

Transportation Information Update*

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AIR TRANSPORTATION

1. WorldACD Air cargo trends for the past 5 weeks (wk 51)

In the week in which the holiday season started, global air cargo tonnages have dropped strongly, as is typical for this time of the year. However, despite the weakening trend in air cargo tonnages, this year's decline at the beginning of the holiday season is smaller than last year, the latest preliminary figures from WorldACD Market Data indicate. Figures for week 51 (19 to 25 December) show an overall drop of -11% in worldwide flown tonnages compared with the previous week. The decrease in overall chargeable weight is normal for this time of the year as the holiday period begins, with this year's drop smaller than last year (-14%) when comparing week 51 to week 50. The average rates declined in week 51 by -2% compared to the previous week, which is slightly steeper than during the same period last year and a continuation of the sliding rate levels that we have witnessed since the beginning of the month. Comparing weeks 50 and 51 with the preceding two weeks (2Wo2W), tonnages decreased -7% below their combined total in weeks 48 and 49, while average worldwide rates declined -3%, combined with a -3% decrease in capacity – based on the more than 400,000 weekly transactions covered by WorldACD's data. In this two-week period, tonnages were down between all regions, except from Middle East & South Asia to Asia Pacific (+5%), and intra-Asia Pacific (+3%). Most significant decreases were recorded from Asia Pacific to Europe (-18%), from North America to Europe (-16%) and from Europe to Africa (-16%).

2. Holiday travel mess shows why Canadian air travel industry needs competition: NDP

New Democrat Leader Jagmeet Singh says the holiday travel woes that left thousands of passengers stranded at airports or struggling to find flights home show why there should be more competition in Canada's airspace. He says the lack of choice for passengers is also making flying less affordable, and he's calling on the Liberal government to find ways to make the airline industry more competitive. The Canadian Transportation Agency requires domestic air service operators to be majority-owned and controlled by Canadians, limiting options for travellers — especially in rural or remote areas. Over the holidays, hundreds of people were stranded in Mexico when Sunwing cancelled flights, and the airline has stopped flying from Saskatchewan entirely until next month. Air Canada is discontinuing flights from Saskatoon and Regina to Calgary this month, after it discontinued flights from Yellowknife to Edmonton last year. Singh says he wants the CEOs of both companies to answer questions at a future transport committee meeting, but that Transport Minister Omar Alghabra should also ensure there's better oversight. "We need to make sure people have access to being able to get around the country, and that it is affordable," Singh said Wednesday (January 4, 2023). "And right now, for many people, it is not at all. It's something we need to look at and find solutions for."

3. Air Cargo Demand Softens in November

The International Air Transport Association (IATA) released data for

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1. WorldACD Air cargo trends for the past 5 weeks (wk 51), December 29, 2022, www.ajot.com
2. Holiday travel mess shows why Canadian air travel industry needs competition: NDP, January 4, 2022, www.nationalpost.ca
3. Air Cargo Demand Softens in November, January 9, 2023, www.iata.org
4. Air Passenger Market Analysis November 2022, January 9, 2023, www.iata.org
5. Transport minister, airline and rail executives to appear before Commons committee looking into travel chaos, January 9, 2023, www.nationalpost.ca
6. WestJet Cargo is ready for take-off in 2023, January 9, 2023, www.ajot.com
7. Passenger Recovery Continues in November, January 9, 2023, www.iata.org
8. U.S. Airlines' November 2022 Fuel Cost per Gallon Down 3.8% from October 2022; Aviation Fuel Consumption Down 3.2% from Pre-Pandemic November 2019, January 10, 2023, www.bts.gov
9. Air Travel Consumer Report: October Consumer Complaints Down 12% from September, Yet Remain Three Times Higher than Pre-Pandemic Levels, January 10, 2023, www.bts.gov
10. Canada's Airport Council Welcomes Interim NEXUS Solution, January 11, 2023, www.cacairports.ca
11. Air chaos after U.S. grounds hundreds of flights when computer system goes down, January 11, 2023, www.nationalpost.ca
12. Air Canada December 2022 Operational Accomplishments, January 12, 2023, www.aircanada.ca
13. Porter Airlines unveils premium onboard catering and entertainment partners, January 12, 2023, www.flyporter.com
14. Airlines blame Canada travel chaos on weather, pilot shortage, January 13, 2023, www.ajot.com
15. U.S. Cargo and Passenger Airlines Added 1,036 Jobs in November 2022; Employment Remains 4.8% Above Pre-Pandemic November 2019, January 13, 2023, www.bts.gov
16. Competition Bureau asked to examine Air Canada, Westjet over changes to regional service, Jan. 17, 2023, www.globeandmail.ca; and Saskatoon Chamber Asks Watchdog to Examine Air Service Changes, January 17,

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

November 2022 global air cargo markets showing that demand softened as economic headwinds persist. Global demand, measured in cargo tonne-kilometers (CTKs*), fell 13.7% compared to November 2021 (-14.2% for international operations). Capacity (measured in available cargo tonne-kilometers, ACTK) was 1.9% below November 2021. This was the second year-on-year contraction following the first last month (in October) since April 2022. International cargo capacity decreased 0.1% compared to November 2021. Compared to pre-COVID-19 levels (November 2019), there was a smaller contraction in overall demand (-10.1%), while capacity was down 8.8%. Several factors in the operating environment should be noted: 1. Global new export orders, a leading indicator of cargo demand, were stable in October 2022. For major economies, new export orders are shrinking except in Germany, the US, and South Korea, where they grew. 2. Global goods trade expanded by 3.3% in October 2022. Given the softening in air cargo demand, this suggests that maritime cargo was the primary beneficiary. 3. The US dollar appreciated sharply, adding cost pressure as many costs are denominated in US dollars. This includes jet fuel, which is already at elevated levels. 4. The Consumer Price Index for G7 countries decreased from 7.8% in October 2022 to 7.4% in November 2022, the largest month-on-month decline in 2022. Inflation in producer (input) prices reduced to 12.7% in November 2022, its lowest level so far in 2022.

4. Air Passenger Market Analysis November 2022

Recovery momentum sustained in November 2022. The major highlights were: 1. In November, industry-wide RPKs increased by 41.3% year-on-year (YoY), reaching 75.3% of pre-pandemic levels. 2. The global domestic market now stands at 77.9% of 2019 levels. While passenger traffic within China P.R. has not recovered, no further decreases were observed. Other major domestic markets presented wide-ranging but still strong traffic results this month. 3. International passenger traffic nearly doubled from last November, achieving 85.2% YoY growth and 73.7% of November 2019 levels. Major international routes continued to deliver strong results and tracked near pre-pandemic levels. 4. Industry-wide seat capacity, measured in available-seat kilometers (ASKs), grew slightly compared to October in seasonally adjusted terms. Overall, seat capacity continued to maintain a strong positive trend.

5. Transport minister, airline and rail executives to appear before Commons committee looking into travel chaos

Transport Minister Omar Alghabra and Sunwing and Via Rail officials will be among those answering to a House of Commons committee for holiday travel problems faced by hundreds of Canadians. Airline and rail executives, along with Canada's Transport Minister Omar Alghabra, will be called to a parliamentary committee to explain their roles in the travel chaos passengers experienced over the holidays that left many stranded. MPs on the House of Commons transport committee met on January 9, 2023 and agreed unanimously on a witness list for a series of meetings to talk about the travel issues. Airline companies, like Sunwing, WestJet and Air Canada will be called, along with representatives from Via Rail. The committee also wants to hear from airport authorities, passengers rights' advocates and passengers themselves. Winter storms in British Columbia and across eastern Canada scuttled dozens of flights in the lead up to Christmas. Sunwing Airlines had major problems during those storms, leaving many Canadian travellers trapped in Mexico. VIA Rail left hundreds of passengers stuck on the tracks after weather brought down a tree on the tracks just before Christmas. Conservative MP Mark Strahl said in addition to hearing from executives, the government should hear from Alghabra because he has ultimate authority over the system.

6. WestJet Cargo is ready for take-off in 2023

While WestJet Cargo can be proud of the impressive achievements it has accomplished in the last twelve months, there is a lot more to be expected from the Canadian carrier in 2023. For WestJet Cargo, 2022 will certainly be a year to remember. The essential changes of the last few months have indeed been key in building the foundations for its future success. To start with, working with GTA contributed to massively increase its services and shipping capacities in Canada. Moreover, launching a new cargo platform in partnership with SmartKargo, new routes such as Los Angeles (LAX) and Orlando (MCO) and the announcement of 4 dedicated freighters to start operating in the new year have all

2023, www.bloombergnews.com

17. Virgin Atlantic Fined for Operating Flights in Prohibited Airspace, January 17, 2023, www.dot.gov

18. October 2022 U.S. Airline Traffic Data, January 17, 2023, www.bts.gov

19. Delta sets cargo record by a nose during difficult 2022, January 13, 2023, www.freightwaves.com

20. Third Quarter 2022 Average Air Fare Increases 12.7% from Third Quarter 2021, January 18, 2023, www.bts.gov

21. Aviation Industry Welcomes Pause on Roll-Out of New Border System for EU, January 19, 2023, www.iata.org

22. Annual civil aviation statistics, 2021, January 20, 2023, www.statcan.gc.ca

23. Government of Canada supports commercial space launches in Canada, January 20, 2023, www.tc.gc.ca

24. Government of Canada is strengthening our supply chain with investments at John C. Munro Hamilton International Airport, January 23, 2023, www.tc.gc.ca

25. Air Canada Cargo Announces the Expansion of Its Freighter Network with the Start of Scheduled Service to Liege, Basel, January 24, 2023, www.aircanada.ca

26. Air cargo tonnages down 20 percent from 2022 new year, January 23, 2023, www.insidelogistics.ca

27. Porter Airlines launching redesigned VIPorter loyalty program, January 23, 2023, www.flyporter.com

28. Air Canada Named One of Canada's Best Employers by Forbes for Eighth Consecutive Year, January 25, 2023, www.aircanada.ca

29. Hybrid cargo drone offers 1,000 km of daily range, January 25, 2023, www.insidelogistics.ca

30. Monthly civil aviation statistics, November 2022, January 26, 2023, www.statcan.gc.ca

31. Hamilton airport getting cargo upgrade, January 27, 2023, www.insidelogistics.ca

contributed to affirm WestJet Cargo's position as a strong player in the demanding Canadian air freight market. But it is above all by strengthening the team dedicated to cargo that WestJet Cargo has distinguished itself. The appointment of Kirsten De Bruijn as Executive Vice President, followed by the arrival of Bharat Bhatia as Head of Cargo Operations and Hao Cai as Manager of Network Planning, Revenue Management & Interline Analytics will certainly reap great rewards for the carrier in the coming months. In 2023, WestJet Cargo is due to continue to follow its clear vision to be the up and coming cargo carrier, providing customers with creative, agile and flexible solutions and always committing to reliability.

7. Passenger Recovery Continues in November

The International Air Transport Association (IATA) announced that the air travel recovery continued through November 2022. **Total traffic** in November 2022 (measured in revenue passenger kilometers or RPKs) rose 41.3% compared to November 2021. Globally, traffic is now at 75.3% of November 2019 levels. **International traffic** rose 85.2% versus November 2021. The Asia-Pacific continued to report the strongest year-over-year results with all regions showing improvement compared to the prior year. November 2022 international RPKs reached 73.7% of November 2019 levels. **Domestic traffic** for November 2022 was up 3.4% compared to November 2021 with travel restrictions in China continuing to dampen the global result. Total November 2022 domestic traffic was at 77.7% of the November 2019 level. "Traffic results in November reinforce that consumers are thoroughly enjoying the freedom to travel. Unfortunately, the reactions to China's reopening of international travel in January reminds us that many governments are still playing science politics when it comes to COVID-19 and travel. Epidemiologists, the European Centre for Disease Prevention and Control and others have said that the reintroduction of testing for travelers from China can do little to contain a virus that is already present around the world. And China's objections to these policy measures are compromised by their own pre-departure testing requirements for people traveling to China. Governments should focus on using available tools to manage COVID-19 effectively—including improved therapeutics and vaccinations—rather than repeating policies that have failed time and again over the last three years," said Willie Walsh, IATA's Director General.

8. U.S. Airlines' November 2022 Fuel Cost per Gallon Down 3.8% from October 2022; Aviation Fuel Consumption Down 3.2% from Pre-Pandemic November 2019

The Department of Transportation's Bureau of Transportation Statistics (BTS) on January 10, 2023 released U.S. airlines' November fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.398 billion gallons of fuel, 2.5% less fuel than in October 2022 (1.434 billion gallons) and 3.2% less than in pre-pandemic November 2019. The cost per gallon of fuel in November 2022 (\$3.32) was down 13 cents (3.8%) from October 2022 (\$3.45) and up \$1.33 (66.8%) from November 2019. Total November 2022 fuel expenditure (\$4.64B) was down 6.2% from October 2022 (\$4.95B) and up 61.5% from pre-pandemic November 2019. All costs are in current dollars and are not adjusted for inflation. Year-over-year increases in fuel consumption and cost for November include 5.5% in domestic fuel consumption, 52.5% in domestic fuel cost, and 44.5% in cost per gallon. Domestic fuel consumption decreased 1.4% from October to November in 2022, while also decreasing 2.1% from November 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

9. Air Travel Consumer Report: October Consumer Complaints Down 12% from September, Yet Remain Three Times Higher Than Pre-Pandemic Levels

The U.S. Department of Transportation on January 10, 2023 released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of October 2022 for on-time performance, consumer complaints, mishandled baggage, and mishandled wheelchairs and scooters. There was a 12.0% decrease in air travel service complaints from September to October; however, complaints are more than 370% above pre-pandemic levels in October 2019.

10. Canada's Airport Council Welcomes Interim NEXUS Solution

The Canadian Airports Council (CAC) President, Monette Pasher, on January 11, 2023 issued the following statement: "The Canadian Airports Council is pleased by the recent announcement regarding the NEXUS program. NEXUS is an important tool that helps the high volume of Canada-U.S. travellers move smoothly between our two nations, reducing processing times at airports, and improving the overall passenger journey. We're encouraged by this progress and by the commitment of our government partners to find an interim solution for travellers on both sides of the border."

11. Air chaos after U.S. grounds hundreds of flights when computer system goes down

The scale of the air traffic disruption reminiscent of the day after 9/11 attacks but U.S. Transportation Secretary said there was no 'direct evidence' of a cyberattack. At various points throughout the day on January 11, 2023 depending on where you lived, you couldn't fly, buy a bottle of wine online, or even hope for a letter from Britain. No one could yet say whether it was the work of cyber criminals or worn-out equipment malfunctioning. It began first thing in the morning with an alert from the U.S. Federal Aviation Administration that the computer system called the Notice to Air Missions, or NOTAM, had broken down at 8:28 ET the night before. All pilots are required to check NOTAM before a

flight. It keeps a list of all potential adverse impacts on flights, from runway construction to the potential for icing. When it goes down, planes aren't allowed off the ground. By early afternoon, 1,200 U.S. flights had been cancelled and more than 8,200 delayed, according to flight-tracking website FlightAware. Airports in Chicago, Los Angeles, New York and Atlanta were seeing between 30 and 40 per cent of flights delayed.

12. Air Canada December 2022 Operational Accomplishments

Air Canada made extensive preparations for the winter holiday season, which is typically one of the peak travel periods of the year. This year, more than 2 million customers were anticipated to fly with the carrier and it began preparing early in the fall, readying equipment, hiring additional staff and setting a prudent schedule. It made accomplishments in 1. Staffing: for December 2022, Air Canada had 35,681 employees, an increase of more than 1,000 from pre-pandemic, December 2019, when it had 34,653 employees available per customer than prior to the pandemic. 2. Operations: Although severe winter weather across North America disrupted all travel modes, Air Canada operated continuously throughout period. From Dec. 22 to Jan. 8, it flew approximately 17,000 flights. 3. Baggage: Despite winter disruptions that can result in an increase in delayed baggage Air Canada delivered bags with their customers at rate of 97.3%. This rate has improved to 98.7% in the last few days. 4. Customer Care: Recognizing the impact of the weather upon the air transport system, Air Canada voluntarily implemented a goodwill rebooking policy during the holidays. This gave customers who wished to change their flights the option to do so at no cost.

13. Porter Airlines unveils premium onboard catering and entertainment partners

Porter Airlines is unveiling the details of its updated premium in-flight service offering, with an emphasis on partnering with high-quality Canadian brands. Porter is elevating economy air travel for everyone in its greatly expanding network. Coinciding with the airline's strategy to grow in markets throughout North America using new Embraer E195-E2 aircraft, as well as its existing De Havilland Dash 8-400 fleet, travellers will enjoy a new level of generosity and thoughtful service that is non-existent in economy air travel today. The new aircraft and in-flight amenities come into service on February 1, 2023. Porter's onboard experience transforms expectations for economy air travel. Each partner was carefully selected for its locality, quality ingredients, brand alignment, and focus on sustainability. "All of our food and beverage partners are Canadian, deeply passionate about their craft, and have strong relationships within their communities," said Kevin Jackson, executive vice president and chief commercial officer, Porter Airlines. "Porter is aligning our brand with premium partners who emulate our values and the distinct service that we pride ourselves in delivering. With a focus on high-quality products, generous service and competitive prices, our passengers will experience economy air travel in a way that no other airline is offering." Porter's existing signature in-flight service - PorterClassic - featuring complimentary beer and wine served in glassware, along with a selection of premium snacks, will continue to be part of the journey on both the De Havilland Dash 8-400 and Embraer E195-E2 aircraft.

14. Airlines blame Canada travel chaos on weather, pilot shortage

Sunwing Airlines Inc. said it failed to serve customers because of a shortage of pilots over the holiday. Air Canada blamed bad weather for chaos at airports that left thousands of customers stranded. "We know we could have done better," Sunwing President Len Corrado said at a Canadian House of Commons committee hearing on January 12, 2023. Winter storms of snow and ice, a lack of airline staff, and operational problems at airports forced Sunwing, a leisure carrier, to cancel 67 flights. The company has received 7,000 complaints; some passengers were stuck for days in Mexico without knowing when they would return. Air Canada executives said the airline was fully staffed, with a prudent schedule and 15 aircraft set aside to help handle disruptions. Still, storms and cold weather caused bottlenecks in Vancouver, Calgary, and Toronto. "In such situations, we prioritize international flights, which are more difficult to recover because of the long flight times," said Kevin O'Connor, Air Canada's vice president for system operations control. "Overall, we operated 98% of international flights during the holiday period." But in many cases, luggage didn't show up on time. Transport Minister Omar Alghabra plans to strengthen air passenger regulations in the coming months. "Passengers are told too often that they are not entitled to compensation when they really are," he said. "This situation has generated an avalanche of complaints to the Transportation Agency since last summer." The minister said airlines must provide refunds within 30 days when flights are cancelled. "Passengers are not on the hook for a cancelled flight even if it was the weather or a pandemic." Air carriers argued that new regulations should encompass all participants in the travel industry, such as airport authorities and government bodies — not only the airlines. "It was really a perfect storm of significant, epic bad weather, an industry healing from the Covid extended shutdown, labor still very weak across the board," said Deborah Flint, chief executive officer of the Greater Toronto Airports Authority. "Cancellations due to weather have a compounding effect."

15. U.S. Cargo and Passenger Airlines Added 1,036 Jobs in November 2022; Employment Remains 4.8% Above Pre-Pandemic November 2019

U.S. airline industry (passenger and cargo airlines combined) employment increased to 784,337 workers in November 2022, 1,036 (0.13%) more workers than in October 2022 (783,301) and 36,194 (4.84%) more than in pre-pandemic November 2019 (748,143). U.S. scheduled-service passenger airlines employed 498,910 workers in November 2022 or

64% of the industry-wide total. Passenger airlines added 1,118 employees in November 2022 for a nineteenth consecutive month of job growth dating back to May 2021. United led scheduled passenger carriers, adding 1,062 employees; Southwest Airlines added 941; and American added 256. U.S. cargo airlines employed 280,642 workers in November 2022, 36% of the industry total. Cargo carriers lost 131 employees in November 2022. FedEx, the leading air cargo employer, decreased employment by 233 jobs.

16. Competition Bureau asked to examine Air Canada, Westjet over changes to regional service

Canada's competition watchdog is being urged to look into moves by Air Canada and WestJet to end regional service in parts of the country, steps one business group alleges are anti-competitive. Air Canada AC-T this month ended service to Calgary from Regina and Saskatoon and stopped flying to Victoria and other B.C. cities from the Alberta hub. The Montreal-based carrier took the steps seven months after Calgary-based WestJet said it would end some service within Eastern Canada, including Quebec and the Maritimes. On Tuesday, the Greater Saskatoon Chamber of Commerce called on Competition Commissioner Matthew Boswell to investigate the service cancellations and their impact on travellers' choices and costs. The Chamber has asked the Bureau to determine whether the air carriers either expressly or tacitly came to an agreement to allocate markets, contrary to the conspiracy provisions, or the civil competitor collaboration provisions, of the Competition Act. Even if the conduct falls short of being an "agreement" between the airlines, it amounts to an abuse of dominance by Air Canada and WestJet where the airlines have engaged in conduct intended to harm competition, thereby improving their respective positions in the market. The group urged Mr. Boswell to find out if the airlines broke the law by effectively agreeing to divide the Canadian airline market between them.

17. Virgin Atlantic Fined for Operating Flights in Prohibited Airspace

The U.S. Department of Transportation (DOT) on January 17, 2023 fined Virgin Atlantic \$1.05 million for operating flights carrying Delta Air Lines' code (DL) in regions in which a Federal Aviation Administration (FAA) flight prohibition was in effect. The airline was ordered to cease and desist from future similar violations.

18. October 2022 U.S. Airline Traffic Data

U.S. airlines carried 75.6 million systemwide (domestic and international) scheduled service passengers in October 2022, seasonally adjusted, according to the Bureau of Transportation Statistics' (BTS), up 1.0% from September. BTS reported 66.1 million domestic passengers and 9.5 million international passengers on U.S. airlines flights in October. 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.

19. Delta sets cargo record by a nose during difficult 2022

Delta Air Lines' cargo division achieved its best revenues ever in 2022 even though the shipping market was in full retreat for 10 months, with global rates ending 35% lower than the prior-year peak. Fourth-quarter cargo business fell 18.4% year over year to \$248 million, but a strong first half propelled full-year cargo revenue to \$1.05 billion. That enabled the Atlanta-based carrier to inch out a record-tying 2021 result by \$20 million, according to results released on January 13, 2023. Delta only topped the \$1 billion mark one other time – in 2011. Compared to the pre-pandemic benchmark of 2019, Delta's cargo revenue increased 33% during the fourth quarter. For the year, Delta Cargo outperformed 2019 by 39%. 2021 was a banner year for the air cargo sector, with volumes up 7% versus pre-pandemic levels and nearly 19% over COVID-damaged 2020 as shippers flocked to air transport to avoid severe ocean congestion. The high demand coincided with tight supply because passenger networks were still rebuilding. The earnings report shows Delta Air Lines enjoyed a slight bounce from the traditional peak season that didn't materialize this year because of the global economic slowdown, with revenue up from \$240 million in the third quarter.

20. Third Quarter 2022 Average Air Fare Increases 12.7% from Third Quarter 2021

The average U.S. domestic air fare decreased in the third quarter of 2022 to \$384, down 4.7% from the second quarter 2022 inflation-adjusted fare of \$402. Adjusted for inflation (constant 2022 dollars), the average 3Q 2022 air fare was up 37.4% from \$279 in the second full quarter (Q3) of the pandemic in 2020 and down 6.7% from pre-pandemic Q4 2019 (\$411). Adjusted for inflation, the third quarter 2022 fare is up 12.7% from the third quarter 2021 fare of \$340. In the third quarter 2022, passenger demand increased with U.S. airlines reporting 82.9 million originating passengers, up 207.4% from 27.0 million passengers in third quarter of 2020.

21. Aviation Industry Welcomes Pause on Roll-Out of New Border System for EU

ACI EUROPE, A4E, ERA and IATA welcome the decision to postpone the implementation of the EU's new smart border system for non-EU nationals (i.e. Entry Exit System, EES). The EES system will be a game changer for how the EU's borders are managed. There are, however, a number of issues which must be resolved to ensure a smooth roll out and operation of the new system so that air passengers do not face disruptions. These issues include: 1. Wider adoption and effective implementation of automation at national border crossing points by national authorities; 2. Funding by member states to ensure a sufficient number of trained staff and resources are deployed to manage the EU's external border, particularly at airports; 3. Deployment of sufficient resources to support the implementation of new procedures by airports and airlines, and 4. The need for a public communications campaign to alert third-country nationals to the

new requirements. The aviation industry is fully behind the roll out of EES and is committed to working with the EU and national authorities for a successful implementation. But it is important the EU and national authorities address industry concerns and provide efficient coordination for an effective implementation. This includes EU-LISA (the agency responsible for managing the system) strengthening its communications with the industry, and with international partners such as the US, to ensure the IT systems are connected and compatible.

22. Annual civil aviation statistics, 2021

Effects from the second year of the COVID-19 pandemic continued to be felt by the airline industry. In 2021, Canadian air carriers transported 26.0 million passengers, down 7.3% from 2020 and just over one-quarter (27.6%) of the 94.1 million passengers carried in 2019, prior to the pandemic. Operating revenue earned by Canadian air carriers in 2021 totalled \$12.5 billion, less than half (42.2%) of what was reported in 2019. A sharp drop in passenger revenue was partly offset by an increase in cargo revenue, up 68.3% from 2019 to \$2.9 billion. However, net operating income was down \$5.0 billion from 2019. In 2021, profits were non-existent in the airline industry. Even though net operating income increased by \$50.5 million from 2020, it remained \$5.0 billion under the 2019 pre-pandemic level. Total operating revenue generated by Level I to III Canadian air carriers was 57.8% below 2019, at \$12.5 billion in 2021.

23. Government of Canada supports commercial space launches in Canada

On January 20, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced the Government of Canada's intention to support commercial space launch activities in Canada. Its regulatory framework needs to be modernized to address all aspects associated with this emerging industry. This is why the Government announced measures that will be taken in the interim and in the future: 1. In the interim, which is expected to last three years, the Government of Canada intends to enable commercial space launch activities in Canada that are safe, secure and environmentally sustainable, under existing legislation and regulations, on a case-by-case basis. 2. During the interim period, Transport Canada will work in close collaboration with other federal departments and agencies to develop robust regulatory requirements, safety standards and licensing conditions necessary for commercial space launch in Canada. 3. In addition, the Minister of Transport will establish an interdepartmental review process to leverage expertise from other departments and agencies to ensure that any launch is considered and approved in a manner consistent with domestic legislation, international treaties and conventions, and national security and foreign policy interests of Canada.

24. Government of Canada is strengthening our supply chain with investments at John C. Munro Hamilton International Airport

On January 23, 2023, the Minister of Transport, the Honourable Omar Alghabra, and the Minister responsible for the Federal Economic Development Agency for Southern Ontario and Member of Parliament for Hamilton West–Ancaster–Dundas, the Honourable Filomena Tassi, announced an investment of up to nearly \$23.5 million under the National Trade Corridors Fund for an expansion and sustainability project at the John C. Munro Hamilton International Airport. This project, which will cost close to \$47 million, will allow the Hamilton International Airport to: 1. handle increased cargo operations by improving and expanding airfield capacity; 2. increase de-icing capacity; and 3. build a new independent road to reduce congestion. This investment will have significant economic and employment benefits for the region, such as reducing supply chain congestion, facilitating the movement of goods and creating good jobs for Canadians in the region.

25. Air Canada Cargo Announces the Expansion of Its Freighter Network with the Start of Scheduled Service to Liege, Basel

Air Canada Cargo on January 24, 2023, announced that scheduled service to Liege with its Boeing 767 freighters will begin next month, while flights to Basel are slated to begin in April 2023. Air Canada Cargo will operate flights twice per week to Liege, with service increasing to three flights per week later in the year. Basel, one of Europe's premiere pharmaceutical hubs, will see two flights per week. They will originate in Toronto and have a stop in Halifax. The routes will connect these European destinations to Toronto and Air Canada Cargo's extensive global network. "Air Canada Cargo continues to expand its freighter network to provide customers with reliable, year-round service that connects key European markets with Air Canada and Air Canada Cargo's global network through its Toronto hub," said Matthieu Casey, Managing Director, Commercial at Air Canada Cargo. These new routes are in addition to the recent start of service to Dallas, Atlanta and Bogota as Air Canada Cargo continues to expand its freighter network.

26. Air cargo tonnages down 20 percent from 2022 new year

Global air cargo tonnages have shown a strong post-holiday season recovery in the second week of 2023, but remained 20 percent below 2022's numbers. This upswing is delayed compared with last year, when tonnages had already begun to recover by the end of the first week. However, when combining the first two weeks of 2023, the recovery is similar in magnitude to last year, the latest preliminary figures from WorldACD Market Data indicate. Figures for January 9 to 15 show a jump of 19 percent in worldwide tonnages compared with the previous week, while last year in the same period an increase of 13 percent was observed. When looking at the first two weeks together, the scale of this year's

recovery (up 18 percent) is similar to that seen last year (up 16 percent). Average rates continued to hold firm into the second week of 2023, whereas last year a decrease was recorded of two percent compared with the previous week.

27. Porter Airlines launching redesigned VIPorter loyalty program

Aligned with the start of Porter Airlines' new Embraer E195-E2 jet service on February 1, 2023, the airline is relaunching its VIPorter loyalty program. The program's new structure expands membership levels, adds benefits and makes it easier for frequent economy travellers to earn the perks they value faster than with any other Canadian airline.

28. Air Canada Named One of Canada's Best Employers by Forbes for Eighth Consecutive Year

Air Canada has been named one of Canada's Best Employers 2023 by Forbes for the eighth consecutive year, recognizing the airline's commitment to providing excellent employment opportunities for employees in Canada. "We are honoured to be recognized as one of Canada's Best Employers 2023 by Forbes yet again, a clear signal that the workplace culture we have fostered over many years has enabled Air Canada to remain a top employer. Creating a positive work environment that supports employee fulfillment and development while at the leading edge of global aviation remains a key priority for Air Canada as it continues to implement its business strategies restoring its international network and continuing to elevate its products and services. Thanks go to our more than 36,000 dedicated employees who safely transport people globally every day," said Arielle Meloul-Wechsler, Executive Vice President, Chief Human Resources Officer and Public Affairs.

29. Hybrid cargo drone offers 1,000 km of daily range

A newly developed drone is promising a full day of deliveries without the need to recharge or refuel. The Cento is a hybrid, electric vertical takeoff and landing (VTOL) aircraft with a cargo capacity of 45 kilograms (100 lb), a range of 965 kilometres (600 miles) and a maximum speed of 240 kmh (150 mph). It is designed with a six by one by one foot ft (1.8m x 0.30m x 0.30m) internal cargo bay that is able to carry 96 small postal packages. Cargo is loaded and unloaded by a conveyor belt that operates autonomously. Because the Cento is equipped with a hybrid powertrain, it does not require recharging between flights. An internal combustion engine recharges the aircraft's battery while in the air, meaning it can perform multiple consecutive deliveries. The drone was developed by startup Mightyfly in 21 months, after the company landed US\$5.1 million in seed funding.

30. Monthly civil aviation statistics, November 2022

Major Canadian airlines carried 5.5 million passengers on scheduled and charter services in November 2022, 75.0% more passengers than in the same month of 2021 and 90.1% of the November 2019 level, before the COVID-19 pandemic. With traffic at 13.9 billion passenger-kilometres and capacity at 17.0 billion available seat-kilometres, the passenger load factor (the ratio of passenger-kilometres to available seat-kilometres) was 81.8% in November, comparable with pre-pandemic levels. The \$1.7 billion operating revenue earned in November 2022 was 98.7% of that earned in November 2019.

31. Hamilton airport getting cargo upgrade

The John C. Munro international airport in Hamilton, Ontario, is expanding cargo operations with a \$47 million project. The project will allow the airport, which is home base for Cargojet, to handle increased cargo operations. It will strengthen and expand airfield and de-icing capacity, strengthen and rehabilitate key airport infrastructure, such as aprons and taxiways, improve stormwater management systems, and construct a dedicated roadway for cargo operations over the next two years, starting in 2023. The total project cost is \$46.9 million, and Transport Canada's National Trade Corridors Fund (NTCF) investment will contribute \$23.4 million, with remainder being privately funded and managed by the airport operator, TradePort International Corporation, as part of its capital investment plan. The airfield work will be completed in phases over the next two years to ensure uninterrupted operations to existing 24/7 operations.

WATER TRANSPORTATION

1. Chinese ports turn to automation to make up for lost labour

China's Qingdao Port has increased its unloading rate by 16 percent this year with automation. The port is a subsidiary of Shandong Port Group and the second-largest foreign trade port in east China's Shandong Province. The port has handled ultra-large container ships more than 300 times. Ultra-large container ships are usually 400 metres long and have a capacity of over 20,000 twenty-foot equivalent units (TEU). The port has also handled 200-metre-long container ships more than 3,900 times, a seven-percent increase year on year. Handling that much freight under the impact of COVID-19 is challenging, particularly with reduced labour availability. Qingdao Port is the world's first to have an air-track intelligent transporting system capable of handling 1.5 million TEUs annually. China now leads the world in the

WATER TRANSPORTATION Canada

1. Chinese ports turn to automation to make up for lost labour, December 29, 2022, www.insidelogistics.ca
2. Montreal posts preliminary 2022 results, January 2, 2022, www.insidelogistics.ca
3. MSC ship wins Montreal first vessel recognition, January 3, 2022, www.insidelogistics.ca
4. Port of Long Beach channel deepening project wins Federal authorization, December 29, 2022, www.ajot.com
5. Lithium-ion battery transport causing more

number of automated terminals, both built and under construction, according to the Ministry of Transport. All the major ports in Shanghai and Tianjin are equipped with automated bridge cranes or tracks.

2. Montreal posts preliminary 2022 results

After two years marked by declines in cargo volumes due to the impact of the COVID-19 pandemic, the Port of Montreal posted a 5.4 percent gain in volumes over last year with a total of 35.9 million tonnes of cargo transiting through its facilities in 2022. These are preliminary (unaudited) results for 2022. “The Port of Montreal, your port, is doing fine, as evidenced by the encouraging preliminary results for 2022,” said Martin Imbleau, president and CEO. “In the great disruption caused by the pandemic, we all became aware of the existence and importance of supply chains and the need to restructure them. The Port of Montreal and its partners can help make this possible, specifically with the development of our major container terminal project in Contrecoeur.” The container sector saw a slight increase of 1.2 percent with 14.4 million tons handled. With the recovery in movements, the liquid bulk sector enjoyed a net increase of 10.5 percent over 2021 with 13 million tonnes handled.

3. MSC ship wins Montreal first vessel recognition

On January 1, 2023, the MSC Donata was the first ocean-going vessel of the year 2023 to cross the Port of Montreal’s downstream limit at Sorel without a stopover. True to a tradition that dates back more than 180 years, the Montreal Port Authority (MPA) is awarding the Gold-headed Cane to its master, Singh Ranjit Kumar. The MSC Donata left the port of Sines, Portugal on 23rd Dec 2022. The Panama-flagged MSC container ship ended its journey at the Viau terminal operated by Termont in section 48 of the Port of Montreal. The MSC Donata will be back at sea in a few days with containers ready for export to Marsaxlokk, Malta.

4. Port of Long Beach channel deepening project wins Federal authorization

The Port of Long Beach is kicking off 2023 with plenty to celebrate. On Dec. 23, 2022 President Joe Biden signed into law the Water Resources Development Act (WRDA) of 2022, the biennial legislation authorizing federal flood control, navigation and ecosystem improvements that include the Port’s Channel Deepening Project. “We are grateful to members of the House and Senate and the Army Corps of Engineers who championed this bill, the many lawmakers from both parties who voted for it and President Biden,” said Board of Harbor Commissioners President Sharon L. Weissman. “Their overwhelming support recognizes how vital international trade through the Port of Long Beach is to the U.S. economy.” The Port’s Channel Deepening Project is one of only five navigation projects nationwide that met the goals of the Corps’ rigorous planning process to make the cut for construction authorization under the new water resources law. The WRDA was packaged with the National Defense Authorization Act for fiscal year 2023.

5. Lithium-ion battery transport causing more catastrophic transport events

The increasing demand for electric-powered vehicles and devices is posing a risk for transportation. TT Club, UK P&I Club and technical and scientific consultancy Brookes Bell have published a paper highlighting the dangers inherent in the transport of lithium-ion batteries, particularly by sea. “Recently, serious and sometimes catastrophic incidents involving lithium-ion batteries have become more commonplace, with fires reported in all modes of transport – ocean, air and land – as well as in warehouses and where such consignments are at rest,” said Peregrine Storrs-Fox, TT’s risk management director.

catastrophic transport events, January 5, 2023, www.insidelogistics.ca

6. Top 10 container lines: How did rankings change during boom?, January 5, 2023, www.americanshipper.com
7. Drewry World Container Index - 05 Jan, January 5, 2023, www.ajot.com
8. Maersk reports Canada’s west coast ports still slow, Jan. 9, 2023, www.insidelogistics.ca
9. Port Everglades picks up CMA CGM West Coast South America service, January 11, 2023, www.ajot.com
10. Government of Canada invests in the revitalization of Port Colborne, January, 11, 2023, www.tc.gc.ca
11. 2023 Port Performance Freight Statistics Program: Annual Report to Congress, January 13, 2023, www.bts.gov
12. Ontario’s Welland Canal getting \$45 million overhaul, January 12, 2023 www.insidelogistics.ca
13. Port of Vancouver: Accumulated container statistics January-December 2022, January 17, 2023, www.portmetrovancover.com
14. Ocean Shipping Reform Act of 2022 (OSRA), January 18, 2023, www.bts.gov
15. Jensen says container trade recovery could be delayed until 2024, January 18, 2023, www.ajot.com
16. Port of Halifax enjoyed banner year in 2022, January 19, 2023, www.freightwaves.com; and Strong partnerships, strategic investment at Port of Halifax result in improved sustainability and higher throughput volume, January 18, 2023, www.portofhalifax.ca
17. Port of Long Beach misses record as cargo flow returns to ‘normal’ January 19, 2023, www.freightwaves.com
18. Port of Prince Rupert’s Annual Cargo Volumes Drop for Second Consecutive Year, January 19, 2023, www.rupertport.com
19. MARAD Announces Nearly \$20 Million in Funding Available for Small Shipyard Grants, January 19, 2023, www.dot.gov
20. Intermodal Briefs: ITS Logistics, Port of Halifax, Jan. 24, 2023, www.Railwayage.com
21. Shipping-cost drop a ‘smoking gun’ foretelling inflation to cool, January 24, 2023, www.ajot.com
22. Port of Prince Rupert: 2022 Container Traffic Year to Date, January 25, 2023, www.rupertport.ca
23. How will Maersk-MSK split redraw container shipping landscape?, January 25, 2023, www.freightwaves.com
24. Seaway sees big increases in fertilizer, petroleum products, January 26, 2023, www.insidelogistics.ca
25. Biden-Harris Administration Announces More Than \$380 Million in Grants to Modernize Ferry Services, Reduce Emissions, and Connect Rural Communities, January 26, 2023, www.dot.gov
26. Container shipping shake-up: Maersk, MSC terminating 2M in 2025, January 26, 2022, www.freightwaves.com
27. Port of Long Beach’s Cordero emphasizes zero emissions, January 27, 2023, www.ajot.com

6. Top 10 container lines: How did rankings change during boom?

Container shipping lines reaped massive windfalls during the COVID-era consumer boom. Different ocean carriers pursued different fleet strategies in 2020-22, from aggressively maximizing market exposure on one hand to keeping capacity flat or even reducing it on the other. The liner bonanza isn't over yet — high contract rates should keep outsized profits flowing well into this year. But with [the historic super-cycle winding down](#), it's time to take stock of how fleets evolved over the past three years. Alphaliner released its overview of 2022 fleet changes on January 3, 2022. Together with Alphaliner's historical records, the data shows that the aggregate market share of the top 10 lines has stayed steady through the super-cycle — now at 85% of the global fleet versus 84% in early 2020 — but with big changes among individual players. There are “major discrepancies between the ‘gainers’ and ‘losers,’” said Alphaliner. The big gainers between Jan. 1, 2020, and Jan. 1, 2023, shows the top 10 liners increased aggregate capacity by 2.6 million twenty-foot equivalent units or 13%. Five companies drove the gains. These companies were: 1. MSC 22%; 2. CMA CGM 26%; HMM 110%; Evergreen 30%; and Zim 83%. The changes of the other companies were: 6. Hapag-Lloyd 4%; 7. Yang Ming 9%; 8. Maersk 1%; 9. ONE -3%; and 10. Cosco -2%. The market share of the ten is shown in the chart.

7. Drewry World Container Index - 05 Jan

Drewry's detailed assessment for January 5, 2023 was as follows: 1. The composite index increased by 0.7% this week, the first increase in 43 weeks, but has dropped by 77% when compared with the same week last year. 2. The latest Drewry WCI composite index of \$2,123 per 40-foot container is now 79% below the peak of \$10,377 reached in September 2021. It is 21% lower than the 10-year average of \$2,694, indicating a return to more normal prices, but remains 50% higher than average 2019 (pre-pandemic) rates of \$1,420. 3. The average composite index for the year-to-date is \$2,135 per 40ft container, which is \$559 lower than the 10-year average (\$2,694 mentioned above). 4. The composite index increased by 0.7% to \$2,135.16 per 40ft container, but is 77% lower than the same week in 2021. Freight rates on Shanghai – Rotterdam gained 10% or \$168 to \$1,874 per feu. Spot rates on Shanghai – Genoa climbed 2% or \$47 to \$2,926 per 40ft box. However, rates on Rotterdam – New York dropped 6% or \$400 to \$6,589 per 40ft container. Rates on Los Angeles – Shanghai and Shanghai – New York fell 3% each to \$1,138 and \$3,788 per 40ft box, respectively. Rates on New York – Rotterdam slid 2% to \$1,243 per feu. Similarly, rates on Rotterdam – Shanghai and Shanghai – Los Angeles slipped 1% each to \$785 and \$1,964 per 40ft container, individually. Drewry expects small week-on-week reductions in rates in the next few weeks.

8. Maersk reports Canada's west coast ports still slow

The ports of Vancouver and Prince Rupert are among the most congested according to Maersk North America. In a customer update published January 5th 2023, the global liner company said its ships are waiting six days at Vancouver and seven at Prince Rupert. No other West Coast ports have waiting times of more than three days, and only Houston, on the Gulf coast, has a vessel line-up on two to 10 days. Port Vancouver's tracking app showed four container ships at berth and one at anchor on January 9th, 2023. One Maersk vessel was among these, and it had a berth. Nine grain ships were at berth and 20 remained at anchor awaiting export grain. Maersk also note it is experiencing high impact delays at the yards for both ports and for rail loadings at Vancouver. Yard utilization is over 100 percent in Prince Rupert, at 80 percent in Vancouver. The average rail dwell time at Vancouver is 12.5 days at the moment, and improving, Maersk said.

9. Port Everglades picks up CMA CGM West Coast South America service

Global ocean carrier CMA CGM's AMERICAS XL service made its first call to Port Everglades on Saturday, Jan. 7. According to CMA CGM, the newly launched AMERICAS XL is the only direct service on the market connecting the West Coast of South America to the East Coast of the United States. Port Everglades is the first U.S. stop on the northbound portion of the service from Cartagena, Colombia, and the rotation will reach down as far south as San Antonio, Chile. CMA CGM also offers fast transshipment connections in Cartagena or Kingston, Jamaica, from Brazil, Asia, Northern Europe, and the Mediterranean. "Port Everglades historically is the primary link to the North-South trade lanes, so CMA CGM is a perfect complement to the ocean carriers already calling South Florida," said CEO and Port Director Jonathan Daniels. "I especially want to congratulate Florida International Terminal (FIT) on bringing this service to our Port. CMA CGM's direct service will give Port Everglades a decided advantage as we will be the first U.S. port of call from South America's West Coast."

10. Government of Canada invests in the revitalization of Port Colborne

On January 11, 2023, the Minister of Transport, the Honourable Omar Alghabra, Parliamentary Secretary to the Minister of Indigenous Services and Member of Parliament for Niagara Centre, Vance Badawey, and Parliamentary Secretary to the Minister of Canadian Heritage and Member of Parliament for St. Catharines, Chris Bittle, announced an investment of up to \$22.7 million to support improvements for the Welland Canal under the National Trade Corridors Fund. This investment will have important benefits for the region, such as relieving supply chain congestion and facilitating the movement of goods at the port. The \$45.3 million project will support the St. Lawrence Seaway

Management Corporation in the reconstruction and rehabilitation of three wharves located at the Welland Canal in Port Colborne, Ontario. The project aims to revive these wharves, which are currently out-of-service, to support operations and increase capacity of the trade corridor.

11. 2023 Port Performance Freight Statistics Program: Annual Report to Congress

In January 2023, the Bureau of Transportation Statistics released its report on 2023 Port Performance Statistics Pursuant to the requirements of Section 6018 of the Fixing America's Surface Transportation Act. The report covers: Top 25 Ports (port definitions, port components, port geography and lists of the top 25 ports); Port Activities in 2021 & 2022 (supply chain challenges and record low water on the Mississippi and Ohio Rivers in 2022); Port Capacity & Throughput Measures (port capacity measures and port throughput measures); and Looking Ahead. In 2020, the top 25 container ports handled a total of 39.8 million TEU, accounting for 96.5 percent of the loaded TEU handled by all U.S. container ports. The container ports with the highest TEU volumes were coastal container ports, such as the ports of Los Angeles, Long Beach, and New York and New Jersey. The 2020 top container port was the port of Los Angeles, California. Additional details can be found in the report.

12. Ontario's Welland Canal getting \$45 million overhaul

A \$45.3 million rehabilitation project will reconstruct wharves along the Welland Canal in Port Colborne, Ontario. The canal allows freighters and other vessels to travel between Lake Erie and Lake Ontario, bypassing the Niagara River and Niagara Falls. Port Colborne is on Lake Erie, on the south end of the canal. The federal government is providing up to \$22.7 million under the National Trade Corridors Fund. It will support the St. Lawrence Seaway Management Corporation in the reconstruction and rehabilitation of three wharves located in Port Colborne, Ontario. The project aims to revive these wharves, which are currently out-of-service, to support operations and increase capacity of the trade corridor. The wharves, 18-1, 18-2 and 18-3, are on the west side of the canal. They have been unused for more than 10 years due to decaying walls.

13. Port of Vancouver: Accumulated container statistics January-December 2022

The Port of Metro Vancouver reported its container statistics for 2022 on January 17, 2023. Total traffic (TEUs) for 2022 were 3,557,294 compared to 3,678,952 in 2021, a 3.3% decrease. Total imports (TEUs) for 2022 were 1,844,642 compared to 1,923,621 in 2021, a 4.1% decrease. Total exports (TEUs) for 2022 were 1,712,652 compared to 1,755,331 in 2021, a 2.4% decrease.

14. Ocean Shipping Reform Act of 2022 (OSRA)

Congress passed the Ocean Shipping Reform Act of 2022 (OSRA 22) in June 2022. Section 16 of the congressional mandate requires the Bureau of Transportation Statistics to produce statistics on "the total street dwell time from all causes of marine containers and chassis and the average out of service percentage of chassis." OSRA 22 grants BTS authority to collect data from "each port, marine terminal operator, and chassis owner or provider with a fleet of over 50 chassis that supply chassis for a fee" as deemed necessary to produce statistics. The results from the initial data collection will be published by February 10, 2023, and every month thereafter until the sunset of the program in December 2026.

15. Jensen says container trade recovery could be delayed until 2024

The hopeful projections for recovery in cargo volumes in 2023 may be overshadowed by the more pessimistic projection of delayed recovery which may only manifest itself in 2024, according to Lars Jensen, Principal at Vespucci Maritime based in Copenhagen, Denmark. Jensen was speaking to the Propeller Club of Northern California (PCNC) on January 17th, 2023 in which he said that the recovery in ocean shipping volumes may have to wait until 2024. Jensen explained the optimistic scenario: "The happy and optimistic scenario is that this is only an inventory correction. The global recession that we're in right now is short and shallow. The Russian war ends, inflation gets under control, and consumers get happy and optimistic. If that is the case, then we will see the economy pick up over the summer. There will be a surge of cargo during the normal peak season and the market will rectify." However, Jensen believes the more pessimistic outcome is more likely: "The pessimistic scenario is somewhat easier to swallow. In that scenario, the Russian war does not end anytime soon, it takes inflation a lot longer to get under control, and the current recession might be deeper and longer than we expect. In this case, it will take consumer sentiment a lot longer to come back. In which case, the boom that we get in cargo demand following the inventory correction will not happen until the first quarter of 2024." Jensen said that the core driver of the massive decline in container volumes "is very simple: it's an inventory correction. Inventory corrections always hit container volumes hard. That means that the decline will continue until the owners have run down their inventories to a more satisfactory level. This is likely to happen sometime during the first quarter of 2023."

16. Port of Halifax enjoyed banner year in 2022

The Port of Halifax in Nova Scotia, Canada, is touting a new record of "crossing the 600,000 [twenty-foot equivalent units] annual throughput threshold for the first time." Halifax, along with the Port of Saint John in New Brunswick, is

jockeying with other eastern coastal ports along North America to process more volumes. Halifax has access to eastern Canada and the U.S. Midwest through Canadian railway CN, including the cities of Montreal, Toronto and Chicago. Halifax Port Authority President and CEO Capt. Allan Gray credited collaborative work between PSA Halifax, CN, the port authority, union members and others for the increase in throughput volume last year. Halifax moved 601,700 TEUs in calendar year 2022 through its two containerized cargo terminals, PSA Halifax Atlantic Hub and PSA Halifax Fairview Cove. The port also has the ability to handle ships with a carrying capacity as large as over 16,000 TEUs. “In 2022, we started using the Joint Operation Centre for containerized cargo operations and that certainly helped find new efficiencies and maintain cargo fluidity with no vessel berthing delays during a second year of sustained supply chain disruptions,” Gray said in a news release on January 18, 2023. Investments to the port in 2022 included CA\$7 million (\$5.4 million) from the Canadian government [to build](#) a \$15 million marine container examination facility that it said will significantly reduce inspection turnaround times and port congestion. In 2023, the port is anticipating the arrival of two additional super post-Panamax cranes at PSA Halifax Atlantic Hub, as well as new yard handling equipment. Projects to increase yard handling space are also ongoing.

17. Port of Long Beach misses record as cargo flow returns to ‘normal’

The Port of Long Beach missed setting an annual container record by only 2.7%. It said a breather in container movement allowed for a “return to normal operations while once again serving as the nation’s leading export seaport.” But the 9,133,657 twenty-foot equivalent units moved in 2022 were only 2.7% off the record-setting 2021, the busiest year in the Southern California port’s 112-year history. Imports dropped 4.9% to 4,358,789 TEUs, while exports dipped 1.6% to 1,414,882 TEUs. The port said despite the slight decline, Long Beach remained the nation’s leading export port for a second consecutive year for loaded TEUs. Empty containers processed through the port declined just 0.14% year over year to 3,359,986 TEUs. “Cargo is moving smoothly as we move past the economic effects of COVID-19,” Executive Director Mario Cordero said in a news release. “In 2023, we will continue to invest in digital and physical infrastructure projects, focus on market share and develop long-term improvements that will strengthen our competitiveness and keep goods moving efficiently.”

18. Port of Prince Rupert’s Annual Cargo Volumes Drop for Second Consecutive Year

The Prince Rupert Port Authority (PRPA) announced on January 19, 2023 that 24.6 million tonnes of cargo moved through the Port of Prince Rupert in 2022, two percent behind 2021 volumes. The slight year-over-year decrease reflects the mounting challenges brought on by supply chain disruptions affecting imports and exports, rapidly changing energy demands, and geopolitical tensions over the past 12 months. Despite the current volatility, considerable strides were made toward developing a more resilient and sustainable trade gateway in the near and long-term through further diversification, new capacity, and expanded services. “The Port of Prince Rupert needs to evolve its services and capabilities, or our Gateway’s competitiveness will erode. Global trade and supply chains are changing rapidly, and we must adapt,” said Shaun Stevenson, President and CEO, Prince Rupert Port Authority. “It highlights the importance of the projects that are currently in development, including container terminal and logistics service expansions, as well as the expansion and diversification of existing terminals and creation of new export facilities needed to support Canada’s role in global energy security. As these projects reach critical decision points, 2023 will define the future of the Port of Prince Rupert.”

19. MARAD Announces Nearly \$20 Million in Funding Available for Small Shipyard Grants

The U.S. Department of Transportation’s Maritime Administration (MARAD) announced the availability of nearly \$20 million in Federal Fiscal Year 2023 funding to help modernize small U.S. shipyards and train the workforce in this critical sector. MARAD’s Small Shipyard Grant Program strengthens the economic competitiveness of shipyards by providing grants that can be used to purchase equipment or provide employee training. In addition, these grants can support the purchase of American-made manufacturing equipment that support a wide range of jobs throughout our nation’s manufacturing base.

20. Intermodal Briefs: ITS Logistics, Port of Halifax

In 2022, more than 600,000 TEUs moved through the Port of Halifax’s containerized terminals, PSA Halifax Atlantic Hub and PSA Halifax Fairview Cove. ITS Logistics, a 3PL firm based in Reno, Nev., expands its Midwest operations. Also, the Port of Halifax in Canada marks a milestone in 2022, crossing the 600,000 TEU (twenty-foot equivalent unit) annual throughput threshold for the first time. ITS Logistics on Jan. 23 reported adding a third warehouse to its existing campus in Whitestown, Ind., increasing its distribution space in the Midwest to more than 1.3 million square feet. Its total U.S. distribution space is now 3 million square feet. The 3PL (third-party logistics) firm describes itself as “providing handling for the entire delivery operation from drayage of containers at the port, transloading for truck delivery to the appropriate DC, omnichannel fulfillment, outbound truckload, LTL, and small parcel to client customers.” It offers drayage and intermodal in 22 coastal ports and 30 inland rail ramps. “ITS is focused on ensuring that we equip our customers with the ability to reach more of their clientele in less time, so strategic geographic

expansion has been a continued priority for our company,” said Ryan Martin, President of Assets for ITS Logistics. “This Midwest location was ideal for further expansion.”

21. Shipping-cost drop a ‘smoking gun’ foretelling inflation to cool

The pandemic-era surge in shipping costs was a “smoking gun” that foretold the global inflation spike, and the sharp drop in maritime-freight expenses since peaking last year will contribute to an easing in price pressures, a former International Monetary Fund official said. World container rates climbed more than sixfold by October 2021 from pre-Covid-19 levels, and the increase was “a canary in the coal mine for the persistent rise in inflation” seen in 2022, Jonathan D. Ostry, a professor at Georgetown University and the former acting director of the fund’s Asia and Pacific department, said in a post. A study undertaken by Ostry and four colleagues examining the link between shipping costs and prices suggests that a doubling of maritime-transport expenses caused inflation to increase by roughly 0.7 percentage point. “While skyrocketing food and energy prices were making headlines, the surge in shipping costs seemed to pass largely under the radar, despite its potential inflationary impact,” Ostry wrote in the IMF post on the study. “Given the actual increase in global shipping costs during 2021, we estimate that the impact on inflation in 2022 was more than 2 percentage points — a huge effect that few central banks would dismiss.” Ostry noted that some inflation drivers weren’t foreseeable or were difficult to predict, such as supply-chain disruptions, commodity-price increases owing to Russia’s invasion of Ukraine, and the unwinding of pandemic-era savings that boosted demand. The cost of shipping a container from Asia to the US peaked at \$8,585 in March last year and has since plummeted to \$1,200 — the lowest since 2018, according to an index compiled by Drewry Shipping Consultants. With the pandemic spike in shipping costs over, the research by Ostry and his colleagues suggests most of its inflationary impact has already been seen. The estimates are symmetric, such that declines in shipping costs would tend to bring inflation down in the following year, which implies that the plunge in maritime-transport expenses in 2022 will contribute to a reversal of inflationary pressures, Ostry wrote.

22. Port of Prince Rupert: 2022 Container Traffic Year to Date

The Port of Prince Rupert released its year to date container traffic report on January 25, 2023. For the Port of Prince Rupert for 2022 total traffic in terms of TEUs was down **2%** compared to the same period in 2021, i.e. to 1,035,659 TEUs from 1,054,836 TEUs. Inbound traffic in terms of TEUs decreased 2% (i.e. to 535,969 TEUs from 546,962 TEUs) and outbound decreased 2% (i.e. to 499,670 TEUs from 507,874 TEUs).

23. How will Maersk-MSC split redraw container shipping landscape?

MSC has grown so much that it does not need to be in an alliance with other carriers. The decision by MSC and Maersk — the world’s two largest container lines — to terminate the 2M vessel-sharing alliance was predictable. The bigger surprise will be what happens next. Will both MSC and Maersk go it alone after 2M ends in January 2025? Will Maersk join another alliance or create a new one? How will this affect the remaining two global alliances: Ocean Alliance and THE Alliance? And how will it affect cargo shipper pricing? MSC grew far faster than any other ocean carrier over the past two years, taking over the top slot from Maersk. According to Alphaliner, MSC has acquired 271 second hand ships since August 2020, with capacity of just over 1 million twenty-foot equivalent units. MSC’s recent second hand acquisitions exceed the entire capacity of HMM, the world’s eighth-largest carrier. MSC has over 1.8 million TEUs of newbuild capacity on order, more than double the orderbook of any other carrier. Its orderbook capacity is higher than the existing tonnage of Hapag-Lloyd, the world’s fourth-largest shipping line. “To me, it is obvious that MSC will go on its own,” Alphaliner shipping analyst and Europe editor Stefan Verberckmoes told American Shipper. “It will have enough resources to offer a worldwide network without any partners, which is what it was used to doing before it joined 2M in 2015.

24. Seaway sees big increases in fertilizer, petroleum products

More than 36 million tonnes of cargo transited the Great Lakes-St. Lawrence Seaway system during the 2022 navigation season. The Canadian St. Lawrence Seaway Management Corporation (SLSMC) and U.S. Great Lakes St. Lawrence Seaway Development Corporation (GLS) announced their 2022 results earlier this week. “Seaway traffic results show positive trends amongst certain commodities, which demonstrates our system’s ability to quickly adapt to changes in the market,” said Terence Bowles, president and CEO of the SLSMC. “It’s this agility that enables the Seaway to respond to changes and act on emerging opportunities, such as shifting trade patterns resulting from global events. In addition, we are working closely with partners to develop lands along the Seaway, which will benefit both the economy and local communities.” U.S. and Canadian producers helped mitigate global issues affecting fertilizer supplies, which drove significant growth in potash, up over 100 percent compared to 2021. Dry bulk commodities, including coke, salt and potash, contributed over 11 million tonnes of the 2022 total. Petroleum products were up nearly 28 percent over last year, due to increased passenger travel. U.S. grain exports increased, and although month-over-month Canadian grain performed well, it did not match last year’s results. The effects of the 2021 drought in the Canadian prairies impacted export movements at the beginning of the 2022 season. That said, the improved 2022 grain harvest is expected to result in a strong start for 2023.

25. Biden-Harris Administration Announces More Than \$380 Million in Grants to Modernize Ferry Services, Reduce Emissions, and Connect Rural Communities

The U.S. Department of Transportation's Federal Transit Administration (FTA) on January 26, 2023 announced \$384.4 million in federal funding from President Biden's Bipartisan Infrastructure Law for expanding and improving the nation's ferry service in communities across the country, as well as accelerate the transition to zero emission transportation. This funding will benefit millions of Americans – from Alaska to Michigan to Maryland – who depend on coastal waters, rivers, bays, and other bodies of water to connect to their communities. In total, FTA is awarding 23 grants across 11 states and the U.S. Virgin Islands. Grants will fund projects including replacement of old vessels, expand fleets, and build new terminals and docks. For the state of Alaska, the award means nearly \$286 million of investment in the Alaska Marine Highway, which serves remote locations throughout the state. Nearly \$100 million of the national grants will go toward low- and no-emission ferries, helping decrease greenhouse gas emissions from the transportation sector.

26. Container shipping shake-up: Maersk, MSC terminating 2M in 2025

The global container shipping network is poised for a major shake-up. The 2M vessel-sharing alliance between MSC and Maersk — the world's two largest ocean carriers — is being dissolved. The two carriers said on January 25, 2022 that they had mutually agreed to terminate the alliance effective January 2025. Under the agreement signed in 2015, the alliance on east-west services was for a minimum of 10 years with a two-year notice period for termination. "Discontinuing the 2M alliance paves the way for both companies to continue to pursue their individual strategies," said MSC CEO Soren Toft and newly appointed A.P. Moller-Maersk CEO Vincent Clerc in a joint statement. The decision to terminate the 2M alliance has no effect on immediate alliance services, they emphasized. "We look forward to a continued strong collaboration throughout the remainder of the agreement period," said Toft and Clerc. Maersk said in a customer advisory, "We will seek to minimize any disruptions to the 2M network leading up to termination in 2025." During the pandemic period, the strategies of the two 2M partners diverged. MSC grew its capacity faster than any other shipping line, expanding primarily through secondhand ship acquisitions, while Maersk kept its capacity steady and focused instead on being an end-to-end logistics provider.

27. Port of Long Beach's Cordero emphasizes zero emissions

Mario Cordero, executive director of Port of Long Beach emphasized the Port's success in upgrading its terminals toward zero emissions: "Our terminals have accomplished so much and when it comes to our remarkable zero-emission demonstration projects ... since our determination in November 2017 to achieve zero emissions." Cordero was speaking at the 'State of the Port of Long Beach' on January 26th in which he said the Port was emphasizing environmental performance: "While other ports offer incentives for cargo, we offer incentives for environmental performance. Now I'm gonna say that again. While other ports offer incentives for cargo, we offer customers incentives for environmental performance." At the same time, he congratulated the Port of New York and New Jersey which moved ahead of the Port of Long Beach to become the second highest volume U.S. port in 2022: "Certainly, we had some strong container volumes last year ... and on this note, I will congratulate my good friend Beth Ann Rooney, executive director of the Port of New York and New Jersey, for her leadership in being the number two port in container volume for 2022." The Port ended 2022 with 9,133,657 twenty-foot equivalent units moved, down 2.7% from 2021. Long Beach Harbor Commission President Sharon Weissman said in remarks delivered at the event. "Let's have the courage to pursue together a zero-emissions Port that provides the best goods movement and service in the world."

RAIL TRANSPORTATION

1. Union Representing Rail Traffic Controllers Ratifies New Agreement

CN on January 3, 2022 announced that on December 23, 2022, the Teamsters Canada Rail Conference ratified a new collective agreement. The agreement covers approximately 160 rail traffic controllers in Canada. Tracy Robinson President and CEO said "We are pleased to have negotiated a new collective agreement before the expiry of the previous one. We are committed to working with our railroaders and their union representatives to create a workplace where employees thrive and together, we deliver better and safer service to our valued customers."

2. AAR reports weekly rail traffic for December and the week ending December 31, 2022

The Association of American Railroads (AAR) on January 4, 2023 reported U.S. rail traffic for the week ending December 31, 2022, as well as volumes

RAIL TRANSPORTATION

Canada

1. Union Representing Rail Traffic Controllers Ratifies New Agreement, January 3, 2023, www.cn.ca
2. AAR reports weekly rail traffic for December and the week ending December 31, 2022, January 4, 2023, www.ajot.com; and For 2022, Overall North American Rail Volume Down, January 4, 2023, www.railwayage.com
3. Gov. of British Columbia Issues RFP for Surrey Langley SkyTrain, January 6, 2023, www.railwayage.com
4. Governments of Canada and Ontario invest in Huron Central Railway in Northern Ontario, January 10, 2023, www.tc.gc.ca; and Cash

for December 2022. U.S. railroads originated 842,171 carloads in December 2022, down 4.4 percent, or 38,476 carloads, from December 2021. U.S. railroads also originated 900,213 containers and trailers in December 2022, down 5.2 percent, or 49,107 units, from the same month last year. Combined U.S. carload and intermodal originations in December 2022 were 1,742,384, down 4.8 percent, or 87,583 carloads and intermodal units from December 2021. In December 2022, four of the 20 carload commodity categories tracked by the AAR each month saw carload gains compared with December 2021. Total U.S. carload traffic for the first 12 months of 2022 was 11,976,283 carloads, down 0.3 percent, or 34,001 carloads, from the same period last year; and 13,452,480 intermodal units, down 4.9 percent, or 686,580 containers and trailers, from last year. Total combined U.S. traffic for the first 52 weeks of 2022 was 25,428,763 carloads and intermodal units, a decrease of 2.8 percent compared to last year. Total U.S. weekly rail traffic was 365,553 carloads and intermodal units, down 6.8 percent compared with the same week last year. Total carloads for the week ending December 31 were 179,992 carloads, down 12.5 percent compared with the same week in 2021, while U.S. weekly intermodal volume was 185,561 containers and trailers, down 0.5 percent compared to 2021. Canadian railroads reported 59,380 carloads for the week, up 3.6 percent, and 47,068 intermodal units, down 1.2 percent compared with the same week in 2021. For the first 52 weeks of 2022, Canadian railroads reported cumulative rail traffic volume of 7,516,426 carloads, containers and trailers, down 0.6 percent.

3. Gov. of British Columbia Issues RFP for Surrey Langley SkyTrain

Following a thorough evaluation of Request for Qualifications (RFQ) submissions, the Government of British Columbia announced on Jan. 3, 2023 that it has invited two teams to participate in the Request for Proposals (RFP) stage to design, build and finance the elevated guideway, roadworks and utilities, as well as active transportation elements of the Surrey Langley SkyTrain. The RFQ was posted through BC Bid and closed on Nov. 1, 2022. The Two teams invited to participate in the RFP stage are: 1. South Fraser Guideway Connectors; and 2. SkyLink Guideway Partners.

4. Governments of Canada and Ontario invest in Huron Central Railway in Northern Ontario

On January 10, 2023, the federal Minister of Transport, the Honourable Omar Alhambra, and federal Parliamentary Secretary to the Minister of Labour, Terry Sheehan, announced an investment of up to \$10.5 million under the National Trade Corridors Fund to the Huron Central Railway Inc. for an infrastructure investment in Northern Ontario. The Member of Provincial Parliament for Sault Ste. Marie, Ross Romano, announced additional funding of up to \$10.5 million from the Government of Ontario. Combined with contributions from Huron Central Railway Inc., the total investment in the project is \$31.5 million. The funding will support the rehabilitation of key rail infrastructure to improve the usable life of the track and support Huron Central Railway Inc. in sustaining operations as a viable freight service between Sault Ste. Marie and Sudbury. Improving railway infrastructure will increase the fluidity and reliability of rail service for Northern Ontario while reducing the travel time of railcar traffic.

5. Transport Canada to require more data from railways

The federal government has published new regulations requiring Canada's railways to provide additional data about their operations. Amendments to the *Transportation Information Regulations* are intended to increase supply chain transparency and create a better understanding of the performance of Canada's freight rail sector for the benefit of users. Railways will have to comply with the new rules starting on April 4, 2023. Transport Canada said in a release that the amendments "aim to strengthen the accountability of freight rail service providers", by requiring major railways to provide more service and performance information. This information will be published weekly on the federal Transportation Data and Information Hub to provide a better picture of end-to-end freight rail performance.

6. Statement from VIA rail on the December 2022 travel disruptions

VIA Rail Canada (VIA Rail) issued the following statement on January 10, 2023 regarding the travel delays and train cancellations which occurred from December 23 to December 26: "A severe winter storm along with the derailment of

infusion to keep rail freight flowing in Northern Ontario, Jan. 11, 2023, www.insidelogistics.ca

5. Transport Canada to require more data from railways, Jan. 10, 2023, www.insidelogistics.ca

6. Statement from VIA rail on the December 2022 travel disruptions, January 10, 2023, www.viarail.ca

7. AAR: U.S. Rail Traffic Results Mixed as 2023 Begins, January 11, 2023, www.railwayage.com

8. CP and Unifor reach tentative collective agreement, January 13, 2023, www.cpr.ca; and CP, Unifor Reach Tentative Collective Agreement, Jan. 13, 2023, www.railwayage.com

9. Statement from the Minister of Transport on the Lac-Mégantic bypass, January 14, 2023, www.tc.gc.ca

10. For Week 2, U.S. Carloads Up, Intermodal Down, January 18, 2023, www.railwayage.com

11. CN Announces Fourth Quarter and Year-End Results, January 24, 2023, www.cn.ca; and CN Rail earns \$1.4 billion in latest quarter, but warns of rockier times ahead in 2023, January 25, 2023, www.financialpost.ca

12. CN Announces new Normal Course Issuer Bid for Share Repurchase and 8% Dividend Increase, January 24, 2023, www.cn.ca

13. Québec, Montréal Governments to Invest C\$565MM in STM Train Control, January 24, 2023, www.railwayage.com

14. UP 4Q22: Elevated Operating Expenses 'More Than Offset' Revenue Growth, January 24, 2023, www.railwayage.com

15. Railway carloadings, November 2022, January 25, 2023, www.statcan.gc.ca

16. CSX: 'Strong Earnings' Delivered in 4Q22, January 25, 2023, www.railwayage.com

17. Week 3: U.S. Rail Traffic Falls Below 2022, 2019 Levels, January 25, 2023, www.railwayage.com

18. Opening Remarks of Martin R Landry, President and CEO of VIA Rail, before the Standing Committee on Transportation, Infrastructure and Communities (TRAN), January 26, 2023, www.viarail.ca

19. STB Denies Shipper Petitions on Rate Reasonableness Proceeding Rules, January 27, 2023, www.railwayage.com

a freight train disrupted VIA Rail's operations from December 23 to 26. Unfortunately, a number of trains, particularly along the Québec City–Windsor corridor and elsewhere in Eastern Canada, were cancelled or delayed for extended periods. We appreciate that passengers were looking forward to holiday celebrations and family get-togethers, and we regret that for many, those plans were disrupted. We didn't meet your expectations and for that we apologize. The daily mission of our 3,200 employees is to put passengers first, and we are committed to providing Canadians with a train service that meets their expectations. While we take pride in the fact that the safety and well-being of our passengers and our staff was always our priority and front and centre in our decision-making, we also believe that we should have done better in dealing with the situation. We are truly sorry for letting our passengers down. We know, we should have been more forthcoming in sharing information about trains that were delayed and in communicating updates. We also know we should have adopted a different approach in supporting passengers on trains that were delayed for lengthy periods. Therefore, in addition to offering a full refund to passengers, along with travel credits for those whose trains were completely immobilized, we will be reviewing our performance over the four-day period with the help of outside experts. We will be looking at a wide range of issues including our planning for the storm, our operational response, protocol around customer care and our overall communications as well as how we can better accommodate our passengers in order to get them to their destination.

7. AAR: U.S. Rail Traffic Results Mixed as 2023 Begins

U.S. freight carload traffic gained ground as 2023 began, while U.S. intermodal volume dropped, according to a Jan. 11, 2023 report from the Association of American Railroads (AAR). For the week ending Jan. 7, 2023, total U.S. carloads came in at 212,962, up 1.4% from the same week in 2022, and U.S. intermodal volume was 203,527 containers and trailers, down 11.8% from last year, AAR reported. Total U.S. weekly rail traffic was 416,489 carloads and intermodal units, down 5.5% from the prior-year period. Seven of the 10 carload commodity groups posted an increase compared with the same week last year. Canadian railroads reported 72,040 carloads for the week ending Jan. 7, 2023, rising 19.5%, and 54,498 intermodal units, falling 4.0% from the same week in 2022. For the first week of 2023, they reported cumulative rail traffic volume of 126,538 carloads, containers and trailers, increasing 8.1%.

8. CP and Unifor reach tentative collective agreement

Canadian Pacific Railway Limited (CP) on January 13, 2023 announced it has reached a tentative collective agreement with Unifor on a new contract for mechanical employees in Canada. Keith Creel, CP's President and CEO said "We thank Unifor for working collaboratively with us throughout this process. CP is proud to have reached another tentative collective agreement with a valued union partner. This tentative agreement is a testament to the hard work, collaboration and commitment of both sides." Unifor represents approximately 1,200 of CP's mechanical employees who are responsible for maintaining rail cars and locomotives. The previous collective agreement expired on Dec. 31, 2022.

9. Statement from the Minister of Transport on the Lac-Mégantic bypass

The Minister of Transport, the Honourable Omar Alghabra, on January 14, 2023 issued this statement on the Lac-Mégantic bypass: "We will always remember July 6, 2013, and the 47 victims of this tragedy. In 2018, our government committed to building a bypass to get trains out of downtown Lac-Mégantic. The construction of the Lac-Mégantic bypass remains a priority. Given the scale of the project, it was undeniable that it would require several years of work, including determining the route, conducting environmental studies and acquiring the parcels of land needed for the project. We are now at a crucial moment as we hope to start construction as soon as possible, especially since it will be the 10th anniversary of the tragedy next July. An important step forward is the acquisition of land for the bypass. Although we have signed agreements with several impacted owners, including the Town of Lac-Mégantic, there are still agreements that have not been finalized."

10. For Week 2, U.S. Carloads Up, Intermodal Down

For the week ending Jan. 14, 2023 total U.S. rail traffic was down 1.7% compared with the same week last year; carloads came in 4.2% higher while intermodal dipped 7.0% compared to 2022, according to the Association of American Railroads' (AAR) Jan. 18, 2023 report. Canadian railroads saw an increase in carloads, up 23.0% from the same week last year, while Mexican railroads reported a dip of 3.9%. Both Canadian and Mexican railroads saw a decline in intermodal units, down 2.0% and 6.6%, respectively. Canadian railroads reported 84,028 carloads for the week, up 23.0%, and 62,980 intermodal units, down 2.0% compared with the same week in 2022. For the first two weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 273,546 carloads, containers and trailers, up 9.6%. In Week 2 (ending Jan. 14, 2023), U.S. Class I railroads hauled 244,171 carloads and 241,829 containers and trailers. According to AAR, seven of the 10 carload commodity groups posted an increase compared with the same week in 2022.

11. CN Announces Fourth Quarter and Year-End Results

CN on January 24, 2023 reported its financial and operating results for the fourth quarter and year ended December 31, 2022. Diluted earnings per share (EPS) of C\$2.10 grew by 23% on an adjusted basis in the fourth quarter, and operating

ratio remained flat at 57.9% on an adjusted basis. For the same period, the Company reported diluted EPS growth of 24%, while operating ratio improved 0.4 points. Tracy Robinson, President and Chief Executive Officer, CN “I am very proud of the work accomplished by our team in the fourth quarter and throughout the year. Our approach to scheduled railroading improved our service to our customers, drove operational efficiency, and built the resiliency that enabled a rapid recovery during the extreme winter conditions late in the quarter. As we look to 2023, we believe our back-to-basics strategy and disciplined operating model will continue to deliver despite the softening economy.” The highlights for the fourth quarter of 2022 compared to the same quarter in 2021 were as follows: 1. Revenues of C\$4,542 million, an increase of C\$789 million or 21%. 2. Operating income of C\$1,912 million, an increase of 22%, or an increase of 21% on an adjusted basis. 3. Diluted EPS of C\$2.10, an increase of 24%, or an increase of 23% on an adjusted basis. 4. Operating ratio, defined as operating expenses as a percentage of revenues, of 57.9%, an improvement of 0.4 points, or remained flat on an adjusted basis. The highlights for the full year of 2022 compared to 2021 were as follows: 1. Revenues of C\$17,107 million, an increase of C\$2,630 million or 18%. 2. Operating income of C\$6,840 million, an increase of 22%, and adjusted operating income of C\$6,862 million, an increase of 22%. 3. Diluted EPS of C\$7.44, an increase of 8%, and adjusted diluted EPS of C\$7.46, an increase of 25%. 4. Operating ratio of 60.0%, an improvement of 1.2 points, and adjusted operating ratio of 59.9%, an improvement of 1.3 points. 5. Free cash flow of C\$4,259 million compared to C\$3,296 million in 2021. 6. Return on invested capital (ROIC) of 15.8%, a decrease of 0.6 points, and adjusted ROIC of 15.9%, an increase of 1.8 points. Raymond James analyst Steve Hansen pointed out “While we admire the Canadian rails long-term, we find it difficult to get excited about these short bursts of ‘artificial’ growth,” Hansen said, adding he expects that growth to dissipate in the face of expected lacklustre economic growth.

12. CN Announces new Normal Course Issuer Bid for Share Repurchase and 8% Dividend Increase

CN announced on January 24, 2023 that its Board of Directors has approved the repurchase of its shares under a new normal course issuer bid (Bid), as well as an 8% increase in the 2023 dividend on the Company's common shares outstanding. The Bid, in the range of C\$4 billion, permits CN to purchase, for cancellation, over a 12-month period up to 32 million common shares, representing 4.8% of the 671,253,977 common shares issued and outstanding of the Company on January 18, 2023.

13. Québec, Montréal Governments to Invest C\$565MM in STM Train Control

“The new train control system brings our metro network into the modern age,” Montréal Mayor Valérie Plante said during the governments of Québec and Montréal's announcement for system funding on Jan. 23, 2023. The governments of Québec and Montréal on Jan. 23, 2023 committed to investing more than C\$565 million in a new train control system for Société de transport de Montréal's (STM) metro. The project, beginning with implementation on the Blue Line, will be financed primarily by Québec (C\$296.6 million), according to the announcement by Deputy Premier and Minister of Transport and Sustainable Mobility Geneviève Guilbault and Montréal Mayor Valérie Plante. STM will contribute C\$65.6 million, and a request for funding will be submitted to the federal government, they reported. STM has issued a call for tenders for the new system, which it said would be based “on a more efficient CBTC (communications-based train control) type technology, used by the vast majority of metro network operators around the world.” The new train control system is slated for completion in 2028 for the existing Blue Line and in 2029 for Blue Line extension project now under way. It will be added to the Green, Orange and Yellow lines at a later date.

14. UP 4Q22: Elevated Operating Expenses ‘More Than Offset’ Revenue Growth

Union Pacific (UP) grew carloads in fourth-quarter 2022 as it “continued to face challenges hiring craft professionals in critical locations and experienced the impact of extreme winter weather” in December, Chairman, President and CEO Lance Fritz reported Jan. 24, 2023. As a result, he said, “revenue growth was more than offset by elevated operating expenses from operational inefficiencies and a higher inflationary environment.” For the three months ending Dec. 31, 2022, UP posted operating revenue of \$6.180 billion, up 8% from the prior-year period's \$5.733 billion due to “higher fuel surcharge revenue, core pricing gains, and volume growth, partially offset by a negative business mix,” according to the Class I railroad. Net income was \$1.638 billion, down 4% from \$1.711 billion in fourth-quarter 2021. Operating income was \$2.412 billion, down 1% from \$2.440 billion in 2021. UP's operating ratio for the quarter was 61.0%, deteriorating 360 basis points from the same period in 2021 (57.4%), the railroad said, noting that decreasing fuel prices late in the quarter positively impacted the operating ratio by 20 basis points.

15. Railway carloadings, November 2022

Canadian railways carried 32.1 million tonnes of freight during November 2022, up 10.1% compared with November 2021. Higher carloadings of Canadian grains contributed substantially to this second straight month of year-over-year growth. This annual increase also reflects lower volumes reported during November 2021, with major disruptions to rail freight in the west amid flooding and landslides that damaged main lines in southern British Columbia. November's increase in total rail freight reflected a higher volume of domestic loadings, both non-intermodal loadings (mainly commodities) and intermodal loadings (mainly containers).

16. CSX: ‘Strong Earnings’ Delivered in 4Q22

For CSX, fourth-quarter 2022 operating income was \$1.46 billion compared to \$1.37 billion in fourth-quarter 2021, while net earnings were \$1.02 billion, or \$0.49 per share, compared to \$934 million, or \$0.42 per share, in the same period last year, the Class I reported Jan. 25.

17. Week 3: U.S. Rail Traffic Falls Below 2022, 2019 Levels

U.S. freight rail traffic in Week 3 (ending Jan. 21, 2023) dipped 2.1% from the prior-year period, the Association of American Railroads (AAR) reported Jan. 25, 2023. Traffic trailed the same period in 2019 by 14%, according to Susquehanna Financial Group (SFG) Analyst Bascome Majors. For the week ending Jan. 21, 2023, total U.S. weekly rail traffic came in at 467,485 carloads and intermodal units, comprising 236,940 containers and trailers (down 6.7% from the same week in 2022) and 230,545 carloads (up 3.3% from 2022), [AAR](#) reported. Canadian railroads reported 82,940 carloads for the week ending Jan. 21, 2023, a 20.2% boost over the same week in 2022, and 56,839 intermodal units, a 7.9% decline from last year. For the first three weeks of 2023, they reported cumulative rail traffic volume of 413,325 carloads, containers and trailers, up 8.7%.

18. Opening Remarks of Martin R Landry, President and CEO of VIA Rail, before the Standing Committee on Transportation, Infrastructure and Communities (TRAN)

On behalf of VIA Rail Canada, before TRAN, Martin R Landry, President and CEO of VIA Rail said “we believe it is important to highlight that there were two distinct events which led to the disruption of our operations. First on December 23, the storm brought trees on the tracks, prolonged power outages, frozen rail switches and significant challenges that even led us to bring trains back to their point of departure. As many of you probably already know, we own and maintain only 3% of the tracks on which we operate. Therefore, the majority of the infrastructure we operate on is owned by other rail companies, mostly by freight companies.” Second, in addition to this event, in mid-morning of December 24, a CN freight train derailed east of Toronto. Unfortunately, this left us with no other choice than to cancel all our services on our Montréal – Toronto and Ottawa – Toronto routes for 3 days from December 24 to 26. While this issue – particularly when coupled with truly extreme weather conditions – is largely out of our control, we took immediate actions to address the impact of the disruptions on our passengers, by providing them a refund along with travel credits to those who were on immobilized trains. The challenges faced during the holiday season point to the need to increase the resiliency of our transportation infrastructure in order to deal with severe weather-related issues caused by climate change. Extraordinary weather events are becoming more common, and we need to act quickly in order to preserve the integrity of our transportation system. We believe we owe it to our passengers to do better as we owe it to ourselves as an organization. In closing, I want to thank my colleagues across the network who, on a daily basis, worked tirelessly to move our passengers safely from coast to coast to coast. Their dedication and sense of duty helped us get over 17,000 people to their destinations on December 23 and allowed a safe resumption of services on December 27. We thank you for your time today. We welcome any questions you may have.

19. STB Denies Shipper Petitions on Rate Reasonableness Proceeding Rules

The Surface Transportation Board on Jan. 24, 2023 ruled to deny two petitions seeking reconsideration of a decision adopting final rules that establish a streamlined approach for pleading market dominance in rate reasonableness proceedings. STB adopted the rules more than two years ago. On Aug. 3, 2020, the Board adopted a final rule “to establish a streamlined approach for pleading market dominance in rate reasonableness proceedings, *Market Dominance Streamlined Approach*, EP 756). The Board adopted several factors that it said, “if demonstrated by a complainant, would constitute a prima facie showing of market dominance.” They are: 1. The movement has a revenue-to-variable cost (R/VC) ratio of 180% or greater. 2. The movement would exceed 500 highway miles between origin and destination. 3. There is no intramodal competition from other railroads. 4. There is no barge competition. 5. There is no pipeline competition. 6. The complainant has used truck for 10% or less of its volume (by tonnage) subject to the rate at issue over a five-year period. 7. The complainant has no practical build-out alternative due to physical, regulatory, financial, or other issues (or combination of issues). “In particular, the new regulations allow complainants to demonstrate that prima facie factors for lack of intramodal competition, barge competition, pipeline competition, and practical build-out alternatives have been met by submitting a verified statement from an appropriate official,” STB said in the ruling. “The new regulations also limit streamlined market dominance filings to 50 pages (including exhibits and verified statements) and allow complainants to request an evidentiary hearing conducted by an administrative law judge in lieu of a written rebuttal.”

HIGHWAY TRANSPORTATION

1. Delivery fee cap set to begin in BC

Canada’s first permanent cap on fees charged to restaurants by food-delivery companies will go into effect in British Columbia on Jan. 1, 2023,

HIGHWAY TRANSPORTATION Canada

1. Delivery fee cap set to begin in BC, December

giving restaurant owners more certainty about their costs. “We all have a favourite local restaurant, somewhere we celebrate as families and friends, eat our favourite foods, or get a taste of home,” said Brenda Bailey, Minister of Jobs, Economic Development and Innovation. “When restaurants were being charged unfair fees, our government acted fast to implement a temporary cap on delivery-service fees. We’re excited to bring in a permanent cap in the new year that will provide more support to restaurants.”

2. Big and bulky last-mile delivery in the US continues to be a high-growth 3PL segment

Armstrong & Associates, Inc. (A&A), an internationally recognized leader for third-party logistics market information and consulting, releases its latest market research report “*Making it Count: Big and Bulky Last-Mile Delivery in the United States*”. The National Home Delivery Association (NHDA) and A&A partnered for this study covering the Third-Party Logistics (3PL) Big and Bulky U.S. Last-Mile Delivery Market segment to identify current market size, historical growth and outlook, key providers, customers and verticals served, e-commerce’s role, employment, and other trends. This report details and compares the use of independent contractors versus employee drivers, customer and revenue trends by vertical industry, and the growing use of freight brokerage to source last-mile carrier capacity. The 3PLs analyzed had last-mile delivery revenues from \$7 million to \$1 billion and represent approximately 40% of the estimated \$9.3 billion U.S. Third-Party Logistics Big and Bulky Last-Mile Delivery Market. A&A estimates the U.S. 3PL Big and Bulky Last-Mile Delivery Market experienced a compound annual growth rate (CAGR) of 18.2% from 2017 through 2021 and will have a CAGR of 11.8% from 2022 through 2025. These projections make Big and Bulky Last-Mile Delivery one of the fastest growing 3PL segments over the next three years.

3. Couriers and Messengers Services Price Index, November 2022

The Couriers and Messengers Services Price Index (2019=100) is now available for November. The couriers and messenger services index was 134.7 for November 2022 compared to 129.0 in October 2022. A year ago the index was 112.0 for November.

4. Biden-Harris Administration Announces \$2.1 Billion to Improve Four Nationally Significant Bridges Through the Bipartisan Infrastructure Law’s First Large Bridge Grants

“These first Large Bridge grants will improve bridges that serve as vital connections for millions of Americans to jobs, education, health care and medical care and help move goods from our farms and factories,” said Deputy Transportation Secretary Polly Trottenberg. “And over the next four years we will be able to fund construction for the pipeline of shovel ready projects we are creating through Bridge Planning Grants.” The First Large Bridge Project Grants, awarded in Fiscal Year 2022 are as follows: 1. The Kentucky Transportation Cabinet will receive \$1.385 billion to rehabilitate and reconfigure the existing Brent Spence Bridge. 2. The Golden Gate Bridge, Highway and Transportation District in California will receive \$400 million. 3. The Connecticut Department of Transportation will receive \$158 million. 4. The City of Chicago, Illinois, will receive \$144 million to rehabilitate four bridges over the Calumet River on the Southside of Chicago.

5. Transportation prices fall at fastest-ever pace in December, LMI says Supply chain [data released Tuesday](#) (January 3, 2022) showed a new “sharpest rate of contraction” for transportation pricing during December 2023. The Logistics Managers’ Index (LMI), a monthly survey of supply chain executives, displayed a 36.9 reading for transportation prices during

29, 2022, www.insidelogistics.ca

2. Big and bulky last-mile delivery in the US continues to be a high-growth 3PL segment, December 29, 2022, www.ajot.com

3. Couriers and Messengers Services Price Index, November 2022, Jan 3, 2023, www.statcan.gc.ca

4. Biden-Harris Administration Announces \$2.1 Billion to Improve Four Nationally Significant Bridges Through the Bipartisan Infrastructure Law’s First Large Bridge Grants, January 4, 2023, www.dot.gov

5. Transportation prices fall at fastest-ever pace in December, LMI says, January 3, 2023, www.freightwaves.com

6. North American Transborder Freight up 13.9% in October 2022 from October 2021, January 5, 2023, www.bts.gov

7. Canada-U.S. border saw \$35B in October truck shipments, January 5, 2023, www.todaystrucking.com

8. Ford more than doubles EV sales in race behind Tesla, January 5, 2023, www.financialpost.ca

9. Update: ELD Cross Country Enforcement Landscape January 2023, January 6, 2023, www.ontruck.ca

10. Top five 3PL trends shaping 2023, January 6, 2023, www.ajot.com

11. Mild recession won’t cause too much pain to work truck industry: NTEA, January 11, 2023, www.todaystrucking.com

12. Trucking in ‘slow growth’ environment, not recession: FTR, January 12, 2023, www.todaystrucking.ca

13. November 2022 Freight Transportation Services Index, January 12, 2023, www.bts.gov

14. High Level of Truck Driver Job Vacancies Persist: THRC, January 13, 2023, www.cantruck.ca

15. Trucking environment to soften in 2023: Mullen, January 16, 2023, www.todaystrucking.ca

16. Heavy-duty aftermarket continues to grow as economy slows, January 17, 2023, www.todaystrucking.com

17. Trudeau visits highlight charger and hydrogen tech, January 18, 2023, www.todaystrucking.ca

18. 3PLs report increased sales in spite of continuing disruption, January 19, 2023, www.insidelogistics.ca

19. Urban public transit, November 2022, January 20, 2023, www.statcan.gc.ca

20. Cargo Thefts Jump in 2022, January 20, 2023, www.cantruck.ca

21. New trucking group vows to ‘disrupt the status quo,’ demands seat at decision making table, Jan. 23, 2023, www.todaystrucking.com

22. Ontario Expands PRESTO Credit Payment to More Local Transit Agencies, January 23, 2023, www.mto.gov.on.ca

23. Quebec ELD mandate to be enforced April 30, January 23, 2023, www.todaystrucking.com

24. U.S. Department of Transportation Providing \$29.4 Million in ‘Quick Release’ Emergency Relief Funding to California, Four U.S. Federal Land Management Agencies for Flood Damage Repair, January 24, 2023, www.dot.gov

25. Paccar sets Q4 and 2022 records in revenue and net income, January 24, 2023,

the month. The rate of decline was the fastest recorded in the six-year history of the data set. A reading above 50 indicates expansion while one below that indicates contraction. Transportation utilization (48.1) fell into contraction territory for the first time since April 2020, while transportation capacity (69.5) expanded at a historically high but more tepid pace. “With warehouses largely full of product before the start of the holiday season, less transportation than usual was needed to push goods forward at the last minute,” the report said.

6. North American Transborder Freight up 13.9% in October 2022 from October 2021

Total transborder freight: \$133.8 billion of transborder freight moved by all modes of transportation, was up 13.9% compared to October 2021. The highlights were as follows: 1. Freight between the U.S. and Canada totalled \$65.4 billion, up 11.6% from October 2021; 2. Freight between the U.S. and Mexico totalled \$68.4 billion, up 16.2% from October 2021; 3. Trucks moved \$83.3 billion of freight, up 12.9% compared to October 2021; 4. Railways moved \$17.2 billion of freight, up 4.2% compared to October 2021; 5. Pipelines moved \$11.4 billion of freight, up 37.3% compared to October 2021; 6. Vessels moved \$10.8 billion of freight, up 22.7% compared to October 2021. US-Canada trade in both directions were as follows: truck \$35.1b; pipeline \$10.3b; road \$9.2 ; rail \$3.3b ; and vessel \$3.2b.

7. Canada-U.S. border saw \$35B in October truck shipments

Trucks moved US\$35.1 billion in freight between Canada and the U.S. in October 2022, accounting for more than half of the \$65.4 billion in transborder freight that crossed the 49th parallel. Combined with the \$48.2 billion in freight that trucks moved across the U.S.-Mexico border, this marked a 12.9% increase in North America’s transborder truck freight compared to October 2021, according to the U.S. Bureau of Transportation Statistics. All figures are reported in U.S. dollars. The top three truck ports along the Canada-U.S. border included Detroit (\$10.2 billion) and Port Huron, Mich. (\$5.8 billion), and Buffalo, N.Y. (\$5.8 billion). The top three commodities to move by truck included computers and parts (\$5.7 billion), vehicles and parts (\$4.7 billion), and electrical machinery (\$2.4 billion). The remaining Canada-U.S. shipments moved by pipeline (\$10.3 billion), rail (\$9.2 billion), air (\$3.3 billion) and vessels (\$3.2 billion). A 7.4% increase in oil values between October 2022 and October 2021 contributed to the increases for pipelines and vessels.

8. Ford more than doubles EV sales in race behind Tesla

Ford Motor Co.’s electric vehicle sales more than doubled last year in the U.S., fortifying its standing as No. 2 in the EV race behind Tesla Inc. The Dearborn, Michigan-based automaker sold 61,575 EVs last year, a 126 per cent surge as it debuted the F-150 Lightning plug-in pickup and E-Transit van. Ford’s overall U.S. light-vehicle sales fell 2.2 per cent to 1,850,925, according to a statement on January 5, 2023, but that was still enough to give the company a small market share gain of 0.7 percentage points. EVs accounted for 3.3 per cent of Ford’s sales last year, but chief executive officer Jim Farley has plans for the company to be producing two million EVs a year by the end of 2026 and he’s spending US\$50 billion to roll out battery-powered models. Strong sales of Bronco sport-utility vehicles helped partially offset a 9.9 per cent decline in F-Series pickup sales last year. Ford said it has sold 15,617 electric versions of the F-150 since it went on sale in May 2022, making it the best-selling electric pickup on the market. Sales of the electric Mustang Mach-E rose 45 per cent to 39,458 models, closing in on the gas-fuelled version of the pony car that generated 47,566 sales last year, down 9.2 per cent.

9. Update: ELD Cross Country Enforcement Landscape January 2023

Truck drivers and commercial trucks in Canada have now entered a new era of hours-of-service compliance in most provinces as the long-awaited introduction of the third-party certified Electronic Logging Device (ELD) mandate came into force on [January 1](#). The rule applies to all federally regulated carriers and provincially regulated carriers in some jurisdictions, that are already required to operate a logbook. The provincial trucking associations that form CTA have compiled an updated chart which explains what to expect in each jurisdiction with respect to enforcement that started January 1. Click here for details: [23JAN05-PA-ELD Enforcement Chart public](#) CTA is encouraging the supply chain to review and consider the impact of hours-of-service compliance on routes and shipments. For more information on specific provincial rules, please contact the relevant [provincial trucking association](#) directly.

10. Top five 3PL trends shaping 2023

Logistics software system provider CartonCloud have shared their predictions for the top 5 trends that will shape how Third-Party Logistics providers will operate in 2023, and it’s all about working smarter, not harder. Their team of experts have experience in the industry and work closely with customers and industry partners — giving them a front-

www.freightwaves.com

26. Pandemic’s lingering effects continue to inflate industrial real estate costs, January 25, 2023, www.insidelogistics.ca

27. By the Numbers: Canadians Want Govt to Step Up Enforcement of Driver Inc, January 24, 2023, www.ontruck.ca

28. Shippers see relief from lower rates, fuel costs, January 24, 2023, www.todaystrucking.com

29. Truck tonnage ‘solid’ in 2022, despite slowdown at end of year, January 25, 2023, www.insidelogistics.ca

30. North American Transborder Freight up 4.8% in November 2022 from November 2021, January 26, 2023, www.bts.gov

31. CTA Asks U.S. Ambassador to Support Removal of U.S. Vaccine Mandate, January 26, 2023, www.ontruck.ca

32. Trucking Suppliers Eye North American Production Shift, January 27, 2023, www.ontruck.ca

row seat to what 3PLs and their customers are seeking into the new year. They've shared their predictions here, for the top five 3PL trends to shape 2023— from revenue boosters to better customer service, here they are. 1. Diversifying services to boost revenue. 2. Understanding the importance of Direct Software Integrations. 3. Saving time with hands-off reporting. 4. Tracking-ability. 5. Understanding in greater depth tech features and a drive to get the most.

11. Mild recession won't cause too much pain to work truck industry: NTEA

Expect a short, mild U.S. recession later this year and a fairly flat commercial vehicle market in Canada, according to work truck association NTEA. Its senior director of market data and research, Steve Latin-Kasper, gave media a work truck market update Jan. 11, 2023. Latin-Kasper said most economic consensus panels are calling for a slight recession early this year, though he expects the downturn to show up in the second half of 2023. Painted cabs move along a conveyor line between Navistar's paint shop and general assembly building in San Antonio, Texas. Latin-Kasper anticipates the U.S. labor market will remain tight, that interest rates will continue to rise until inflation comes down to below 3%, and that the single family housing market will continue to suffer because of those rising interest rates. (Rents are on the rise so multi-unit residential construction, on the other hand, is expected to buck the trend and show strength to the benefit of flatdeckers). "The Fed [U.S. Federal Reserve] is not going to start backing off interest rates in all likelihood until the second half of 2023," Latin-Kasper said. Truck makers are seeing inflation on commodities such as steel and aluminum pull back and supply chain issues are improving, he added.

12. Trucking in 'slow growth' environment, not recession: FTR

The U.S. general economy and GDP Goods Transport numbers point to a "weak, status quo environment" that's not great for truckers. Just don't call it a recession. FTR held a webinar Jan. 12 dubbed Cutting through the fog: Planning for transportation uncertainty, in which it acknowledged a very mild recession could occur later this year. However, for now, we remain in a slow growth environment, the industry forecaster said.

13. November 2022 Freight Transportation Services Index

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 1.8% in November 2022 from October 2022, falling for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From November 2021 to November 2022 the index fell 0.1%.

14. High Level of Truck Driver Job Vacancies Persist: THRC

Trucking HR Canada released its quarterly Labour Market Information Snapshot which shows the labour crisis in the trucking and logistics sector continues to threaten the sustainability and competitiveness of the Canadian supply chain. Data from the first three quarters of 2022 indicate that the demand for some of the most critical occupations in the trucking and logistics sector has been growing. 1. Number of vacancies for Shippers and Receivers rose between Q2 and Q3 of 2022 by 660 vacancies. 2. Number of vacancies for Delivery and Courier Service Drivers rose between Q2 and Q3 of 2022 by 1,110 vacancies. 3. Number of vacancies for Truck Transport Truck Drivers, increased, peaking at 28,210 in the second quarter and remaining high at 26,900 vacant driver jobs between July and September 2022. "Unfortunately, Transport Truck Driver is not the only key occupation experiencing shortages. The labour shortages across many key occupations continue to strain our economic recovery," says Craig Faucette, Chief Programs Officer at Trucking HR Canada "Trucking HR Canada remains ready to support more employers in addressing their ongoing labour shortages through our Career ExpressWay, offering several unique solutions to recruitment challenges."

15. Trucking environment to soften in 2023: Mullen

Mullen Group doubts its business units will match strong 2022 results in the face of slowing global trade and consumer spending, but the fleet's 2023 business plans still reflect a good year to come. While trucking rates pushed higher last year as shippers struggled to move stranded freight, supply chains have normalized, senior executive officer Murray Mullen said on January 16, 2023, when discussing the business environment with financial analysts. He expects rates to become more competitive as surge pricing falls away. "Far too many carrier owners believed that business profitability would remain elevated forever," he said. "Six months ago, customers said, 'Move it'. Today they're going, 'What's your price?'" That said, Mullen believes a diversified business and strong balance sheet places Mullen Group in an excellent position to pursue acquisitions that will tuck into existing businesses or present opportunities to expand the network. The business pared down debt last year and has a \$250-million line of credit to pursue strategic opportunities. Not everyone will be in the same position. Mullen predicts the number of independent operators will shrink because of factors such as rising borrowing rates as well as demographics. The price-sensitive environment comes when many of these operators are entering the twilights of their careers, he said.

16. Heavy-duty aftermarket continues to grow as economy slows

Canadian retail sales of Class 8 trucks and trailers will both be up about 9% this year, at 31,700 and 43,900 units respectively, according to an analysis from MacKay & Company, presented at Heavy Duty Aftermarket Dialogue Jan. 16, 2023. Classes 6/7 trucks will pull back 9%, meanwhile, to 7,400 units. That's off the 10-year average of 8,500 while Class 8 truck and trailer sales will each slightly outperform the 10-year average. That growth, according to Dave

Kalvelage, client consultant and analyst with MacKay & Company, will lag that seen in the U.S. “We expect growth in Canada, just not to the same degree as in the U.S.,” he said. Canada had a total Class 8 operating population of 369,000 trucks in 2022 and that’s expected to climb to 380,000 by 2027. The trailer population is currently 571,000 units, expected to climb to 589,000 in 2027. The value of Canada’s heavy-duty aftermarket – including Classes 6-8 trucks, trailers and container chassis – will come in at about US\$5.58 billion in 2022, up 16% from 2021 but mostly due to price increases. It was fairly flat when price increases are removed from the equation, Kalvelage said.

17. Trudeau visits highlight charger and hydrogen tech

Prime Minister Justin Trudeau was shining a spotlight on Canadian-made hydrogen vehicle technology and electric vehicle chargers Jan. 18, 2023 with separate visits to the Hydrogen Research Institute and Flo. The Universite du Quebec a Trois-Rivieres’ Hydrogen Research Institute explores technologies that support the storage, production and use of hydrogen and Flo manufacturers electric vehicle chargers. “Canadian-made electric vehicle chargers are win-win-win,” Trudeau said in a statement. “Not only do they support good middle-class jobs and position Canada as a global leader on clean tech, they also make it easier than ever for Canadians to choose an EV as their next vehicle.” The visits marked the third day on a tour to highlight Canada’s supply chain for electric vehicles, covering initiatives from mining to manufacturing. Trudeau’s previously stopped in Saskatoon to highlight critical minerals, and Windsor, Ont., to highlight Canadian-made EVs and EV batteries. Canada’s federal government has committed to investing \$550 million over four years to offset about half the price difference between electric and conventionally fuelled trucks. The Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles Program will offer \$100,000 to \$150,000 per leased or purchased Class 8 truck, with the larger amount for vehicles with more than 350 kW of power. Classes 6 and 7 units will earn \$100,000. Individual businesses and government fleets are eligible for up to 10 incentives or a maximum \$1 million per calendar year.

18. 3PLs report increased sales in spite of continuing disruption

Third-party logistics providers saw increased sales in 2022 over 2021, in spite of continuing business disruptions. This is one of the findings in Extensiv’s seventh annual State of the Third-Party Logistics (3PL) Industry Report, highlighting best practices and key trends for companies in the supply chain and logistics industry. This year’s report details market shifts, automation trends, fulfillment innovations, the state of 4PLs, and customer service opportunities to help 3PLs respond to developments in warehousing, shipping, fulfillment, and overall supply chain management. Despite facing continued challenges of capacity constraints, labour shortages, and rising operational costs, 94 percent of 3PLs reported an increase in sales within their last measurement period, an increase from the 88 percent who reported the same in 2021.

19. Urban public transit, November 2022

In November 2022, Canada’s urban transit recorded more than 115 million passenger trips for the third straight month. With many people resuming in-person work and other activities during the fall, the industry has now recovered roughly 70% of its ridership from November 2019, before the COVID-19 pandemic. Canada’s urban transit networks provided an estimated 116.5 million rides in November, up 27.9% (or 25.4 million more rides) from November 2021, marking the 20th consecutive month of year-over-year increases. Total operating revenues (excluding subsidies) reached \$274.9 million in November 2022, up 23.5% (+\$84.4 million) from November 2021 levels, but down \$84.4 million compared with November 2019, before the pandemic. The financial situation continued to improve.

20. Cargo Thefts Jump in 2022

CargoNet says supply chain risk events across the United States and Canada jumped 15 percent in 2022 from 2021. Supply chain disruptions were one of the main concerns of the year because of their effect on inflation. Scarcity and cost drove illicit market demand for goods that were most affected like computer graphics cards and raw beef, poultry, and pork. Available capacity eased in the later months of 2022, but theft remained a prominent threat, reports the firm CargoNet’s 2022 data indicates that events that involved theft of at least one heavy commercial vehicle such as a semi-truck or semi-trailer increased by 17% year-over-year, while events that involved theft of cargo increased by 20% year-over-year. Note that a single event record could involve theft of one or more vehicles or shipments. The average value of cargo stolen in an event was \$214,104. CargoNet estimates that \$223 million in cargo was stolen across all cargo theft events in 2022.

21. New trucking group vows to ‘disrupt the status quo,’ demands seat at decision making table

A newly formed trucking organization has been created over the last two months, and on January 21, 2023 brought together at its inaugural gala more than 1,000 people representing about 200 carriers. The Canada Truck Operators Association (CTOA), comprised largely of trucking companies run by people with South Asian backgrounds, promised inclusivity as it demands a seat at the tables where policy and legislation affecting its members are created. The association is headed by executive director Jaskaran Sandhu, a Brampton, Ont.-based lawyer and former executive director of the World Sikh Organization of Canada. “This is absolutely powerful that the trucking industry has come together,” he told the audience at the Speranza Banquet Hall in Brampton, Ont., Saturday night. “You have here the

backbone of the Canadian economy. You have billions of dollars of goods movement that is managed by the folks in this room. Now, that is incredibly powerful.” However, the segment of the trucking industry that comprises the CTOA has largely been missing from discussions regarding the policy and regulations affecting it, Sandhu noted. A Newcom Media analysis in 2018 found that 17.8% of Canadian truck drivers identified as South Asian, up from 1.8% in 1996. That number was higher in Ontario (25.6%) and B.C. (34.6%).

22. Ontario Expands PRESTO Credit Payment to More Local Transit Agencies

The Ontario government is making it easier to take transit in the 905 (Greater Toronto and Hamilton Area) by giving riders more ways to pay. Starting January 23, 2023 riders on Durham Region Transit, York Regional Transit, Burlington Transit and Hamilton Street Railway (HSR) can tap credit cards to pay fares on a PRESTO device, including credit cards on a smartphone or a smartwatch.

23. Quebec ELD mandate to be enforced April 30

Quebec will mandate electronic logging devices (ELDs) beginning April 30 — lagging behind other jurisdictions but applying the rule sooner than expected. The announcement, made Jan. 23, 2023 comes after deadlines shifted multiple times. Provincial Transport Minister Francois Bonnardel said last April that the rules would be enforced Jan. 1 — aligning with plans elsewhere in Canada — while current Transport and Sustainable Mobility Minister Genevieve Guilbault told some of Quebec’s largest fleets late last year that the rules would be postponed to June 1, 2023.

24. U.S. Department of Transportation Providing \$29.4 Million in ‘Quick Release’ Emergency Relief Funding to California, Four U.S. Federal Land Management Agencies for Flood Damage Repair

The U.S. Department of Transportation’s Federal Highway Administration (FHWA) on January 24, 2023 announced the immediate availability of \$29.4 million in “quick release” Emergency Relief (ER) funds for use by the California Department of Transportation (Caltrans) and four U.S. and four U.S. Federal land management agencies as a down payment on the repair work needed as a result of multiple storms and flooding events that damaged roads, bridges and highways in late December 2022 and January 2023. FHWA is providing \$10.2 million to Caltrans to be distributed to local transportation agencies throughout the State to help repair Federal-aid highways maintained by local agencies. FHWA is also providing a total of \$19.2 million to the National Park Service, the U.S. Forest Service, the U.S. Fish and Wildlife Service, and the Bureau of Reclamation in order to repair federal land areas damaged by the severe storms that led to flooding, landslides and mudslides in California.

25. Paccar sets Q4 and 2022 records in revenue and net income

Paccar Inc. set record revenue and net income earnings in 2022 including a blowout fourth quarter. The OEM set annual revenue and net income records across all its businesses. New medium- and heavy-duty trucks at Kenworth, Peterbilt and DAF Trucks, a continuing streak of strong quarter-over-quarter performance in its parts business and strong profits in financial services combined for big numbers at the Bellevue, Washington-based manufacturer. “Kenworth and Peterbilt achieved market share of 29.8% in 2022 compared to 29.2% in 2021,” Darrin Siver, Paccar executive vice president, said in a news release. That trailed only market leader Daimler Truck North America, which reports its Q4 and 2022 results in February. Paccar said Class 8 truck industry retail sales in the U.S. and Canada were 283,500 units in 2022. Is better yet to come? Paccar projects the U.S. and Canada Class 8 truck industry retail sales to range from 270,000-310,000 trucks in 2023. It projects the same range for European retail sales. “In the truck sector, there is pent-up demand from the prior three years of underproduction. Customers need to replace aging fleets,” CEO President Feight told analysts on the company’s earnings call. “When we think about the year, it feels steady and strong throughout.

26. Pandemic’s lingering effects continue to inflate industrial real estate costs

Pandemic-related supply chain constraints, which helped drive commodities costs up, continue to have a lingering impact on overall costs and material lead times for construction of new industrial buildings. According to Cushman & Wakefield’s North American Industrial Costs Guide, significantly higher interest rate environment in the United States and Canada has also provided additional upward pressure to costs. “Construction activity in the industrial sector has raced to keep up with robust demand of the last two years in North American markets. While industrial construction pipelines continue at historically high levels, the sector is facing several headwinds,” said Brian Ungles, president, project and development services at Cushman & Wakefield. “The demand for industrial space – largely fuelled by the e-commerce sector, has led to historic levels of construction, and competition for materials and labour. This along with widespread inflation, has driven construction costs higher.”

27. By the Numbers: Canadians Want Govt to Step Up Enforcement of Driver Inc

Driver Inc. has made an uneven playing field in the trucking industry and is creating unfair and illegal disadvantages. Those using the scheme are siphoning up to \$1 billion a year in tax revenues away from vital Canadian services and infrastructure and into the underground economy while circumventing important labour, safety and environmental rules. Nearly three in four Canadians (73%) support or would accept the federal government taking action to stop Driver Inc — a growing labour misclassification scheme in the trucking industry, which forces or manipulates employees into

filing as independent contractors so that the companies can avoid providing important labour rights and entitlements under the Canada Labour Code.

28. Shippers see relief from lower rates, fuel costs

A more favourable freight environment for shippers and lower fuel costs bumped the FTR Shippers Conditions Index into positive territory in November 2022. The index moved from -0.3 to 3 in the month, marking its return to positive territory after two months in the negative rate. Rates were the most favourable for shippers since June 2020, and FTR says the outlook is “solidly positive” for shippers into 2024. “The outlook has improved overall for shippers, but it will depend on exactly what mode and lane they operate in, as to how much improvement they will feel in their business,” said Todd Tranausky, FTR’s vice-president of rail and intermodal. “Truck-focused shippers are likely to experience the largest improvements relative to rail and intermodal shippers.”

29. Truck tonnage ‘solid’ in 2022, despite slowdown at end of year

U.S. for-hire truck tonnage jumped 3.4% in 2022, marking its biggest yearly gain since 2018, the American Trucking Associations (ATA) reported. December 2022 tonnage came in at a 0.4% increase over November 2022. “Despite the small gain in December, for-hire truck tonnage clearly decelerated during the final quarter in 2022,” said ATA chief economist Bob Costello. “In fact, tonnage outperformed some other key metrics that drive truck freight, like housing starts and factory output during the final month of the year. This is probably because contract truckload freight is still outperforming the spot market and less-than-truckload freight after underperforming both of those sectors in 2021.” December’s seasonally adjusted gain of 0.3% was the 16th straight increase year over year, but the smallest over that period. “Despite weakening in the second half, 2022 overall was a solid year for truck freight tonnage,” Costello said. “The index’s yearly gains were primarily driven by strength in the first half of 2022, so despite a marked slowdown as the year ended, for the year as a whole, tonnage posted a very solid year overall.”

30. North American Transborder Freight up 4.8% in November 2022 from November 2021

Transborder freight between the U.S. and North American countries (Canada and Mexico) in November 2022 is as follows: 1. Total transborder freight: \$125.8 billion of transborder freight moved by all modes of transportation, up 4.8% compared to November 2021; 2. Freight between the U.S. and Canada totalled \$63.4 billion, up 3.3% from November 2021; 3. Freight between the U.S. and Mexico totalled \$62.4 billion, up 6.3% from November 2021; 4. Trucks moved \$78.6 billion of freight, up 7.0% compared to November 2021; 5. Railways moved \$16.5 billion of freight, up 0.2% compared to November 2021; 6. Pipelines moved \$11.0 billion of freight, up 7.4% compared to November 2021; and 7. Vessels moved \$9.3 billion of freight, down 3.7% compared to November 2021. US-Canada trade in both directions for November 2022 is as follows: Truck: \$34.1b; Pipeline \$10.1b; Rail \$9.3b; Air \$3.1b; and Vessel \$3b.

31. CTA Asks U.S. Ambassador to Support Removal of U.S. Vaccine Mandate

The Canadian Trucking Alliance (CTA) recently wrote to U.S. Ambassador to Canada David Cohen to solicit the Ambassador’s support in having the U.S. vaccine mandate at the land border removed for all non-U.S. citizens, including Canadian truck drivers crossing the Canada-U.S. border. In its correspondence, CTA highlighted that the Alliance and the American Trucking Associations (ATA) have continued to urge both governments to remain aligned regarding the removal of border restrictions, while noting that COVID restrictions across North America and worldwide continue to be eased. CTA also focused on the positive effect of allowing Canadian truck drivers currently ineligible to cross the border the ability to support Canada-U.S. trade, U.S. businesses and commerce, and significantly increase freight capacity, as supply chain challenges continue to persist and as we head into an unsteady economic period.

32. Trucking Suppliers Eye North American Production Shift

Truck component manufacturers are giving stronger consideration to sourcing production from North America, as international supply chains grapple with delays and disruption and shipping from China is getting more expensive and more difficult, according to executives speaking at a panel discussion at Heavy Duty Aftermarket Dialogue in Grapevine, Texas. “The business model of production moving to China to support the North American market has fundamentally changed,” said Jeff Porter, president and CEO of Velvac. Velvac manufacturers mirror heads, air brake and valve components, vision systems and more for the commercial vehicle market. Over the last four or five years, Velvac has been aiming to move much of its supply back to North America, Porter said. Recent events and supply chain constraints have only supported that mission as the right move.

GENERAL TRANSPORTATION

Canada

1. UK won’t be held to ransom by striking unions, minister says

UK ministers won’t be held to ransom by striking workers calling for more pay, Defence Secretary Ben Wallace said, as the government grapples with a wave of industrial action hitting hospitals, the railways

GENERAL TRANSPORTATION

Canada

1. UK won’t be held to ransom by striking unions, minister says, December 29, 2022, www.ajot.com
2. Transportation Statistics Annual Report 2022, December 30, 2022, www.bts.gov
3. One third of world economy expected to be in

and airports. Speaking to broadcasters at Manchester Airport on December 29, 2022, Wallace said an operation by the military to stand in for striking border force workers at British airports was “pretty efficient” and “overall we’re not seeing any disruption here to people’s travel.” Prime Minister Rishi Sunak’s administration is struggling to contain worker unrest over pay deals that are failing to keep pace with inflation at a four-decade high. That’s led to widespread strikes across several industries, with December predicted to see the biggest loss of working days since Margaret Thatcher was prime minister in 1989. “We’re not going back to the 1970s where the trade union barons thought that they ran the government,” Wallace said. “We’re not going to be held to ransom.” The line raised the ire of unions, with Unite General Secretary Sharon Graham calling Wallace’s remarks “puerile.” “The truth is that it is bandit capitalism that’s holding the country to ransom,” Graham said in a statement. “This government is presiding over a broken economy that works just for the rich and not for everyday people.” The government argues that increasing pay in line with rising prices would only serve to further stoke inflation and prolong the UK’s economic pain.

2. Transportation Statistics Annual Report 2022

The Bureau of Transportation Statistics (BTS) on December 30, 2022 released the 28th edition of the Transportation Statistical Annual Report (TSAR). The report is a collection of key transportation indicators along with an overview of the transportation system, to display ongoing technological change, shifting national priorities, and cultural, demographic, and economic challenges that have altered expectations of what is important to report to transportation stakeholders.

3. One third of world economy expected to be in recession in 2023, says IMF chief

2023 year is going to be tougher on the global economy than the one we have left behind, the International Monetary Fund’s (IMF) chief Kristalina Georgieva has warned. “Why? Because the three big economies, US, EU, China, are all slowing down simultaneously,” she said in an [interview](#) that aired on CBS Sunday, January 1, 2023. “We expect one third of the world economy to be in recession,” she said, adding that even for countries that are not in recession: “It would feel like recession for hundreds of millions of people.” While the US may end up avoiding a recession, the situation looks more bleak in Europe, which has been hit hard by the war in Ukraine, she said. “Half of the European Union will be in recession,” Georgieva added. The IMF currently projects global growth to be at 2.7% this year, slowing from 3.2% in 2022. The deceleration in China will have a dire impact globally. The world’s second largest economy weakened dramatically in 2022 because of its rigid zero-Covid policy, which left China out of sync with the rest of the world, disrupting supply chains and damaging the flow of trade and investment.

4. European Single Market is turning 30

This year, the EU celebrates the [30th anniversary of its Single Market](#) – one of the major achievements of European integration, and one of its key drivers. Established on 1 January 1993, the European Single Market allows goods, services, people and capital to move around the EU freely, making life easier for people and opening up new opportunities for businesses. Over 30 years, the Single Market has led to an unprecedented market integration between Member States’ economies, serving as a driver for growth and competitiveness and supporting Europe’s economic and political power at a global level. It also played a key role in accelerating the economic development of new Member States that joined the EU, removing barriers to entry and boosting growth. More recently, the Single Market has been essential in helping Europe to deal with the COVID-19 pandemic and the energy crisis resulting from Russia’s invasion of Ukraine. Preserving and strengthening the integrity of the Single Market will remain essential to allow Europe to respond to new challenges in a coordinated way and continue supporting the competitiveness of European economies.

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5. US surges to top of LNG exporter ranks on breakeven growth, January 3, 2023, [www.ajot.com](#)
6. Fresh fragility in global trade set to be revealed in 2023, January 3, 2023, [www.ajot.com](#)
7. National tourism indicators, third quarter 2022, January 6, 2023, [www.statcan.gc.ca](#)
8. BTS Releases 2020 Government Transportation Financial Statistics, January 6, 2023, [www.bts.gov](#)
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10. UK Union Boss Seeks Coordinated Strikes to ‘Maximise’ Effect, January 6, 2023, [www.ajot.com](#)
11. Minister of Transport announces requirement to provide more freight rail data to help strengthen Canada’s supply chain, January 9, 2023, [www.tc.gc.ca](#)
12. Biden-Harris administration releases first-ever blueprint to decarbonize America’s transportation sector, January 10, 2023, [www.dot.gov](#)
13. 88% of supply chain leaders surveyed fear “inflation and recession will be the biggest factors that will impact businesses in 2023”, January 9, 2023, [www.ajot.com](#)
14. Leading indicator of international arrivals to Canada, December 2022, January 11, 2023, [www.statcan.gc.ca](#)
15. U.S. Department of Transportation Releases Five-Year Research, Development and Technology Strategic Plan, January 11, 2023, [www.dot.gov](#)
16. CEO survey shows supply chains being adapted to meet environmental goals, January 13, 2023, [www.insidelogistics.ca](#)
17. Mexico, Canada win trade ruling against US on duty free cars, January 12, 2023, [www.ajot.com](#)
18. 2023 Compass Report: Leader Survey Highlights, January 16, 2023, [www.westac.ca](#)
19. 30 Years of the EU Single Market: A Referee for Fair Competition and a Coach for Economic Growth I Blog of Commissioner Thierry Breton, January 16, 2023, [www.europa.eu](#)
20. Trade and Climate: EU and partner countries launch the ‘Coalition of Trade Ministers on Climate’, January 19, 2023, [www.europa.eu](#)
21. Travel between Canada and other countries, November 2022, January 23, 2023, [www.statcan.gc.ca](#)

Thanks to the Single Market, the EU has been able to improve the lives of all Europeans including by: 1. Accelerating the transition to a greener and more digital economy; 2. Guaranteeing high safety and leading global technological standards; and 3. Responding to recent crises with unprecedented speed and determination.

5. US surges to top of LNG exporter ranks on breakneck growth

The US tied Qatar as the world's top exporter of liquefied natural gas last year, a milestone for the meteoric rise of America as a major supplier of the fuel. Both countries exported 81.2 million tons in 2022, according to ship-tracking data compiled by Bloomberg. While that's a modest increase for Qatar, it marks a huge leap for the US, which only began exporting LNG from the lower-48 states in 2016 and has seemingly overnight become a dominant force in the industry. A shale gas revolution, coupled with billions of dollars of investments in liquefaction facilities, transformed the US from a net LNG importer to a major supplier. The global energy crisis and a shift away from Russian pipeline gas has increased demand for US LNG, which could also help support construction of several new export projects across the Gulf Coast. The US would have been the world's top LNG exporter if not for a fire at the Freeport export plant in Texas, which has kept the plant shut since June. The facility is slated to resume operations later this month, which will cement the US as the biggest exporter of the fuel.

6. Fresh fragility in global trade set to be revealed in 2023

It's been almost two years since an Arabian sandstorm roiled the world's supply networks by nudging a 1,300-foot-long container ship into the muddy bank of the Suez Canal. The EverGiven's week-long grounding delivered a key warning: The global trading system isn't as stable as we thought. Since then, a pandemic-fuelled supply crunch, Russia's war with Ukraine, and a deepening rift in the US-China trade relationship have hammered home the idea that the world needs more resilient trade networks. As these supply-chain shocks begin to dissipate this year, the next fragility to be exposed will reveal how outdated the global trading system is in an era where the world's largest nations are stepping back from the founding principles of globalization. Here are five ways that global trade will transform in 2023: 1. Biden's Trade War; 2. Transatlantic Tensions; 3. Global Subsidies War; 4. Multilateralism in a Coma?; and 5. Return to Clubs

7. National tourism indicators, third quarter 2022

Tourism spending in Canada grew 3.2% in the third quarter, a sixth consecutive quarterly increase. Tourism gross domestic product (GDP) (+4.2%) and jobs attributable to tourism (+3.7%) also rose in the third quarter. Despite the tourism sector's continued recovery in the third quarter, tourism spending remains below the fourth quarter of 2019 level (by 18.4%), before the COVID-19 pandemic. Spending by international visitors was 32.2% below pre-pandemic levels, a slower recovery than that of tourism spending in Canada by Canadians, at 13.5% below pre-pandemic levels. Passenger air transport (+5.8%) contributed the most to the growth in tourism spending in the third quarter, followed by accommodation (+2.9%) and food and beverage (+2.4%) services.

8. BTS Releases 2020 Government Transportation Financial Statistics

State, local, and federal governments play an important role in the U.S. transportation system, as providers of transportation infrastructure and as administrators and regulators of the system. In 2020, government spending in the U.S. on building, rehabilitating, maintaining, operating, and administering the transportation system totalled more than \$400 billion.

9. U.S. Transportation Sector Unemployment Rate of 4.5% in December 2022 Was Above the December 2021 Level of 3.6% And Was Above the Pre-Pandemic December Level of 2.8% in 2019

The unemployment rate in the U.S. transportation sector was 4.5% (not seasonally adjusted) in December 2022 according to Bureau of Labor Statistics (BLS) data recently updated on the Bureau of Transportation Statistics (BTS) [Unemployment in Transportation](#) dashboard. The December 2022 rate rose 0.9 percentage points from 3.6% in December 2021 and was above the pre-pandemic December level of 2.8% in December 2019. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020. Unemployment in the transportation sector was above overall unemployment. BLS reports that the U.S. unemployment rate, not seasonally adjusted, in December 2022 was 3.3% or 1.2 percentage points below the transportation sector rate. Seasonally adjusted, the U.S. unemployment rate in December 2022 was 3.5%.

10. UK Union Boss Seeks Coordinated Strikes to 'Maximise' Effect

The boss of one of Britain's biggest transport unions called for coordinated strikes involving tens of thousands of public sector workers including teachers, firefighters and nurses, just as junior doctors consider joining the wave of industrial unrest. "We need to maximize our influence and leverage up across hopefully everyone that's involved in a dispute," Mick Lynch, general secretary of the National Union of Rail, Maritime and Transport Workers said. "So that'll be teachers, health care. I think we've got the fire brigade coming into it soon." Lynch spoke on January 6, 2023 from a picket line on the fourth of five days of train strikes that have crippled much of the UK's rail network. "I hope there will be a spirit of coordination," he added. Prime Minister Rishi Sunak's government is grappling with a wave of strikes that's causing widespread disruption to public services. The Royal Mail, public transport workers, National Health

Service staff, the Border Force and other parts of the civil service are all striking. Most disputes center around pay, with workers demanding raises that keep pace with Britain's double-digit inflation.

11. Minister of Transport announces requirement to provide more freight rail data to help strengthen Canada's supply chain

On January 9, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced amendments to the Transportation Information Regulations to increase supply chain transparency and create a better understanding of the performance of Canada's freight rail sector for the benefit of all rail users. These amendments aim to strengthen the accountability of freight rail service providers, by requiring major railways to provide Transport Canada with enhanced service and performance information. This information will significantly enhance the value of the information being collected and it will be published weekly on the Government of Canada's Transportation Data and Information Hub to provide Canadians with a better picture of end-to-end freight rail performance. Major railways will also provide Transport Canada with additional data to support targeted public policy and other regulatory purposes, including waybill information (such as origin, destination, weight) and traffic data (such as number of carloads, goods, and car types).

12. Biden-Harris administration releases first-ever blueprint to decarbonize America's transportation sector

The Biden-Harris Administration on January 10, 2023 released the U.S. National Blueprint for Transportation Decarbonization. Developed by the Departments of Energy, Transportation, Housing and Urban Development, and the Environmental Protection Agency, the Blueprint is a landmark strategy for cutting all greenhouse emissions from the transportation sector by 2050. It exemplifies the Biden-Harris Administration's whole-of-government approach to addressing the climate crisis and meeting President Biden's goals of securing a 100% clean electrical grid by 2035 and reaching net-zero carbon emissions by 2050. The Blueprint builds on President Biden's Bipartisan Infrastructure Law and Inflation Reduction Act, which together represent historic investments in the future of our nation that will transform how we move and live while we build the backbone of a safer and more sustainable transportation system.

13. 88% of supply chain leaders surveyed fear "inflation and recession will be the biggest factors that will impact businesses in 2023"

Container xChange released on January 9, 2023 the Container LogTech predictions report for 2023 which highlights important global trends that the shipping and supply chain industry will witness in 2023. The report draws attention to some of the most pertinent issues that industry will witness this year thereby helping professionals to prepare better for navigation. "The overall outlook for the year 2023 for the supply chain industry remains challenging. Europe is hit hard with all-time high inflation; China struggles to cope with the virus and the US continues to witness hinterland transportation challenges and labour unrest. Most of these challenges will stay in 2023. Consumer confidence will pick up, but it really depends on whether we witness more disruptions in the coming times." said Christian Roeloffs, cofounder and CEO, Container xChange, an online container logistics platform. Most of the experts surveyed foresee that inflation and recession will have a greater impact this year and will be the biggest driver of disruptions.

14. Leading indicator of international arrivals to Canada, December 2022

International arrivals to Canada—non-resident visitors and returning Canadians—nearly doubled compared with December 2021 but have not yet reached levels recorded before the COVID-19 pandemic. The 611,000 non-resident visitors that arrived from abroad at Canadian airports equipped with electronic sensors in December 2022 were almost double those that arrived in the same month in 2021. In December 2022, US residents took 785,800 trips to Canada through land ports with electronic sensors, over 465,400 more than in December 2021. During the same period, the number of Canadian residents that returned by air from visiting abroad via kiosk-equipped airports (1.3 million) nearly doubled that from December 2021. Compared with December 2021, 645,000 more Canadian residents—for a total of 1.3 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 December 2022. Complete counts for the December reference month will be available with the release of "Travel between Canada and other countries" on February 22, 2023.

15. U.S. Department of Transportation Releases Five-Year Research, Development and Technology Strategic Plan

On January 11, 2023, the U.S. Department of Transportation (DOT) recently released its Research, Development and Technology (RD&T) Strategic Plan for Fiscal Years (FY) 2022-2026. The new RD&T Plan continues the Department's leadership role in supporting, fostering, and safeguarding transportation innovation so that it meets strategic priorities and objections articulated in the U.S. DOT Strategic Plan. It is also a call for innovation, guided by the Innovation Principles that the Department rolled out in 2022.

16. CEO survey shows supply chains being adapted to meet environmental goals

CEOs around the world are facing business challenges that are hampering their ability to meet sustainability goals. The vast majority (93 percent) of CEOs polled for the 12th United Nations Global Compact-Accenture CEO Study said they

are experiencing 10 or more simultaneous challenges to their businesses and 87 percent warned that current levels of disruption will limit delivery of the UN Sustainable Development Goals (SDGs). While CEOs are increasingly concerned about these headwinds, 98 percent agree that sustainability is core to their role, a sentiment that has grown 15 percentage points over the last 10 years of the study. The study draws on insights from more than 2,600 CEOs across 128 countries, 18 industries, and over 130 in-depth interviews – making this the largest-ever sampling of executives, including the biggest group of CEOs from the Global South, since the start of the CEO study program in 2007.

17. Mexico, Canada win trade ruling against US on duty free cars

Mexico and Canada won a trade dispute with the US over cars shipped across regional borders, providing automakers more incentive to make vehicles in those nations. The decision was included in a final report released on January 11, 2023 by a five-member dispute-resolution panel set up under the 2020 US-Mexico-Canada Agreement. The panel made its preliminary ruling in November 2022, but it wasn't released until this week, after the leaders of the three countries met in Mexico City. Arbitrators “concluded that the United States has breached” an article of the USMCA, the panel said. US Trade Representative Katherine Tai’s office called the ruling “disappointing,” arguing it “could result in less North American content in automobiles, less investment across the region and fewer American jobs.”

18. 2023 Compass Report: Leader Survey Highlights

Transportation industry leaders are increasingly concerned about Canada's lack of a coordinated long-term infrastructure plan, as highlighted in the annual WESTAC Compass Report (Compass 2023: A Forward Thinking, Long-term Infrastructure Plan is Needed). Such a plan needs to focus on capacity concerns, infrastructure bottlenecks and trade corridors. The results of the 6th annual Compass survey highlight widespread perceptions that Western Canada’s competitiveness and reputation are declining. These interconnected variables can impact our relationship with trading partners who may question our ability to reliably deliver to market the Canadian goods that are increasingly in demand. A concerted effort is required to improve collaboration between supply chain stakeholders and create a forward-thinking, long-term infrastructure plan to help us meet Canada’s climate and trade goals. Lindsay Kislock, President & CEO of WESTAC noted “We need a long-term infrastructure plan that will provide the reliability, capacity and flexibility to meet the future demand for Canadian goods. Without a plan focussed on trade corridors and improving infrastructure bottlenecks, we are planning to fail.”

19. 30 Years of the EU Single Market: A Referee for Fair Competition and a Coach for Economic Growth I Blog of Commissioner Thierry Breton

As we celebrate the 30th anniversary of the Single Market this year, we will continue to look back at how far we have come in the past decades – including by weathering a succession of crises – and how a strong Single Market remains vital for our collective future. On January 16, 2023, against the backdrop of the consensus across the EU on the need to urgently boost European competitiveness and productivity, I would like to share two main messages: Firstly, the Single Market is and will remain our main instrument to ensure a level playing field among all 27 EU Member States. Secondly, the Single Market is and will remain our source of growth, job creation and exports. Because if there is one area where Europe needs a referee who is also a coach, it is the Single Market.

20. Trade and Climate: EU and partner countries launch the ‘Coalition of Trade Ministers on Climate’

On January 19, 2023, the European Commission, EU Member States, and 26 partner countries will launch “The Coalition of Trade Ministers on Climate”, the first Ministerial-level global forum dedicated to trade and climate and sustainable development issues. The Coalition will foster global action to promote trade policies that can help address climate change through local and global initiatives. The Coalition aims to build partnerships between trade and climate communities to identify the ways in which trade policy can contribute to addressing climate change. It will promote trade and investment in goods, services and technologies that help mitigate and adapt to climate change. A prominent element of the Coalition's agenda is to identify ways in which trade policies can support the most vulnerable developing and least developed countries that face the greatest risks from climate change.

21. Travel between Canada and other countries, November 2022

In November 2023, the overall number of international arrivals to Canada—non-resident visitors and returning Canadians—remained at almost three-quarters (73.5%) of the November 2019 level, before the COVID-19 pandemic. Residents of overseas countries took almost twice as many trips to Canada in November 2022 compared with the same month in 2021, 71.7% of the trips taken in November 2019. US residents took 1.0 million trips to Canada in November 2022, more than double the number of trips taken in November 2021 and over two-thirds (70.7%) of those taken in November 2019, before the pandemic. Canadian residents returned from 3.1 million trips abroad in November 2022, almost three times the number of trips taken in November 2021, recovering nearly three-quarters (74.7%) of the November 2019 pre-pandemic level. In fact, the number of Canadians returning from the United States by air has now recovered to its pre-pandemic level.