

Transportation Information Update*

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AIR TRANSPORTATION

1. WestJet Group furthers growth strategy, inking deal with Boeing for an additional 42 fuel-efficient 737-10 aircraft plus 22 options

On September 29, 2022, the WestJet Group announced an agreement with Boeing to purchase an additional 42 MAX aircraft, along with options for 22 more. This order is in addition to WestJet's remaining 23 MAX orders and extends the airline's fleet growth plans out to 2028. "With this additional order, the WestJet Group will accept delivery of no fewer than 65 aircraft in the next six years, at least 50 will be 737-10 aircraft, furthering our commitment to affordable travel options for Canadians and jobs for our company and the aerospace industry," said WestJet Group Chief Executive Officer Alexis von Hoensbroech. "WestJet's expansion plans are rooted in an enhanced presence in Western Canada and a growth strategy in eastern Canadian communities through increased transcontinental flights and more direct routes to sun and leisure destinations. This will be further strengthened once our Sunwing transaction has been approved." WestJet's Board of Directors approved the order for state-of-the-art Boeing 737-10 aircraft, the largest model in Boeing's MAX family. The 737-10 provides superior economic benefits to any other 737 aircraft in WestJet's fleet, while ensuring simplicity through expected training commonality across the airline's 737 fleet.

2. Aircraft movement statistics: Major airports, July 2022

In July 2022, Canada's major airports recorded a total of 524,233 aircraft movements. This was an increase of 24.6% from July 2021 and the first time in over two and a half years that movements have exceeded half a million. Despite this growth, the pace of recovery slowed in July as airports continued to experience congestion. Of the levels from July 2019, before the COVID-19 pandemic, domestic movements by Level I-III and foreign carriers reached 80.4%, movements to and from the United States increased to reach 75.9% and other international traffic to 82.9%. Toronto/Lester B. Pearson International remained Canada's busiest airport, and Montréal/Pierre-Elliott-Trudeau International returned to be among the top five busiest airports for the first time since January 2022.

3. Monthly civil aviation statistics, July 2022

Major Canadian airlines carried 6.7 million passengers on scheduled and charter services in July 2022, surpassing 6 million for the second time since February 2020, prior to the COVID-19 pandemic. This was more than three times the number of passengers carried in the same month of 2021 and over four-fifths (83.8%) of the July 2019 pre-pandemic level. With traffic at 18.7 billion passenger-kilometres and capacity at 21.5 billion available seat-kilometres, the passenger load factor (the ratio of passenger-kilometres to available seat-kilometres) was 86.9% in July 2022, virtually the same as its 2019 pre-pandemic level for the first time in the recovery. The \$2.4 billion operating revenue earned in July 2022 was 96.6% of that earned in July 2019.

4. Air Canada to Launch New, Non-stop Transborder Routes to the U.S. from Halifax and Vancouver

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16. Peak travel season ends on a high note in August, October 6, 2022, www.iata.org
17. Air Cargo Demand Shows Resilience in August, October 6, 2022, www.iata.org

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

Air Canada on October 3, 2022 announced new, daily transborder flights between Halifax-and-Newark and Vancouver-and-Houston. The year-round routes will start in December 2022 and conveniently link these major urban markets, as well as provide easy onward connections through Air Canada's and its partner United Airlines' global networks. "With these new routes from Halifax and Vancouver, Air Canada is meeting demand in these important markets and building on our strengthened trans-border partnership with United Airlines to solidify our leadership in the Canada-U.S. market," said Mark Galardo, Senior Vice President, Network Planning and Revenue Management at Air Canada. "These routes will give customers in Atlantic and Western Canada more convenient options for flying to the U.S. They will reinforce the already strong links between Atlantic Canada and New York, while for customers in Western Canada they will provide more options for reaching destinations in Latin America and the Caribbean through United Airlines' Houston hub. They will also facilitate many new one-stop connections from the U.S. onto Air Canada's extensive domestic and global network." Air Canada is the foreign carrier with the largest number of flights to the U.S. Including these new routes, Air Canada's U.S. network will be 6 per cent above its 2019, pre-pandemic capacity for the summer season of 2023. It serves 51 U.S. airports.

5. DDC's Canary drone hits new heights

Drone Delivery Canada Corp.'s Canary drone has passed several new flight-worthiness tests. The Canary passed a parachute safety system air-deployment test as well as an automated motor safety shut-off. The DDC team pushed the Canary up to 5,900ft ASL with full payload of 4.5kg to validate performance including the demonstration of its stability, fidelity and reliability. Additionally, the team tested the drone for cold and hot weathers forcing it to perform at -35 degrees Celsius and +50 degrees Celsius.

6. Minister Alghabra concludes his participation in the 41st ICAO Assembly

In the final week of September 2022, the Minister of Transport, the Honourable Omar Alghabra, took part in the 41st Session of the International Civil Aviation Organization (ICAO) Assembly, which runs from September 27 to October 7, 2022, at ICAO headquarters in Montréal. Minister Alghabra participated in several events throughout the week to demonstrate Canada's deep commitment to ICAO and the many important issues being discussed at the Assembly.

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

The Minister of Transport, the Honourable Omar Alghabra, the Minister of Health, the Honourable Jean-Yves Duclos, the Minister of Public Safety, the Honourable Marco Mendicino, and the Minister of Tourism and Associate Minister of Finance, the Honourable Randy Boissonnault, issued an update on September 29, 2022 on the continued action and progress being made by the Government of Canada and industry partners to reduce traveller wait times and delays across Canadian airports.

8. Aeroplan wins Best Earning and Redemption Ability at the 2022 Frequent Traveler People's Awards

Air Canada's Aeroplan loyalty program has been recognized for Best Earning and Redemption Ability (Americas) in a survey of global frequent flyers by the Frequent Traveler (FT) People's Awards, which celebrate excellence in loyalty programs globally. The award recognizes Aeroplan's extensive air

18. WestJet and Korean Air enhance codeshare agreement with addition of WestJet codeshare on flights to Seoul, South Korea, October 7, 2022, www.westjet.ca
19. Air Canada and the Montreal Canadiens Inaugurate New Air Canada Signature Club Offering Premium Member Experience at Montreal Canadiens Home Games, October 12, 2022, www.aircanada.ca
20. Air Canada to Launch New Services to Europe; Restores Key International Routes, Frequencies Beginning Summer 2023, October 13, 2022, www.aircanada.ca
21. Porter Airlines brings travellers back to Mont-Tremblant's winter attractions, October 13, 2022, www.flyporter.com
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25. Hong Kong Airport traffic surges after hotel quarantine scrapped, October 16, 2022, www.ajot.com
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27. Government of Canada makes important investments at Nunavut airports, October 18, 2022, www.tc.gc.ca
28. WestJet and Pacific Coastal Airlines Launch Interline Cooperation, October 18, 2022, www.westjet.ca
29. Air Transat and Porter Airlines launch codeshare agreement, October 18, 2022, www.flyporter.com
30. Second Quarter 2022 Average Air Fare Increases 22% from Second Quarter 2021, October 18, 2022, www.bts.gov
31. Government of Canada makes important investments at British Columbia airports, October 19, 2022, www.tc.gc.ca
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33. Government of Canada makes important investments at Red Lake Municipal Airport, October 21, 2022, www.tc.gc.ca
34. WestJet gives guests more options via Amsterdam, October 24, 2022, www.westjet.ca
35. Porter Airlines celebrates 16 sweet years, October 24, 2022, www.flyporter.ca
36. Air Canada to Acquire 15 Additional Canadian-built Airbus A220-300 Aircraft, October 26, 2022, www.aircanada.ca
37. Regulatory review of the WestJet Group's acquisition of Sunwing moves to next stage, October 26, 2022, www.westjet.ca
38. Air Canada Unveils Comprehensive Product Experience Improvements from

reward program, and this honour follows on the heels of winning Best Redemption Ability at the 2022 Freddie Awards. "We believe that becoming the best travel loyalty program starts with making rewards rewarding for our members, and that's why it's such an honour to earn this recognition," said Scott O'Leary, Air Canada's Vice President, Loyalty and Product.

9. Government of Canada invests in Kenora Airport

On October 4, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced that the Government of Canada is providing the Kenora Airport with more than \$8.8 million in funding, through the Airports Capital Assistance Program, for the rehabilitation of Runway 08-26, Taxiway A, and Apron I. The work includes the removal of the granular base and subbase layers, and the placement of new granular base layers and asphalt paving.

This investment is in addition to the more than \$370,000 in Airports Capital Assistance Program funding provided to the airport in May 2021, to purchase a sweeper used in the removal of ice and snow.

10. Aeroplan launches HotelSavers, raising the bar for travel rewards yet again

Aeroplan, Canada's leading travel loyalty program, on October 5, 2022 launched HotelSavers, allowing members to book stays with Aeroplan points at preferential rates at a broad range of acclaimed hotels worldwide. "When Canadians want to fly on points, they can already count on Aeroplan as Aeroplan credit card holders can redeem for Air Canada flight rewards for an average of 30% fewer points than if they used points for non-Aeroplan Canadian bank-based travel programs. However, no one has focused on delivering Canadians a great hotel rewards program – that changes on October 5, 2022. With HotelSavers, we're now offering Aeroplan members great options to book hotels using their points – without compromising the excellent value they've come to expect. HotelSavers is yet another way we're investing to solidify Aeroplan as the go-to rewards choice for all Canadians who travel," said Scott O'Leary, Vice President, Loyalty and Product at Air Canada. Members get great value for their points with HotelSavers, thanks to Aeroplan's direct partnerships with hotels and exclusively negotiated redemption rates: savings in points are up to 30% versus non-HotelSavers hotels available on the member exclusive reservation platform. A simple rewards grid makes it easy to know how many points you need for stays at one of eight reward categories, ranging from economy to luxury. There are stays to suit every budget, from as few as 10,000 points per night for a standard room with no restrictions on room availability.

11. Government of Canada makes important investments at Waterloo Regional Airport

On October 5, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced that the Government of Canada is making important safety investments at the Waterloo Regional Airport. Through Transport Canada's Airports Capital Assistance Program, the Government of Canada is providing the airport with \$342,000 for the purchase of a 4x2 plow truck used to remove and control snow and ice. This investment is in addition to the more than \$3.9 million provided to the airport under the Program in May 2021, for the partial rehabilitation of Taxiways A and C, Apron IIIA, and aircraft stands.

12. Historic partnership between the WestJet Group and the Government of Alberta sets foundation for future of aviation growth across province

The WestJet Group and the Government of Alberta on October 5, 2022 announced a first-of-its-kind partnership, focused on significantly advancing aviation across the province in support of a stronger economy and a long-lasting, sustainable future for Alberta's aviation sector. As the airline furthers its growth strategy, WestJet will invest aircraft capacity, with an asset value in excess of seven billion dollars, in Calgary alone, through significant fleet commitments to be based within the province. WestJet will designate YYC Calgary International Airport as its single global connecting hub and will concentrate all intercontinental 787 Dreamliner flying in Calgary, unlocking opportunity for new routes within North America, to Europe, with the potential to reach Asia. Alongside the 787s, WestJet will grow its mid-range fleet and strengthen its North American offerings, with its commitment to double capacity in Calgary before the end of the decade. In addition to Calgary, WestJet plans to grow its network across other Canadian communities, strengthening its footprint in the east and in leisure travel across the entire country, consistent with its [strategic plan](#) released in June 2022 and its [recent purchase announcement](#) of 42 Boeing 737-10 MAX aircraft.

13. Biden-Harris Administration Extends Rest Periods for Flight Attendants

The U.S. Department of Transportation's Federal Aviation Administration (FAA) issued a final rule requiring that flight attendants receive longer periods of rest between shifts. The new rule increases the rest period to 10 consecutive hours. "Flight attendants, like all essential transportation workers, work hard every day to keep the traveling public safe, and we owe them our full support," said U.S. Transportation Secretary Pete Buttigieg. "This new rule will make it easier for flight attendants to do their jobs, which in turn will keep all of us safe in the air."

Airport Lounges to Onboard Dining and Entertainment, October 26, 2022, www.aircanada.ca

39. Air Travel Consumer Report: August Consumer Complaints Up 6 Percent from July, More Than 320 Percent, October 26, 2022, www.bts.gov

40. Government of Canada makes important investments at 15 Manitoba airports, October 26, 2022, www.tc.gc.ca

41. Monthly civil aviation statistics, August 2022, October 27, 2022, www.statcan.gc.ca

42. Aircraft movement statistics: Major airports, August 2022, October 27, 2022, www.statcan.gc.ca

14. Air Canada Cargo Announces Expansion of Freighter Network into The United States, Adds New Latin American Route

Air Canada Cargo on October 5, 2022 announced that starting in November 2022, it will expand its freighter network into the United States for the first time, with flights to Dallas and Atlanta. The addition of these key US markets is a significant milestone for Air Canada Cargo and allows Air Canada Cargo to provide dedicated, reliable service to customers in key markets, and allowing easy connection to other markets through our global hub in Toronto. Air Canada Cargo is also expanding its presence in Latin America with service to Bogota. “These additional routes allow us to expand the reach of our freighter network to key US markets, and conveniently connect cargo in the USA to Canada, Europe, Latin America and Asia-Pacific with our freighter service. The additional growth of our freighter fleet allows us to continue to expand to better serve our global customers and we remain committed to supporting global economies and supply chains with reliable transportation moving critical goods,” said Matthieu Casey, Managing Director, Commercial, at Air Canada Cargo. In addition to the eight converted Boeing 767 freighters already announced, Air Canada Cargo continues to expand its freighter fleet, with two factory-built 767-300F that will enter service in 2023 and two Boeing 777 freighters that will enter service in 2024.

15. U.S. Airlines’ August 2022 Fuel Consumption Down 8.5% from Pre-Pandemic August 2019; Aviation Fuel Cost per Gallon Drops 6.5% in August from July 2022

The Department of Transportation’s Bureau of Transportation Statistics (BTS) on October 4, 2022 released U.S. airlines’ August fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.51 billion gallons of fuel, 0.7% less fuel than in July 2022 (15 million gallons) and 8.5% less than in pre-pandemic August 2019. The cost per gallon of fuel in August 2022 (\$3.47) was down 24 cents (6.5%) from July 2022 (\$3.71) and up \$1.53 (78.9%) from August 2019. Total August 2022 fuel expenditure (\$5.23B) was down 7.3% from July 2022 (\$5.64B) and up 62.9% from pre-pandemic August 2019. Year-over-year increases in fuel consumption and cost for August include 4.5% in domestic fuel consumption, 82.7% in domestic fuel cost, and 74.2% in cost per gallon. Domestic fuel consumption decreased 1.3% from July to August in 2022, but increased 4.5% from August 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

16. Peak travel season ends on a high note in August

The International Air Transport Association (IATA) announced passenger data for August 2022 showing continued momentum in the air travel recovery. 1. **Total traffic** in August 2022 (measured in revenue passenger kilometers or RPKs) was up 67.7% compared to August 2021. Globally, traffic is now at 73.7% of pre-crisis levels. 2. **Domestic traffic** for August 2022 was up 26.5% compared to the year-ago period. Total August 2022 domestic traffic was at 85.4% of the August 2019 level. 3. **International traffic** rose 115.6% versus August 2021 with airlines in Asia delivering the strongest year-over-year growth rates. August 2022 international RPKs reached 67.4% of August 2019 levels. “The Northern Hemisphere peak summer travel season finished on a high note. Considering the prevailing economic uncertainties, travel demand is progressing well. And the removal or easing of travel restrictions at some key Asian destinations, including Japan, will certainly accelerate the recovery in Asia. The mainland of China is the last major market retaining severe COVID-19 entry restrictions,” said Willie Walsh, IATA’s Director General.

17. Air Cargo Demand Shows Resilience in August

The International Air Transport Association (IATA) released August 2022 data for global air cargo markets which demonstrated the industry’s resilience amid economic uncertainties. 1. Global demand, measured in cargo tonne-kilometers (CTKs), fell 8.3% compared to August 2021 (-9.3% for international operations). This was a slight improvement on the year-on-year decline of 9.7% seen in July. 2. Capacity was 6.3% above August 2021 (+6.1% for international operations). This is a significant expansion over the 3.6% year-on-year increase in July. 3. Several factors should be noted in the operating environment. 4. Global goods trade expanded slightly in August and the additional easing of COVID-19 restrictions in China will positively impact cargo markets. While maritime will be the main beneficiary, air cargo will also receive a boost from these developments. 5. Inflation levels in G7 countries slowed for the first time since November 2020. 6. Oil prices stabilized in August and the jet fuel crack spread fell from a peak in June. 7. New export orders, a leading indicator of cargo demand and world trade, decreased in leading economies in all regions except the US. “Air cargo continues to demonstrate resilience. Cargo volumes, while tracking below the exceptional performance of 2021, have been relatively stable in the face of economic uncertainties and geopolitical conflicts.”

18. WestJet and Korean Air enhance codeshare agreement with addition of WestJet codeshare on flights to Seoul, South Korea

WestJet and Korean Air on October 7, 2022 have expanded their long-standing codeshare agreement with the placement of WestJet’s codeshare on Korean’s flights between both Toronto Pearson (YYZ) and Vancouver International (YVR) in Canada and Incheon International Airport (ICN) in Seoul, South Korea. This is WestJet’s first reciprocal codeshare

with an Asian partner. With WestJet's "WS" code now active for sale on Korean's flights to Seoul, guests have more opportunities than ever before to combine WestJet and Korean flights to meet their trans-Pacific travel needs.

19. Air Canada and the Montreal Canadiens Inaugurate New Air Canada Signature Club Offering Premium Member Experience at Montreal Canadiens Home Games

Air Canada and the Montreal Canadiens on October 12, 2022 inaugurated the Air Canada Signature Club, an ultra-premium lounge for select Montreal Canadiens season ticket holders at Montreal's home games that offers Quebec hockey fans the ultimate viewing experience of their favourite team. The Air Canada Signature Club offers the most spacious seating in the arena for 200 fans, who will enjoy premium, complimentary menu creations by celebrated Montreal Chef Jérôme Ferrer and wine selections by renowned Quebec sommelier Véronique Rivest, two of Air Canada's culinary partners. Air Canada on October 12, 2022 also announced a four-year extension to the airline's long-standing sponsorship of the organization with Air Canada as Official Airline of the Montreal Canadiens.

20. Air Canada to Launch New Services to Europe; Restores Key International Routes, Frequencies Beginning Summer 2023

Air Canada on October 13, 2022 announced the strategic expansion of its international network for summer 2023, with the addition of new European services to Brussels, Toulouse and Copenhagen. It is also resuming key Asia services to Tokyo-Haneda and Osaka, and is restoring frequencies to leading destinations in the Atlantic, Pacific and South America regions. Tickets are available for purchase at aircanada.com, via the Air Canada App, Air Canada's Contact Centres, and travel agents.

21. Porter Airlines brings travellers back to Mont-Tremblant's winter attractions

Porter Airlines returns to Mont-Tremblant, Que., this winter with its seasonal service, beginning Dec. 16, 2022 and running until March 27, 2023. The schedule includes up to three weekly flights between Billy Bishop Toronto City Airport and Mont-Tremblant.

22. U.S. Cargo and Passenger Airlines Added 1,334 Jobs in August 2022; Employment Remains 3.6% Above Pre-Pandemic August 2019

U.S. airline industry (passenger and cargo airlines combined) employment increased to 769,106 workers in August 2022, 1,334 (0.17%) more workers than in July 2022 (767,772) and 26,780 (3.61%) more than in pre-pandemic August 2019 (742,326). U.S. scheduled-service passenger airlines employed 489,404 workers in August 2022 or 64% of the industry-wide total. Passenger airlines added 2,190 employees in August for a sixteenth consecutive month of job growth dating back to May 2021. United led scheduled passenger carriers, adding 1,061 employees; Envoy Airlines added 342 employees, and Southwest Airlines added 332. American Airlines lost 207 employees, and Delta Airlines lost 282 employees. U.S. cargo airlines employed 274,966 workers in August, 36% of the industry total. Cargo carriers lost 1162 employees in August 2022 due to Atlas Air not reporting as of this release. If their July 2022 employees of 4,345 were included, cargo carrier's employment would have increased for August. FedEx, the leading air cargo employer, increased employment by 2,966 jobs.

23. The Government of Canada and industry partners continue to take action to reduce wait times and delays at Canadian airports

The Minister of Transport, the Honourable Omar Alghabra, the Minister of Public Safety, the Honourable Marco Mendicino, and the Minister of Tourism and Associate Minister of Finance, the Honourable Randy Boissonnault, issued this update on October 14, 2022 on the continued action and progress being made by the Government of Canada and industry partners to reduce traveller wait times and delays across Canadian airports. In particular, on-time performance from October 3-9, 2022, was over 91 percent of flights from the top four airports left on time, or within one hour of their scheduled departure. This was significant improvement from under 75 percent for the first week of July and is approaching the pre-pandemic levels in October 2019 where 96 percent of flights were on time, or within an hour of scheduled departure.

24. July 2022 U.S. Airline Traffic Data

U.S. airlines carried 69.9 million systemwide (domestic and international) scheduled service passengers in July 2022, seasonally-adjusted, according to the Bureau of Transportation Statistics' (BTS), down 0.4% from June 2022. BTS reported 61 million domestic passengers and 8.9 million international passengers on U.S. airlines flights in July 2022. U.S. airline traffic reports are filed monthly with BTS. See the tables that accompany this release on the BTS website for summary data since 2016 and complete data since 2000.

25. Hong Kong Airport traffic surges after hotel quarantine scrapped

Hong Kong International Airport's September 2022 passenger traffic volume increased by 133% from a year earlier, after authorities scrapped some of the city's harshest travel restrictions, including requirements for hotel quarantine and a pre-boarding Covid test. Passenger throughput climbed to 525,000, 10% higher than in August 2022. The growth was boosted by visitors to and from Southeast Asia, the Airport Authority said in a statement on October 16, 2022. Hong Kong is under mounting pressure to reopen as its isolationist travel curbs left the city struggling to maintain its

status as a global financial hub. Authorities addressed one of the biggest complaints from the business communities when they scrapped the hotel quarantine requirement last month. Still, other restrictions remain, including three days of health monitoring for people who arrive in the city. While they are allowed to travel to work and take public transport, they are banned from visiting restaurants and bars. Cargo throughput dropped 25% to 341,000 tons last month, continuing a months-long slump amid geopolitical headwinds and disruptions to the global supply chain. Cargo traffic to and from key trading regions in North America and Europe is among the worst hit, the authority said. Both exports and imports have slumped more than 25%.

26. EU signs accord with Southeast Asian bloc to expand flights

The European Union finalized a deal with the Association of Southeast Asian Nations to expand flights between the two trading blocs following negotiations that began six years ago. The deal, signed On October 17, 2022 in Bali, Indonesia, will add passenger and cargo services between and beyond both regions, boosting connectivity as Asia reopens following Covid-19 restrictions, the EU said in a statement. Under the accord, airlines from member states can operate unlimited flights between the blocs, replacing more limited bilateral arrangements. In addition, they'll be able to fly as many 14 weekly passenger services and any number of cargo flights via a third country or beyond to another nation. The EU said the pact represents the world's first bloc-to-bloc air transport agreement. It will open up services for carriers including Deutsche Lufthansa AG, Air France-KLM, Singapore Airlines Ltd., Thai Airways International and Malaysia Airlines.

27. Government of Canada makes important investments at Nunavut airports

The Minister of Transport, the Honourable Omar Alghabra, on October 18, 2022 announced that the Government of Canada is making important safety investments at local and regional airports in Nunavut. Through Transport Canada's Airports Capital Assistance Program, four airports in Nunavut will receive over \$5.4 million for safety-related projects and equipment that will help maintain safe airport operations for passengers, crews and airport workers. The airports receiving funding are: Cambridge Bay Airport (\$420,000 to purchase a 4x4 plow truck); Clyde River Airport (\$210,000 to purchase a loader-mounted snow blower); Coral Harbour Airport (\$420,000 to purchase a 4x4 plow truck); and Whale Cove Airport (\$4.4 million to rehabilitate airside granular surfaces).

28. WestJet and Pacific Coastal Airlines Launch Interline Cooperation

On October 18, 2022 WestJet and Pacific Coastal Airlines launched a reciprocal interline relationship, the first interline collaboration for Pacific Coastal Airlines. Guests can now purchase a single ticket from either airline for travel involving connecting flights between their networks. Guests will enjoy the confidence of optimized connecting times and the convenience of checking in and receiving boarding passes for all flights at the first point of departure. "We are thrilled to become the first interline partner for Pacific Coastal and to add to our existing WestJet Link relationship," said John Weatherill, WestJet's Chief Commercial Officer. "This new interline complements our network growth in Western Canada and the strong schedule we're bringing to the communities we serve directly and through our partners like Pacific Coastal."

29. Air Transat and Porter Airlines launch codeshare agreement

On October 18, 2022, Air Transat and Porter Airlines, two of Canada's most prominent airlines, have launched a new bilateral codeshare. The agreement is now activated between Porter Airlines' domestic flights to and from Halifax (YHZ) and Toronto City (YTZ), and select Air Transat's flights to and from Montreal (YUL). "We are delighted that our codeshare agreement with Porter Airlines is taking off. Our respective networks are highly complementary, with Porter serving Toronto and Halifax, and Air Transat serving some 15 countries," said Michèle Barre, Air Transat's Vice President, Network, Revenue Management and Pricing. This will provide both our passengers with an expanded, yet seamless experience, and is perfectly in line with Air Transat's strategy initiated earlier this year to develop our network through alliances."

30. Second Quarter 2022 Average Air Fare Increases 22% from Second Quarter 2021

The average U.S. domestic air fare increased in the second quarter of 2022 to \$397, up 17.4% from the first quarter 2022 inflation-adjusted fare of \$338. Adjusted for inflation (constant 2022 dollars), the average 2Q 2022 air fare was up 34.6% from \$295 in the first full quarter (Q2) of the pandemic in 2020 and down 2.1% from pre-pandemic Q4 2019 (\$406). Adjusted for inflation, the second quarter 2022 fare is up 22.0% from the second quarter 2021 fare of \$326. In the second quarter 2022, passenger demand increased with U.S. airlines reporting 85.3 million originating passengers, up 641.74% from 11.5 million passengers in second quarter of 2020.

31. Government of Canada makes important investments at British Columbia airports

On October 19, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced that the Government of Canada is making important safety investments at local and regional airports in British Columbia. Through Transport Canada's Airports Capital Assistance Program, eight airports in British Columbia will receive over \$14 million from the Government of Canada for projects and equipment that will help maintain safe airport operations for passengers, crews, and airport workers. The airports receiving funding are: 1.Cranbrook: \$1,610,312 to rehabilitate airfield electrical and

systems \$336,525 to purchase a 4x4 snowplow truck; 2. Fort St. John: \$217,360 to purchase a sweeper; 3. Masset: \$448,700 to purchase a 4x4 snowplow truck and \$428,905 to purchase a loader with attachments; 4. Nanaimo: \$224,350 to purchase a 4x4 snowplow truck; 5. Powell River: \$8,025,527 to rehabilitate Runway 09-27; 6. Terrace: \$299,452 to construct a mobile equipment shelter and \$217,360 to purchase a sweeper; 7. Tofino: \$2,333,104 to replace wildlife control fencing and \$261,751 to construct a sand and equipment shelter; and 8. Williams Lake: \$502,200 to purchase a medium-sized snowblower

32. WestJet to offer service between Terrace, B.C., and Calgary

WestJet on October 19, 2022 announced that it will add four-times weekly service between Terrace, B.C., and Calgary, beginning December 1, 2022. Creating a gateway for business and leisure travel opportunities, WestJet Encore's service to Terrace, will provide a convenient connection to WestJet's home and largest global hub in Calgary where the airline will operate more than 800 flights per week, to more than 65 destinations around the world, in December 2022.

33. Government of Canada makes important investments at Red Lake Municipal Airport

On October 21, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced that the Government of Canada is making important safety investments at Red Lake Municipal Airport. Through Transport Canada's Airports Capital Assistance Program (ACAP), the Government of Canada will provide the airport with more than \$900,000 for safety-related projects and equipment including: 1. purchasing a loader and grader for use in the removal of ice and snow from airside surfaces; 2. replacing wind direction indicators; 3. installing apron lighting for the aircraft de-icing facility; and 4. rehabilitating the constant current regulators on the taxiways and apron.

34. WestJet gives guests more options via Amsterdam

WestJet on October 24, 2022 initiated the placement of its "WS" codeshare on KLM-operated flights as part of its long-standing codeshare relationship with KLM Royal Dutch Airlines. Through the codeshare, guests will have convenient access via Amsterdam's Schiphol Airport (AMS) to and from 20 cities including Vienna, Brussels, Copenhagen, Frankfurt, Athens, Milan, Lisbon, Glasgow, and Manchester across 12 European countries. Combined with the restart of WestJet's non-stop 787 Dreamliner service between Amsterdam and Calgary on November 14, 2022, the resumption of the codesharing on KLM operated flights will give guests greater access between Canadian and European points for travellers on both sides of the Atlantic.

35. Porter Airlines celebrates 16 sweet years

Sunday, October 23, marked Porter's 16th year of redefining the flying experience for all travellers. Since 2006, Porter has operated with a commitment to speed, convenience and service, including complimentary wine and beer served in glassware for every passenger. With its headquarters at Billy Bishop Toronto City Airport in the heart of downtown Toronto, Porter's regional network includes destinations in eastern Canada and the United States. In 2021, Porter announced plans to expand its award-winning service with a fleet of Embraer E195-E2 aircraft. The planes will initially operate out of Toronto Pearson International Airport and introduce new destinations throughout North America, including the west coast, southern U.S., Mexico and the Caribbean. The aircraft will also be used to enhance service in Halifax, Montreal and Ottawa in the coming years. Deliveries for up to 100 E195-E2s are expected to begin in 2022.

36. Air Canada to Acquire 15 Additional Canadian-built Airbus A220-300 Aircraft

Air Canada on October 26, 2022 announced that it has converted options for 15 Airbus A220-300 aircraft into firm orders, bringing to 60 the total number of the Canadian-built aircraft it will acquire for its fleet. "This expanded order for the A220, built up the road from our Montreal headquarters, is an important development in the modernization of our fleet and a clear indication that we are emerging from the pandemic solidly positioned for the future. The A220 has become a mainstay of our narrow body fleet, and its performance and passenger comfort are enabling us to compete effectively in the North American market," said Michael Rousseau, President and Chief Executive of Air Canada. "We are also proud to support the Canadian aerospace industry. This increased order will support jobs at Airbus' Mirabel factory and affirms Air Canada's positive economic impact in Montreal, Quebec and throughout Canada."

37. Regulatory review of the WestJet Group's acquisition of Sunwing moves to next stage

The WestJet Group on October 26, 2022 issued a statement following the release of the Competition Bureau's advisory report on the company's proposed acquisition of Sunwing Vacations and Sunwing Airlines, and the Canadian Transportation Agency's positive determination. "We thank the Competition Bureau and welcome their report," said Angela Avery, WestJet Group Executive Vice-President and Chief People, Corporate and Sustainability Officer. "We look forward to bringing this transaction to life for the benefit of Canadian travellers, communities and employees." The Bureau's report is advisory and non-binding but will support the Minister of Transport's public interest assessment. The final decision, made by the Cabinet on the Minister of Transport's recommendation, will consider additional factors presented in the WestJet Group's application, including the preservation of Sunwing's brand, the commitment to maintain Sunwing's Toronto and Montreal offices, new flying that will be created by retaining Sunwing's aircraft in Canada year-round and the resulting new employment opportunities. Separately, the Canadian Transportation Agency has issued its positive determination of the proposed transaction. WestJet thanks the Agency for its review. With the

publication of the Bureau's report and the issuance of the Agency's determination, the transaction's regulatory review process moves into its next stage.

38. Air Canada Unveils Comprehensive Product Experience Improvements from Airport Lounges to Onboard Dining and Entertainment

Air Canada on October 26, 2022 announced a comprehensive range of new product improvements to elevate the customer experience. The changes will have something for everyone, including upgraded Economy dining, more in-flight entertainment and connectivity options, and enriched Premium offerings. Beginning in November, customers will see new and restored services in Air Canada Maple Leaf Lounges and in Premium cabins onboard, a new Economy Class dining service with a celebrity chef entree internationally plus fresh, new Bistro choices in North America, and in a first for a Canadian airline, complimentary, high-speed Wi-Fi when travelling Premium Rouge. Starting in 2023, Air Canada will increase its onboard entertainment content by over 25 per cent, and introduce Live TV, Bluetooth audio connectivity and other new features such as New Acqua di Parma amenity kits and, in Vancouver, Porsche-powered Air Canada Chauffeur Service for Air Canada Signature Class

39. Air Travel Consumer Report: August Consumer Complaints Up 6 Percent from July, More Than 320 Percent

The U.S. Department of Transportation on October 26, 2022, released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of August 2022 for on-time performance, consumer complaints received, mishandled baggage, and mishandled wheelchairs and scooters. There was a 6.0% increase in air travel service complaints from July to August, and complaints are more than 320% above pre-pandemic levels. The previous report from July showed a 16.5% increase from June to July, and complaints were more than 260% above pre-pandemic levels.

40. Government of Canada makes important investments at 15 Manitoba airports

On October 26, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced that the Government of Canada is making important safety investments at local and regional airports in Manitoba. Through Transport Canada's Airports Capital Assistance Program, 15 airports in Manitoba will receive over \$5.1 million. The airports receiving funding are: 1. Berens River (\$50,000); 2. Bloodvein River (\$990,655); 3. Flin Flon (534,749); 4. Gods Lake Narrows (\$260,000); 5. Norway House (\$50,000); 6. Oxford House \$50,000); 7. Pukatawagan (\$50, 000); 8. Red Sucker Lake (\$50,000); 9. South Indian Lake (\$50,000); 10. St. Andrews (\$395,200); 11. St. Theresa Point (\$50,000); 12. Tadoule Lake (\$1,529,573); 14. The Pas/Grace Lake (\$234,000); 15. Thompson (\$358,960); and 16. York Landing (\$926,610).

41. Monthly civil aviation statistics, August 2022

Major Canadian airlines carried 6.8 million passengers on scheduled and charter services in August 2022. This was more than double the number of passengers carried in August 2021 and over four-fifths (82.8%) of the August 2019 level, before the COVID-19 pandemic. With traffic at 18.9 billion passenger-kilometres and capacity at 21.9 billion available seat-kilometres, the passenger load factor (the ratio of passenger-kilometres to available seat-kilometres) was 86.5% in August. The \$2.4 billion operating revenue earned in August 2022 was 90.0% of that earned before the pandemic in August 2019.

42. Aircraft movement statistics: Major airports, August 2022

In August 2022, Canada's major airports recorded a total of 508,927 aircraft movements, an increase of 20.0% from August 2021, reaching 89.9% of the total from August 2019, before the COVID-19 pandemic. Domestic movements by Level I to III carriers and foreign carriers increased to 84.5% of the pre-pandemic level from August 2019, while their movements to and from the United States reached 76.6%. Other international traffic reached 83.7%. Toronto/Lester B Pearson International remained Canada's busiest airport.

WATER TRANSPORTATION

1. Shipping giant Maersk: ‘Significantly less demand’ but ‘no hard landing’

It’s getting increasingly ugly for shipping lines in the trans-Pacific market. Spot rates are sliding relentlessly with each passing week. Liners are starting to suspend entire service strings: Maersk just dropped two trans-Pacific services, MSC and Matson cancelled one each. Is Maersk CEO Soren Skou — whose company operates the world’s second largest liner company — getting worried yet? He doesn’t sound worried, at least, not about Maersk itself. Skou voiced no concerns about Maersk and kept earnings guidance unchanged. However, his comments on sinking demand implied that carriers with less contract coverage and land-based logistics business than Maersk have something to worry about.

2. CMA CGM launches carbon offsets for fast container returns

The CMA CGM Group has launched TEUs to Trees, an early container return incentive program. The liner company will purchase carbon credits for its customers based on how quickly they return empties. The program will be in effect from October 1, 2022, to December 30, 2022. Credits will be provided to CMA CGM customers that return both dry and refrigerated containers originating from nearly 20 Asian countries to CMA CGM-approved return locations in port cities throughout the United States (rail ramps not included). The carbon credits CMA CGM will purchase on behalf of its customers will be used to expand U.S. forestry, support urban resilience projects in vulnerable communities and drive the creation of additional offset projects in the United States.

3. The Government of Canada invests in partnership with Indigenous Peoples in the next phase of the Oceans Protection Plan

On September 29, 2022, the Minister of Transport, the Honourable Omar Alghabra announced an investment of \$50 million to directly support Indigenous partnerships in the Oceans Protection Plan. This funding will be open to Indigenous communities and organizations, and can be used to support capacity for their continued involvement in: 1. Discussing and building relationships that advance marine safety and environmental protection; and 2. Improving the marine transportation system and protection of the environment.

4. Atlantic Canada ports: Saint John exceeds 2021 volumes, Halifax goes green

At the end of September 2022, Port Saint John had already exceeded the volumes that it handled in 2021, and that growth could balloon in the coming years as more terminal capacity comes online, port officials said. The port, located in the Canadian province of New Brunswick, has handled about 100,000 twenty-foot equivalent units since the start of 2022, “which is more throughput than Port Saint John has ever experienced on an annual basis,” the port said last week. The port handled 64,682 TEUs between January and September 2021, according to port spokesperson Jane Burchill, making for a nearly 55% increase year over year. In 2021, Port Saint John handled 86,949 TEUs, which itself was a 10% increase over 2020 volumes. Last year also marked the fifth consecutive year of container growth at the port complex. The increase in this year’s volumes comes as the port prepares for its second berth to go online in 2023. Additional cargo laydown space will also be available in 2024 and 2025.

5. Minister of Transport welcomes final report of the National Supply Chain Task Force

October 6, 2022, Minister Alghabra welcomes the Task Force’s final report and is reviewing it with great interest. The Final Report focuses on areas of action, collaboration, and transformation as overarching themes to improve

WATER TRANSPORTATION Canada

1. Shipping giant Maersk: ‘Significantly less demand’ but ‘no hard landing’, September 29, 2022, www.freightwaves.com

2. CMA CGM launches carbon offsets for fast container returns, September 30, 2022, www.insidelogistics.ca

3. The Government of Canada invests in partnership with Indigenous Peoples in the next phase of the Oceans Protection Plan, September 29, 2022, www.tc.gc.ca

4. Atlantic Canada ports: Saint John exceeds 2021 volumes, Halifax goes green, October 3, 2022, www.americanshipper.com

5. Minister of Transport welcomes final report of the National Supply Chain Task Force, October 6, 2022, www.tc.gc.ca; and Supply Chain Task Force recommends 21 actions in final report, October 7, 2022, www.insidelogistics.ca

6. Biden-Harris Administration Announces Nearly \$39 Million in Grants for America’s Marine Highways to Strengthen Supply Chains, October 6, 2022, www.dot.gov

7. US imports sink in September, suffer steepest drop since 2020 lockdowns, October 10, 2022, www.freightwaves.com

8. FMC proposes tighter container billing standards, October 7, 2022, www.freightwaves.com

9. Shipping moves towards zero emission fuels, October 10, 2022, www.insidelogistics.ca

10. Ports Modernization Review, October 11, 2022, www.tc.gc.ca; The Government of Canada announces how it will change the way ports work to strengthen our supply chain and make life more affordable October 11, 2022, www.tc.gc.ca

11. Shipping lines still raking in billions despite sinking cargo demand, October 12, 2022, www.freightwaves.com

12. Minister of Transport announces new grain terminal equipment in the Port of Montréal during Supply Chain Week, October 12, 2022, www.tc.gc.ca

13. Drewry World Container Index, October 13, 2022, www.ajot.com

14. Major Chinese ports container volume up 4.4% in late Sep, October 14, 2022, www.seatrade-maritime.com

15. Feds to update ports’ legislation, October 14, 2022, www.insidelogistics.ca

16. Container-ship logjams off US ports finally easing as imports fall, October 14, 2022, www.freightwaves.com

17. MSC’s orderbook signals brewing battle with 2M partner Maersk: analyst, October 17, 2022, www.joc.com

18. SC Ports developing near-dock rail at the Port of Charleston, October 17, 2022, www.ajot.com

19. Shifting tides: The fall of container shipping stocks, the rise of tankers, October 18, 2022, www.freightwaves.com

20. Unifor Autoport workers ratify new contract, October 19, 2022,

Canada's supply chain. To realize real results for Canadians, a total of 21 actions have been recommended. Highlights of recommended actions in the report include: 1. Easing port congestion; 2. Addressing labour shortages and employee retention; 3. Establishing a federal Supply Chain Office to unify relevant federal government activities; 4. Protecting corridors, border crossings, and gateways from disruption; 5. Developing a national transportation Supply Chain Strategy; and 6. Engaging the United States and the provinces and territories to achieve mutual recognition of regulations, policies, and processes.

6. Biden-Harris Administration Announces Nearly \$39 Million in Grants for America's Marine Highways to Strengthen Supply Chains

On October 6, 2022, the U.S. Department of Transportation's Maritime Administration (MARAD) awarded nearly \$39 million in grants to 12 marine highway projects across the Nation under the America's Marine Highway Program (AMHP). The funding will help expand marine highway services on our nation's navigable waterways to reduce congestion, alleviate supply chain bottlenecks, and move goods more quickly from ships to shelves. "At a time of record demand for goods, it's more important than ever to strengthen our supply chains so our manufacturers can grow and American families can get the things they need quickly and affordably," said U.S. Transportation Secretary Pete Buttigieg. "Today's announcement will help improve our marine highway system across the country, alleviating congestion, modernizing port operations, and ultimately lowering the cost of goods for American families."

7. US imports sink in September, suffer steepest drop since 2020 lockdowns

First came the pullback in spot shipping rates from their historic peak. Then came reports of plunging Asian bookings and mass retail order cancellations, with spot rates falling even faster. Now, all of this is finally showing up at America's ports. According to Descartes, which aggregates U.S. Customs data, inbound volumes to all U.S. ports totaled 2,215,731 twenty-foot equivalent units in September. That's down 11% year on year and 12.4% from August. Last month's imports came in below September 2020 levels, albeit still up 9% from September 2019, pre-COVID. Imports this September were down 15.5% versus May, the month inbound volumes hit an all-time high, according to Descartes data.

8. FMC proposes tighter container billing standards

Ocean carriers and marine terminals would be subject to stricter — and potentially costlier — billing requirements when they charge shippers for late containers under a proposal by the Federal Maritime Commission. The FMC's 58-page proposed rule on demurrage and detention billing requirements, scheduled to be posted in the Federal Register next week, "seeks to bring more clarity, structure, and punctuality" to the billing practices of vessel operating common carriers (VOCCs), non-vessel-operating common carriers (NVOCCs) and marine terminal operators (MTOs), the agency stated on October 7, 2022. Carriers and container terminals charge demurrage when full containers have not been picked up by customers — taking up valuable terminal space — within a certain number of days. Detention is charged when the customer is late returning the empty container to the terminal. However, the cargo surge over the past two years resulted in a significant increase in demurrage and detention charges. Between 2020 and 2022, the FMC noted, nine of the largest carriers serving the U.S. container trades individually charged a total of approximately \$8.9 billion in demurrage and detention and collected approximately \$6.9 billion.

9. Shipping moves towards zero emission fuels

The shipping industry is working towards full decarbonization by 2050. An action plan was launched last year and the first report on progress towards the goal was released on September 21 in parallel with the Clean Energy Ministerial Global Clean Energy Forum. The "Climate Action in Shipping Report – Progress towards Shipping's 2030 Breakthrough" finds there has been "significant progress from industry, national governments and positive developments at the IMO", but converting those commitments into concrete developments is vital for further progress. The study, led by Katharine Palmer, shipping lead for the UN High level Climate Champions team, and Domagoj Baresic, consultant at UMAS, evaluated the 2030 breakthrough goals against key levers for change, which include: technology and supply, finance, policy, demand, and civil society action.

10. Ports Modernization Review

The Ports Modernization Review was launched in March 2018 with an aim to optimize CPAs' current and future role in the transportation system as innovative assets that support inclusive growth and trade. Two key steps the government

www.insidelogistics.ca

21. Ocean carriers readying more capacity cuts for Q4: analysts, October 19, 2022,

www.joc.com

22. Container imports to Los Angeles and Long Beach are plummeting, October 16, 2022, www.freightwaves.com

23. Great Lakes-St. Lawrence Seaway System continues to be reliable agriculture shipping route, October 20, 2022, www.ajot.com

24. The busiest US port sees cargo business slowing into the holiday season, October 20, 2022, www.ajot.com

25. Port of Prince Rupert: Accumulated container traffic January to September 2022, October 24, 2022, www.rupertport.com

26. Port of Metro Vancouver: Accumulated container traffic January to September 2022, October 24, 2022, www.metrovancouver.com

27. Port of Montreal: Accumulated container traffic January to September 2022, October 25, 2022, www.portmontreal.ca

28. Strong Return for Cruise Tourism in Prince Rupert, October 26, 2022, www.rupertport.com

will take for a resilient supply chain are: 1. completing the Ports Modernization Review, and a new policy on port infrastructure investments; and 2. introducing legislative reforms to update how Canada's ports are managed and operated, coupled with a policy framework that will guide investments in port infrastructure. Throughout 2018 and 2019, Transport Canada engaged with stakeholders and after receiving comments and formal submissions in 2020, the Minister of Transport released a *What We Heard Report* summarizing stakeholder views. On 11 October 2022, the Minister announced that the government intends to introduce legislative amendments in the coming months to update how Canada's ports are managed and operated based on the results of the Ports Modernization Review. The proposed legislative changes will achieve several key policy objectives, including: 1. Adjustments to port governance and financial management to provide ports with the tools to unlock greater performance, efficiency, and productivity in order to be effective instruments of public policy. 2. Ports ensure their continued competitiveness and are positioned as strategic enablers of trade and traffic given their central role as intermodal hubs that support supply chain performance and economic growth. 3. Strengthen relationships with Indigenous Peoples and local communities through structured engagement to foster alignment of port development and operations, and advance reconciliation. 4. Ports assume a leadership role in advancing the greening of the marine sector by promoting environmentally sustainable infrastructure and taking action on climate change. 5. Port safety and security projects that protects and further the transportation system from threats while ensuring that goods move efficiently through the supply chain. 6. The proposed amendments will support the development of a new investment policy for Canada's ports and port infrastructure to attract investment capital that is critical to the national transportation supply chain for decades to come.

11. Shipping lines still raking in billions despite sinking cargo demand

There's no shortage of schadenfreude toward shipping lines these days. After making hundreds of billions in profits during the pandemic, there is gleeful talk of their looming comeuppance — of plummeting spot rates and carriers begging for business. But anyone expecting shipping lines to book losses anytime soon will be disappointed. They're still pocketing billions of dollars in profits each quarter. Spot rate declines and volume reductions are still being easily offset by higher contract rates. Share pricing of listed ocean carriers has plunged in 2022. Zim is down 59% year to date, Maersk 42% and Hapag-Lloyd 41%. But still-booming cash flows look like they'll take a lot longer to wind down than share prices imply. Recently released data from Asian carriers reveals that financial performance is still close to peak levels and has a very long way to fall before liner operators come even close to breakeven.

12. Minister of Transport announces new grain terminal equipment in the Port of Montréal during Supply Chain Week

On October 12, 2022, the Minister of Transport, the Honourable Omar Alghabra, and Parliamentary Secretary to the Minister of Transport, Annie Koutrakis, announced an investment of up to nearly \$8 million for DG CanEst Transit Inc. to update existing infrastructure and purchase new equipment for its facilities located in the Port of Montréal. The funding was provided under the National Trade Corridors Fund. The project, worth a total of \$18 million, will increase the number of containers stored onsite, improve the quality of the grain-cleaning service, optimize traffic flow in the yard, and increase capacity for loading and handling containers. This will ensure critical Canadian goods, like grain and other agriproducts, can continue to be shipped reliably for import and export.

13. Drewry World Container Index

1. The composite index decreased by 6% this week, the 33rd consecutive weekly decrease, and has dropped by 65% when compared with the same week last year. 2. The latest Drewry WCI composite index of \$3,483 per 40-foot container is now 66% below the peak of \$10,377 reached in September 2021. It is 7% lower than the 5-year average of \$3,732, indicating a return to more normal prices, but remains 145% higher than average 2019 (pre-pandemic) rates of \$1,420. 3. The average composite index for the year-to-date is \$7,402 per 40ft container, which is \$3,670 higher than the five-year average (\$3,732 mentioned above). 4. The composite index decreased by 6% to \$3,483.19 per 40ft container, and is 65% lower than the same week in 2021. Freight rates on Shanghai – Los Angeles dropped 13% or \$376 to \$2,619 per feu. Spot rates on Shanghai – New York fell 8% or \$566 to \$6,321 per 40ft box. Likewise, rates on Shanghai – Genoa and Shanghai – Rotterdam dipped 4% and 3% to \$4,736 and \$4,595 per 40ft container, respectively. Rates on Rotterdam – Shanghai slid 5% to \$915 while rates on Los Angeles – Shanghai slipped 4% to \$1,175 per feu. However, rates from Rotterdam – New York gained 1% to \$7,295 and rates on New York – Rotterdam grew 2% to \$1,336 per 40ft container. Drewry expects the index to decrease in the next few weeks.

14. Major Chinese ports container volume up 4.4% in late Sep

Container volume at eight major Chinese ports increased 4.4% year-on-year for late September 2022. Export container volume grew 5.9% while the domestic volume dropped 0.3%. The ports of Xiamen, Qingdao and Ningbo-Zhoushan all posted a growth rate of over 10%. Cargo throughput at major coastal hub ports increased 8.1%. The international trade cargo throughput was up 2.5% while domestic volume rose 13.28%.

15. Feds to update ports' legislation

The federal government plans to update the legislation that governs how ports operate. Following the completion of the Ports Modernization Review, the government says it will make changes to give ports the tools they need to respond to contemporary challenges. “Thanks to the feedback gathered from ports, industry stakeholders, provinces, territories, and municipalities, as well as local and Indigenous communities through the Ports Modernization Review, we can now move forward to strengthen our marine supply chain and help Canadians with the rising cost of living,” said Omar Alghabra, minister of transport. “We plan to advance our current port system to be even more adaptable and agile, helping to build a more resilient, reliable supply chain system for both Canadians and our economy.”

16. Container-ship logjams off US ports finally easing as imports fall

The good news is that there were fewer than 100 container ships stuck waiting off North American ports on October 14, 2022. The bad news is that there were still 99 container ships offshore and the pre-COVID norm was in the single digits. There’s still a long way to go to clear the backlog. But the current tally is now back to June levels and 35% off recent highs. The number of ships waiting off North American ports peaked at around 150 in January 2022, with waiting vessels almost entirely off the West Coast. The queue fell through the spring as Los Angeles and Long Beach, California, improved their cargo flows. It rebounded back [to over 150 in late July](#), propelled by traffic jams off East and Gulf Coast ports. It has gradually declined since then. According to an American Shipper survey of Marine Traffic ship-position data, together with the latest queue lists from California ports, there were 27 container vessels off the West Coast and 72 off the East and Gulf coasts as of mid-day October 14, 2022.

17. MSC’s orderbook signals brewing battle with 2M partner Maersk: analyst

With MSC poised to further increase the size of its fleet, it could back out of the 2M Alliance to create its own standalone service network, leaving Maersk to search for new vessel-sharing partners, writes JOC analyst Lars Jensen.

18. SC Ports developing near-dock rail at the Port of Charleston

With great support from South Carolina elected leaders, South Carolina Ports will soon have near-dock rail and an inner-harbor barge operation to ensure fluidity and capacity for the Southeast supply chain. SC Ports officials and elected officials gathered on October 17, 2022 in North Charleston to celebrate the groundbreaking of the Navy Base Intermodal Facility. SC Ports is developing the rail-served intermodal yard to provide near-dock rail to the Port of Charleston. “This resolves the last remaining competitive disadvantage we have as a major East Coast container port,” SC Ports President and CEO Barbara Melvin said. “This critical infrastructure project will greatly enhance SC Ports’ capacity, allowing imports and exports to swiftly move between the hinterland and the Port of Charleston.”

19. Shifting tides: The fall of container shipping stocks, the rise of tankers

Sometimes stocks in all ocean shipping segments move up or down in unison. Now is not one of those times. Shares of container lines and container-ship leasing companies are down double digits. Shares of ocean carrier Zim have lost more than half their value year to date. In contrast, tanker stocks are up double and in some cases triple digits. Shares in product carrier owner Scorpio Tankers hit yet another 52-week high on October 18, 2022. They’re up 257% year to date. For perspective on what’s driving the divergence and on who’s investing in these stocks, American Shipper interviewed veteran analyst Omar Nokta. Nokta took over as head of maritime research at investment bank Jefferies in July 2022. Prior to that, he covered shipping at Clarksons Platou Securities and Dahlman Rose, where he began in 2004.

20. Unifor Autoport workers ratify new contract

After eight months of negotiations, Unifor and Autoport at the Port of Halifax reached an agreement on October 7, 2022. Autoport, a CN Rail subsidiary, is one of North America’s largest vehicle processing and transshipment facilities. It handles nearly 185,000 vehicles per year. Union members ratified the new two-year collective agreement over the weekend of October 15th and 16th. The new contract delivers an average wage increase of 10 percent over the term of the collective agreement, the union reported. It also strengthened seniority provisions in key areas of the collective agreement such as: shift bids, training, amid full time employment.

21. Ocean carriers readying more capacity cuts for Q4: analysts

Maersk and Wan Hai are throttling back their capacity into the US West Coast amid a severe drop in container freight rates that could lead to even more vessel cuts as the fourth quarter progresses.

22. Container imports to Los Angeles and Long Beach are plummeting

September is usually a strong month for West Coast imports as U.S. companies bring in their year-end holiday goods. Not so in 2022. On October 19, 2022, the Port of Los Angeles reported its lowest import total for September 2022 since 2009, amid the Great Recession. The day before, the neighboring Port of Long Beach posted its weakest import total for September since 2016. Imports to Southern California ports are falling fast because shippers have shifted volumes to East and Gulf coast ports, fearing disruptions from West Coast port labor negotiations. Simultaneously, volumes are now pulling back nationwide due to falling demand.

23. Great Lakes-St. Lawrence Seaway System continues to be reliable agriculture shipping route

The Great Lakes Seaway Partnership on October 20, 2022 announced the tonnage report for traffic through the St. Lawrence System through September, 2022. The numbers show that the Seaway System continues to provide a reliable global shipping route for agricultural products. “September’s tonnage report re-affirms that the Great Lakes St. Lawrence Seaway System is a reliable shipping corridor enabling U.S. growers and producers to feed the world,” said Jeff Scharf, Acting Deputy Administrator, Great Lakes St. Lawrence Seaway Development Corporation. “With a busy few months remaining in the 2022 season, we’re confident that our Great Lakes ports are ready to finish the year strong.” Through September, the Seaway System has moved 689,000 metric tonnes of U.S. grain. This is a 41.24 percent increase compared to the same period in 2021. It’s estimated that U.S. Great Lakes ports traded with at least 15 countries during September 2022, compared to 23 in August 2022.

24. The busiest US port sees cargo business slowing into the holiday season

Cargo volumes at the Port of Los Angeles fell for a second month in September 2022 and the outlook remains “soft” for the rest of the year, according to Gene Seroka, the head of the nation’s busiest container port. The port handled 709,873 twenty-foot equivalent containers last month, down 22% from a year ago and the lowest amount for September in seven years, according to an emailed statement on October 19, 2022. Volumes so far this year are 4% lower than last year’s record-setting levels, said Seroka. The number of imports into Los Angeles fell 26.6% from a year ago to 343,462 containers, the weakest September for inbound shipments since 2009. There were also fewer container imports into neighboring Port of Long Beach.

25. Port of Prince Rupert: Accumulated container traffic January to September 2022

For the **Port of Prince Rupert** for the first nine months of 2022, total traffic in terms of TEUs changed 2% i.e. to 790,557 from 773,444. Total import traffic for the period changed 3% i.e. to 410,303 from 397,050. Total export traffic for the period changed 1% i.e. to 380,254 from 376,394.

26. Port of Metro Vancouver: Accumulated container traffic January to September 2022

For the **Port of Metro Vancouver** for the first nine months of 2022, total traffic in terms of TEUs changed -3.2% i.e. to 2,766,138 from 2,858,235. Total import traffic for the period changed -1.6% i.e. to 1,454,369 from 1,477,944. Total export traffic for the period changed -5% i.e. to 1,311,770 from 1,380,291.

27. Port of Montreal: Accumulated container traffic January to September 2022

For the **Port of Metro Vancouver** for the first nine months of 2022, total traffic in terms of TEUs changed 2.24% i.e. to 1,315,712 from 1,286,831. Total import traffic for the period changed 5.13% i.e. to 661,792 from 629,528. Total export traffic for the period changed -0.51% i.e. to 653,921 from 657,303.

28. Strong Return for Cruise Tourism in Prince Rupert

Cruise tourism has firmly regained its footing at the Port of Prince Rupert. After a two-year hiatus due to the pandemic, the Port saw a 230 per cent increase in cruise passenger volumes versus 2019 – the last time cruise ships were operating in Canada. Between May 17th and October 3rd, 2022, 40,998 cruise passengers transited through the Port, making it the busiest cruise season in Prince Rupert in over a decade. The return of cruise tourism has significantly boosted the local economy, with approximately \$3.5 million in direct consumer spending in the community, including more than \$650,000 spent with local shore excursion providers. This season’s totals were also bolstered by visits from Ruby Princess. The cruise vessel, which has a capacity for more than 3,000 passengers, called on Prince Rupert 13 times. Ruby Princess is the first in the Princess Cruises fleet to include the Port on its regular Alaska cruise itinerary.

RAIL TRANSPORTATION

1. More Rail Tank Cars Meet DOT-117 Safety Standards in 2021

In accordance with the 2015 Fixing America’s Surface Transportation (FAST) Act, the Bureau of Transportation Statistics (BTS) released its [Fleet Composition of Rail Tank Cars Carrying Class 3 Flammable Liquids: 2022 Report](#). The report discusses the progress in upgrading the rail tank car fleet to the DOT-117 standard, which meets new safety requirements, and summarizes the types of rail tank cars carrying Class 3 flammable liquids. There is a rolling phase out schedule of tank cars based on both tank car type and flammable liquids carried. In 2021, 57% of all rail tank cars carrying Class 3 flammable liquids were built to the new DOT-117 or DOT-117R specification. There were no phase-out deadlines in 2021. The next major deadline is in 2023.

2. CN shares plan for winter operations

RAIL TRANSPORTATION

Canada

1. More Rail Tank Cars Meet DOT-117 Safety Standards in 2021, September 29, 2022, www.bts.gov
2. CN shares plan for winter operations, October 4, 2022, www.insidelogistics.ca; and CN Publishes its 2022-2023 Winter Plan, October 3, 2022, www.cn.ca
3. Much-needed grain piles up in Canada due to overwhelmed railways, October 4, 2022, www.ajot.com
4. TTC Completes Line 1 ATC, October 4, 2022, www.railwavage.com
5. STB extends public hearings on CP-KCS merger, October 3, 2022, www.joc.com

CN has published its plan for winter operations in 2022 and 2023. The plan sets out the measures the railway will introduce to ensure it has the capacity and resources to maintain operations in cold winter weather. The measures introduced include adding staff and new locomotives, along with new rail cars and monitoring technology. The plan “reviews core aspects of CN’s operations: how safety and greater efficiency work together; how we plan with customers to deliver service during winter on a sector-by-sector basis; how we invest to improve productivity; and, how we mobilize people and resources to enhance the resilience of our network. The steps outlined in this plan will help ensure a more efficient and resilient CN network and an increasingly reliable and resilient supply chain,” said Tracy Robinson, chief executive officer of CN. The highlights on the new initiatives were on: 1. People; 2. Locomotives; 3. Rolling Stock; 4. Planning; 5. Technology.

3. Much-needed grain piles up in Canada due to overwhelmed railways

The world sorely needs more grains, and Canada has a bin-busting harvest this year. Unfortunately, there aren’t enough rail cars to transport it all. There were almost 2,400 outstanding grain-car orders for the nation’s two major carriers, Canadian National Railway Co. and Canadian Pacific Railway Ltd. in the latest data from Ag Transport Coalition. “We have to make up these orders,” Wade Sobkowich, the executive director of the Winnipeg-based Western Grain Elevator Association, said in a telephone interview. “We were concerned going into this year and unfortunately it feels like our concerns are founded.” Shippers are worried about the railways’ ability to haul grain as Canadian farmers are harvesting the nation’s third biggest wheat crop on record and 42% more canola than a year ago. Canadian Pacific has fallen behind orders for three weeks and grain companies will have to defer sales if the trend continues, Sobkowich said. Canada’s harvest rebound comes as world grain supplies have been uncertain following the war in Ukraine. Transport woes are also hampering the US crop as drought is drying up the Mississippi River, resulting in fewer barges to move corn and soybeans.

4. TTC Completes Line 1 ATC

The Toronto Transit Commission’s Automatic Train Control (ATC) communications-based train control (CBTC) system is now fully operational on Line 1 (Yonge-University-Spadina Line) of the agency’s rapid transit network. The [Alstom Urbalis 400](#) technology was implemented in stages. Phase 1, the [Vaughan Extension](#), was the first part of the TTC subway to feature CBTC and driver-assisted ATC between the Sheppard West and Vaughan Metropolitan Centre stations. The system is moving-block, which allows closer train spacing and thus extra capacity, because trains move along within their own “clearance envelopes,” based on speed, curvature, grade, train length and weight, braking and acceleration curves, and other factors. TTC’s evolution to ATC was initially spearheaded by three experts who have since left the agency: CEO Andy Byford, Project Director-ATC Pete Tomlin, and Chief Operating Officer Mike Palmer.

5. STB extends public hearings on CP-KCS merger

The Surface Transportation Board opened public sessions on September 28, 2022 for three days of testimony, but scheduled three additional days of mostly virtual sessions this week to accommodate all interested parties seeking to participate.

6. Unifor takes strike vote at Autoport

Unifor employees at the Port of Halifax’s Autoport took a strike vote on October 1, 2022 and could be off the job by October 8th, 2022. Autoport, a CN Rail subsidiary, is one of North America’s largest vehicle processing and transshipment facilities. It handles nearly 185,000 vehicles per year. In a message to members Unifor said members of Lodge 1, Local 100 voted 91 percent in favour of strike action, if necessary. The union will be in strike position as early as October 8, 2022, contingent on issuing a 48-hour notice. The union’s bargaining committee has been

6. Unifor takes strike vote at Autoport, October 6, 2022, www.insidelogistics.ca
7. Intermodal Continues Downward Trend, October 5, 2022, www.railwayage.com
8. CP, KCS to STB: ‘A Perfect Fit With No Overlap’, October 7, 2022, www.railwayage.com
9. CN and IBEW Arbitration Concludes with New Collective Agreement, October 11, 2022, www.cn.ca
10. Rail union rejects Biden-backed deal, reviving strike risk, October 11, 2022, www.ajot.com
11. Week 40: Carloads, Intermodal Drop, October 12, 2022, www.railwayage.com
12. First Look: CN’s Dash 9, Transformed, October 17, 2022, www.railwayage.com
13. The Government of Canada announces the new dates for the public consultation on hydrology for the Lac-Mégantic rail bypass project, October 19, 2022, www.tc.gc.ca
14. Rail Traffic Uptick for Week 41, October, 19, 2022, www.railwayage.com
15. Unifor and CN begin negotiations, October 21, 2022, www.insidelogistics.ca
16. Union Pacific upbeat about volume growth despite labor, macroeconomic uncertainties, October 20, 2022, www.freightwaves.com
17. CSX: ‘Solid Earnings Growth’ for 3Q22 (Updated, Cowen), October 20, 2022, www.railwayage.com
18. Grain Movement: CN Sets New Record, October 24, 2022, www.cn.ca
19. CN’s Third Quarter Results Reflect Strong Top-Line Growth and Renewed Focus on Scheduled Operation, October 25, 2022, www.cn.ca
20. CN Declares Fourth-Quarter 2022 Dividend, October 25, 2022, www.cn.ca
21. Railway carloadings, August 2022, October 25, 2022, www.statcan.gc.ca
22. CP reports solid third-quarter results; well-positioned for strong finish to 2022, October 26, 2022, www.cpr.ca
23. Canadian Pacific Railway Limited declares dividend, October 26, 2022, www.cpr.ca
24. Norfolk Southern reports third quarter 2022 financial results, October 26, 2022, www.nscorp.com
25. Another rail union rejects tentative labor agreement, October 26, 2022, www.freightwaves.com
26. North American Rail Volume Down 2.1% Through 42 Weeks, AAR, October 26, 2022, www.railwayage.com
27. Canada TSB Releases Watchlist 2022, October 27, 2022, www.railwayage.com

negotiating with the employer since February 15, 2021. The collective agreement expired on December 31, 2021. Unifor filed for conciliation after talks were stalled. The two union and employer have met twice with the assistance of the conciliator, but the talks broke down and the union said they reached an impasse on September 13, 2022.

7. Intermodal Continues Downward Trend

Intermodal slowed in September 2022 as consumer consumption continued to switch from goods to services, according to John T. Gray, Senior Vice President of the Association of American Railroads (AAR). The group's monthly rail traffic report, issued Oct. 5, showed not only an intermodal volume decline of 4.8% from the prior-year period, but also a carload decrease of 1.1%. "[T]wo underlying factors have helped magnify this [consumer] trend for railroads," Gray said during the [AAR](#) report's release. "The first is overbuying by many retailers in late 2020 and during 2021 that is now being reflected in substantial inventories of unsold goods that weakens replacement demand. Meanwhile, a slackening of internet buying from its pandemic peak, has softened trailer movements of packaged goods by rail." Canadian railroads reported 83,364 carloads for the week ending Oct. 1, 2022, up 1.1%, and 74,230 intermodal units, up 6.2% from same week last year. For the first 39 weeks of 2022, they reported cumulative rail traffic volume of 5,657,074 carloads, containers and trailers, down 2.3%.

8. CP, KCS to STB: 'A Perfect Fit With No Overlap'

Inching toward a decision on the Canadian Pacific-Kansas City Southern merger, the Surface Transportation Board held seven days of hearings on the transaction, with numerous presenters, both pro and con. Canadian Pacific-Kansas City (CPKC) is "a perfect fit with no overlap," said Creel. The merged railroad will "be accountable to on-the-record commitments, keep affected gateways open on commercially reasonable terms and create no new bottlenecks, honor its Service Promise and its offer to extend Bayer agreement terms to all of KCS's TIH (toxic inhalation hazard) shippers, collaborate with all users of Texas lines shared with CPKC to support coordinated operations and necessary infrastructure additions, and honor its commitments to Metra."

9. CN and IBEW Arbitration Concludes with New Collective Agreement

On October 11, 2022, CN announced the conclusion of the arbitration process with the International Brotherhood of Electrical Workers (IBEW). The three-year collective agreement is retroactive to January 01, 2022, and runs through December 31, 2024. The agreement includes a 3 percent wage increase for each of 2022, 2023 and 2024. Rob Reilly, Executive Vice-President and Chief Operating Officer, CN said "We are satisfied to have concluded this arbitration. We continue to focus on implementing a back to basics approach by running a scheduled operation, aligning capacity with demand and working closely with our customers and stakeholders to maximize the effectiveness and efficiency of the best network in North America."

10. Rail union rejects Biden-backed deal, reviving strike risk

A majority of almost 12,000 unionized railroad workers voted to reject a tentative labor agreement brokered in part last month by President Joe Biden, the first dismissal by members of a dozen labor groups that must accept the deal or risk a strike. More than 6,600 members of the Brotherhood of Maintenance of Way Employees voted against the tentative agreement compared to 5,100 votes in favor, the division of the International Brotherhood of Teamsters said in a statement on October 10, 2022. The vote results in a "status quo" period in which no strike can take place while the union resumes bargaining with freight railroads, according to the statement. No "self help" may occur until after Nov. 19 at the earliest, it said. The result signals continued discontent over compensation, working conditions and sick-leave policies among some of the more than 100,000 union-represented workers of US freight railroads. Lengthy, contentious labor talks were at an impasse until a hands-on push by Biden and his administration helped secure a preliminary accord with just hours to spare before a work stoppage that risked halting the flow of some 40% of long-haul US cargo.

11. Week 40: Carloads, Intermodal Drop

U.S. freight rail traffic dipped yet again in Week 40, compared with the prior-year period, as carloads fell just below 3% and intermodal dropped 2%, the Association of American Railroads (AAR) reported for the week ending Oct. 8, 2022. Mexican and Canadian volumes fared far better. For Week 40, U.S. Class I railroads moved 494,413 carloads and intermodal units, down 2.4% from the same week in 2021, according to [AAR](#). Total carloads came in at 232,930, down 2.8% from last year, while U.S. weekly intermodal volume was 261,483 containers and trailers, down 2%. Canadian railroads reported 80,924 carloads for the week, rising 5%, and 74,678 intermodal units, increasing 1.9% from the same week in 2021. For the first 40 weeks of 2022, they reported cumulative rail traffic volume of 5,812,676 carloads, containers and trailers, decreasing 2.1%.

12. First Look: CN's Dash 9, Transformed

Wabtec earlier this month debuted the first of 50 modernized locomotives for CN at its Fort Worth, Tex., plant. CN's Dash 9—built by Wabtec in 2000—was converted from DC to AC propulsion and received control system updates and an engine upgrade through Wabtec's FDL Advantage program, the manufacturer reported. It has hauled approximately 20 million tons of freight over some 2 million miles across North America in the past 22 years, and has many more years of service ahead. The modernization work will not only extend the locomotive's life, but also enhance fuel

efficiency by more than 17%; improve reliability by approximately 30%; and increase haulage ability more than 55%, according to Wabtec, which recently landed upgrade orders for 525 AC4400 and AC6000s, as well as 75 Dash 9s from Union Pacific; 330 Dash 9-44CWs from Norfolk Southern; and various units from CSX.

13. The Government of Canada announces the new dates for the public consultation on hydrology for the Lac-Mégantic rail bypass project

On October 19, 2022, the Minister of Transport, the Honourable Omar Alghabra is announcing new dates and details for the public consultation on hydrology and measures to mitigate the potential impacts of the Lac-Mégantic rail bypass project. The online public consultation will be held from October 24 to November 25, 2022. During this period, citizens can consult expert reports on hydrology, as well as proposed mitigation and follow-up measures. They will also be able to submit their comments by email at TC.InfoLacMegantic.TC@tc.gc.ca, or by mail. Public information sessions will also be held during the consultation period to explain the various reports: 1. In person, in an “open house” format and by invitation only: on November 7 (for citizens directly affected by the project); 2. In person, in an “open house” format, including two town halls with a presentation and question period: on November 8 (open to all); and 3. Virtually: on November 9 (open to all)

14. Rail Traffic Uptick for Week 41

For the week ending Oct. 15, 2022, total U.S. rail traffic was up 0.7% over the same week last year; carloads came in 3.2% higher while intermodal volume continued its downward trend, dipping 1.6%, according to the Association of American Railroads’ (AAR) Oct. 19 report. In Week 41 (ending Oct. 15, 2022), U.S. Class I railroads hauled a total of 500,304 carloads and intermodal units, comprising 237,263 carloads and 263,041 containers and trailers. This is the first time since Week 35 (ending Sept. 3, 2022) that a gain in total rail traffic has been reported. Canadian railroads reported 84,165 carloads for the week, gaining 6.1%, and 70,908 intermodal units, gaining 6.2% from the same week in 2021. For the first 41 weeks of 2022, they reported cumulative rail traffic volume of 5,967,749 carloads, containers and trailers, down 1.9% from the prior-year period.

15. Unifor and CN begin negotiations

Unifor Council 4000 and Unifor Local 100 bargaining committees opened bargaining for a new collective agreement with CN in the week of October in Montreal. Unifor represents about 3,600 workers at Local 100 and Council 4000, who work at CN terminals and HQ across Canada, including mechanics, crane operators, machinists and electricians, as well as clerical and administration, customer support and fleet mechanics among others. Unifor Local 100 and Council 4000’s collective agreement expires on Dec. 31, 2022. Both sides exchanged proposals and have agreed to meet and continue negotiations in November 2022 and December 2022. The union proposals include but are not limited to enhancements in wages and benefits and addressing the on-going issue of contracting out unionized work.

16. Union Pacific upbeat about volume growth despite labor, macroeconomic uncertainties

Net profit for Union Pacific (UP) was \$1.9 billion, or \$3.05 per diluted share, in the third quarter of 2022, compared with net profit of \$1.7 billion, or \$2.57 per diluted share, in the third quarter of 2021. The third-quarter 2022 figure includes a \$114 million charge for a change to prior period accounting estimates related to new, tentative and ratified labor agreements, UP said. Operating revenue (OR) rose 18% to \$6.6 billion in the third quarter amid higher fuel surcharge revenue, volume growth and core pricing gains. Carloads rose 3% on higher automotive volumes, metals and minerals volumes, and industrial chemicals and plastics volumes, amid other gains. Adjusted operating income rose 13% to \$2.7 billion, and third-quarter OR was 59.9%, compared with 56.3% in the third quarter of 2021. “We made positive strides in the third quarter to increase network fluidity and better meet customer demand,” Fritz said in a release. “Inflationary pressures and operational inefficiencies continued to challenge us. We reported strong revenue and operating income growth in the quarter through increased fuel surcharge revenue, volume gains, and solid core pricing. As we close out 2022, we will maintain strong price discipline while improving efficiency and service to capitalize on the available demand.”

17. CSX: ‘Solid Earnings Growth’ for 3Q22 (Updated, Cowen)

Following are highlights of CSX’s third-quarter 2022 results: 1. Revenue reached \$3.90 billion, increasing 18% year-over-year, “driven by higher fuel surcharge, pricing gains, a 2% increase in volumes [which reached 1,587K], and an increase in storage and other revenues,” according to CSX. 2. Operating income came in at \$1.58 billion, up 10% from the prior-year period’s \$1.44 billion. “Third-quarter results include additional labor and fringe expense related to [tentative union agreements](#), with \$42 million specifically to adjust for wage, bonus, and other benefit costs in prior periods,” according to the Class I railroad. 3. Net earnings of \$1.11 billion (or \$0.52 per share) were up 15% from \$968 million (or \$0.43 per share) at the same point last year. 4. Operating ratio increased 310 bps to 59.5%, “including the effect of the [tentative union agreements](#),” CSX said. 5. Diluted EPS of \$0.52 increased 21% from \$0.43 in third-quarter 2021.

18. Grain Movement: CN Sets New Record

CN on October 24, 2022 announced that during the week of October 16 (week 12 of the 2022-2023 crop year), it moved

over 806,000 metric tonnes of grain from Western Canada, exceeding its previous record by over 50,000 metric tonnes. This record also comes on the heels of CN's second best September ever for grain movement from Western Canada, with over 2.64 million metric tonnes moved. "This performance shows what can get done when partners collaborate to create supply chain solutions to supply chain challenges. We are very proud to have set a new record for the amount of Western Canadian grain moved in a single week. We are confident that our railroaders will continue delivering results for Canadian farmers and all of our customers."

19. CN's Third Quarter Results Reflect Strong Top-Line Growth and Renewed Focus on Scheduled Operation

CN on October 25, 2022 reported its financial and operating results for the third quarter ended September 30, 2022. Diluted earnings per share (EPS) of C\$2.13 increased by 40% on an adjusted basis, which represents a quarterly record. Diluted EPS decreased by 10%, mainly due to a merger termination fee received in the same quarter of 2021. CN delivered strong top-line growth and yield, as operational advancements continued to drive improvements to key metrics, including car velocity, dwell, and train speed. Tracy Robinson, President and Chief Executive Officer, CN said "Our back to basics approach continues to drive strong results. CN's team of railroaders is doing a great job in delivering service to our customers and value for our shareholders. We remain focused on disciplined execution of our integrated operating plan to maximize the effectiveness and efficiency of our incredible three-coast network. We have a busy fourth quarter, with a strong start in the Canadian grain crop, and we are resourced for the months ahead. We are pleased to be raising our 2022 outlook to reflect our performance." The third quarter 2022 highlights were: 1. Record revenues of C\$4,513 million, an increase of C\$922 million or 26%, mainly due to higher fuel surcharge revenue driven by higher fuel prices, freight rate increases and the positive translation impact of a weaker Canadian dollar. 2. Record operating income of C\$1,932 million, an increase of 44%, or an increase of 31% on an adjusted basis. 3. Diluted EPS of C\$2.13, a decrease of 10%, mainly due to a merger termination fee received in the third quarter of 2021. 4. Diluted EPS increased by 40% on an adjusted basis, which represents a quarterly record. 5. Operating ratio, defined as operating expenses as a percentage of revenues, of 57.2%, an improvement of 5.5-points, or an improvement of 1.8-points on an adjusted basis.

20. CN Declares Fourth-Quarter 2022 Dividend

CN announced on October 25, 2022 that its Board of Directors has approved a fourth-quarter 2022 dividend on the Company's common shares outstanding. A quarterly dividend of seventy-three and a quarter cents (C\$0.7325) per common share will be paid on December 29, 2022, to shareholders of record at the close of business on December 8, 2022.

21. Railway carloadings, August 2022

In August 2022, Canadian railways transported 31.0 million tonnes of freight, up 2.4% from August 2021 levels, marking the fourth consecutive month of year-over-year increase. The overall freight volume was just under the five-year average of 31.4 million tonnes for the month. Higher carloadings of certain energy products as well as some other commodities more than offset a sharp year-over-year drop in fuel oils and crude petroleum as well as ongoing declines in grain. To further explore current and historical data in an interactive format, please visit the [Monthly Railway Carloadings: Interactive Dashboard](#). August's total tonnage increase in freight carried reflected higher volumes across all types of rail operations.

22. CP reports solid third-quarter results; well-positioned for strong finish to 2022

Canadian Pacific Railway Limited (CP) on October 26, 2022 announced its third-quarter 2022 results, including revenues of \$2.31 billion, reported operating ratio ("OR") of 59.5 percent, adjusted OR of 58.7 percent, reported diluted earnings per share ("EPS") of \$0.96 and core adjusted diluted EPS of \$1.01. "Throughout the year, we have said 2022 would be a tale of two halves and that is exactly how it is unfolding," said Keith Creel, CP President and Chief Executive Officer. "The third quarter saw strong demand in potash and intermodal that we anticipated, and CP was well-resourced to handle the volume increases we have seen. I'm proud of the results the team delivered this quarter and excited about the opportunities in front of us." The highlights were as follows: 1. Revenues increased by 19 percent to \$2.31 billion from \$1.94 billion last year; 2. Reported OR improved by 70 basis points to 59.5 percent from 60.2 percent last year; 3. Adjusted OR improved by 70 basis points to 58.7 percent from 59.4 percent last year; 4. Reported diluted EPS was \$0.96, a 37 percent increase from last year; 5. Core adjusted diluted EPS, excluding significant items and Kansas City Southern ("KCS") purchase accounting, was \$1.01, a 15 percent increase from last year; and 6. Federal Railroad Administration ("FRA") - reportable train accident frequency decreased 76 percent to a record-low 0.37 from 1.54 in Q3 2021. FRA-reportable personal injury frequency declined 12 percent to 0.86 from 0.98 in Q3 2021.

23. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited (CP) on October 2, 2022 declared a quarterly dividend of \$0.19 per share on the outstanding Common Shares. The dividend is payable on Jan. 30, 2023 to holders of record at the close of business on Dec. 30, 2022, and is an "eligible" dividend for purposes of the Income Tax Act (Canada) and any similar provincial/territorial legislation.

24. Norfolk Southern reports third quarter 2022 financial results

Norfolk Southern Corporation on October 26, 2022 announced third quarter 2022 financial results which included records for railway operating revenues, income from railway operations, net income, and diluted earnings per share. Third quarter railway operating revenue was \$3.3 billion, income from railway operations was \$1.3 billion, net income was \$958 million, and diluted earnings per share were \$4.10.

25. Another rail union rejects tentative labor agreement

Count the Brotherhood of Railroad Signalmen (BRS) as another union to reject the tentative labor agreement that representatives of the rail unions and the freight railroads negotiated under pressure from the White House. The union and the organization representing the railroads plan to return to the negotiating table, but BRS' vote further clouds the question of whether a freight rail strike could occur — something that the tentative agreement had sought to stave off. Members of the Brotherhood of Maintenance of Way Employees Division rejected that union's tentative agreement earlier this month. BRS announced on October 26, 2022 that 60.57% of voting members opposed ratification, while 39.23% voted in favor.

26. North American Rail Volume Down 2.1% Through 42 Weeks, AAR

The Association of American Railroads (AAR) now has 42 weeks of traffic data for 2022 (ending Oct. 22). Total North American carload and intermodal traffic dipped 2.1% from the same point last year—with decreases in the U.S. and Canada, and an increase in Mexico. North American rail volume for the first 42 weeks of this year (ending Oct. 22, 2022) on 12 reporting U.S., Canadian and Mexican railroads came in at 28,486,912 carloads and intermodal containers and trailers. Cumulative volume in the U.S. was 20,778,895 carloads and intermodal units, down 2.6% from 2021; in Canada, 6,122,692 carloads and intermodal units, down 1.8%; and in Mexico, 1,585,325 carloads and intermodal units, up 3.9%. Canadian railroads reported 85,842 carloads for the week, rising 8.3%, and 69,101 intermodal units, falling 2.4% from the same week in 2021.

27. Canada TSB Releases Watchlist 2022

The Transportation Safety Board of Canada (TSB) on Oct. 26 released its Watchlist 2022, putting a “spotlight on key safety issues and actions needed to make Canada’s transportation system even safer.” The Watchlist, which is the twelfth one to be released by [TSB](#), highlights eight key safety issues that require government and industry attention and are the result of hundreds of investigations, “compelling” findings and data, and active TSB recommendations. “Every year, there are numerous occurrences in Canada’s air, marine and rail transportation sectors that could be prevented,” said TSB. “When timely action is not taken, deficiencies persist and continue to pose a risk for the safety of people, property and the environment.” “These safety issues are complex, difficult to solve, and addressing them takes time,” said TSB Chair Kathy Fox. “To ensure more meaningful progress can be made by industry and [Transport Canada](#), going forward, we’ve decided to extend the Watchlist to every three years.” Highlighted Watch 2022 issues include: 1. Uncontrolled movements; 2. Following railway signal indications; 3. Fatigue; 4. Safety management; 5. Regulatory surveillance; 6. Commercial fishing safety; 7. Runway overruns; and 8. Risk of collisions from runway incursions: “Some of these issues have been on the Watchlist for far too long, reflecting decades-old safety deficiencies. While some steps have been taken to address these, more simply needs to be done,” said Fox.

HIGHWAY TRANSPORTATION

1. OTA: Labour Minister Joins Roundtable; Confirms Improvements to Stabilize Trucking Labour Force and Supply Chain

Members of the Ontario Trucking Association (OTA) on September 29, 2022 met with Ontario’s Minister of Labour, Immigration, Training and Skills Development, Monte McNaughton, to discuss the industry’s labour challenges and potential solutions to support Ontario’s supply chain. The meeting, which was held at Bison Transport’s terminal in Mississauga – and was also attended by Deepak Anand, Parliamentary Assistant to Minister McNaughton – comes on the heels of a recently released Trucking HR Canada report, which shows trucking’s job vacancy numbers for the second quarter of 2022 hit new record highs. Truck Drivers reached a new record

HIGHWAY TRANSPORTATION Canada

1. OTA: Labour Minister Joins Roundtable; Confirms Improvements to Stabilize Trucking Labour Force and Supply Chain, September 29, 2022, www.ontruck.ca
2. 10 ways for fleets to improve, foster safety culture, September 30, 2022, www.todaystrucking.com
3. CTA: U.S. Vaccination Mandate Remains in Effect as Canadian Restrictions Lifted on October 1, September 30, 2022, www.cantruck.ca

number of vacant jobs in Q2 – soaring to over 28,000 nationally, which is up from 25,560 in Q1. Of the 28,210 truck driver job vacancies recorded nationally, over 9,000 (or 33%) are in Ontario reflecting the size and importance of the Ontario market and economy. To address this growing issue, OTA and the Government of Ontario have continued to work together to try and find new ways to meet the industry’s growing need for labour.

2. 10 ways for fleets to improve, foster safety culture

Fleets with excellent safety standards don’t overpay for insurance and are an underwriter’s dream. Other carriers can learn from these organizations, and bring their drivers home safe, prevent losses, and downtime. Two judges from last year’s Truckload Carriers Association’s (TCA) Fleet Safety Awards program shared their observations on the safest fleets in North America, during a webinar organized by the TCA on Sept. 29. Jeff Davis, vice-president of safety, Napa River Insurance Services said a strong safety culture permeates through these organizations while John Simms, senior risk advisor, HNI said companies that made employees feel like they were part of a family – being involved and contributing to it – saw better safety results. The list of 10 ways to improve safety culture are: 1. Winning is vital; 2. Proactivity/embracing technology; 3. Brand recognition/quality of life; 4. Empowerment; 5. Staying ahead of bad stuff; 6. Peer recognition; 7. Giving back; 8. Home is where the heart is; 9. All crashes are a big deal; and 10. It takes effort from all.

3. CTA: U.S. Vaccination Mandate Remains in Effect as Canadian Restrictions Lifted on October 1

On the eve of the border vaccination mandate being lifted for entry into Canada, the Canadian Trucking Alliance (CTA) is reminding the trucking sector that the U.S. border vaccination mandate continues to remain in effect. The Government of Canada announced the lifting of several COVID-19 restrictions, including the border vaccination mandate for entry into Canada on October 1, 2022. The U.S. government has not confirmed their intention to align with Canada on the reciprocal removal of the U.S. border mandate or given any indication of when the removal of their mandate may occur. CTA continues to work actively with the American Trucking Associations and U.S. officials on this issue. CTA will update members as soon as possible once more information becomes available.

4. Truck market to remain strong in 2023: Volvo president

Several economic indicators are pointing toward a recession, but Volvo Trucks North America believes demand for commercial vehicles will remain strong in the year to come – buoyed in part by fleets that need to update aging equipment. Truck production has been dampened by several supply chain challenges, at first involving a shortage of semiconductors, but later spreading to other components and labor shortages. “The red signs are everywhere. The stock exchange is going in the wrong direction. The interest rates are going up,” said Volvo Trucks North America president Peter Voorhoeve. GDP growth for the U.S. and Canada reached 5.4% in 2021, and in the wake of moves by the U.S. Federal Reserve it’s expected to grow 2% this year, and drop to 0.9% in 2023. Interest rate hikes are needed to help ease labor and raw material shortages, he added. “This is what the Fed was invented for.”

5. Biden-Harris Administration Brings Together Trucking Community to Help Expand Truck Parking

On September 30, 2022, the U.S. Department of Transportation (DOT) will convene state, industry, and federal leaders at a meeting of the National Coalition of Truck Parking to share resources available in the President’s Bipartisan Infrastructure Law to address the nation’s truck parking shortage, which puts all road users at risk and is costing truck drivers time and

4. Truck market to remain strong in 2023: Volvo president, September 30, 2022, www.todaystrucking.ca
5. Biden-Harris Administration Brings Together Trucking Community to Help Expand Truck Parking, September 30, 2022, www.dot.gov
6. CTA to House Committee: Driver Shortage One of the Biggest Threats to Economic Recovery, October 4, 2022, www.ontruck.ca
7. Loblaw Companies is working with autonomous delivery tech company Gatik to deliver grocery orders without a driver, October 5, 2022, www.todaystrucking.ca
8. Gatik goes driverless in Canada, October 5, 2022, www.freightwaves.com
9. BC caps restaurant delivery fees, October 6, 2022, www.insidelogistics.ca
10. WESTAC Publishes Report on Adapting to Automation and Technology, October 7, 2022, www.westac.ca
11. Canada Cartage buys Seaway Express, October 11, 2022, www.todaystrucking.com
12. KAG Logistics buys Toronto 3PL Connectrans, October 13, 2022, www.todaystrucking.com
13. Bison Transport scales up U.S. operations by acquiring Pottle’s, October 12, 2022, www.todaystrucking.com
14. August 2022 Freight Transportation Services Index (TSI), October 12, 2022, www.bts.gov
15. US truck demand rises, but so does capacity, October 14, 2022, www.joc.com
16. Trailer orders dive as manufacturers carefully manage order intake, October 17, 2022, www.todaystrucking.com
17. U.S. truck tonnage grows y-o-y for 13th straight month, October 18, 2022, www.todaystrucking.com
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20. Travel arrangement services, 2021, October 19, 2022, www.statcan.gc.ca
21. Manitoba to bring in mandatory training for trucking start-ups, October 19, 2022, www.todaystrucking.com
22. Mullen reports record Q3 earnings, maintains positive outlook, October 21, 2022, www.todaystrucking.com
23. Transport prices predicted to fall across all modes but one, October 24, 2022, www.insidelogistics.ca
24. U.S. Department of Transportation Providing Florida \$50 Million in ‘Quick Release’ Emergency Relief Funding to Repair Damage Caused by Hurricane Ian, October 21, 2022, www.dot.gov
25. Chamber Approves Resolution Calling On Ottawa to Address Truck Driver Shortage, October 24, 2022, www.ontruck.ca
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27. Fuel woes are trucking industry’s biggest concern, October 25, 2022, www.insidelogistics.com
28. North American Transborder Freight up 24.1% in August 2022 from August 2021, October 25, 2022, www.bts.gov

money. At the meeting, DOT will share a new handbook for States that details strategies for developing truck parking and best practices on designing and constructing new truck parking. Officials will also discuss the new and expanded funding resources that are eligible for truck parking projects to make the United States' freight system safer and more efficient. This meeting builds on the commitments of the Biden-Harris Administration's Trucking Action Plan, focused on creating a stable and safe trucking workforce that offers good-paying jobs to millions of truck drivers.

29. North American Transborder Freight up 24.1% in August 2022 from August 2021, October 25, 2022, www.bts.gov
30. U.S. is short 78,000 drivers, ATA says, October 25, 2022, www.todaystrucking.com
31. Cash infusion to support charging and hydrogen refuelling, October 26, 2022, www.insidelogistics.ca
32. : Let's Accelerate Twinning of Hwy 185, October 26, 2022, www.ontruck.ca
33. TFI reports higher profit on lower revenue in third quarter, October 28, 2022, www.insidelogistics.ca

6. CTA to House Committee: Driver Shortage One of the Biggest Threats to Economic Recovery

The president of the Canadian Trucking Alliance on October 4, 2022 appeared before the House Standing Committee on Transport, Infrastructure and Communities to explain the implications of the acute truck driver shortage on Canada's supply chain and how the government can help. "There is an old saying in our sector you may be familiar with, which goes back decades – if you got it a truck brought it," said CTA president Stephen Laskowski. "But, the truth is that during the pandemic – and even still today – there are people who didn't 'get' what they need or when they needed it. It's largely because we are short nearly 30,000 commercial truck drivers in Canada. "The truck driver has always been one of the most critical, but unsung, contributors, to our national economy. Without drivers, trucks sit idle. If we want to help solve the supply chain crisis and help address inflation, we must deal with the truck driver shortage."

7. Loblaw Companies is working with autonomous delivery tech company Gatik to deliver grocery orders without a driver.

A fleet of multi-temperature autonomous box trucks is delivering select online grocery orders for Loblaw's PC Express service. More than 150,000 autonomous deliveries have been made by Loblaw and Gatik since January 2020 with a safety driver on-board without incident. On October 5, 2022, fully autonomous deployments will commence, Loblaw announced in a press release. This marks the first time an autonomous trucking company has removed the safety driver for a daily delivery route in Canada. An extensive third-party safety review was completed before the driverless deliveries began, Loblaw said.

8. Gatik goes driverless in Canada

Just over a year after it removed the safety driver from the driver's seat in Arkansas, autonomous vehicle technology company Gatik has done it again — this time north of the border in Canada. Gatik on October 5, 2022 announced that it is now running fully driverless vehicles in Toronto with longtime partner Loblaw Companies. Gatik's multi-temperature box trucks are transporting online grocery orders for Loblaw's PC Express service. "Working with Gatik, we've demonstrated that autonomous driving technology enables supply chain efficiency, moving more orders more frequently for our customers," said David Markwell, chief technology and analytics officer for Loblaw, Canada's largest retailer. "Being the first in Canada with this technology and deploying a fully driverless solution is exciting and illustrates our commitment to making grocery shopping better for customers." Gatik first removed the driver from a vehicle in August 2021 in Arkansas, where its trucks are transporting goods for Walmart between a dark store and a neighborhood market. In Toronto, the vehicles being used at Ford models upfit with a temperature-controlled box.

9. BC caps restaurant delivery fees

Restaurant and bar owners in BC can look forward to permanent support for the cap on fees charged by food-delivery companies. "As the costs of food and labour rise worldwide, B.C. restaurants need to be supported to ensure prices are affordable and that delivery companies aren't charging unfair fees," said Ravi Kahlon, Minister of Jobs, Economic Recovery and Innovation. "By introducing legislation allowing us to convert the delivery fee cap from temporary to permanent, we are able to provide more certainty to the sector and to delivery drivers." In December 2020, the Province introduced a temporary cap on fees charged to restaurants by food-delivery companies under the Emergency Program Act and transitioned to the COVID-19 Related Measures Act when the provincial state of emergency was lifted in June 2021. The measure also prohibits delivery companies from reducing driver compensation, making sure employees and contractors continue to be paid their wages and gratuities.

10. WESTAC Publishes Report on Adapting to Automation and Technology

The adoption of advanced technologies is increasingly prevalent in the transportation industry. While technologies have yet to automate or digitize functions in every firm, their widespread implementation is inevitable and will transform the workforce. Building on previous experience, WESTAC recently produced a report for the Sector Labour Market Partnership Program for the Government of British Columbia. WESTAC engaged in over a year of extensive research on "Adapting to Automation and Technology." The report examines international best practices and lessons for British Columbia's freight transportation workforce. This detailed report provides insight into what other jurisdictions and

industries are doing to navigate and prepare their workforce for future jobs. Six case studies were prepared based on 30 interviews, with two case studies from the freight transportation sector. Five key trends arose from these case studies: 1. Organizations established an employer-led training program featuring a strong collaboration between industry, unions, educators, and economic development organizations. 2. Some successful programs were based on a learning framework developed through robust consultations with industry and educators. 3. Organizations built-in program sustainability by articulating the resources required and return on training investment. 4. Successful initiatives provided substantial financial support and individual guidance for learners. 5. Programs that have a diverse group of learners intentionally focused on diversity during recruitment and retention.

11. Canada Cartage buys Seaway Express

Canada Cartage has announced its acquisition of Cornwall, Ont.-based LTL and truckload fleet Seaway Express. The company has more than 65 tractors, trailers and straight trucks and focuses on the Eastern Ontario market. It operates a 35,000 sq.-ft. terminal near major retail distribution centers, making it an ideal fit for Canada Cartage. Seaway provides warehousing and consolidated appointment deliveries for carriers and vendors who ship into these DCs.

12. KAG Logistics buys Toronto 3PL Connectrans

KAG Logistics, the logistics division of North America's largest tanker fleet Kenan Advantage Group, has purchased Toronto logistics firm Connectrans. The company says its acquisition will bolster its cross-border services and expand its footprint in the Canadian logistics market. "The acquisition of Connectrans expands our footprint into the Canadian logistics market, which is strategic to our future growth plans, particularly in our Specialty Products division," said KAG Logistics president Kevin Spencer. "It also allows us to continue strengthening our cross-border experience as we serve our current and potential Canadian and U.S. customers that flourish in both marketplaces."

13. Bison Transport scales up U.S. operations by acquiring Pottle's

Bison Transport has continued its U.S. growth with the acquisition of Maine-based Pottle's Transport. Pottle's is a truckload fleet operating more than 200 tractors, 750 trailers and a third-party logistics division. The second-generation family trucking business was founded more than 60 years ago by Cliff Pottles, and then owned by his son Barry Pottle. Bison was attracted to its customer base, low driver turnover, safety record, and company culture. "We are excited about the next step in our U.S. growth," said Bison Transport CEO Rob Penner. "The investment in Pottle's punctuates our commitment to the region, the customers and the great people we have in our business. We look forward to connecting our most recent acquisition of Hartt Transportation with Pottles as we continue to build Bison Transport USA."

14. August 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 0.2% in August 2022 from July 2022, rising after a one-month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From August 2021 to August 2022 the index rose 5.0%.

15. US truck demand rises, but so does capacity

A series of freight activity indexes, including the Cass Freight Shipments Index and a for-hire trucking ton-mile index, show shipments are still higher than a year ago, despite recession fears.

16. Trailer orders dive as manufacturers carefully manage order intake

Trailer orders nosedived in September 2022, according to preliminary data from FTR, dropping 25% from August 2022 levels and down 56% year over year. Orders totalled 1250 units, however, FTR notes manufacturers are still working through backlogs and are carefully managing production as component shortages continue to be an issue. "In the retail market, dealerships still can't keep enough stock to meet demand," said Charles Roth, FTR commercial vehicle analyst. "At the same time, large carriers haven't been able to keep up with replacement cycles, which has driven the level of pent-up demand for new replacement units to above-average levels. While net orders have historically followed a seasonal pattern, the past two years have fundamentally changed how OEMs manage their build slots."

17. U.S. truck tonnage grows y-o-y for 13th straight month

U.S. for-hire truck tonnage grew 0.5% in September 2022, according to the American Trucking Associations (ATA), boosting levels to the third-highest level ever and the best since August 2019. The latest gain came on the heels of a 2.1% increase in August 2022. "This is another example of how the contract freight market remains strong despite weakness in the spot market this year," said ATA chief economist Bob Costello. "During the third quarter, tonnage increased 0.5% over the second quarter while increasing 5.6% over the same period in 2021. That was the largest quarterly year-over-year increase since the second quarter of 2018."

18. ATA truck tonnage index rose 0.5% in September

American Trucking Associations' advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index increased 0.5% in September 2022 after rising 2.1% in August 2022. In September 2022, the index equalled 118.8 (2015=100) versus 118.2 in August. August's increase was revised down slightly from our September 20 press release. Compared with

September 2021, the SA index increased 5.5%, which was the thirteenth straight year-over-year gain. In August 2022, the index was up 6.7% from a year earlier. Year-to-date through September, compared with the same period in 2021, tonnage was up 4%. The not seasonally adjusted index, which represents the change in tonnage actually hauled by fleets before any seasonal adjustment, equalled 119 in September, 3.8% below the August level (123.7). In calculating the index, 100 represents 2015. ATA's For-Hire Truck Tonnage Index is dominated by contract freight as opposed to spot market freight.

19. Urban public transit, August 2022

Canada's urban transit industry continued to recover in August 2022, with the number of passenger trips reaching 94.6 million. In August 2022, many employees returned to their workplaces on a full-time or hybrid basis, and people have resumed their typical summer activities. In August 2022, the transit industry has now recovered almost two-thirds (64.7%) of its pre-COVID-19 pandemic ridership from August 2019, up from the 62.5% recovery rate observed in July 2022.

20. Travel arrangement services, 2021

The travel arrangement and reservation services industry group generated \$3.5 billion in operating revenue in 2021, a 55.4% fall from 2020. Since 2019, these industries' operating revenues have dropped by 76.0%, a decrease of more than a combined \$11 billion in revenue. The pullback was more pronounced in 2021 compared with 2020, mainly because the early winter months of 2020 operated normally. Packaged tours to travel to sun destinations during those winter months make up a significant portion of annual revenue for these industries, particularly for tour operators. In 2021, Ontario accounted for the largest share of revenue (40.3%), followed by Quebec (22.5%), British Columbia (19.6%) and Alberta (11.6%). This industry group is composed of three industries: tour operators, travel agencies, and other travel arrangement and reservation services. Other travel arrangement and reservation services accounted for the largest share of revenue at 48.9%, which is usually not the case. This industry includes a variety of types of companies, most of which were not as affected by border closures as tour operators and travel agencies. Tour operators normally account for more than half of revenue in this industry group.

21. Manitoba to bring in mandatory training for trucking start-ups

Manitoba, by the end of the year, will require a one-week, 40-hour mandatory training program for new trucking company owners. Think of it as MELT (mandatory entry-level training) for trucking company owners. Aaron Dolyaniuk, executive director of the Manitoba Trucking Association (MTA) said it's a win for industry, which is looking to heighten the barriers to entry into the profession. "Our members, for a long time, have felt there needs to be more to starting up a trucking company in Manitoba, and quite frankly Canada," Dolyaniuk said in an interview with TruckNews.com. "Our members felt having some initial education would serve the industry and society better."

22. Mullen reports record Q3 earnings, maintains positive outlook

Record 2022 third quarter earnings at Mullen Group were not telling of a cratering economy, and chairman and senior executive officer Murray Mullen anticipates a strong close to the year before economic activity slows in 2023. Revenue was up 20% year over year, to \$518.4 million, and profits soared 117% to \$38 million in the third quarter. Pricing improvements and small acquisitions helped drive improvement, Mullen said in a press release. While he said future results are likely to moderate as central bankers try to slow economic activity in response to inflation, Mullen expects the rest of this year to remain "steady." He's encouraged by continued strong employment numbers, which are one of the most important indicators he tracks.

23. Transport prices predicted to fall across all modes but one

Transportation costs are predicted to drop across all reported modes in the fourth quarter of 2022, with the exception of ground parcel. The October 2022 Cowen/AFS Freight Index for Q4, offers a snapshot with predictive pricing across multiple sectors in the freight industry. "While the freight industry prices remain elevated on a year-over-year basis, specific sectors are seeing marked quarter-over-quarter decreases and are now receding from historic highs," says Tom Nightingale, CEO, AFS Logistics. "But while flagging demand and falling quarterly rates indicate market power shifting away from carriers, shippers must remain vigilant as carriers inject unprecedented general rate increases."

24. U.S. Department of Transportation Providing Florida \$50 Million in 'Quick Release' Emergency Relief Funding to Repair Damage Caused by Hurricane Ian

The U.S. Department of Transportation's Federal Highway Administration (FHWA) on October 21, 2022 announced the immediate availability of \$50 million in "quick release" Emergency Relief (ER) funds for use by the Florida Department of Transportation (FDOT) as a down payment to offset costs of repair work for damage caused by Hurricane Ian earlier this month.

25. Chamber Approves Resolution Calling On Ottawa to Address Truck Driver Shortage

In October 2022, the Fredericton Chamber of Commerce gained the support of the Canadian Chamber of Commerce with the approval of 100 percent of delegates of the 2022 annual general meeting and policy conference for the following resolution: "A lack of people working in Canada as truck drivers is causing supply chain disruptions and

contributing to the current inflationary environment. The industry must attract, train and retain thousands of new truck drivers over the next few years to mitigate these issues and the current financial support provided for such trainees is insufficient to attract the required number of people to the industry.” Citing data from the Canadian Trucking Alliance, the Chamber recommended the federal government “work with the provinces to provide dedicated funding through Labour Market Development Agreements and/or Workforce Development Agreements targeted to increase Canada’s truck driving capacity through increased access to truck driver training programs.”

26. Fuel prices cited as burning trucking issue in ATRI survey

Soaring fuel prices have emerged as the leading concern in the American Transportation Research Institute’s (ATRI) annual ranking of top trucking issues – bumping longstanding worries about a truck driver shortage out of the top spot. The last time fuel prices appeared in the ranking was 2013. Even then, it ranked eighth. “When did fuel prices start going up? When this spot market started coming down,” said Cargo Transporters president Dennis Dellinger, referring to the “double-negative” impact on some trucking operations. “The guy relying on the load boards day in and day out, they’re suffering.”

27. Fuel woes are trucking industry’s biggest concern

The price of fuel is the biggest worry on the trucking industry’s mind right now. The American Transportation Research Institute, the trucking industry’s not-for-profit research organization, released its 18th annual Top Industry Issues report, identifying fuel prices, the driver shortage, truck parking, driver compensation, the economy and for the first time, speed limiters as the weightiest issues. “ATRI’s list is a true reflection of what it was like to be a trucker this year,” said ATA chairman Harold Sumerford Jr. “High fuel prices and finding drivers were two of our industry’s biggest challenges – challenges made more difficult by the economy and the continued lack of truck parking. Thankfully, ATRI doesn’t just tell us what the issues are, it provides a number of possible solutions that decision makers can use to address them.”

28. North American Transborder Freight up 24.1% in August 2022 from August 2021

Transborder freight between the U.S. and North American countries (Canada and Mexico) in August 2022 was as follows: 1. Total transborder freight: \$140.3 billion of transborder freight moved by all modes of transportation, up 24.1% compared to August 2021; 2. Freight between the U.S. and Canada totalled \$70.0 billion, up 23.3% from August 2021; 3. Freight between the U.S. and Mexico totaled \$70.3 billion, up 24.9% from August 2021; 4. Trucks moved \$83.9 billion of freight, up 19.0% compared to August 2021; and 5. Railways moved \$17.9 billion of freight, up 15.9% compared to August 2021. Total Canada-US trade was as follows: 1. Truck: \$35.6b; 2. Rail: \$10.1b; 3. Pipeline: \$13.0b; 4. Vessel:\$4.4b; and 5. Air: \$3.2b.

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30. U.S. is short 78,000 drivers, ATA says

The truck driver shortage in the U.S. has eased slightly but remains near its all-time high. American Trucking Associations (ATA) chief economist Bob Costello said, “Based on our estimates, the trucking industry is short roughly 78,000 drivers. That’s down slightly from 2021’s record of more than 81,000 – but still extremely high historically.” Based on current driver demographic trends, as well as projected growth in freight demand, the shortage could swell to more than 160,000 over the next decade, the ATA update said. “The good news is rising pay and other factors have helped the industry attract new drivers” Costello said. “However, that influx is still not enough to make a substantive difference in the shortage – particularly in the long-haul, for-hire truckload sector, the part of the industry most acutely impacted by the shortage.”

31. Cash infusion to support charging and hydrogen refuelling

The Canada Infrastructure Bank (CIB) has launched a \$500 million zero-emission vehicle (ZEV) Charging and Hydrogen Refuelling Infrastructure Initiative (CHRI). The goals of the initiative are to reduce transportation sector greenhouse gas emissions by accelerating the private sector’s rollout of large-scale ZEV chargers and hydrogen refuelling stations, spur the market for private investment and support economic opportunities. The availability of public charging and refuelling infrastructure is a recognized barrier to ZEV adoption across Canada. As of August 2022, there were approximately 22,000 public chargers and six hydrogen refuelling stations installed in Canada, which is significantly less than the forecasted needs to support ZEV adoption.

32. CTA: Let’s Accelerate Twinning of Hwy 185

A recommendation put forth by the Canadian Trucking Alliance (CTA), as part of the National Supply Chain Task Force initiative launched earlier this year, was to complete the twinning of Highway 185 that serves as the primary highway connection between the provinces of New Brunswick and Quebec. “Hwy 185 is critical artery to the Central and Eastern Canadian supply chains. CTA would like to see the project expedited in light of it being included in one of the National Supply Chain Task Force Report’s key and more immediate recommendations,” said Geoff Wood, CTA’s Sr VP Policy. According to the National Supply chain Task Force Report, funding has been set aside to address the twinning of the highway. Once completed, this project will bring tremendous benefit and efficiencies to the Eastern Canadian supply chain and allow long combination vehicles (LCVs) to travel uninhibited between the Port of Halifax and Windsor Ont.

33. TFI reports higher profit on lower revenue in third quarter

TFI International Inc. reported revenue of US\$2.24 billion, up seven percent over the previous year. Once the fuel surcharge was factored out, revenue was \$1.86 billion, down by one percent compared to the prior year. Operating income was \$318.4 million compared to \$191.6 million the prior year period. The sale of CFI resulted in a \$75.7 million gain in the quarter, and the remainder of the increase is from business acquisitions and organic growth across the company, despite the impact of a non recurring charge for the settlement of a legal claim for \$11.4 million. Net income of \$245.2 million increased 86 percent from \$131.6 million in the prior year period, and net income of \$2.72 per diluted share increased 97 percent from \$1.38 in the prior year period. Adjusted net income was \$181.2 million, or \$2.01 per diluted share, up 30 percent from \$138.9 million, or \$1.46 per diluted share, the prior year period.

GENERAL TRANSPORTATION

Canada

1. Commission proposes a new package of sanctions against Russia

In light of the escalation of Russia’s invasion of Ukraine, the European Commission proposed a new package of sanctions against Russia. The new package proposes bans on imports of Russian products, a price cap on Russian oil, as well as a new listing of individuals and entities.

2. If supply chain crunch is finally easing, why is inflation so high?

Remember back in 2021 when inflation was “transitory” and surging consumer prices were blamed on the supply chain crisis? The Fed and macro investors became intensely interested in chaos at the ports. The focus on bottlenecks spurred the Federal Reserve Bank of New York to create a new barometer called the Global Supply Chain Pressure Index (GSCPI) in January 2022. The implication was that if supply chain pressure reduced, inflation would ease. It hasn’t worked out that way. The GSCPI which roughly tracked inflation trends in 2021 has fallen sharply in 2022. The monthly measure has plunged 66% from its peak, from 4.31 standard deviations above average in December to 1.47 standard deviations above average in August. The monthly U.S. inflation measure (headline Consumer Price Index) has gone in the opposite direction over the same period, up 17%, from 7.04% (year-over-year increase) in December to 8.26% last month. Supply chain crunch appears to be easing, but not inflation. One theory is that the supply chain [was at least something of a red herring](#). Another is that supply chain pressures are indeed easing, but they’re still way above pre-COVID levels. In other words, the supply chain crunch is not over yet, so the positive payoff for inflation is yet to come. Some believe that inflation is transitory and there is hope but there is a lot of consumer spending that has not gone down.

3. EU and US prosecutors stepping up cooperation in fight against environmental crime

Specialised public prosecutors from the United States and EU Member States will step up their cooperation to tackle major cross-border and intercontinental environmental crime. During a dedicated liaison

GENERAL TRANSPORTATION

Canada

1. Commission proposes a new package of sanctions against Russia, September 29, 2022, www.europa.eu
2. If supply chain crunch is finally easing, why is inflation so high?, October 2, 2022, www.freightwaves.com
3. EU and US prosecutors stepping up cooperation in fight against environmental crime, October 3, 2022, www.europa.eu
4. CTA Asks U.S. Officials to Remove Border Vaccine Mandate, Asks Governors to Support Call to Action, October 3, 2022, www.ontruck.ca
5. Canada’s equipment manufacturers under pressure, but trade opportunities exist, October 4, 2022, www.todaystrucking.ca
6. U.S. Department of Transportation Expands Its Financing Program to Help Even More Infrastructure Projects Move Forward, October 4, 2022, www.dot.gov
7. Canada’s trade surplus shrinks in another sign of economic weakness, October 5, 2022, www.financialpost.ca
8. Canadian Tourism Activity Tracker, July 2022, October 7, 2022, www.statcan.gc.ca
9. U.S. Transportation Sector Unemployment Rate of 4.3% in September 2022 Was Below the September 2021 Level of 5.7% But Was Above the Pre-Pandemic September Level of 3.3% in 2019, October 7, 2022, www.bts.gov
10. EU announces new round of sanctions against Russia, October 11, 2022, www.safety4sea.com
11. Leading indicator of international arrivals to Canada, September 2022, October 11, 2022, www.statcan.gc.ca
12. Biden-Harris Administration Announces Bipartisan Infrastructure Law’s First Bridge Investment Program Grants, October 12, 2022, www.dot.gov
13. The Government of Canada announces intent to launch a new digital infrastructure initiative to strengthen Canada’s supply chains, October 14, 2022,

meeting, hosted by Eurojust, officials devised a process to set environmental crime priorities for operational action, criminal intelligence sharing, and developing cooperation tools and mechanisms to exchange information and best practices. The types of environmental crime under review include: 1. Marine and maritime pollution, such as major oil spills, plastic and waste dumping at sea and environmental damage caused by ship source pollution. 2. Waste crime, including industrial pollution by enterprises active in both the EU and the US. 3. Wildlife crime, such as the illegal trafficking of protected species. 4. Illegal timber trade. 5. Air pollution, including reducing illegal use of CO2 producing gases, such as CFCs and HFCs. 6. Pollution of controlled waters and soil contamination.

4. CTA Asks U.S. Officials to Remove Border Vaccine Mandate, Asks Governors to Support Call to Action

The Canadian Trucking Alliance (CTA) is calling on the U.S. government to remove all U.S. COVID-19 entry requirements impacting non-U.S. citizens, including the Canadian trucking sector, by aligning with the Government of Canada to ensure border stability and support the Canada-U.S. supply chain and businesses on both sides of the border. In a joint letter with the American Trucking Associations (ATA), both trucking groups urged that officials in Washington announce reciprocal changes while highlighting that truck drivers have remain essential workers and were permitted to cross the Canada-U.S. border during the first part of the pandemic, delivering much needed products to both countries.

5. Canada's equipment manufactures under pressure, but trade opportunities exist

Vehicle manufacturers are facing challenges as diverse as labor shortages and soaring costs in the face of several economic headwinds that leave Canada on the brink of a recession. It's a "pretty weak outlook," admitted Canadian Manufacturers and Exporters chief economist Alan Arcand. And it wasn't the only piece of bad news he offered during the annual meeting of the Canadian Transportation Equipment Association (CTEA). While labor and skills shortages have been a problem for some time, challenges intensified during the pandemic, he noted. In 2021, 82% of surveyed Canadian manufacturers said they faced immediate labor and skills shortages, up sharply from 60% in 2020 and 39% in 2016. He expects to see a similar trend in the 2022 survey. Those on the job are aging, too. While one in five Canadian workers are 55 years or older, one in four people who work in manufacturing are in that age group. "If you do the math, that means in the next 10 years 25% of the manufacturing workforce should be retiring," Arcand said.

6. U.S. Department of Transportation Expands Its Financing Program to Help Even More Infrastructure Projects Move Forward

U.S. Transportation Secretary Pete Buttigieg on October 4, 2022 announced that the U.S. Department of Transportation's Build America Bureau will offer low-cost and flexible financing for transit and Transit-oriented Development (TOD) projects at the maximum level authorized under law. USDOT's Transportation Infrastructure Finance and Innovation Act (TIFIA) program is designed to help project sponsors reduce costs and speed the delivery of infrastructure projects, which saves taxpayer dollars and improves transportation in communities. This new initiative, "TIFIA 49," authorizes borrowing up to 49% of eligible project costs for projects that meet certain eligibility requirements, helping more projects get off the ground. With few exceptions, TIFIA loans have historically been capped at 33% of eligible project costs.

7. Canada's trade surplus shrinks in another sign of economic weakness

Canada's merchandise trade surplus came in smaller-than-expected in August 2022 as both exports and imports fell, in another sign of weakness for the nation's economy. The surplus fell to \$1.52 billion, from a downwardly revised \$2.37 billion in July 2022, Statistics Canada reported on October 5, 2022 from Ottawa. It was the smallest monthly trade surplus this year. Economists were anticipating exports to exceed imports by \$3.5 billion in August.

8. Canadian Tourism Activity Tracker, July 2022

In July 2022, overall tourism activity in Canada was 15.2% below the level reached in July 2019, before the COVID-19 pandemic. Overall activity has steadily recovered for 14 straight months since May 2021, except for a temporary pause in January 2022 due to the Omicron variant. While in July both domestic and inbound tourism activity crept closer to their pre-pandemic levels, labour shortages and higher prices could temper the continued recovery. To interact with the data visit the [Canadian Tourism Activity Tracker](#) visualization tool.

www.tc.gc.ca

14. Transport Canada to Launch C\$136MM Digital Infrastructure Initiative for Supply Chains, October 17, 2022, www.railwayage.com

15. Canadians haven't felt this bad about the economy since June 2020, October 17, 2022,

www.financialpost.ca

16. Manufacturing numbers point to slowdown, October 18, 2022, www.insidelogistics.ca

17. Trade volumes down in Q3, October 19, 2022, www.insidelogistics.ca

18. Parliament supports local leaders' call for a stronger role of cities and regions in global climate negotiations, October 21, 2022, www.europa.eu

19. Travel between Canada and other countries, August 2022, October 24, 2022, www.statcan.gc.ca

20. Environmental regulations will shape your future trucks, October 24, 2022, www.todaystrucking.com

21. Canadian forwarders call for federal action on transport bottlenecks, October 26, 2022,

www.joc.com

22. CTA Calls on Feds to Action Task Force Recommendations and Prioritize Supply Chain Stability, October 27, 2022, www.ontruck.ca

23. Labour shortage cost Canada \$13 billion in the past year, October 28, 2022, www.insidelogistics.ca

9. U.S. Transportation Sector Unemployment Rate of 4.3% in September 2022 Was Below the September 2021 Level of 5.7% But Was Above the Pre-Pandemic September Level of 3.3% in 2019

The unemployment rate in the U.S. transportation sector was 4.3% (not seasonally adjusted) in September 2022 according to Bureau of Labor Statistics (BLS) data recently updated on the Bureau of Transportation Statistics (BTS) [Unemployment in Transportation](#) dashboard. The September 2022 rate fell 1.4 percentage points from 5.7% in September 2021 but was above the pre-pandemic September level of 3.3% in September 2019. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020.

10. EU announces new round of sanctions against Russia

The EU adopted an eighth package of sanctions on 6 October 2022 in response to Russia's continued military aggression against Ukraine. As well as imposing an asset freeze on a number of new individuals and entities, the Regulation contains the following provisions of particular relevance to shipping: The Russian Maritime Register of Shipping has been added to the list of Russian state-owned entities as listed in Annex XIX of the Regulation and subject to the restrictions under Article 5aa.

11. Leading indicator of international arrivals to Canada, September 2022

In September 2022, international arrivals to Canada—non-resident visitors and returning Canadians—more than tripled those arriving in September 2021, approaching but not yet reaching levels recorded before the COVID-19 pandemic. Compared with September 2021, there were three times (729,100) as many non-resident visitors arriving from abroad at Canadian airports equipped with electronic kiosks. US residents took 824,400 trips to Canada through land ports with electronic sensors in September, over 470,000 more than in September 2021. At the same time, the 1.1 million Canadian residents returning by air from visiting abroad via kiosk-equipped airports was almost three times greater than in September 2021. Compared with September 2021, nearly 1.2 million more Canadian residents—for a total of over 1.4 million—returned from trips to the United States through land ports with electronic sensors. This release provides a first glimpse of international arrivals to Canada in September 2022. Complete counts will be available with the release of "Travel between Canada and other countries," for the September reference month, on November 23, 2022.

12. Biden-Harris Administration Announces Bipartisan Infrastructure Law's First Bridge Investment Program Grants

October 12, 2022, the U.S. Department of Transportation's Federal Highway Administration (FHWA) announced the first round of grants from President Biden's Bipartisan Infrastructure Law's competitive Bridge Investment Program. These early planning grants \$18.4 million in FY22, going to 23 projects in 23 states, will help fund early phases of project development to create a pipeline of bridge construction projects, one of many ways in which the Bipartisan Infrastructure Law will help build, repair, and replace tens of thousands of bridges in communities across the country.

13. The Government of Canada announces intent to launch a new digital infrastructure initiative to strengthen Canada's supply chains

On October 14, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced the intention to launch the \$136 million Advancing Industry-Driven Digitalization of Canada's Supply Chain initiative. Funding for this initiative is made possible through Budget 2022, to develop digital solutions and optimize Canada's supply chains. This initiative, which would form a key part of Canada's National Supply Chain Strategy, would improve the efficiency and resiliency of Canada's supply chain by: 1. Making it easier to plan and coordinate transportation activities to alleviate bottlenecks, reduce congestion and be more resilient to disruptions by collecting and sharing data and analytics in real time; 2. Supporting industry-driven approaches to digital solutions, especially in the areas of data collection, coordination, and improving the visibility of the transportation network for carriers, shippers and governments; 3. Supporting evidence-based decision-making to further optimize existing networks and better plan infrastructure investments; and 4. Working with industry to optimize trade corridors and gateways across Canada, such as the Pacific Gateway and the Windsor-Quebec trade corridor.

14. Transport Canada to Launch C\$136MM Digital Infrastructure Initiative for Supply Chains

The government of Canada intends to launch the C\$136 million Advancing Industry-Driven Digitalization of Canada's Supply Chain initiative to "improve the efficiency and resiliency of Canada's supply chain," Transport Canada announced on Oct. 14.

15. Canadians haven't felt this bad about the economy since June 2020

Canadian consumer confidence fell to the lowest on record outside of the last two economic crises, raising the odds of a recession. The Bloomberg Nanos Canadian Confidence Index, a measure of sentiment based on weekly polling, declined for a seventh straight week and is now at the weakest this year. The index touched 44.4 last week, a level it's breached only twice before — during the depths of the COVID-19 pandemic in 2020 and the global financial crisis.

16. Manufacturing numbers point to slowdown

Canadian manufacturing sales fell for the fourth month in a row last August, dropping by 2.0 percent month over month, but were up 18.2 percent over 2021 in August 2022. This was a larger drop than Statistics Canada's estimate of

1.8 percent. Meanwhile, sales in constant dollars declined by 1.7 percent, after two straight months of growth, though are up 4.8 percent year over year. Nominal sales fell in 17 of the 21 manufacturing subsectors. The largest falls were in petroleum and coal products (down 3.9 percent), chemical (down 4.5 percent), primary metal (down 3.2 percent), paper (down 5.7 percent) and wood product manufacturing (down 4.3 percent). Sales of beverage and tobacco products (up 5.5 percent) and food (up 0.6 percent) posted the largest increases.

17. Trade volumes down in Q3

The volume of transactions between buyers and suppliers globally slowed for the third consecutive quarter. Data from *Tradeshift*, the global network for digital trade, reveals that trade activity across retail, manufacturing and transport and logistics dropped sharply in the quarter. According to Tradeshift's Index of Global Trade Health, global supply chain activity fell by a further five points in Q3 compared to the baseline. New orders, in particular, are drying up at an accelerated rate as inflation-driven costs and global uncertainty mount. Global order volumes dropped a further seven points below expected levels in Q3 following a six-point drop in the previous quarter, the most significant six-month fall since the height of the pandemic.

18. Parliament supports local leaders' call for a stronger role of cities and regions in global climate negotiations

The European Parliament and the European Committee of the Regions join forces ahead of COP27 calling on Member States to raise climate targets and reinforce multilevel cooperation. The [members of the delegation of the European Committee of the Regions to COP27](#) warmly welcome the support of the European Parliament on the urgency to foster multilevel cooperation in global climate action and the need to fully involve local and regional authorities in the implementation of the Paris agreement. The European Parliament [voted](#) its COP27 resolution at the plenary session in Strasbourg.

19. Travel between Canada and other countries, August 2022

In August 2022, while the number of international arrivals to Canada continued to increase year over year, the pace of recovery has slowed somewhat from July 2022. Residents of overseas countries made six times more trips to Canada in August compared with the same month in 2021, over half (51.6%) of the trips taken in August 2019. Likewise, US residents took nearly 2.0 million trips to Canada in August 2022. This was almost four times the number of trips taken in August 2021 and represented over half (55.4%) of the trips in August 2019. Canadian residents returned from over 3.7 million trips abroad in August 2022, more than four times such trips taken in August 2021 and reaching 63.4% of the level in August 2019, before the COVID-19 pandemic. For more current estimates of international arrivals into Canada, please see the "Leading indicator of international arrivals to Canada" for the September reference month.

20. Environmental regulations will shape your future trucks

A patchwork of environmental regulations in California and elsewhere in the U.S. will affect the types of trucks and powertrains Canadian fleets will have available to them in the near future. And compliance with some of those California-based regulations will bring administrative burdens to Canadian fleets that operate there. Panelists discussing How the future regulatory environment will impact your equipment purchasing decisions, at this year's American Trucking Associations' Management Conference & Exhibition, could not say for sure how all the regulatory requirements in the making will play out for fleets. But Matthew Spears, global executive director – regulatory affairs with Cummins said there are two major rulemaking fleets should be watching.

21. Canadian forwarders call for federal action on transport bottlenecks

Canadian freight forwarders and their shipper-clients are calling on federal transportation agencies to address supply chain bottlenecks they say have resulted in delays and mounting detention and demurrage costs.

22. CTA Calls on Feds to Action Task Force Recommendations and Prioritize Supply Chain Stability

CTA is echoing calls for the Government of Canada to slow the implementation of Bill C-3 and consider a phased-in approach to the 10-day medical leave policy. The CTA supports modernizing labour standards and protecting workers, though it has become abundantly clear that the government needs to proceed with a more balanced and less hasty approach, reflecting the current state of the Canadian economy and its supply chains. CTA is asking for the government to delay the introduction of the new provision and to begin with five-paid days in the first year and an additional five days in the second. This approach would balance the need to support workers while considering the undisputable fragile position of the supply chain by allowing industry some flexibility to relieve backlogs throughout the interim.

23. Labour shortage cost Canada \$13 billion in the past year

Labour and skills shortages have cost the Canadian economy nearly \$13 billion in the past year. Canadian Manufacturers & Exporters (CME) this week released these numbers as part of its annual labour survey, based on responses from 563 manufacturers from across the country. Over the past year, 62 percent of manufacturers have lost or turned down contracts and faced production delays due to a lack of workers, resulting in \$7.2 billion in lost sales and penalties for late delivery. At the same time, 43 percent of companies have postponed or cancelled capital projects because of labour shortages, corresponding to \$5.4 billion of lost investment.