to Canada in May 2022 compared with the same month in 2021. However, this was less than half (46.8%) of the number of trips taken in May 2019. Likewise, US residents made almost 10 times more trips to Canada in May 2022 than in May 2021 and, for the first time since the onset of the pandemic, this number represented more than half (52.1%) of the trips taken during the same reference month in 2019. Compared with May 2021, Canadian residents made nearly eight times more trips home from visiting abroad in May 2022, reaching over three-fifths (60.7%) of the May 2019 pre-pandemic level. For

more up-to-date estimates of international arrivals into Canada, please see June's "Leading indicator of international arrivals to Canada."

11. New International Harmonization Rule Will Help Speed Up the Movement of Goods, Reduce Costs for Americans

The U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) on July 25, 2022 announced a Final Rule that amends the Federal Hazardous Materials Regulations (HMR) to harmonize U.S. laws with numerous international standards. The Final Rule improves safety, streamlines the transport of hazardous materials, including medical supplies, batteries, and components used in manufacturing, and encourages shippers to package goods more efficiently. PHMSA estimates the rule will save consumers approximately \$250 million over the next 10 years in costs related to the shipment of goods.

12. The United States became the world's largest LNG exporter in the first half of 2022

The United States became the world's largest liquefied natural gas (LNG) exporter during the first half of 2022, according to data from [CEDIGAZ](#). Compared with the second half of 2021, U.S. LNG exports increased by 12% in the first half of 2022, averaging 11.2 billion cubic feet per day (Bcf/d). U.S. LNG exports continued to grow for three reasons—increased LNG export capacity, increased international natural gas and LNG prices, and increased global demand, particularly in Europe. According to our estimates, installed U.S. [LNG export capacity](#) has expanded by [1.9 Bcf/d nominal \(2.1 Bcf/d peak\) since November 2021](#). The capacity additions included a sixth train at the Sabine Pass LNG, 18 new mid-scale liquefaction trains at the Calcasieu Pass LNG, and increased LNG production capacity at Sabine Pass and Corpus Christi LNG facilities. As of July 2022, we estimate that U.S. LNG liquefaction capacity averaged 11.4 Bcf/d, with a shorter-term peak capacity of 13.9 Bcf/d.